

ABUJA ELECTRICITY DISTRIBUTION PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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Corporate Information

Registered No RC 638681

Tax Identification Number 01783033-0001

| Directors | Name | Designation |
|------------------|------------------------------|---------------------------|
| | Mr. Stanley Lawson | Chairman (Non-Executive) |
| | Dr. Abubakar Tambuwal Atiku | Non-Executive |
| | Mr. Chiugo Ndubisi | Non-Executive |
| | Dr. (Mrs) Owen Omogiafo, OON | Non-Executive |
| | Mr. Ayodeji Ariyo Gbeleyi | Non-Executive |
| | Dr. Mohammed Usman Gur | Independent Non-Executive |
| | Engr. Chijioke Okwuokenye | Managing Director/CEO |

Registered Office 1 Ziguinchor Street
Off IBB Way
Wuse Zone 4
Abuja

Ag. Company Secretary George Chinda
1 Ziguinchor Street
Off IBB Way
Wuse Zone 4
Abuja

Auditor Ernst & Young
10th and 13th Floors, UBA House,
57 Marina, Lagos.

Bankers United Bank for Africa Plc
UBA House, 57 Marina Lagos Island, Lagos Nigeria.

First Bank of Nigeria Limited
Comassie House, Central Business Area, Lagos, Nigeria.

Guaranty Trust Bank Limited
Plot 771, National Mosque Road CBD, Abuja, Nigeria.

FRC Number FRC/2014/00000003052

Report of the Directors

For the year ended 31 December 2025

The directors present their report on the affairs of Abuja Electricity Distribution Plc ("the Company"), together with the financial statements and auditor's report for the year ended 31 December 2025.

Legal form and business review

The Company was incorporated in Nigeria on 8 November 2005 as a public limited liability company to take over electricity distribution activities and related businesses of the Power Holding Company of Nigeria Plc ("PHCN") in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States.

As part of the Federal Government of Nigeria's ("FGN") initiative to transform the power sector, the Nigerian Electricity Regulatory Commission (NERC) was established in October 2005 as required under the Electric Power Sector Reform Act (EPSRA) 2005. NERC is Nigeria's independent regulatory agency for the Nigerian electricity industry comprising generation, transmission and distribution sectors and regulates the activities of the Company. In 2008, the Nigerian Electricity Regulatory Commission (NERC) introduced the Multi-Year Tariff Order (MYTO) as the framework for determining the electricity industry pricing structure. This framework forms the basis for the Company's revenue determination, after taking into account adjustments applicable under the Transitional Electricity Market (TEM) rules, as issued by NERC through Order No. 136 dated 29 January 2015 and effective from 1 February 2015. The TEM rules were amended on 18 March 2015 and the amended rules became effective 1 April 2015.

On 1 November 2013, the FGN completed the privatization of the electricity sector effectively handing over 6 generation and 11 distribution companies to new owners under various share sale agreements. As a result of this, 60% interest of the Company was acquired by a Nigerian company, KANN Utility Company Limited ("KANN"). In 2020, CEC Africa Investments Limited acquired the majority of KANN's shares. As a result, the ultimate controlling party of the Company was CEC Africa. On 31 December 2021, the controlling shares of the Company (60%) were allotted to United Capital Trustees Limited (UCTL) and that made UCTL the new controlling party of the Company. On 18 May 2023, Jeolan International Limited acquired the sixty percent (60%) shareholding previously held by UCTL in the Company with commitment to commence immediate turnaround of the Company.

Principal activities

The Company continues with its electricity distribution activities and related businesses in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States as its principal activities.

Operating results

The following is a summary of the Company's operating results:

| <i>Summary of profit or loss</i> | 31 December 2025 ₦'000 | 31 December 2024 ₦'000 |
|--|------------------------------|------------------------------|
| Revenue | 699,484,008 | 601,630,343 |
| Gross profit | 106,078,867 | 67,671,961 |
| Operating profit | 49,678,507 | 32,775,861 |
| Profit before tax | 17,018,338 | 3,112,294 |
| Minimum tax | - | (1,594,302) |
| Income tax expense | (2,567,024) | (736,885) |
| Profit for the year | 14,451,314 | 781,107 |
| <i>Summary of financial position</i> | | |
| Total assets | 610,081,651 | 535,883,221 |
| Total liabilities | 467,736,108 | 407,676,280 |
| Equity | 142,345,543 | 128,206,941 |

Report of the Directors - continued

For the year ended 31 December 2025

Operating results - continued

The Company's revenue for the year 2025 amounts to ₦699.5 billion representing a 16% increase from ₦601.6 billion in 2024. This is as a result of increase in Band A tariff rate, national grid supplies and tariff shortfall awarded to the Company in 2025 (see note 6.1).

The directors have continued with certain initiatives aimed at improving the financial position and operations of the Company. These include:

-Access to the Central Bank of Nigeria (CBN) Nigerian Electricity Market Stabilisation Fund (NEMSF) and National Mass Metering Programme (NMMP): In 2018, the Company accessed the CBN fund and utilized different drawdowns to settle its market debt and for CAPEX. Details of these loans are presented in the table below under Material Agreements.

In 2025, the Company received only an additional loan of ₦150 million under NEMSF 2 (CBN CAPEX Intervention Project), which was disbursed directly to AEDC contractors. All loan repayments in respect of the CBN facilities are made as and when due. The CBN NEMSF 1 loan was fully repaid during the year.

Furthermore, in 2025, the Company received electricity meters valued at ₦4.19 billion under the Distribution Sector Recovery Programme (DISREP). The programme, funded by the World Bank and administered through the Transmission Company of Nigeria (TCN), provides for direct settlement to meter vendors upon confirmation of supply and installation.

AEDC will recognise the ₦4.19 billion DISREP facility as a loan in its books upon settlement of the vendors through DISREP. Until such payments are made, the obligation is presented as payables to other vendors, rather than as a loan liability.

In 2024, the Company received additional loans of ₦3.6 billion and ₦1.7 billion from NEMSF 2 and NEMSF 3, respectively, amounting to a total of ₦5.1 billion under the CBN CAPEX Intervention Project. Of this amount, ₦3.36 billion from NEMSF 2 was paid directly to CBN approved CAPEX contractors.

In addition, the Nigerian Electricity Regulatory Commission (NERC) approved the CBN-Nigeria Electricity Market Stabilisation Facility 3 (CBN NEMSF 3) for the purpose of electricity transmission and distribution network investment. During 2024, a sum of ₦1.77 billion was disbursed to Transmission Company of Nigeria (TCN) contractors through AEDC towards improving the transmission infrastructure within the AEDC franchise area. Furthermore, ₦7.5 billion had been disbursed under NEMSF 3 in 2022, bringing the total amount disbursed to TCN contractors to ₦9.28 billion.

In line with the agreements between the Company, TCN, and the Central Bank of Nigeria (CBN), these amounts were loaned to the Company and are repayable over 117 months, with a moratorium of 21 months on the principal repayment. The amounts have also been agreed between the Company and TCN to be recovered from the outstanding balance owed by the Company to TCN.

Subsidies for tariff shortfalls: In 2019, NERC awarded the Company an accumulated tariff shortfall for 2015 to 2018 of ₦102.2 billion and a tariff shortfall for 2019 of ₦62.7 billion. The Company recognized the sum of ₦51.5 billion and ₦29.8 billion shortfall for 2021 based on the NERC approved parameters. In 2022 and 2023, the company recognized the sum of ₦8.1 billion and ₦70.57 billion as tariff shortfall. In 2025, the company was awarded a tariff shortfall of ₦279 billion (2024: ₦285 billion). The tariff shortfalls from 2019 to 2023 are settled through a netting off of NBET payables based on the amounts awarded by NERC. However, starting in 2024, NBET issues invoices to AEDC net of the tariff shortfall, unlike prior years when 100% of the invoice value was issued to AEDC.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: Nil). This decision is based on strict legal constraints and prudent financial stewardship, formally justified by the following business conditions:

Absence of Distributable Profits (CAMA 2020): Pursuant to CAMA 2020, dividends may only be paid out of distributable profits.

Notwithstanding the Company's profit for the year of ₦14.1 billion, the accumulated losses carried forward at 31 December 2025 amount to ₦50.6 billion. On this basis, the Company has no distributable profits from which a dividend could be declared.

Prioritization of Statutory Tax Obligations: The Company carries significant current tax liabilities within its books. The Board maintains that the full discharge of these statutory obligations takes absolute precedence over shareholder distributions. This operational necessity formally justifies the retention of earnings, safeguarding the Company against discretionary Nigeria Revenue Service (NRS) assessments on undistributed profits.

Outlook: The Board remains committed to generating sustainable shareholder returns. The Directors will keep this position under review at each financial year-end and will recommend dividends when distributable profits are legally available and the financial position of the Company supports such a distribution without detriment to its operational or regulatory obligations.

Report of the Directors - continued
For the year ended 31 December 2025

Directors and their interests

The Directors who served during the year and as of the date of this report were as follows:

| <u>Name</u> | <u>Designation</u> | |
|--------------------------------|-------------------------------------|---------------------------|
| Dr. Stanley Lawson | Chairman | |
| Dr. Mohammed Usman Gur* | Independent Non- Executive Director | Appointed 24th April 2025 |
| Engr. Chijoke Okweokenye | Managing Director/CEO | |
| Mrs. Hajiya Sutura Aisha Bello | Alternate Director (BPE) | |
| Mr. Ayodeji Ariyo Gbeleyi | Non- Executive Director (BPE) | |
| Dr. (Mrs) Owen Omogiafo, OON | Non- Executive Director | |
| Dr. Abubakar Tambuwal Atiku | Non- Executive Director | |
| Mr. Chiugo Ndubisi | Non- Executive Director | |

Directors interest in shares

The Directors indicate that they do not have any interests required to be disclosed under Section 301 of the Companies and Allied Matters Act 2020.

Directors interest in contracts

For the purpose of Section 303 (1) of the Companies and Allied Matters Act, (CAMA) 2020, the Board confirms that no Director has notified the Company of his or her direct or indirect interest in contracts or proposed contracts with the Company during the year.

Shareholding structure

The shareholding structure of the Company is as follows:

| | <u>15 million shares at ₦ 1 each</u> | | | |
|----------------------------------|--------------------------------------|-------------------|-------------------------|-------------------|
| | <u>31 December 2025</u> | | <u>31 December 2024</u> | |
| | % | Number | % | Number |
| Jeolan International Limited | 60 | 9,000,000 | 60 | 9,000,000 |
| Bureau of Public Enterprises | 32 | 4,800,000 | 32 | 4,800,000 |
| Ministry of Finance Incorporated | 8 | 1,200,000 | 8 | 1,200,000 |
| Total | 100 | 15,000,000 | 100 | 15,000,000 |

Material agreements

The Company has entered into the following material agreements:

1 Loan agreements with NELMCO and TCN

In a bid to raise required cash to collateralize a letter of credit in favour of NBET, the Company entered into loan agreements with the Nigerian Electricity Liability Management Company (NELMCO) and the Transmission Company of Nigeria (TCN) for funds amounting to ₦6.50 billion and ₦1.21 billion from TCN and NELMCO respectively to establish the letter of credit required for participation in the Transitional Electricity Market (TEM). Under TEM, all the Company's trading arrangements will be consummated through the Power Purchase Agreements, and Vesting Contracts.

2 Nigerian Electricity Stabilization Facility Disbursement agreement with CBN and NERC

As part of the initiatives to resolve the liquidity problem in the Nigerian Electricity Supply Industry (NESI), the Federal Government established the Nigerian Electricity Market Stabilization Facility (NEMSF) aimed at settling the outstanding payment obligations due to the market participants and the legacy gas debts due to NELMCO.

The Company entered into financing arrangements with the Central Bank of Nigeria (CBN) and the Nigerian Electricity Regulatory Commission (NERC). A total of ₦78.2 billion was drawn down from these facilities. Funds received under the National Mass Metering Programme (NMMP) were disbursed for the procurement of meters in accordance with the NMMP arrangement, while funds obtained under NEMSF 1 and NEMSF 2 were utilised for the settlement of outstanding market obligations, operating expenditure monthly underfunding refund, and capital expenditure.

Report of the Directors - continued

For the year ended 31 December 2025

Material agreements - continued

2 Nigerian Electricity Stabilization Facility Disbursement agreement with CBN and NERC - continued

The NEMSF 3 arrangement was established to provide funding to Transmission Company of Nigeria (TCN) contractors, disbursed through AEDC, for the purpose of improving transmission infrastructure within the AEDC franchise area. See the table below:

| | CBN-NEMSF 1 | CBN-NEMSF 2 | CBN-NEMSF 3 | NMMP- Phrase 0 | Total |
|----------------------|------------------------------|----------------------------------|------------------------------|--------------------------------|------------|
| Interest Rate | 10% | 9% | 9% | 9% | |
| Loan Term | April 2018 - January 2025 | December 2021 - December 2030 | December 2022 - July 2032 | August 2021 - November 2030 | |
| Year of Disbursement | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2018 | 23,719,651 | - | - | - | 23,719,651 |
| 2019 | 1,084,673 | - | - | - | 1,084,673 |
| 2021 | - | 17,979,103 | - | 5,998,318 | 23,977,421 |
| 2022 | - | 10,218,122 | 7,514,695 | - | 17,732,817 |
| 2023 | - | 6,488,781 | - | - | 6,488,781 |
| 2024 | - | 3,357,037 | 1,765,683 | - | 5,122,720 |
| 2025 | - | 150,074 | - | - | 150,074 |
| Total | 24,804,324 | 38,193,117 | 9,280,378 | 5,998,318 | 78,276,137 |

3 Collection Channel Partners' agreement

As part of the measures to make vending platforms more readily available to prepaid customers, the Company entered into separate agreements with Collection Channel Partners. Under the agreements, the Partners are to provide electronic platforms and web based applications to enable customers vend electricity online, paying with credit or debit cards. In 2025 these partners earn a commissions of 1% (web rates) and 2.5% (Agent rates) of net sales. In addition to the above, a 0.5% commission of net collection is paid to the system provider (ARMS).

Management intends to continue to enter into this type of arrangements with quality partners to improve its collection rates.

4 Operations and management (O&M) agreement with related parties

The Company has an Operations and Management (O & M) agreement with the parent company, Jeolan International Limited for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building. The remuneration of Jeolan International is made up of two components. The first component is a Fixed Fee (equivalent to 2% of collections) to reimburse costs incurred by Jeolan. The second component of remuneration is a Management Fee which will be a performance related fee based on the achievement of performance measures.

Geographical presence

In order for the Company to operate in the Federal Capital territory (FCT), Kogi, Nasarawa and Niger States where it distributes electricity, it now has One Hundred and Twenty-Four Feeders (124) in Six Clusters and Head Office. The feeders are headed by Feeder managers and coordinated by the Chief Business Officers (CBO).

Property, plant and equipment (PPE)

Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements.

In the opinion of the directors, market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

Charitable contributions

During the year, the Company made charitable contributions to various organizations and persons amounting to ₦6.01 million (2024: ₦1.5 million), which is part of other expenses in Note 7.2. The table below shows the breakdown of charitable donations made during the year:

| Donations | 2025 | 2024 |
|--------------------------------------|------------------|------------------|
| Emir of Keffi and others | 309,000 | - |
| Community outreach | 4,945,000 | 1,500,000 |
| Tudun-Wada support for students WAEC | 327,000 | - |
| Orphanage | 431,000 | - |
| | <u>6,012,000</u> | <u>1,500,000</u> |

In accordance with Section 43 of the Companies and Allied Matters Act 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year (2024 : Nil).

Report of the Directors - continued
For the year ended 31 December 2025

Employment and employees - continued

c Employment of physically challenged persons:

The Company has eight (8) physically challenged persons in its employment (2024: ten (10)). 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 is 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 physically challenged persons should, as far as possible, be identical with that of other employees.

d Employee health, safety and welfare

The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various insurance policies, including group personal accident and group life insurance policies, to adequately secure and protect its employees. It is the Company's goal to ensure that its incident-free safety record in operations is amongst the best, locally and globally and its Safety policy is based on this goal.

Format of financial statements

The financial statements are prepared in accordance with the reporting and presentation requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, in compliance with the Financial Reporting Council Act of Nigeria (Amendment) Act, 2023 and the Companies and Allied Matters Act, 2020. The Directors consider that the format adopted is most suitable for the Company.

Independent Auditor

Messrs. Ernst & Young have expressed their willingness to continue to be the Company's auditors in accordance with Section 401(1) of the Companies and Allied Matters Act, (CAMA) 2020. A resolution shall be made at the Annual General Meeting authorizing the Directors to determine their remuneration.

By order of the Board



George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999

25 May 2026

Corporate Governance Report For the year ended 31 December 2025

Abuja Electricity Distribution Plc (“AEDC or “the Company”) is committed to upholding the highest standards of corporate governance through the adoption of a sound corporate governance framework, which ensures the promotion of effective governance through the strategic direction and oversight of the Board. At AEDC, good corporate governance is at the centre of our business and an integral part in creating and sustaining value for stakeholders.

1 Overview

During the year ended 31 December 2025, AEDC complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN), Nigerian Electricity Regulatory Commission (NERC) and the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, making the business more sustainable and upholding the Company’s brand equity. The Policies updated and/or approved by the Board in 2025 were:

- i. Company policy governance framework
- ii. Board governance and board committee governance charters
- iii. Internal Audit Charter
- iv. Code of conduct and compliance
- v. ESG policy

The following are details of some of the Policies that promote good Corporate Governance in the Company:

►Company Policy Governance Framework

This framework explains the governance laws applicable to the Company’s businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.

►Board Governance and Board Committees Governance Charters

These charters provide the governance framework for the Board and Board Committees. The framework promotes the effective governance of the Company.

►Executive Management Charter

This charter provides for the Executive Management Committee (EMC) of the Company - its composition, role, terms of reference, proceedings and general governance framework.

Code of Conduct and Compliance

This Code was designed to adopt a consistent approach to integrity issues between the Company and its employees, Directors, related parties, government officials, business partners, and customers. It provides the policies and procedures to be followed on matters pertaining to anti-corruption, conflict of interest, anti-bribery/ improper payments, money laundering, terrorism financing and insider related transactions (blackout policy). Upon appointment, and subsequently annually, each staff and Director signs an undertaking to abide by the provisions of the Code.

ESG Policy

This Policy covers the environmental and social dimensions of sustainable development which AEDC recognises as part of good business and is applicable to all our organizational units as well as the operational locations where it carries on business. The Company is committed to sustainable development, in its day-to-day activities including Stakeholder Engagement, Corporate Governance, Preserving the Environment, Employee related matters, Vendors Engagement and Supplies, Safety, Health and Environment Management, Community Investment and Corporate Social Responsibility, Ethics and Whistle-Blowing.

Corporate Governance Report - continued

For the year ended 31 December 2025

2 The Board

2.1 General

The Board of Directors consists of seven (7) members with one alternate director representing the BPE as at December 2025. In accordance with the provisions of the Companies and Allied Matters Act 2020 (CAMA) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board proceedings. The Board meets at least four times in a year, however in the year 2025 the Board met three times. The details of Directors' attendance at Board meetings are disclosed in the Annual Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its Committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, all of whom are successful individuals who have distinguished themselves in their chosen fields.

Board Appointment

Directors are appointed on the recommendation of the Board Audit and Governance Committee (BAGC) in accordance with the Board and Board Committees Governance Charter. In selecting Directors, the Company seeks individuals who have cognate experience, good image and reputation, high integrity, shareholder orientation, no conflict of interest, knowledge of the Company's strategic businesses and a genuine interest in the Company.

Induction and Training processes

The Company has in place a solid induction and training process. Newly appointed Directors undergo this induction programme on the Company's business and its governance structure.

2.2 In compliance with good corporate governance practices, the positions of the Chairman of the Board and the Managing Director/CEO are separate and occupied by separate individuals.

During the year under review, the Board of Directors of the Company was composed as follows:

| Director | Position | Date appointed to the board | Date(s) re-appointed/re-elected | Date of resignation |
|--------------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------|
| Dr. Stanley Lawson | Chairman | 18th May 2023 | NA | NA |
| Engr. Chijoke Okwuokenye | Chief Executive Officer | 22 July 2024 | NA | NA |
| Mr. Ayodeji Ariyo Gbeleyi | Non-Executive Director(BPE) | 27th June 2024 | NA | NA |
| Mrs. Hajjya Sutura Aisha Bello | Alternative Director (BPE) | 27th June 2024 | NA | NA |
| Dr. (Mrs). Owen Omogiafo, OON | Non-Executive Director | 18th May 2023 | 18 December 2025 | NA |
| Dr. Atiku Abubakar Tambuwal | Non-Executive Director | 9th September 2021 | 8th October 2024 | NA |
| Mr. Chiugo Ndubisi | Non-Executive Director | 18th May 2023 | 18 December 2025 | NA |
| Dr. Mohammed Usman Gur | Independent Non-Executive | 24th April 2025 | NA | NA |

Corporate Governance Report - continued

For the year ended 31 December 2025

2.3 Board Meeting Attendance

During the year under review, the Board met three (3) times. The table below shows the frequency of meetings of the Board and members attendance:

| Director | Total Attendance | 24th April | 22nd August | 5th December |
|-------------------------------|------------------|------------|-------------|--------------|
| Dr. Stanley Lawson | 3 | ✓ | ✓ | ✓ |
| Dr. Ayodeji Ariyo Gbeleyi | 3 | ✓ | ✓ | ✓ |
| Engr. Chijioke Okwuokenye | 3 | ✓ | ✓ | ✓ |
| Dr. (Mrs). Owen Omogiafo, OON | 3 | ✓ | ✓ | ✓ |
| Mr Chiugo Ndubisi | 3 | ✓ | ✓ | ✓ |
| Mr. Abubakar T. Atiku | 3 | ✓ | ✓ | ✓ |
| Dr Mohammed Usman Gur | 3 | ✓ | ✓ | ✓ |

(a) Board Audit & Governance Committee

The functions of the Board Audit & Governance Committee (BAGC) include the following:

- ▶ Establish procedures for the nomination of Directors.
- ▶ Approve recruitments, promotions, redeployments, and disengagements for the Company/Group heads of departments that make up the Executive Management Committee.
- ▶ Recommend to the Board compensation for all staff of the Company.
- ▶ Review and evaluate the skills of members of the Board.
- ▶ Advise the Board on corporate governance standards and policies.
- ▶ Review and approve all human resources and governance policies for the Company.
- ▶ Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- ▶ Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- ▶ Any other function assigned to it by the Board including Audit and Regulatory Compliance.
- ▶ Assist the Board in fulfilling its oversight responsibilities with regard to audit and control.
- ▶ Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.

During the year, the Committee, amongst other things, continued to work in line with its mandate and made recommendations to the Board on the matters stated above and other issues delegated to it by the Board. The Committee was composed of the following members as at December 31, 2025:

- | | | |
|---|---------------------------|------------|
| 1 | Dr. Owen Omogiafo | - Chairman |
| 2 | Mr. Ayodeji Ariyo Gbeleyi | - Member |
| 3 | Dr Mohammed Usman Gur | - Member |

Written reports of the Committee's meetings, decisions made, and its recommendations are presented to the full Board at quarterly Board meetings.

The BAGC met five (5) times in 2025. The table below shows the frequency of meetings and members' attendance:

| | Total Attendance | 15th April | 23rd May | 25th July | 30th July | 16th October |
|---------------------------|------------------|------------|----------|-----------|-----------|--------------|
| Dr. Owen Omogiafo | 5 | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Ayodeji Ariyo Gbeleyi | 5 | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr Mohammed Usman Gur | 1 | N/A | X | X | X | ✓ |

Each BAGC meeting was attended by the Chief, Internal Audit who presented the Internal Audit Report and Risk Report.

Corporate Governance Report - continued

For the year ended 31 December 2025

2.3 Board Meeting Attendance - continued

(b) Board Finance and General Purpose Committee

The functions of the Finance and General Purpose Committee (FGPC) include the following:

- ▶ Discharge the Board's responsibilities with regard to strategic direction and budgeting, technology matters , Information technology etc.
- ▶ Provide oversight on financial matters and the performance of the Company.
- ▶ Review and recommend investment opportunities or initiatives to the Board for decision.
- ▶ Recommend financial and investment decisions within its approved limits.
- ▶ Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Company .

During the year, the Committee amongst other things reviewed the Company's quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, progress on key investments, and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval.

The committee comprises:

- 1 Mr. Chiugo Ndubisi - Chairman
- 2 Dr. (Mrs) Owen Omogiafo, OON - Member
- 3 Mr. Ayodeji Ariyo Gbeleyi - Member

During the year under review, the F& GPC met three (3) times. The table below shows the frequency of meetings of F&GPC and members' attendance:

| Director | Total Attendance | 26th May | 31st July | 22nd October |
|------------------------------|------------------|----------|-----------|--------------|
| Mr. Chiugo Ndubisi | 3 | ✓ | ✓ | ✓ |
| Dr. (Mrs) Owen Omogiafo, OON | 3 | ✓ | ✓ | ✓ |
| Mr. Ayodeji Ariyo Gbeleyi | 3 | ✓ | ✓ | ✓ |

Each F & GPC meeting was attended by the CFO who presented the Financial Reports to the Committee.

2.4 The Technical and Safety Committee

The Technical and Safety Committee (TASC) is a Board Committee established to assist the Board to fulfil its responsibilities and deliver exceptional performance in relation to health and safety risks, public safety and environmental protection matters arising out of the activities of the company. The Committee advises the Board on health and safety and environmental matters in relation to employees, contractors, customers and the general public. The Committee comprises:

- 1 Mr. Ayodeji Ariyo Gbeleyi - Chairman
- 2 Mr. Chiugo Ndubisi - Member
- 3 Dr. (Mrs) Owen Omogiafo, OON - Member
- 4 Dr. Atiku Abubakar Tambuwal - Member
- 5 Dr. Mohammed Usman Gur - Member

Corporate Governance Report - continued

For the year ended 31 December 2025

2.4 The Technical and Safety Committee - continued

During the year under review, the TASC met two (2) times. The table below shows the frequency of meetings of the TASC and members' attendance.

| Director | Total number of meetings attended | 8th July | 16th October |
|------------------------------|-----------------------------------|----------|--------------|
| Mr. Ayodeji Ariyo Gbeleyi* | 2 | ✓ | ✓ |
| Mr. Chiugo Ndubisi | None | N/A | N/A |
| Dr. (Mrs) Owen Omogiafo, OON | 2 | ✓ | ✓ |
| Dr. Atiku Abubakar Tambuwal | 2 | ✓ | ✓ |
| Dr. Mohammed Usman Gur | 2 | ✓ | N/A |

The Board delegated the day-to-day running of the Company to the leadership team of the company headed by the Chief Executive Officer.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee comprises:

Members

Engr. Chijioke Okwuokenye
Mr. Blessing Ogbe
Mr. George Chinda
Mr. Oluseyi Olanrewaju
Mrs. Irene Nwankwo
Engr. Godfrey Aba
Mr. Uche Anayalewechi
Mr. Canice Obi
Mrs. Leticia Ejindu
Mr. Kehinde Adeyemi Jonathan
Mr. Samuel Odekina
Mrs. Veronica Abah
Mr. Olaseni Agunpopo
Mr. Adeniyi Adejola

Designation

Managing Director/CEO
Chief Operating Officer
Ag. Company Secretary/Head, Legal
Chief Financial Officer
Chief Internal Auditor
Chief Technical Officer
Chief Information Officer (CIO)
Chief Business Officer (Apo)
Chief Business Officer (Garki)
Chief Business Officer (Wuse)
Chief Business Officer (Niger)
Chief Business Officer (Nasarawa)
Chief Business Officer (Kogi)
Chief Human Resources

The Executive Management Committee (EMC) meets fortnightly to consider operational matters and the MD/CEO is the Chairman of the EMC.

Directors' Remuneration Policy

The Board's remuneration policy as embedded in the Board Charter states that the remuneration of non-executive directors should be fixed by the Board and approved by Shareholders in General Meeting. The Board Policy on annual emolument of Non-Executive directors stipulates as follows;

Non-Executive Directors

Annual Fees & Allowances

Non-executive Directors earn ₦23,600,000 as Directors' fees annually while the Chairman earns ₦33,000,000. This includes estacode payment and is made quarterly.

Board Meetings

Non- Executive Directors earn ₦200,000 sitting allowances per meeting while the Chairman earns ₦300,000. Transportation costs and hotel expenses are reimbursed where applicable.

Corporate Governance Report - continued
For the year ended 31 December 2025

Committee Meeting

Non- Executive Directors earn ₦150,000 sitting allowances per meeting, while the Chairman earns ₦200,000. Transportation costs and hotel expenses are reimbursed where applicable.

Executive Directors

The remuneration policy for executive directors embedded in the Board Charter states as follows:

- The remuneration of Executive Directors should comprise the components that are long-term performance related and may include stock options and bonuses which should, however, be disclosed in the Company's annual report.
- The Board should approve the remuneration of each Executive director including the Managing Director, individually taking into consideration direct relevance of skill and experience to the Company at that time.

Human Resource Policies and internal management structure

The Human Resource policy provides for benefits available to eligible employees of the Company. The Company has put in place internal control system to ensure that the company's practices comply with regulations.

Gender diversity on the Board and employment

The Company ensures gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level is 1:2.

Statement by the Board on the Company's Environment, Social and Governance (ESG) activities

The Company was involved in Environment, Social and Governance activities that make the company address environmental or social issues which impact its stakeholders.

By order of the Board



George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999

25 May 2026

Statement of Directors' Responsibilities in relation to the Preparation of the Financial Statements
For the year ended 31 December 2025

The Companies and Allied Matters Act, (CAMA) 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. The responsibilities include ensuring that the Company:

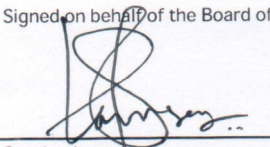
1. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, (CAMA) 2020, IFRS Accounting Standards as issued by the International Accounting Standards Board, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023;
2. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
3. Prepares its financial statements using suitable material accounting policy information supported by reasonable and prudent judgements and estimates that are consistently applied.

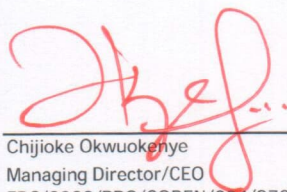
The Directors accept responsibility for the financial statements, which have been prepared using appropriate material accounting policy information supported by reasonable and prudent judgements and estimates in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies and Allied Matters Act 2020, and in compliance with 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 as of, and of its profit for the year ended 31 December 2025. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. See Note 34 to the financial statements for more details.

Signed on behalf of the Board of Directors by:


Stanley Lawson
Chairman
FRC/2015/PRO/DIR/003/00000012416
25 May 2026

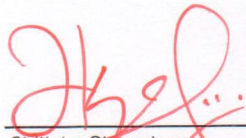

Chijioke Okwuokenye
Managing Director/CEO
FRC/2026/PRO/COREN/004/972963
25 May 2026

Statement of Corporate Responsibility for the Financial Statements
For the year ended 31 December 2025

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and Chief Financial Officer, hereby certify the financial statements of Abuja Electricity Distribution Plc for the year ended 31 December 2025 as follows:

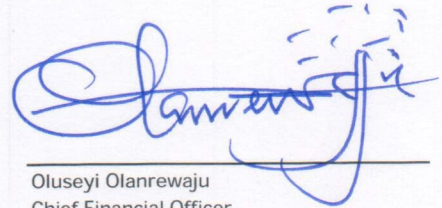
- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2025.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That 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.
- d) That we are responsible for establishing and maintaining internal controls relating to the Company during the year ended 31 December 2025.

Signed on behalf of:



Chijioke Okwuokenye
Managing Director/CEO
FRC/2026/PRO/COREN/004/972963

25 May 2026



Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496

25 May 2026

Certification by Company Secretary.
For the Year End 31 December 2025

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020 that for the year ended 31 December 2025, the Company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



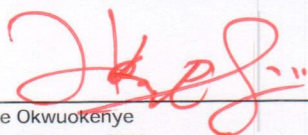
George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999
25 May 2026

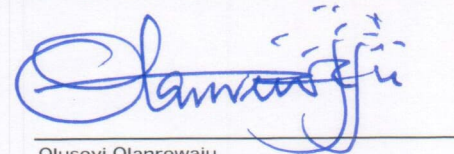
Certification of Management's Assessment on Internal Control over Financial Reporting
For the Year End 31 December 2025

To comply with the requirement of Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of Abuja Electricity Distribution Plc for the year ended 31 December 2025.

We, Chijioke Okwuokenye (Managing Director/CEO) and Oluseyi Olanrewaju (Chief Financial Officer) certify that:

- a. We have reviewed this management assessment on Internal control over financial reporting of Abuja Electricity Distribution Plc
- 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 entity as of, and for, the periods presented in this report;
- d. We:
 - 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 the entity, 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 entity'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 the end of the period covered by this report based on such evaluation.
- e. We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's Board of Directors;
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information: and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f. We 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 significant deficiencies and material weaknesses.


Chijioke Okwuokenye
Managing Director/CEO
FRC/2026/PRO/COREN/004/972963
25 May 2026


Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/0000001496
25 May 2026

Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31 December 2025

To comply with the requirement of Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of The Abuja Electricity Distribution Plc for the year ended 31 December 2025;

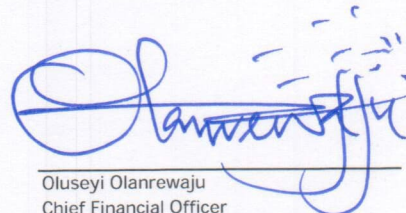
- i. The Abuja Electricity Distribution Plc's management is responsible for establishing and maintaining a system of Internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. The Abuja Electricity Distribution Plc's management used the Committee of Sponsoring Organization of the Tread way Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii. The Abuja Electricity Distribution Plc's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.
- iv. The Abuja Electricity Distribution Plc's external auditor Messrs. Ernst & Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Ernst & Young that audited its financial statements will be filed as separately part of the annual report.



Chijioke Okwuokenye
Managing Director/CEO
FRC/2026/PRO/COREN/004/972963

25 May 2026



Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496

25 May 2026

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING.

TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC

Scope

We have been engaged by Abuja Electricity Distribution 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 Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as 'the Engagement', to report on Abuja Electricity Distribution 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 Abuja Electricity Distribution 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), Abuja Electricity Distribution Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria 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.

Abuja Electricity Distribution Plc's Management Responsibilities

Abuja Electricity Distribution 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 Abuja Electricity Distribution 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.

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING - CONTINUED

To the Members of Abuja Electricity Distribution Plc - continued

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (including International Independence Standards) (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 as contained and assessed in Abuja Electricity Distribution Plc's Management Assessment on Internal Control over Financial Reporting is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria 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 Abuja Electricity Distribution Plc and we expressed an unmodified opinion in our Auditor's report dated25 May 2026

Our conclusion is not modified in respect of this matter.

Signed:



Alani Surakat, FCA

FRC/2012/PRO/ICAN/004/00000024514

For: Ernst & Young

Lagos, Nigeria

_____ 25 May 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Abuja Electricity Distribution 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 Statement 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 Abuja Electricity Distribution Plc as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the 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 the International Standards on Auditing (ISA). 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 judgment, were of most significance in the audit of the financial statements of the current period. We have determined the matter described below to be the key audit matter to be communicated in our report. This matter was addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

| Key Audit Matter | How the matter was addressed in the Audit |
|---|---|
| <p>Impairment of Trade Receivables</p> <p>As at 31 December 2025, the Company recognized an impairment allowance of N85.75 billion (2024: N61.61 billion) against a gross trade receivables balance of N327.57 billion (2024: N255.67 billion). This allowance represents 26% (2024: 24%) of the gross trade receivables, highlighting a persistent and material exposure to credit risk.</p> <p>The continued significance of the impairment allowance is primarily driven by challenges in recovering amounts billed to post-paid customers. The estimation of expected credit losses (ECL) involves considerable judgment, particularly in selecting and applying key assumptions such as historical loss rates, forward-looking macroeconomic indicators, and the segmentation of receivables based on shared credit risk characteristics.</p> <p>Given the magnitude of the balances involved and the inherent subjectivity in the ECL model under IFRS 9 Financial Instruments, this area was identified as a key audit matter.</p> <p>Refer to Note 16 (Trade and Other Receivables) and Note 31.2.1 (Credit Risk) to the financial statements for further details.</p> | <p>To address the risks associated with the impairment of trade receivables, our audit procedures included the following:</p> <p>Process Understanding: We obtained a comprehensive understanding of the Company's methodology for estimating ECL in accordance with IFRS 9 - Financial Instruments, including the governance and controls over the impairment process.</p> <p>Segmentation Assessment: We evaluated the appropriateness of how trade receivables were grouped based on shared credit risk characteristics, ensuring alignment with the requirements of IFRS 9.</p> <p>Historical and Forward-Looking Analysis: We assessed the historical loss rates applied to each segment and evaluated the reasonableness of forward-looking adjustments. This included a critical review of the macroeconomic assumptions and external data sources used to support these adjustments.</p> <p>Recalculation and Validation: We independently recalculated the ECL allowance and compared our results with management's estimates to identify any significant variances or inconsistencies.</p> <p>Disclosure Review: We reviewed the financial statement disclosures (qualitative and quantitative) to ensure they were complete, accurate, and compliant with the disclosure requirements of IFRS 7 Financial Instruments Disclosures and IFRS 9, particularly in relation to credit risk and impairment.</p> |

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Abuja Electricity Distribution Plc Annual Report and Financial Statements for the year ended 31 December 2025", which includes the Corporate Information, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements, Certification by Company Secretary, Certification of Management's Assessment on Internal Control over Financial Reporting, Management's Report on the Assessment of Internal Control Over Financial Reporting and Other National Disclosures. The other information does not include the 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

Other information - continued

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 the 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 the 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.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional skepticism 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 auditors' 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

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.

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.

Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) 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; and
- iii) the Company's statement of financial position and 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 dated25 May.....2026.



Alani Surakat, FCA
FRC/2012/PRO/ICAN/004/00000024514
For: Ernst & Young
Lagos, Nigeria

25 May 2026



**Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2025**

| | Note | 2025 ₦'000 | 2024 ₦'000 |
|--|-------------|---------------------|---------------------|
| Revenue | 6 | 699,484,008 | 601,630,343 |
| Cost of sales | 7.1 | (593,405,141) | (533,958,382) |
| Gross profit | | 106,078,867 | 67,671,961 |
| Other income | 8 | 4,590,270 | 6,694,336 |
| Impairment expense | 16.2 & 16.3 | (24,138,564) | (11,727,870) |
| Administrative expenses* | 7.2 | (36,852,066) | (29,862,566) |
| Operating profit | | 49,678,507 | 32,775,861 |
| Finance income | 9.1 | 2,727,752 | 1,185,443 |
| Finance costs* | 9.2 | (35,387,921) | (30,849,010) |
| Net finance costs | | (32,660,169) | (29,663,567) |
| Profit before tax expense | | 17,018,338 | 3,112,294 |
| Minimum tax | 12.1 | - | (1,594,302) |
| Income tax expense | 12.2 | (2,567,024) | (736,885) |
| Profit for the year | | 14,451,314 | 781,107 |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | - | - |
| <i>Items that will never be reclassified to profit or loss net of tax:</i> | | | |
| Remeasurement (loss)/gain on defined benefit obligations | 27.2.1 | (312,712) | 95,348 |
| Revaluation surplus on property, plant and equipment | 13.4 | - | 72,784,124 |
| Other comprehensive (loss)/ income, net of taxes | | (312,712) | 72,879,472 |
| Total comprehensive income | | 14,138,602 | 73,660,579 |

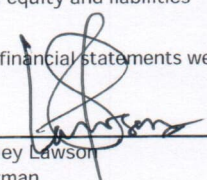
The accompanying notes to the financial statements form an integral part of these financial statements.

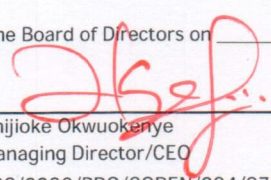
*See Note 35 on reclassification.

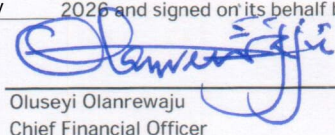
Statement of Financial Position
As at 31 December 2025

| | Note | 31 December 2025 ₦'000 | 31 December 2024 ₦'000 |
|-------------------------------------|------|------------------------------|------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 297,364,519 | 289,515,146 |
| Right-of-use assets | 25 | 74,912 | 127,469 |
| Intangible assets | 14 | 87,728 | 460,016 |
| | | <u>297,527,159</u> | <u>290,102,631</u> |
| Current assets | | | |
| Inventories | 15 | 1,033,244 | 690,725 |
| Trade and other receivables | 16 | 271,130,737 | 218,936,718 |
| Prepayments | 17 | 2,122,628 | 1,566,088 |
| Cash and cash equivalents | 18 | 38,267,882 | 24,587,059 |
| | | <u>312,554,491</u> | <u>245,780,590</u> |
| Total assets | | <u>610,081,650</u> | <u>535,883,221</u> |
| EQUITY | | | |
| Share capital | 19 | 15,000 | 15,000 |
| Accumulated losses | | (50,636,859) | (64,775,461) |
| Revaluation reserve | 19.3 | 192,967,402 | 192,967,402 |
| | | <u>142,345,543</u> | <u>128,206,941</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Loans and borrowings | 23 | 22,277,772 | 25,528,130 |
| Lease liabilities | 24 | 630,172 | 494,643 |
| Employee benefit obligations | 27 | 1,269,330 | 968,894 |
| Deferred income | 20 | 10,335,428 | 12,458,707 |
| | | <u>34,512,702</u> | <u>39,450,374</u> |
| Current liabilities | | | |
| Loans and borrowings | 23 | 14,847,305 | 15,482,338 |
| Lease liabilities | 24 | 35,675 | 64,063 |
| Trade and other payables* | 21 | 375,484,983 | 326,970,417 |
| Contract liabilities* | 26 | 32,731,821 | 16,793,528 |
| Deferred income | 20 | 2,056,143 | 2,015,107 |
| Provisions | 22 | 361,040 | 361,040 |
| Current tax liabilities | 12.3 | 7,706,438 | 6,539,413 |
| | | <u>433,223,405</u> | <u>368,225,906</u> |
| Total liabilities | | <u>467,736,107</u> | <u>407,676,280</u> |
| Total equity and liabilities | | <u>610,081,650</u> | <u>535,883,221</u> |

These financial statements were approved by the Board of Directors on 25 May 2026 and signed on its behalf by:


Stanley Lawson
Chairman
FRC/2015/PRO/DIR/003/00000012416


Chijioke Okwuokenye
Managing Director/CEO
FRC/2026/PRO/COREN/004/972963


Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496

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

*See Note 35 on reclassification.

Statement of Changes in Equity
For the year ended 31 December 2025

| | Note | Share capital ₦'000 | Accumulated losses ₦'000 | Revaluation reserve ₦'000 | Total ₦'000 |
|---|------|------------------------|--------------------------------|---------------------------------|--------------------|
| At 1 January 2025 | | 15,000 | (64,775,461) | 192,967,402 | 128,206,941 |
| Profit for the year | | - | 14,451,314 | - | 14,451,314 |
| Remeasurement loss on defined benefit obligations | 27.2 | - | (312,712) | - | (312,712) |
| Total comprehensive income | | - | 14,138,602 | - | 14,138,602 |
| At 31 December 2025 | | 15,000 | (50,636,859) | 192,967,402 | 142,345,543 |

Statement of Changes in Equity
For the year ended 31 December 2024

| | Note | Share capital ₦'000 | Accumulated losses ₦'000 | Revaluation reserve ₦'000 | Total ₦'000 |
|---|------|------------------------|--------------------------------|---------------------------------|--------------------|
| At 1 January 2024 | | 15,000 | (65,651,916) | 120,183,278 | 54,546,362 |
| Profit for the year | | - | 781,107 | - | 781,107 |
| Revaluation of land and building | | - | - | 72,784,124 | 72,784,124 |
| Remeasurement gain on defined benefit obligations | 27.2 | - | 95,348 | - | 95,348 |
| Total comprehensive income | | - | 876,455 | 72,784,124 | 73,660,579 |
| At 31 December 2024 | | 15,000 | (64,775,461) | 192,967,402 | 128,206,941 |

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

Statement of Cash Flows
For the year ended 31 December 2025

| | Note | 2025 ₦'000 | 2024 ₦'000 |
|---|-------------|---------------------|--------------------|
| Operating activities | | | |
| Cash flows generated from operating activities | 28 | 33,944,940 | 26,924,545 |
| Tax paid | 12.3 | (1,399,999) | (383,427) |
| Defined benefit obligation paid | 27.2 | (1,323,685) | (179,844) |
| Long service award paid | 27.1 | (132,272) | (38,767) |
| Net cash flows from operating activities | | 31,088,984 | 26,322,507 |
| Investing activities | | | |
| Acquisition of property, plant & equipment | 13.2 | (9,536,643) | (5,227,986) |
| Acquisition of intangible assets | 14 | (273,789) | (100,695) |
| Interest received | 9.3 | 2,526,359 | 1,146,966 |
| Net cash flows used in investing activities | | (7,284,073) | (4,181,715) |
| Financing activities | | | |
| Payment of principal portion of lease liabilities | 24 | (13,194) | (23,694) |
| Lease interest paid | 24 | (35,675) | (64,063) |
| Principal repayment loans and borrowings | 23.4 | (6,346,212) | (7,413,478) |
| Proceeds from loans and borrowings | 20.1 & 23.5 | 150,074 | 5,122,720 |
| Interest paid | 23.4 | (3,854,407) | (6,181,036) |
| Net cash flows used in financing activities | | (10,099,414) | (8,559,551) |
| Net increase in cash and cash equivalents | | 13,705,497 | 13,581,241 |
| Cash and cash equivalents at the beginning of the year | | 24,587,059 | 11,076,968 |
| Effects of exchange rate changes | | (24,674) | (71,150) |
| Cash and cash equivalents at the end of the year | 18 | 38,267,882 | 24,587,059 |

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

Notes to the financial statements

1 Reporting entity

Abuja Electricity Distribution Plc ("the Company") is a public liability company incorporated on 8 November 2005 to take over as a going concern, the electricity distribution activities and related business of the Power Holding Company of Nigeria Plc (PHCN) in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States. The Company is domiciled in Nigeria and has its registered office address at 1 Ziguinchor Street, Off IBB Way Wuse Zone 4, Abuja.

The Company supplies electricity within the captive regions above based on a licence granted to it by the Nigerian Electricity Regulatory Commission (NERC). The licence is for a period of 15 years and expires in 2028 with an option to renew for another 10 years. Based on the terms and conditions of the licence and regulations as contained in the Electric Power Sector Reform Act (EPSRA) 2005, the Company is a monopoly within its geographical coverage area and operates under a price control regime known as the Multi Year Tariff Order (MYTO). The business activity of the Company during the year was governed by the Transitional Electricity Market (TEM) Rules which became effective from 1 February 2015.

On 1 November 2013, KANN Utility Company Limited, a Nigerian company, successfully acquired a 60% stake in the Company, thereby gaining control of it. This acquisition was made possible through the privatization initiative of the power sector undertaken by the Federal Government of Nigeria. The remaining 40% of the company's shareholding is held by the Bureau of Public Enterprises (32%) and Ministry of Finance Incorporated (8%). On 31 December 2021, controlling shares of the Company (60%) owned by KANN Utility Company Limited was allotted to United Capital Trustees Limited (UCTL). In May 2023, 60% controlling shares of the Company was transferred to Jeolan International Limited. As a result, Jeolan International Limited became the parent company of Abuja Electricity Distribution Company Plc.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act (CAMA) 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The financial statements were authorised for issue by the Board of Directors on 25 May 2026.

Details of the Company's material accounting policy information are included in Note 4.

Going concern basis of accounting

These financial statements have been prepared on a going concern basis. The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing financial statements. See Note 34.

3 Functional and presentation currency

These financial statements are presented in Nigerian Naira (NGN), which is the Company's functional currency. All amounts stated in NGN have been rounded to the nearest thousand (₦'000), unless otherwise indicated.

4 Material Accounting Policy Information

The financial statements have been prepared on the historical cost basis except for interest bearing loans and borrowings which are initially measured at fair value and subsequently at amortised cost. Also, land and buildings and distribution network assets are measured at revalued amounts.

The material accounting policy information set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

a) Revenue from contract with customers

Revenue primarily represents the sales value of electricity and other related energy services supplied to customers during the year and excludes Value Added Tax. The Company generally recognizes revenue when it transfers control over goods or services to a customer.

In line with the applicable tariff framework, prices charged by the Company for electricity distribution are regulated. However, the Company is allowed to recover excess costs incurred through future price increases charged on future deliveries.

Notes to the financial statements - continued

a) Revenue from contract with customers - continued

Similarly, where current regulated rates are determined to be excessive, the Company may be subject to a rate reduction in the future against future deliveries. The Company does not recognize an asset or liability, as the case may be, on account of under-recovery or over-recovery except where it is obligated to provide future services at a loss in which case a provision is recognized.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

| Category of revenue | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition policies |
|---------------------|--|---|
| Post-paid revenue | The performance obligation of the Company is satisfied overtime as electricity is supplied to the customers. Billing is done on a monthly basis and payment is contractually within 30 days of billing. | Revenue is recognised over time as electricity is provided. The amount of revenue to recognize during the year is assessed based on the unit consumed method. The stand-alone selling price is determined based on the NERC approved tariff for the different categories of customers. The post-paid revenue are majorly from unmetered customers. |
| Prepaid revenue | Satisfaction of performance obligation is same as post-paid revenue. Payment is received in advance of consumption of electricity. However, payment is received in advance of consumption of electricity. | Revenue is recognised over time as electricity is provided. In case of prepaid customers, the unearned revenue as at year-end is measured and this is included in the statement of financial position as contract liability. The stand-alone selling price is determined based on the NERC approved tariff for the different categories of customers. |

Tariff shortfalls

Tariff shortfalls arising from the difference between actual end-user tariffs approved by the Nigerian Electricity Regulatory Commission (NERC) and cost-reflective tariffs allowed by NERC for recovery are based on regulatory orders and subject to recovery through means other than recovery through billings to customers. Revenue is recognized at the point in time the regulatory orders are issued and a financial asset is created or a financial liability is derecognized as might be applicable.

b) Finance income and finance costs

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains. Interest income on short-term deposits is recognized using the effective interest method.

Finance costs comprise interest expense on interest bearing liabilities and related foreign exchange losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method.

Notes to the financial statements - continued

b) Finance income and finance costs - continued

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

Foreign exchange gains and losses are recognized on net basis.

Write back of interest attributable to tariff shortfalls and interest expenses on liabilities to NBET are recognized on a net basis as either finance income or finance cost depending on whether the summation of both results in a net gain or a net loss position.

c) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in the functional currency (Nigerian Naira) at the spot exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the spot rates of exchange prevailing at that date.

Foreign currency differences are generally recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

d) Property, plant and equipment (PPE)

i) Recognition and measurement

Land, buildings and distribution network assets are measured at revalued amounts, based on valuations by external independent valuers, less subsequent accumulated depreciation and accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The entity performs its revaluation exercise every three years.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Increases in the carrying amount arising on revaluation of land, buildings and distribution network assets are recognized in other comprehensive income (OCI) and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognized in other comprehensive income and reduces the amount accumulated in equity under the heading of revaluation reserve; all other decreases are recognized in profit or loss.

Likewise, increases that offset previous deficits of the same asset are recognized in the profit or loss to the extent of the previous decrease.

Assets under construction are stated at cost which includes cost of materials and direct labour and any costs incurred in bringing it to its present location and condition.

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

ii) Subsequent expenditure

Subsequent expenditure is included in the asset's carrying amount or recognized as a separate asset as appropriate, only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized in profit or loss during the financial period in which they are incurred.

iii) Depreciation

Depreciation is calculated to write off the cost or revalued amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

Notes to the financial statements - continued

d) Property, plant and equipment (PPE)

iii) Depreciation - continued

The estimated useful life of items of property, plant and equipment (PPE) are as follows:

| | Life (years) |
|--------------------------------|---------------------|
| Buildings | 5-50 |
| Distribution network assets | 15-50 |
| Motor vehicles | 5 |
| Equipment, fixtures & fittings | 5 |

Capital work-in progress is not depreciated until when the asset is available for use and transferred to the relevant category of property, plant and equipment.

Land is not depreciated as it is a freehold asset with an indefinite useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv) Derecognition of PPE

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

The gains or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognized.

v) Contribution of assets by customer

Contributions by customers of items of property, plant and equipment, which require an obligation to supply goods to the customer in the future, are recognized at the fair value of the consideration paid by the customer when the company has control. The Company assesses whether the transferred item meets the definition of an asset, and if so recognizes the transferred asset as PPE.

At initial recognition, its cost is measured at fair value, and a corresponding amount is recognized in revenue when the Company has no future performance obligations. If the Company is yet to discharge the future performance obligation, the corresponding amount is recognized as a deferred income pending the performance of the obligation. This is then released to revenue as the performance obligation is discharged overtime.

However, a new order on the Reimbursement of Meter Costs Effective April 1, 2023, requires all Distribution Companies (Discos) to initiate the repayment process for customers who funded their meter installations through the Meter Asset Provider (MAP) scheme starting from the same date. As a result of this directive, the cost of meters financed by customers will no longer be recognized as revenue for Discos and the reimbursement will take the form of energy credits rather than cash. However, contributions from customers for Distribution Network Assets other than meters will continue to be accounted for as revenue.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are measured at cost less accumulated amortization and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the software for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

Amortisation

Amortisation of the asset begins when the asset is available for use. Amortisation is calculated to write-off the cost of intangible assets less the estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Notes to the financial statements - continued

e) Intangible assets - continued

The estimated useful life of items of intangible assets are as follows:

| | Life (years) |
|----------------------------|---------------------|
| Customer management system | 10 |
| Computer software licences | 5 |

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition of intangible assets

The carrying amount of an item of intangible assets shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

The gains or losses arising from the derecognition of an item of intangible asset shall be included in profit or loss when the item is derecognized.

f) Financial instruments

i) Recognition and initial measurement

The Company's financial instruments arise solely from its normal business activities and comprise trade receivables, cash and bank balances, trade and other payables, and loans and borrowings.

Trade receivables are recognised when the Company issues an invoice to a customer and obtains an unconditional right to consideration. Cash and bank balances are recognised when the Company becomes entitled to the funds. Trade and other payables and loans and borrowings are recognised when the Company becomes a party to the contractual obligations of the instrument.

All financial assets and liabilities are initially measured at fair value. Trade receivables that do not contain a significant financing component are initially measured at the invoice amount, which represents the transaction price. Loans and borrowings are initially recognised at fair value net of directly attributable transaction costs.

ii) Classification and subsequent measurement

Financial assets

The Company's financial assets consist of:

- Trade receivables; and
- Cash and bank balances.

These financial assets are held solely to collect contractual cash flows and are therefore classified and measured at amortised cost, as their contractual terms give rise to cash flows that are solely payments of principal and, where applicable, interest.

Subsequent to initial recognition:

- Trade receivables are measured at amortised cost and are assessed for impairment using the expected credit loss model.
- Cash and bank balances are carried at amortised cost, which approximates fair value due to their short term nature.

Interest income on bank balances is recognised in profit or loss as finance income.

Impairment of Financial Assets

The Company assesses impairment of trade receivables using the simplified expected credit loss (ECL) approach, recognising lifetime expected credit losses from initial recognition. Expected credit losses are determined based on historical credit loss experience, adjusted for current conditions and forward looking information. Impairment losses are recognised in profit or loss.

Cash and bank balances are considered to have low credit risk as they are held with reputable financial institutions, and no material impairment losses have been recognised.

Notes to the financial statements - continued

f) Financial instruments - continued

ii) Classification and subsequent measurement - continued

Financial Liabilities

The Company's financial liabilities consist of:

- Trade and other payables; and
- Loans and borrowings

All financial liabilities are classified as financial liabilities measured at amortised cost.

Trade and other payables are subsequently measured at amortised cost, which generally equals their invoice amounts due to their short term nature.

Loans and borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense arising on loans and borrowings is recognised in profit or loss as finance costs. Loans and borrowings with contractual maturities exceeding twelve months after the reporting date are classified as non current liabilities; all others are classified as current.

iii) Derecognition

Financial Assets

A financial asset is derecognised when the contractual right to receive cash flows expires or when the asset is settled in full. Trade receivables are derecognised when payment is received or the receivable is otherwise written off.

Financial Liabilities

A financial liability is derecognised when the contractual obligation is discharged, cancelled or expires. Trade and other payables and loans and borrowings are derecognised upon settlement.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously, refer to Note 21.1. The offsetting arrangements are usually approved by the regulators.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and fixed deposits that have maturity periods less than 3 months and form an integral part of the Company's cash management.

h) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average cost principle. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

k) Leases

The Company's leasing activities are limited to the rental of office apartments used for administrative and operational purposes. At the inception of each rental agreement, the Company assesses whether the contract conveys the right to control the use of a specifically identified office apartment for a period of time in exchange for consideration. All such contracts entered into by the Company meet the definition of a lease.

Notes to the financial statements - continued

k) Leases - continued

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

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

The Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

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

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

Short-term leases and leases of low-value assets

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

Notes to the financial statements - continued

l) Impairment of financial assets

i) Non-derivative financial assets

Financial instruments and contracts assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- ▶ financial assets measured at amortised cost; and
- ▶ Contract assets

The Company measures loss allowances at an amount equal to lifetime ECLs except for the following, which are measured at 12-month ECLs:

- ▶ debt securities that are determined to have low credit risk at the reporting date; and
- ▶ other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime Expected Credit Losses (ECLs). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when the security is held with a financial institution that have high credit ratings and meet the cash and liquidity thresholds set by the Central Bank of Nigeria (CBN).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

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

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

Credit-impaired financial assets

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

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

- ▶ significant financial difficulty of the borrower or issuer;
- ▶ a breach of contract such as a default or being more than 360 days past due;
- ▶ it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- ▶ the disappearance of an active market for a security because of financial difficulties.

Notes to the financial statements - continued

l) Impairment of financial assets - continued

i) Non-derivative financial assets - continued

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

m) Employee benefits

i) Short term employee benefits

Short - term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employee renders the related service. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all staff effective from 1 November 2013. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognized in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

Employees contribute 8% each of their basic salary, transport and housing allowances to the Fund on a monthly basis.

The Company's contribution is 10% of each employee's basic salary, transport and housing allowances.

iii) Defined benefits plan

The Company's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, and discounting that amount.

The calculation of defined benefit obligations is performed annually by qualified actuary using the projected unit credit method. Currently, none of the plans is funded.

Remeasurements of the defined benefit liability, which comprise remeasurement gains and losses are recognized immediately in OCI.

Notes to the financial statements - continued

m) Employee benefits - continued

iii) Defined benefits plan - continued

The Company determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

iv) Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements gain loss are recognized in profit or loss in the period in which they arise.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

n) Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

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

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

o) Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Notes to the financial statements - continued

o) Fair value measurement - continued

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

p) Income taxes

Income tax expense comprises current tax (company income tax, tertiary education tax, and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

A Companies Income Tax Act (CITA)

i) Current tax

Current income tax represents the expected tax payable on taxable profits for the period, computed in accordance with the Nigeria Tax Act (NTA) 2025, which now consolidates and replaces the Companies Income Tax Act (CITA) and other previously separate tax statutes.

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 tax, 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.
- 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).

Current tax assets and liabilities are offset if certain criteria are met.

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.

ii) Offset of current tax assets against current tax liabilities

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the Company has a legally enforceable right to set off the recognised amounts, and it 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 benefits would be realized.

iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

Notes to the financial statements - continued

p) Income taxes - continued

iii) Deferred tax - continued

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company as approved by the Board.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax are reassessed at each reporting date and recognised to the extent that it has become probable that future profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

iv) Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

The Company applied the provisions of the Company Income Tax Act 2004 as amended by the Finance Act 2022 that mandates a minimum tax assessment computed based on 0.5% of gross turnover. The tax payer's final liability is based on the higher of tax based on taxable profit and 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.

B Nigeria Tax Act, 2025 (NTA)

Current income tax

Current income tax represents the expected tax payable on taxable profits for the period, computed in accordance with the Nigeria Tax Act (NTA) 2025, which now consolidates and replaces the Companies Income Tax Act (CITA) and other previously separate tax statutes.

The key components of current income tax include:

Companies Income Tax (CIT)

Tax is computed using the rate enacted or substantively enacted at the reporting date under the unified NTA regime.

Development Levy (New Unified Levy - 4%)

In line with the NTA 2025, a 4% Development Levy is imposed on assessable profits for all companies except small companies (turnover ₦100 million and fixed assets ₦250 million).

This levy replaces and consolidates the following previously separate levies:

- (a) Tertiary Education Tax (TET)
- (b) Information Technology Development Levy (ITDL)
- (c) NASENI Levy
- (d) Police Trust Fund Levy

Accordingly, ITDL and NASENI levies are no longer charged separately by the Group and have been subsumed into the Development Levy.

Notes to the financial statements - continued

p) Income taxes

B Nigeria Tax Act, 2025 (NTA)

Minimum Tax

The prior CITA based 0.5% of gross turnover rule has been replaced and now determined under the NTA regime's unified rules. Under the unified tax regime, large companies must ensure that their effective tax rate is at least 15% of their "net income." If the company's ETR falls below 15%, a top-up tax must be paid to reach the minimum threshold.

A company is subject to the minimum ETR if it meets any of these criteria:

- (a) Annual turnover of ₦50 billion or more; or,
- (b) Member of a multinational enterprise group with global turnover €750 million.

q) Operating profit/loss

Operating profit/loss is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit/loss excludes net finance costs, minimum tax, and income taxes.

r) Measurement of fair values

Some of the Company's material accounting policy information and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Chief Finance Officer (CFO) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Audit Committee and Board of Directors.

The CFO regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the CFO assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee and Board of Directors. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the financial statements (continued)

5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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 assets or liabilities affected in future periods.

i Defined benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bonds and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligations.

ii Useful lives of property, plant and equipment

The Company recognises depreciation on property, plant and equipment on a straight-line basis in order to write-off the cost of the asset over its expected useful life. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal and other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Company may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

iii Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 31.2.1.

iv Revaluation of properties, plant and equipment

The company measures land, building and distribution network assets using the revaluation model. The valuation is carried out by an independent valuer using the exchange worth in the open market for the land, building and depreciated replacement approach for distribution network assets. The key assumptions used to determine the fair value and sensitivity analysis are disclosed in Note 13.4.

5.1 Changes in material accounting policy information and disclosures

a) New and amended standards adopted by the Company

The following amendments became effective during the year:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

i Lack of exchangeability - Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies 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 did not have a material impact on the Company's financial statements.

Notes to the financial statements (continued)

b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, 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.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, 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:

- Foreign exchange difference will be classified in the same category where the related income and expense from the item giving rise 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 following the classification of the related income and expense in profit or loss.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

ii) IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have an impact on the Company's financial statements.

Notes to the financial statements (continued)

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

In 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).

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.

The amendments are not expected to have a material impact on the Company's financial statements.

iv) Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

v) Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.
- Add 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 take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Company does not expect that the amendments will have a material impact on its financial statements.

vi) Translation to 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 non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary 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.

Notes to the financial statements (continued)

vi) Translation to Hyperinflationary Presentation Currency - Amendments to IAS 21 - continued

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

If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.

The Company does not expect that the amendments will have a material impact on its financial statements.

Notes to the financial statements - continued

6 Revenue

6.1 Revenue streams

The Company generates revenue primarily from delivering electricity and other related activities across the Company's distribution network in the Federal Capital Territory (FCT) Abuja, Kogi, Nasarawa and Niger States. Other sources of revenue in the current period include tariff shortfall issued by the regulator, Nigerian Electricity Regulatory Commission (NERC) and assets contributed by customers.

| | Note | 2025 ₦'000 | 2024 ₦'000 |
|--|-------|--------------------|--------------------|
| Revenue from contracts with customers | | | |
| Electricity sales | 6.2 | 418,837,370 | 316,928,647 |
| Other revenue: | | | |
| Tariff shortfall awarded by NERC | 6.1.1 | 278,989,752 | 284,670,354 |
| Customer contributed assets | 6.1.2 | 1,656,886 | 31,342 |
| Total revenue | | 699,484,008 | 601,630,343 |

6.1.1 Tariff shortfall awarded by NERC

On 1 July 2019 and 31 December 2019, the Nigerian Electricity Regulatory Commission (NERC) issued the Minor Review and Minimum Remittance Orders - Order No. NERC/GL/170 "The 2016 - 2018 Minor Review of the Multi Year Tariff Order (MYTO) 2015 and Minimum Remittance Order for the year 2019" and Order No. NERC/GL/184/2019 "December 2019 Minor Review Multi Year Tariff Order 2015 and Minimum Remittance Order for the year 2020". These Orders award the Company an accumulated tariff shortfall of ₦102.22 billion from 2015 to 2018, ₦62.69 billion in 2019 and ₦29.8 billion in 2021. In 2023, a sum of ₦70.5 billion was awarded and recognised as the tariff shortfall (2022: ₦8.05 billion). The tariff shortfall of ₦285 billion was awarded to the company in 2024 and a total tariff shortfall of ₦279 billion was awarded in the current year (2025). In line with the Orders, the awarded tariff shortfalls are netted off the Company's payables to NBET (see and Note 4f(iv) and Note 21.1.

6.1.2 Customer contributed assets

Included in customer contributed assets are various assets (transformers, substations) contributed by customers during the year 2025 amounting to ₦1.66 billion (2024: ₦31.34 million). Once these assets are connected to AEDC's distribution network, they become the property of AEDC and there are no associated future obligations to the customers. Consequently, AEDC records the value of these assets as revenue.

6.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by customer type, and mode of payment.

| | Timing of revenue recognition | 2025 ₦'000 | 2024 ₦'000 |
|--|-------------------------------------|--------------------|--------------------|
| 6.2 Classification by customer payment mode | | | |
| Postpaid | Overtime | 263,397,172 | 212,229,745 |
| Prepaid | Overtime | 155,440,198 | 104,698,902 |
| | | 418,837,370 | 316,928,647 |

6.3 Disaggregation of revenue from contracts with customers by geographical location

| | 2025 ₦'000 | 2024 ₦'000 |
|----------|--------------------|--------------------|
| Kogi | 14,638,737 | 12,639,045 |
| Nasarawa | 24,734,339 | 17,492,786 |
| Niger | 25,232,372 | 22,034,828 |
| Abuja | 354,231,922 | 264,761,988 |
| | 418,837,370 | 316,928,647 |

Notes to the financial statements - continued

| | Notes | 2025 ₦'000 | 2024 ₦'000 |
|--|---------|--------------------|--------------------|
| 6 Revenue - continued | | | |
| 6.4 Contract balances | | | |
| Trade receivables | 16 | 241,814,452 | 194,060,509 |
| Contract liabilities | 26 | 32,731,821 | 16,793,528 |
| 7 Expenses by function | | | |
| 7.1 Cost of sales | | | |
| Commission to super vendors | | 6,041,922 | 3,892,141 |
| Cost of energy | 21.1 | 568,360,414 | 518,373,927 |
| Maintenance expenses | | 2,249,551 | 1,277,556 |
| Depreciation charge for the year (DNA) | 13.1 | 16,753,254 | 10,414,758 |
| | | <u>593,405,141</u> | <u>533,958,382</u> |
| 7.2 Administrative expense | | | |
| Auditor remuneration | | 92,000 | 85,000 |
| Amortisation of intangible assets | 14 | 342,082 | 282,285 |
| Bank charges | | 81,727 | 175,184 |
| Board expenses | | 15,000 | 10,000 |
| Consumables and other direct costs | | 1,313,909 | 991,432 |
| Consultancy fees | | 161,785 | 70,223 |
| Depreciation- property, plant and equipment | 13.1 | 709,242 | 731,196 |
| Depreciation- right-of-use- assets | 25 | 58,850 | 75,059 |
| Directors remuneration | | 148,133 | 170,185 |
| Insurance | | 196,271 | 252,972 |
| Write-off of PPE and intangible assets (Note 7.7) | 13 & 14 | 385,062 | - |
| Office repairs and maintenance | | 2,049,713 | 1,009,682 |
| Office stationery and utilities | | 876,322 | 786,653 |
| Operating and management service fees | 7.3 | 7,160,169 | 5,835,286 |
| Other expenses | 7.4 | 919,142 | 985,741 |
| Fines and penalties | | 2,882,138 | 2,598 |
| Foreign exchange loss (Note 7.6) | 10 | 95,154 | 298,614 |
| Professional services | 7.5 | 238,493 | 363,753 |
| Rent and accommodation expense | | 532,498 | 443,288 |
| Security and safety | | 888,840 | 833,203 |
| Staff and related costs | 11.1 | 15,098,884 | 14,894,599 |
| Subscription and registration | | 458,141 | 56,824 |
| Transport | | 2,148,511 | 1,508,789 |
| Total administrative expenses | | <u>36,852,066</u> | <u>29,862,566</u> |
| Total cost of sales and administrative expenses | | <u>630,257,207</u> | <u>563,820,948</u> |

7.3 Operating and management service fees relates to the agreement which the Company has with Jeolan International Limited (the parent company), for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building.

7.4 Other expenses comprises of marketing expenses, advertising and publicity, business development expenses, haulage, CSR expenses, charitable contributions and stock management expenses.

7.5 Professional services comprises of legal fees, consultancy fee and vending infrastructure support.

7.6 Foreign exchange loss relates to FX losses from cash and bank balances and other payables. See Note 35 on reclassification.

7.7 During the period, property, plant and equipment with a carrying amount of ₦81.07 million were written off, while intangible assets amounting to ₦304 million were written off.

| | 2025 ₦'000 | 2024 ₦'000 |
|--|---------------|---------------|
| 7.8 Non audit services paid to the statutory auditors | | |
| Non-audit services* | <u>11,500</u> | <u>10,000</u> |

*Included in the Auditors remuneration is fee for non-audit services provided by Ernst & Young (FRC/2023/COY/209403). The non-audit services provided during the year is stated below:

| Nature of the non-audit service | Partner | FRC Number |
|--|---------------|-----------------------------------|
| Internal Control over Financial Reporting (ICFR) | Alani Surakat | FRC/2021/PRO/ICAN/004/00000024514 |

Notes to the financial statements - continued

| | Notes | 2025 ₦'000 | 2024 ₦'000 |
|---|-------|------------------|------------------|
| 8 Other income | | | |
| Service reconnection fees | | 2,064,645 | 864,691 |
| Administrative charge on meter tampering | | 175,899 | 261,414 |
| Amortisation of government grant | 20.1 | 2,121,636 | 2,910,093 |
| Insurance claims | | 1,255 | - |
| Miscellaneous income * | | 226,690 | 774,391 |
| Reversal of revaluation loss on distribution assets** | | - | 1,819,990 |
| Gain on lease modification | 25.1 | 145 | 63,757 |
| | | <u>4,590,270</u> | <u>6,694,336</u> |

*Miscellaneous income majorly represents the reversal of provision for National Integrated Power Project (NIPP) asset no longer required.

**This relates to the reversal of previously recognised revaluation deficit in profit or loss. The disclosure on revaluation surplus on distribution network assets is consistent with the IFRS Accounting Standards.

| | | 2025 ₦'000 | 2024 ₦'000 |
|---|------|---------------------|---------------------|
| 9 Finance income and finance costs | | | |
| 9.1 Finance income | | | |
| Interest income on fixed deposits | | <u>2,727,752</u> | <u>1,185,443</u> |
| | | <u>2,727,752</u> | <u>1,185,443</u> |
| 9.2 Finance costs* | | | |
| Interest on loans | 23.4 | 6,204,547 | 6,706,535 |
| Interest on TCN loans** | | 97,134 | 246,223 |
| Net interest on NBET and ONEM bills | 9.4 | 28,936,378 | 23,763,080 |
| Interest on lease liabilities | 24 | <u>149,862</u> | <u>133,172</u> |
| | | <u>35,387,921</u> | <u>30,849,010</u> |
| Net finance costs | | <u>(32,660,169)</u> | <u>(29,663,567)</u> |

*See Note 35 on reclassification.

**This relates to default interest arising from the non-payment of the TCN loan which was recognised as part of accruals in Note 21.2.

| | | 2025 ₦'000 | 2024 ₦'000 |
|--|--|---------------------|---------------------|
| 9.3 In the statement of cashflows, interest income received is recognised as disclosed below: | | | |
| As at 1 January | | 65,806 | 27,329 |
| Interest income on fixed deposits | | 2,727,752 | 1,185,443 |
| Interest received | | <u>(2,526,359)</u> | <u>(1,146,966)</u> |
| As at 31 December | | <u>267,199</u> | <u>65,806</u> |
| 9.4 Net interest on NBET and ONEM bills | | | |
| Interest on NBET and ONEM bills | | <u>(28,936,378)</u> | <u>(23,763,080)</u> |
| | | <u>(28,936,378)</u> | <u>(23,763,080)</u> |
| 9.4.1 Net interest on NBET and ONEM bills | | | |

This represents interest arising from the non payment of minimum/base line remittances on the Nigerian Bulk Electricity Trading (NBET) and Operator of the Nigeria Electricity Market (ONEM) invoices during the year. In 2025, the required remittance threshold on NBET invoice is 100% while the difference between the gross invoice and the DisCos Remittance Obligation (DRO) is taken up with the Government by NERC. The shortfall on DRO remittance attracts interest at NIBOR plus 4% NBET and ONEM bills respectively.

Notes to the financial statements - continued

| | | | | |
|-------------|--|--------------|-------------------|-------------------|
| 10 | Profit before tax | | | |
| | | Notes | 2025 | 2024 |
| | | | ₦'000 | ₦'000 |
| | Profit before tax is stated after charging | | | |
| | Auditor remuneration | 7.2 | 92,000 | 85,000 |
| | Depreciation- property, plant and equipment | 13 | 17,462,496 | 11,145,954 |
| | Depreciation- right-of-use- assets | 25 | 58,850 | 75,059 |
| | Amortisation of intangible assets | 14 | 342,082 | 282,285 |
| | Staff and related costs | 11.1 | 15,098,884 | 14,894,599 |
| | Directors remuneration | 11.4 | 148,133 | 170,185 |
| | Foreign exchange loss | 7.2 | 95,154 | 298,614 |
| | | | <u>15,098,884</u> | <u>14,894,599</u> |
| 11 | Employee benefit expense and director remuneration | | | |
| 11.1 | Employee benefit expense during the year amounted to: | | | |
| | Salaries and wages | | 12,650,945 | 13,760,724 |
| | Contributory pension cost | | 685,033 | 897,717 |
| | Termination benefits | | 319,225 | 11,697 |
| | Gratuity | 27.2.1 | 1,395,061 | 205,659 |
| | Long service award | 27.2.1 | 48,620 | 18,802 |
| | | | <u>15,098,884</u> | <u>14,894,599</u> |
| 11.2 | Number of employees of the Company as at 31 December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration excluding pension contributions and certain benefits in the following: | | | |
| | Amount (₦) | | 2025 | 2024 |
| | | | Number | Number |
| | 200,001 - 2,200,000 | | 1,384 | 1,401 |
| | 2,200,001 - 4,200,000 | | 1,183 | 990 |
| | 4,200,001 - 6,200,000 | | 367 | 655 |
| | 6,200,001 - 8,200,000 | | 112 | 69 |
| | 8,200,001 - 10,200,000 | | 32 | 93 |
| | 10,200,001 - 12,200,000 | | 19 | 29 |
| | 12,200,001 - 14,200,000 | | 28 | 39 |
| | 14,200,001 - 16,200,000 | | 2 | 17 |
| | 16,200,001 - 18,200,000 | | 3 | 4 |
| | 18,200,001 - 20,200,000 | | 2 | 7 |
| | 20,200,001 - 22,200,000 | | 2 | 1 |
| | 22,200,001 - 24,200,000 | | - | - |
| | 24,200,001 - 26,200,000 | | 1 | 1 |
| | 30,200,001 - 32,200,000 | | 1 | 1 |
| | 32,200,001 - 34,200,000 | | 2 | - |
| | 34,200,001 - 38,200,000 | | 3 | - |
| | 38,200,001 - 40,200,000 | | - | 2 |
| | 40,200,001 - 51,200,000 | | 3 | 3 |
| | 51,200,001 - 58,200,000 | | 2 | 2 |
| | 68,200,001 - 75,900,000 | | 2 | 4 |
| | 80,200,001 - 102,500,000 | | 1 | - |
| | | | <u>3,149</u> | <u>3,318</u> |

Notes to the financial statements - continued

11 Employee benefit expense and director remuneration - continued

11.3 The average number of full time personnel employed by the company during the year are as follows:

| | 2025 Number | 2024 Number |
|----------------|----------------|----------------|
| Administration | 422 | 432 |
| Finance | 153 | 191 |
| Marketing | 1,285 | 1,378 |
| Technical | 1,289 | 1,317 |
| | <u>3,149</u> | <u>3,318</u> |

11.4 Director remuneration

| | 2025 ₦'000 | 2024 ₦'000 |
|---|----------------|----------------|
| Directors' remuneration paid during the year comprises: | | |
| Director fees | 21,890 | 33,752 |
| Other emolument* | 126,243 | 136,433 |
| | <u>148,133</u> | <u>170,185</u> |

*Other emolument comprises mainly of sitting and travelling allowance.

| | 2025 ₦'000 | 2024 ₦'000 |
|---|---------------|---------------|
| The directors' remuneration shown above includes: | | |
| Chairman | 33,000 | 33,450 |
| Highest paid director other than Chairman | 23,600 | 24,850 |

The number of directors (excluding the Chairman and highest paid director) who received emoluments excluding pension contributions and certain benefits were within the following range:

| | 2025 Number | 2024 Number |
|-------------------------|----------------|----------------|
| 20,000,000 - 52,000,000 | <u>4</u> | <u>5</u> |

12 Tax expense

12.1 Minimum tax expense

| | 2025 ₦'000 | 2024 ₦'000 |
|---------------------|---------------|------------------|
| Minimum tax expense | - | 1,594,302 |
| | <u>-</u> | <u>1,594,302</u> |

12.2 Income tax expense

| | 2025 | 2024 |
|---------------------------------------|------------------|----------------|
| Development Levy | 2,516,085 | - |
| Minimum effective rate tax top-up | 50,939 | - |
| Company Income tax | - | - |
| Tertiary education tax | - | 736,729 |
| Nigeria Police Trust Fund Levy (NPTF) | - | 156 |
| | <u>2,567,024</u> | <u>736,885</u> |

Current income tax represents the expected tax payable on taxable profits for the period, computed in accordance with the Nigeria Tax Act (NTA) 2025, which now consolidates and replaces the Companies Income Tax Act (CITA) and other previously separate tax statutes. Tax is computed using the rate enacted or substantively enacted at the reporting date under the unified NTA regime. In line with the NTA 2025, a 4% Development Levy is imposed on assessable profits for all companies except small companies (turnover ₦100 million and fixed assets ₦250 million).

Development Levy tax is imposed on every Nigerian resident company at the rate of 4% of the assessable profit for each year of assessment.

Notes to the financial statements - continued

12 Tax expense - continued

12.3 Current tax liabilities

| | 2025 | 2024 |
|-----------------------------------|------------------|------------------|
| | ₦'000 | ₦'000 |
| At 1 January | 6,539,413 | 4,591,653 |
| Minimum tax charge | - | 1,594,302 |
| Nigeria Police Trust Fund Levy | - | 156 |
| Development Levy | 2,516,085 | - |
| Minimum effective rate tax top-up | 50,939 | - |
| Tertiary education tax | - | 736,729 |
| Tax paid | (1,399,999) | (383,427) |
| At 31 December | <u>7,706,438</u> | <u>6,539,413</u> |

12.4 Reconciliation of effective tax rates

| | 2025 | 2024 |
|--|-------------------|------------------|
| | ₦'000 | ₦'000 |
| Profit before tax expense | <u>17,018,338</u> | <u>3,112,294</u> |
| Income tax using the statutory tax rate (30%) | 5,105,501 | 933,688 |
| Current year assessable profit used to relief loss brought forward | - | (7,367,292) |
| Non-taxable income | (2,207,308) | (2,835,193) |
| Education Tax | - | 736,729 |
| Development Levy 4% | 2,516,085 | - |
| Minimum effective rate tax top-up | 50,939 | - |
| Nigeria Police Trust Fund Levy (NPTF) | - | 156 |
| Non-deductible expenses | 15,972,444 | 9,268,797 |
| Utilisation of previously unrecognised tax losses | (18,870,637) | - |
| | <u>2,567,024</u> | <u>736,885</u> |
| Effective tax rate | 15.08% | 23.68% |

In 2024, the statutory tax rate of 30% is not applicable to the Company because they are assessed based on minimum tax.

12.5 Unrecognised deferred taxes.

Deferred tax assets have not been recognised in respect of the following items because of the uncertainty around the availability of future taxable profits against which the Company can use the benefits there from. The tax rate applicable to this deductible temporary differences is 34% (2024: 30%) based on the relevant tax laws.

| | 2025 | 2024 |
|--|----------------------|---------------------|
| | ₦'000 | ₦'000 |
| NBV of qualifying assets | 77,375,712 | 54,098,505 |
| Impact of revaluation on land and building | - | 23,915,820 |
| TWDV of qualifying assets | (7,882,350) | (3,488,458) |
| Capital allowances carried forward | (64,582,075) | (62,169,621) |
| | <u>4,911,287</u> | <u>12,356,246</u> |
| Unrelieved loss carried forward | (91,498,754) | (23,323,545) |
| Impairment loss on trade and other receivables | (29,155,760) | (20,471,695) |
| Lease liabilities | (226,388) | - |
| Right of use | 25,470 | - |
| EMC accruals - provisions | (45,050) | - |
| Provision for gratuity | (431,572) | (351,200) |
| Unrealised exchange differences | (32,352) | (98,543) |
| | <u>(29,865,652)</u> | <u>(20,921,438)</u> |
| PPE | 4,911,287 | 12,356,246 |
| Tax losses | (91,498,754) | (23,323,545) |
| Deductible differences | (29,865,652) | (20,921,438) |
| | <u>(116,453,119)</u> | <u>(31,888,737)</u> |

Notes to the financial statements - continued

| 13 Property, plant and equipment | Land ₦'000 | Buildings ₦'000 | Distribution network assets ₦'000 | Equipment, fixtures and fittings ₦'000 | Motor vehicles ₦'000 | Capital work in progress ₦'000 | Total ₦'000 |
|----------------------------------|-------------------|--------------------|---|---|-------------------------|--------------------------------------|--------------------|
| At 1 January 2024 | 32,507,887 | 6,377,945 | 184,101,217 | 4,908,495 | 2,794,857 | 4,600,568 | 235,290,969 |
| Additions | - | 157,023 | 14,344,761 | 197,213 | 422,763 | 206,181 | 15,327,941 |
| Transfers* | - | - | (29,154,969) | - | - | - | (29,154,969) |
| Revaluation adjustment ** | - | - | 74,604,114 | - | - | - | 74,604,114 |
| Reclassification/transfers | - | - | 451,949 | - | - | (451,949) | - |
| At 31 December 2024 | 32,507,887 | 6,534,968 | 244,347,072 | 5,105,708 | 3,217,620 | 4,354,800 | 296,068,055 |
| At 1 January 2025 | 32,507,887 | 6,534,968 | 244,347,072 | 5,105,708 | 3,217,620 | 4,354,800 | 296,068,055 |
| Additions | - | - | 17,255,181 | 39,206 | 4,004 | 8,094,547 | 25,392,938 |
| Write off*** | - | - | - | - | - | (81,067) | (81,067) |
| Reclassification/transfers | - | - | 5,246,623 | 184,061 | - | (5,430,684) | - |
| At 31 December 2025 | 32,507,887 | 6,534,968 | 266,848,876 | 5,328,975 | 3,221,624 | 6,937,596 | 321,379,926 |
| Depreciation | | | | | | | |
| At 1 January 2024 | - | - | 18,740,785 | 3,821,965 | 1,999,175 | - | 24,561,925 |
| Charge for the year | - | 143,285 | 10,414,184 | 333,223 | 255,262 | - | 11,145,954 |
| Transfer* | - | - | (29,154,969) | - | - | - | (29,154,969) |
| At 31 December 2024 | - | 143,285 | - | 4,155,188 | 2,254,437 | - | 6,552,910 |
| At 1 January 2025 | - | 143,285 | - | 4,155,188 | 2,254,437 | - | 6,552,910 |
| Charge for the year | - | 144,367 | 16,753,254 | 320,846 | 244,029 | - | 17,462,496 |
| At 31 December 2025 | - | 287,652 | 16,753,254 | 4,476,034 | 2,498,466 | - | 24,015,406 |
| Carrying amount | | | | | | | |
| At 31 December 2025 | 32,507,887 | 6,247,316 | 250,095,622 | 852,941 | 723,158 | 6,937,596 | 297,364,520 |
| At 31 December 2024 | 32,507,887 | 6,391,683 | 244,347,072 | 950,520 | 963,183 | 4,354,800 | 289,515,146 |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

** Revaluation adjustment in 2024 amounting to ₦74,604,114,273 comprises of ₦72,784,123,948 recognised in revaluation reserve and ₦1,819,900,325 recognised in P/L to reverse the previously recognised revaluation deficit in profit or loss.

*** These are capital items in store (meters and accessories) that were written off as a result of damage.

Notes to the financial statements - continued

| | Notes | 2025 ₦'000 | 2024 ₦'000 |
|---|----------|--------------------------|--------------------------|
| 13.1 The depreciation charge for the year is allocated as follows: | | | |
| Cost of sales | | 16,753,254 | 10,414,184 |
| General and administrative expenses | | 709,242 | 731,770 |
| Depreciation charge for the year | 7 | <u>17,462,496</u> | <u>11,145,954</u> |

13.2 Reconciliation of additions to property, plant and equipment to statement of cash flow

| | | |
|---|---------------------------|---------------------------|
| Total additions | (25,392,938) | (15,327,941) |
| Customer contributed assets recognised in revenue | 1,656,886 | 31,342 |
| Customer contributed assets recognised as liability* | 14,199,409 | 10,068,613 |
| Acquisition of property, plant & equipment | <u>(9,536,643)</u> | <u>(5,227,986)</u> |

*Customer contributed assets recognised as liability is recognised in meter asset liability (MAP) under trade and other payables (Note 21).

13.3 The Company had capital commitments amounting to ₦111 million (2024: ₦428.8 million).

13.4 Fair values of Distribution Network Assets

Independent valuations of the Company's distribution network assets are performed by external valuers to determine their fair value.

On 31 December 2024, the Company revalued its distribution network assets. The valuation was carried out by Tunji Adeniyi & Co Estate Surveyors & Valuers (FRC/2014/NIESV/0000007788) an external valuer.

The fair value of the Distribution Network Assets was determined to be ₦244.3 billion resulting in a net surplus of ₦74.6 billion representing an amount of ₦72.8 billion as revaluation surplus in other comprehensive income and ₦1.8 billion as revaluation surplus in profit or loss, to reverse the previously recognised revaluation deficit in profit or loss.

The fair value of the Distribution Network Assets was determined using the exchange worth of the property in the open market, taking into consideration the discounted net benefits derivable from the asset over its useful economic life, cost of a similar asset after adjusting for physical, economic and functional obsolescence, reflecting a continuous existing use of the Assets.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Significant unobservable valuation input (market approach):

Range

Value of the distribution network assets

₦120,726,771 - ₦1,853,719,620

Significant increases (decreases) in estimated value of the distribution network assets in isolation would result in a significantly higher (lower) fair value.

Fair value hierarchy

Level 3

₦'000

Distribution network assets

244,347,072

There were no transfers between fair value hierarchies during the year.

Revaluation surplus recognised in other comprehensive income

| | 2025 ₦'000 | 2024 ₦'000 |
|-----------------------------|---------------|-------------------|
| Land & buildings | - | - |
| Distribution network assets | - | 72,784,124 |
| | <u>-</u> | <u>72,784,124</u> |

No revaluation was carried out during the year

Notes to the financial statements - continued

13.5 Capital work in progress (CWIP)

| | 2025 | 2024 |
|--|-----------|-----------|
| | ₦'000 | ₦'000 |
| Capital work in progress (CWIP) comprises: | | |
| PPE items in store* | 3,517,569 | 1,060,898 |
| On-going works with respect to substations | 3,420,027 | 3,293,902 |
| | 6,937,596 | 4,354,800 |

* Included in PPE items in store are transformers of ₦391 million (2024: ₦369 million), meters ₦3.1 billion and other assets ₦105 million (2024: ₦692 million).

Notes to the financial statements - continued

13.6 Land, building and distribution network assets: historical assets

If Land, building and distribution network assets were stated on historical cost basis, the carrying amounts would be as follows:

| | Land ₦'000 | Buildings ₦'000 | Distribution network assets ₦'000 |
|----------------------------|-------------------|--------------------|---|
| At 31 December 2025 | | | |
| Cost | 11,702,055 | 6,810,717 | 69,879,427 |
| Accumulated depreciation | - | (1,962,641) | (5,866,653) |
| Carrying amount | 11,702,055 | 4,848,076 | 64,012,774 |
| At 31 December 2024 | | | |
| Cost | 11,702,055 | 6,810,717 | 52,624,246 |
| Accumulated depreciation | - | (1,826,427) | (4,469,065) |
| Carrying amount | 11,702,055 | 4,984,290 | 48,155,181 |

14 Intangible assets

| | Computer software licences ₦'000 | Customer management system ₦'000 | Total ₦'000 |
|---------------------------------|--|---|------------------|
| Cost | | | |
| At 1 January 2024 | 1,099,839 | 1,013,315 | 2,113,154 |
| Additions | 100,695 | - | 100,695 |
| At 31 December 2024 | 1,200,534 | 1,013,315 | 2,213,849 |
| At 1 January 2025 | 1,200,534 | 1,013,315 | 2,213,849 |
| Additions | 273,789 | - | 273,789 |
| Write-off* | - | (1,013,315) | (1,013,315) |
| At 31 December 2025 | 1,474,323 | - | 1,474,323 |
| Accumulated amortisation | | | |
| At 1 January 2024 | 964,889 | 506,659 | 1,471,548 |
| Charge for the year | 180,954 | 101,331 | 282,285 |
| At 31 December 2024 | 1,145,843 | 607,990 | 1,753,833 |
| At 1 January 2025 | 1,145,843 | 607,990 | 1,753,833 |
| Charge for the year | 240,752 | 101,330 | 342,082 |
| Write-off* | - | (709,320) | (709,320) |
| At 31 December 2025 | 1,386,595 | - | 1,386,595 |
| Carrying amount | | | |
| At 31 December 2025 | 87,728 | - | 87,728 |
| At 31 December 2024 | 54,691 | 405,325 | 460,016 |

Amortisation of intangible assets is included as part of administrative expenses (Note 7).

There are no restrictions on the title of the Company's intangible assets as of the reporting date.

The Company has not pledged any of its Property, Plant, and Equipment or intangible assets as security for any liabilities or commitments as of the reporting date.

*The carrying amount of the application software was fully written off during the year due to the Company's cessation of its use following migration to a new application.

Notes to the financial statements - continued

15 Inventories

| | 2025 | 2024 |
|----------------------------------|------------------|----------------|
| | ₦'000 | ₦'000 |
| Consumable spare parts | 1,047,738 | 808,973 |
| Other consumables* | 35,084 | 31,424 |
| Inventory write down (Note 15.1) | (49,578) | (149,672) |
| | 1,033,244 | 690,725 |

Inventories recognized as expense include consumable spare parts and other consumables used in maintenance during the year. They are included in maintenance expenses in cost of sales and amounted to ₦2.3 billion (2024: ₦1.2 billion).

* Other consumables consists of stationeries and lubricants.

15.1 Inventory write down movement

| | 2025 | 2024 |
|--|---------------|----------------|
| | ₦'000 | ₦'000 |
| Opening balance | 149,672 | 33,000 |
| (Charge)/credit to P/L during the year | (100,094) | 116,672 |
| Closing balance | 49,578 | 149,672 |

Inventory was written down to net realisable value in accordance with IAS 2. In 2025, a reversal of inventory write-down amounting to ₦100.1 million was recognised and credited to cost of sales (maintenance expenses) (2024: ₦116.7 million was written off) in Note 7.1.

| | 2025 | 2024 |
|--|--------------------|--------------------|
| | ₦'000 | ₦'000 |
| 16 Trade and other receivables | | |
| Trade receivables | 241,814,452 | 194,060,509 |
| Other receivables (Note 16.1) | 29,316,285 | 24,876,209 |
| | 271,130,737 | 218,936,718 |
| Trade receivable- Gross | 327,566,686 | 255,674,179 |
| Expected credit loss allowance (Note 16.2) | (85,752,234) | (61,613,670) |
| | 241,814,452 | 194,060,509 |
| Other receivables- Gross | 29,738,054 | 25,297,978 |
| Expected credit loss allowance | (421,769) | (421,769) |
| | 29,316,285 | 24,876,209 |
| 16.1 Other receivables comprises: | | |
| Financial assets | | |
| Employee receivables* | 18,564 | 10,894 |
| Interest receivables | 267,199 | 65,806 |
| Restricted cash** | 28,167,059 | 23,593,386 |
| Receivables from super vendor | 602,543 | 1,083,472 |
| | 29,055,365 | 24,753,558 |
| Non-financial assets | | |
| Withholding tax receivables | 260,920 | 122,651 |
| | 260,920 | 122,651 |
| | 29,316,285 | 24,876,209 |

* This relates to employee advances during the year.

**Included in the restricted cash balance is a cash collateral of ₦5.5 billion held as security for a letter of credit facility obtained from United Bank for Africa Plc, which is a requirement for participation in the Transitional Electricity Market (TEM). Also included is ₦17.9 billion set aside with First Bank Plc under the management of NESI to comply with the Central Bank of Nigeria's policy on VAT remittance. Additionally, ₦4.8 billion represents the monthly deductions from the AEDC collections account by NESI, which are set aside for meter asset funding. The ₦17.9 billion fund for VAT remittance and the ₦4.8 billion fund for meter funding are not held in AEDC's custody but are managed by NESI.

Notes to the financial statements - continued

16 Trade and other receivables - continued

16.2 Reconciliation of impairment allowance of trade receivables

| | 2025 | 2024 |
|--------------------------|-------------------|-------------------|
| | ₦'000 | ₦'000 |
| As at 1 January | 61,613,670 | 50,307,569 |
| Charge for the year | 24,138,564 | 11,306,101 |
| As at 31 December | 85,752,234 | 61,613,670 |

In 2025 the reason for the increase in the impairment allowance for trade receivables in 2025 was primarily driven by the adverse economic conditions in Nigeria, which negatively impacted customers' ability to meet their payment obligations (refer to Note 31.2.1 for credit risk disclosures).

16.3 Reconciliation of impairment allowance of other receivables

| | 2025 | 2024 |
|--------------------------|----------------|----------------|
| | ₦'000 | ₦'000 |
| As at 1 January | 421,769 | - |
| Charge for the year | - | 421,769 |
| As at 31 December | 421,769 | 421,769 |

17 Prepayments

| | | |
|------------------------------|------------------|------------------|
| Rent* | 342,837 | 87,774 |
| Insurance | 58,670 | - |
| Advance payment to vendors** | 1,721,121 | 1,478,314 |
| | 2,122,628 | 1,566,088 |

*Rent relates to short term lease.

**The advance payments to vendors are for the supply of transformers and network infrastructure improvement.

18 Cash and cash equivalents

| | 2025 | 2024 |
|--|-------------------|-------------------|
| | ₦'000 | ₦'000 |
| Bank balances | 32,469,483 | 20,688,719 |
| Short term deposits | 5,797,349 | 3,897,349 |
| Cash on hand | 1,050 | 991 |
| Cash and cash equivalents per statement of cash flows | 38,267,882 | 24,587,059 |

All cash and bank balances are non-interest bearing and the allowance for ECL relating to cash and cash equivalents are immaterial, hence it has not been disclosed.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

19 Share capital and reserves

19.1 Share capital comprises:

| | 2025 | 2024 |
|---|--------|--------|
| | ₦'000 | ₦'000 |
| Share capital | | |
| 15,000,000 issued and paid ordinary shares at ₦1 each | 15,000 | 15,000 |

19.2 Rights of shareholders

The company's shareholding structure consists of Jeolan International Limited (60%), Bureau of Public Enterprises (32%), and Ministry of Finance Incorporated (8%), with shareholders having rights to ownership, voting, and dividends.

Notes to the financial statements - continued

19 Share capital and reserves - continued

19.3 Nature and purpose of reserves

Revaluation reserve

The revaluation reserve relates to the revaluation surplus arising from the revaluation of land, buildings and distribution network assets. This was recorded in other comprehensive income as an item that will not be reclassified to profit or loss. See Note 13.4 & 13.5.

Revaluation reserves arising during the year is made up as follows:

| | 2025 | 2024 |
|---|--------------------|--------------------|
| | ₦'000 | ₦'000 |
| Land and building (Note 13.4) | - | - |
| Distribution network assets (Note 13.5) | - | 72,784,124 |
| | - | 72,784,124 |
| Movement in revaluation reserve: | | |
| At 1 January | 192,967,402 | 120,183,278 |
| Land and building | - | - |
| Distribution network assets | - | 72,784,124 |
| At 31 December | 192,967,402 | 192,967,402 |

Notes to the financial statements - continued

20 Deferred income

| | 2025 ₦'000 | 2024 ₦'000 |
|--|-------------------|-------------------|
| Government grant (a) | <u>12,391,571</u> | <u>14,473,814</u> |
| Non-current portion | 10,335,428 | 12,458,707 |
| Current portion | <u>2,056,143</u> | <u>2,015,107</u> |
| | <u>12,391,571</u> | <u>14,473,814</u> |
| (a) Government grant is made up of: | | |
| Government granted assets* | 2,211,552 | 2,334,871 |
| Day one gain on loans** | <u>10,180,019</u> | <u>12,138,943</u> |
| | <u>12,391,571</u> | <u>14,473,814</u> |

*Over the years, the Company received some assets granted to it by the government in a bid to improve the infrastructure within the Company's region of operation. These assets have been included in property, plant and equipment and deferred income. Amortization of the deferred income is at the same rate as the associated PPE is depreciated.

In May 2025, CBN disbursed an additional one (1) tranche of loan on the CBN NEMSF 2 of ₦150 million. In 2024, CBN disbursed five (5) tranches of loan on the CBN NEMSF 2 of ₦3.36 billion and 1 tranche of loan on the NEMSF 3 of ₦1.77 billion. The loans were granted at below market interest rates. The management has recognized the loan at fair value as required by the applicable financial reporting framework at initial recognition. As a result, the difference between the fair values at initial recognition and the proceed from loan received was recognized as deferred income (day one gain). This initial gain is then spread/amortised over the loan term period.

20.1 Reconciliation of deferred income

| | 2025 ₦'000 | 2024 ₦'000 |
|---|--------------------|--------------------|
| At 1 January | 14,473,814 | 15,814,379 |
| Additions (day one gain on loans) | 39,393 | 1,569,528 |
| Amortisation to profit or loss (Note 8) | <u>(2,121,636)</u> | <u>(2,910,093)</u> |
| At 31 December | <u>12,391,571</u> | <u>14,473,814</u> |

21 Trade and other payables*

| | 2025 ₦'000 | 2024 ₦'000 |
|------------------------------------|--------------------|--------------------|
| Trade payables (Note 21.1) | 251,771,954 | 222,024,783 |
| Payables to other vendors | 13,124,526 | 14,671,308 |
| Due to related parties (Note 29.4) | 20,625,197 | 13,465,028 |
| Payables to NELMCO | 745,711 | 745,711 |
| Accruals (Note 21.2) | <u>11,386,024</u> | <u>8,094,061</u> |
| | <u>297,653,412</u> | <u>259,000,891</u> |
| Statutory deductions (Note 21.3) | <u>77,831,572</u> | <u>67,969,526</u> |
| | <u>375,484,984</u> | <u>326,970,417</u> |

*See Note 35 on reclassification

Notes to the financial statements - continued

21 Trade and other payables - continued

21.1 Trade payables

Trade payables comprise amount due to the Nigerian Bulk Electricity Trading Plc (NBET) and the Operator of the Nigeria Electricity Market (ONEM). NBET is the supplier of power to the Company and bills for the cost of energy while other administrative charges incidental to the cost of energy are billed by ONEM.

The movement in the account is as follows:

| | 2025 | 2024 |
|---|--------------------|--------------------|
| | ₦'000 | ₦'000 |
| At 1 January | 222,024,783 | 168,708,482 |
| Cost of energy | 568,360,414 | 518,373,927 |
| Interest on shortfall | 28,936,378 | 23,763,080 |
| Net-off of tariff payment shortfall | (278,989,752) | (284,670,354) |
| Netting off of TCN Loan taken over by AEDC against TCN invoices | - | (1,479,570) |
| Netting off TCN loan paid by AEDC against TCN invoices | (774,046) | (961,898) |
| Payments | (287,785,823) | (201,708,884) |
| At 31 December | 251,771,954 | 222,024,783 |

Off-setting of trade payables

Financial liabilities subject to off-setting include the following:

| | Trade payables | |
|---|--------------------|--------------------|
| | 2025 | 2024 |
| | ₦'000 | ₦'000 |
| Gross liabilities before offsetting | 531,535,752 | 509,136,605 |
| Offsetting with gross assets | (279,763,798) | (287,111,822) |
| Net liabilities recognised in the trade payables | 251,771,954 | 222,024,783 |

The tariff shortfall and the liabilities to NBET are with the same counterparty and they settle on a net basis. This arrangement is also approved by the regulator, NERC.

21.2 Accruals

Accruals comprises of staff expense, other accruals and accrued audit fees, accrued liabilities, default on interest and fines and penalties.

21.3 Statutory deductions

Statutory deductions comprises of pension contribution, VAT, withholding tax, PAYE payables and NHF.

21.4 Payables to other vendors

In 2025 the Company received electricity meters valued at ₦4.19 billion under the Distribution Sector Recovery Programme (DISREP). The programme, funded by the World Bank and administered through the Transmission Company of Nigeria (TCN), provides for direct settlement to meter vendors upon confirmation of supply and installation.

AEDC will recognise the ₦4.2 billion DISREP facility as a loan in its books upon settlement of the vendors through DISREP. Until such payments are made, the obligation is presented as payables to other vendors.

22 Provisions

| | 2025 | 2024 |
|--------------------------------|----------------|----------------|
| | ₦'000 | ₦'000 |
| At 1 January | 361,040 | 361,040 |
| Provision made during the year | - | - |
| At 31 December | 361,040 | 361,040 |

The Company was subjected to a regulatory fine, which it is currently contesting in a court of law. Additionally, the Company did not comply with certain filing requirements. The estimated cash outflows that the Company might be required to make as a result of the regulatory fine and non-compliance with filing requirements amount to ₦250 million (2024: ₦250 million) and ₦111.04 million (2024: ₦111.04 million) respectively, and these have been provided for in these financial statements.

Notes to the financial statements - continued

| 23 Interest bearing loans and borrowings | 2025 | 2024 |
|--|-------------------|-------------------|
| | ₦'000 | ₦'000 |
| CBN loan (Note 23.1) | 31,812,000 | 35,447,391 |
| CAPMI loan (Note 23.3) | 615,520 | 615,520 |
| NELMCO loan (Note 23.2) | 807,449 | 807,449 |
| TCN loan (Note 23.2) | 3,890,108 | 4,140,108 |
| | <u>37,125,077</u> | <u>41,010,468</u> |
| Current | 14,847,305 | 15,482,338 |
| Non-current | <u>22,277,772</u> | <u>25,528,130</u> |
| | <u>37,125,077</u> | <u>41,010,468</u> |

23.1 CBN loan

In 2025, the Company received only an additional loan of ₦150 million under NEMSF 2 (CBN CAPEX Intervention Project), which was disbursed directly to AEDC contractors. All loan repayments in respect of the CBN facilities are made as and when due. The CBN NEMSF 1 loan was fully repaid during the year.

In 2024, the Company received additional loans of ₦3.6 billion and ₦1.7 billion from NEMSF 2 and NEMSF 3, respectively, amounting to a total of ₦5.1 billion under the CBN CAPEX Intervention Project. Of this amount, ₦3.36 billion from NEMSF 2 was paid directly to CBN approved CAPEX contractors.

In addition, the Nigerian Electricity Regulatory Commission (NERC) approved the CBN-Nigeria Electricity Market Stabilisation Facility 3 (CBN NEMSF 3) for the purpose of electricity transmission and distribution network investment. During 2024, a sum of ₦1.77 billion was disbursed to Transmission Company of Nigeria (TCN) contractors through AEDC towards improving the transmission infrastructure within the AEDC franchise area. Furthermore, ₦7.5 billion had been disbursed under NEMSF 3 in 2022, bringing the total amount disbursed to TCN contractors to ₦9.28 billion.

In line with the agreements between the Company, TCN, and the Central Bank of Nigeria (CBN), these amounts were loaned to the Company and are repayable over 117 months, with a moratorium of 21 months on the principal repayment. The amounts have also been agreed between the Company and TCN to be recovered from the outstanding balance owed by the Company to TCN.

23.2 TCN and NELMCO loans

In a bid to raise required cash to collateralize a letter of credit in favour of NBET, the Company entered into loan agreements with the Nigerian Electricity Liability Management Company (NELMCO) and the Transmission Company of Nigeria (TCN).

The drawdowns amounting to ₦6.50 billion and ₦1.21 billion from TCN and NELMCO respectively were utilized by the Company to establish the letter of credit required for participation in the Transitional Electricity Market (TEM).

The contracts have a tenor of 48 months from disbursement with interest of 10% effective from 2018. However, at the reporting date, the loan term has elapsed and default interest computed has been recognised as penalties under accruals(liabilities).

In 2025, a total sum of ₦200 million was paid to TCN as repayment to the outstanding loan with a commitment from the Company to make regular payments monthly. No repayments have been made on NELMCO outstanding loan balance.

23.3 CAPMI loan

In a bid to bridge the metering gap and to reduce estimated billings, NERC issued the Credited Advance Payment for Metering Implementation (CAPMI) scheme. The CAPMI scheme allowed willing customers to advance funds to the distribution companies for meter procurement and installation. Amounts advanced by a customer under this scheme plus a one off nominal interest of 12% less cost of installation, is refundable to the customer in monthly instalments such that the repayment period shall not exceed 3 years.

Notes to the financial statements - continued

23 Interest bearing loans and borrowings - continued

23.4 Reconciliation of loans and borrowings

| | 2025 ₦'000 | 2024 ₦'000 |
|-------------------------------|-------------------|-------------------|
| At 1 January | 41,010,468 | 44,845,255 |
| Interest accrued | 6,204,547 | 6,706,535 |
| Principal repayment | (6,346,212) | (7,413,478) |
| Addition | 110,681 | 3,553,192 |
| Write-off and de-recognition* | - | (500,000) |
| Interest paid | (3,854,407) | (6,181,036) |
| At 31 December | 37,125,077 | 41,010,468 |

*Derecognition relates to CAPMI loans that has been repaid through energy supplied to the customer in prior years.

23.5 In the statement of cashflows, proceeds from loans and borrowings are recognised as disclosed below:

| | 2025 ₦'000 | 2024 ₦'000 |
|---|----------------|------------------|
| Additions (day one gain on loans) - government grants | 39,393 | 1,569,528 |
| Additions - loans and borrowings | 110,681 | 3,553,192 |
| | 150,074 | 5,122,720 |

24 Lease liabilities

| | 2025 ₦'000 | 2024 ₦'000 |
|---------------------------------------|----------------|----------------|
| At 1 January | 558,706 | 543,929 |
| Additions during the year | 7,350 | 37,826 |
| Interest expense | 149,862 | 133,172 |
| Payment for interest during the year | (35,675) | (64,063) |
| Payment for principal during the year | (13,194) | (23,694) |
| Modification* | (1,202) | (68,464) |
| At 31 December | 665,847 | 558,706 |
| Current portion | 35,675 | 64,063 |
| Non-current portion | 630,172 | 494,643 |
| | 665,847 | 558,706 |

*Modification relates to buildings vacated during the year, which led to the termination of the lease contract.

The Company has lease contracts for various office and residential buildings located in the Federal Capital Territory (Abuja), Niger, Kogi and Nasarawa states. The lease terms are between 2 - 5 years.

The following are the amount recognised in profit or loss

| | 2025 ₦'000 | 2024 ₦'000 |
|--|----------------|----------------|
| Depreciation expense of right-of-use-assets | 58,850 | 75,059 |
| Expense relating to short term leases (included in administrative expense) | 532,498 | 443,288 |
| Interest expense on lease liabilities | 149,862 | 133,172 |
| Total amount recognised in profit or loss | 741,210 | 651,519 |

The following are the impact of the lease on cash flow

| | | |
|---|-----------------|-----------------|
| Depreciation expense of right-of-use-assets (Note 25) | 58,850 | 75,059 |
| Interest expense on lease liabilities | 149,862 | 133,172 |
| Net cash flow from operating activities | 208,712 | 208,231 |
| Lease payment | (35,675) | (64,063) |
| Net cash flow used in financing activities | (35,675) | (64,063) |

Notes to the financial statements - continued

25 Right of use asset-Buildings

| | 2025 | 2024 |
|---------------------------------|----------------|----------------|
| | ₦'000 | ₦'000 |
| Cost | | |
| At 1 January | 608,942 | 681,136 |
| Additions | 7,350 | 37,826 |
| Modification* | (8,997) | (110,020) |
| At 31 December | 607,295 | 608,942 |
| Accumulated depreciation | | |
| At 1 January | 481,473 | 511,727 |
| Charge for the year | 58,850 | 75,059 |
| Modification* | (7,940) | (105,313) |
| At 31 December | 532,383 | 481,473 |
| Carrying amount | 74,912 | 127,469 |

*Modification relates to buildings vacated during the year.

25.1 Gain on modification of leases recognised under profit or loss

| | | |
|--|--------------|-----------------|
| Modification of ROU Cost | 8,997 | 110,020 |
| Modification of ROU Accumulated Depreciation | (7,940) | (105,313) |
| Modification of Lease Liabilities | (1,202) | (68,464) |
| | (145) | (63,757) |

26 Contract liabilities

| | 2025 | 2024 |
|---|-------------------|-------------------|
| | ₦'000 | ₦'000 |
| Payment for electricity in advance (Note 26.1) | 3,508,540 | 1,231,678 |
| Meter asset provider liability (MAP) (Note 26.1)* | 29,223,281 | 15,561,850 |
| | 32,731,821 | 16,793,528 |

*See Note 35 on reclassification.

26.1 Reconciliation of payment for electricity in advance

| | | |
|---|------------------|------------------|
| At 1 January | 1,231,678 | 2,350,397 |
| Additions during the year | 3,508,540 | 1,231,678 |
| Amount recognised as revenue during the year (Note 6.2) | (1,231,678) | (2,350,397) |
| At 31 December | 3,508,540 | 1,231,678 |

The payment for electricity in advance primarily relates to the advance consideration received from customers for the supply of electricity, the associated performance obligation is expected to be fulfilled within twelve months.

The increase in payment for electricity in advance from 2024 to 2025 relates primarily to a higher number of customers metered during the year, as well as an increase in customers migrated from other tariff bands to Band A. Both factors contributed to higher payment for electricity in advance through an increase in the customer base and the application of higher tariff rates.

26.2 Reconciliation of Meter asset provider liability (Map)

| | | |
|---|-------------------|-------------------|
| At 1 January | 15,561,850 | 5,493,237 |
| Additions during the year | 14,528,841 | 10,282,629 |
| Amount recognised as revenue during the year (Note 6.2) | (867,410) | (214,016) |
| At 31 December | 29,223,281 | 15,561,850 |

The Meter Asset Provider (MAP) liability represents the cost of electricity meters paid for by customers under the MAP scheme. These meters are capitalized as part of the company's Distribution Network Assets (DNA), while a corresponding liability is recognized to reflect the obligation to reimburse the customers. The associated performance obligation is expected to be fulfilled within 5 years.

Notes to the financial statements - continued

27 Employee benefit obligation

| | 2025 | 2024 |
|----------------------------|------------------|----------------|
| | ₦'000 | ₦'000 |
| Long service award | 160,517 | 244,169 |
| Defined benefit obligation | 1,108,813 | 724,725 |
| | 1,269,330 | 968,894 |

27.1 Long service award

This scheme entitles employees who have worked for five years and above to a monetary reward amounting to a certain percentage of their total annual emolument. The independent actuarial valuation was performed by Alexander Forbes (FRC/2012/000000000504) as signed by the Partner- Wayne van Jaarsveld (FRC/2021/002/00000024507) using the projected unit credit method. This scheme is not funded.

| | 2025 | 2024 |
|--|----------------|----------------|
| | ₦'000 | ₦'000 |
| The movement in the long service awards during the year is as follows: | | |
| At 1 January | 244,169 | 264,134 |
| Current service cost | 14,454 | 30,825 |
| Interest cost | 40,615 | 42,163 |
| Remeasurement gain due to change in assumptions | (12,814) | (54,186) |
| Past service cost | 6,365 | - |
| Benefit paid | (132,272) | (38,767) |
| At 31 December | 160,517 | 244,169 |

Current service cost, interest cost, past service cost and remeasurement gain have been included in administrative expenses in profit or loss.

27.2 Defined benefit obligations

This entitles employees who have worked for at least five years to a certain percentage of their total annual emolument upon retirement or end of contract. The measurement is based upon an independent actuarial valuation performed by Alexander Forbes (FRC/2012/000000000504) as signed by the Partner- Wayne van Jaarsveld (FRC/2021/002/00000024507) using the project unit credit basis. The defined benefit schemes of the company is unfunded.

| | 2025 | 2024 |
|--|------------------|----------------|
| | ₦'000 | ₦'000 |
| The movement in the defined benefit obligations during the year is as follows: | | |
| At 1 January | 724,725 | 794,258 |
| Current service cost | 62,114 | 84,905 |
| Interest cost | 135,009 | 120,754 |
| Remeasurement loss/(gain) due to change in financial and demographic assumptions | 312,712 | (95,348) |
| Past service cost | 481,709 | - |
| Settlement cost* | 716,229 | - |
| Benefit paid | (1,323,685) | (179,844) |
| At 31 December | 1,108,813 | 724,725 |

*The settlement cost arose from the exit of 512 staff members who received benefits that were higher than their expected benefit payments, following negotiated exit terms in November 2025.

Notes to the financial statements - continued

27 Employee benefit obligation - continued

27.2.1 Amount recognised in profit or loss

| | 2025 | 2024 |
|--|------------------|----------------|
| | ₦'000 | ₦'000 |
| Current service cost | 76,568 | 115,730 |
| Interest cost | 175,624 | 162,917 |
| Remeasurement gain due to change in assumptions (long service award) | (12,814) | (54,186) |
| Past service cost | 481,709 | - |
| Settlement cost | 716,229 | - |
| | <u>1,437,316</u> | <u>224,461</u> |

Amount recognised in other comprehensive income

| | | |
|--|----------------|-----------------|
| Remeasurement loss/(gain) due to change in financial and demographic assumptions | <u>312,712</u> | <u>(95,348)</u> |
|--|----------------|-----------------|

Amount recognised in the statement of cashflow

| | 2025 | 2024 |
|---|------------------|----------------|
| | ₦'000 | ₦'000 |
| Long service award benefit expense | | |
| Current service cost | 14,454 | 30,825 |
| Interest cost | 40,615 | 42,163 |
| Remeasurement gain due to change in assumptions | (12,814) | (54,186) |
| Past service cost | 6,365 | - |
| | <u>48,620</u> | <u>18,802</u> |
| Defined benefit expense | | |
| Current service cost | 62,114 | 84,905 |
| Net interest on defined benefits | 135,009 | 120,754 |
| Past service cost | 481,709 | - |
| Settlement loss | 716,229 | - |
| | <u>1,395,061</u> | <u>205,659</u> |

27.2.2 The principal assumptions used in determining the defined benefit obligations are shown below:

Long service award

| | 2025 | 2024 |
|----------------------|--------|--------|
| Discount rate | 17.20% | 21.10% |
| Salary increase rate | 5.00% | 5.00% |

Mortality

Pre-retirement: A1967/70 Ultimate Table

| Sample age | Number of deaths per 1,000 lives | |
|------------|----------------------------------|------|
| | 2025 | 2024 |
| 25 | 7 | 7 |
| 30 | 7 | 7 |
| 35 | 9 | 9 |
| 40 | 14 | 14 |
| 45 | 26 | 26 |
| 50 | 48 | 48 |
| 55 | 84 | 84 |
| 60 | 144 | 144 |

Notes to the financial statements - continued

27 Employee benefit obligation - continued

27.2.2 The principal assumptions used in determining the defined benefit obligations are shown below:

Gratuity scheme

| | 2025 | 2024 |
|----------------------|--------|--------|
| Discount rate | 17.20% | 21.10% |
| Salary increase rate | 5.00% | 5.00% |

Pre-retirement: A1967/70 Ultimate Table

| Sample age | Number of deaths per 1,000 lives | |
|------------|----------------------------------|------|
| | 2025 | 2024 |
| 25 | 7 | 7 |
| 30 | 7 | 7 |
| 35 | 9 | 9 |
| 40 | 14 | 14 |
| 45 | 26 | 26 |
| 50 | 48 | 48 |
| 55 | 84 | 84 |
| 60 | 144 | 144 |

27.2.3 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Long service award

| | 2025 | 2024 |
|------------------------------------|---------|---------|
| | N'000 | N'000 |
| Discount rate (1% increase) | 154,641 | 239,609 |
| Discount rate (1% decrease) | 166,822 | 249,043 |
| Salary increase rate (1% increase) | 164,979 | 247,477 |
| Salary increase rate (1% decrease) | 156,275 | 240,851 |
| Mortality (1% increase) | 160,142 | 243,874 |
| Mortality (1% decrease) | 160,856 | 244,435 |

Gratuity scheme

| | 2025 | 2024 |
|------------------------------------|-----------|---------|
| | N'000 | N'000 |
| Discount rate (1% increase) | 1,056,145 | 744,682 |
| Discount rate (1% decrease) | 1,166,353 | 795,402 |
| Salary increase rate (1% increase) | 1,171,624 | 798,463 |
| Salary increase rate (1% decrease) | 1,050,833 | 741,623 |
| Mortality (1% increase) | 1,113,331 | 772,394 |
| Mortality (1% decrease) | 1,104,734 | 766,134 |

Notes to the financial statements - continued

| | | 2025 | 2024 |
|---|--------|-------------------|-------------------|
| | | ₦'000 | ₦'000 |
| 28 Computation of cash generated from operating activities | | | |
| | Notes | | |
| Profit before tax | | 17,018,338 | 3,112,294 |
| Adjustment for non cash items: | | | |
| Depreciation of property, plant and equipment | 13 | 17,462,496 | 11,145,954 |
| Depreciation- right-of-use- assets | 25 | 58,850 | 75,059 |
| Amortisation of intangible assets | 14 | 342,082 | 282,285 |
| Inventory write down | 15 | 100,094 | (116,672) |
| Property, plant and equipment write off | 13 | 81,067 | - |
| Intangible assets write off | 14 | 303,995 | - |
| Foreign exchange loss | 7.2 | 95,154 | 298,614 |
| Amortisation of government grant | 20.1 | (2,121,636) | (2,910,093) |
| Credit loss expense on trade and other receivables | 16.2 | 24,138,564 | 11,727,870 |
| Net revaluation surplus on land and building | 8 | - | (1,819,990) |
| Interest on TCN Loan | 9.2 | 97,134 | 246,223 |
| Long service award benefit expense | 27.2.1 | 48,620 | 18,802 |
| Defined benefit expense | 27.2.1 | 1,395,061 | 205,659 |
| Interest expense on loan | 23.4 | 6,204,547 | 6,706,535 |
| Net interest on NBET and ONEM bills | 9.2 | 28,936,378 | 23,763,080 |
| Interest on lease liabilities | 9.2 | 149,862 | 133,172 |
| Finance income | 9.1 | (2,727,752) | (1,185,443) |
| Tariff shortfall awarded by NERC | 6.1 | (278,989,752) | (284,670,354) |
| Income from contributed assets | 6.1 | (1,656,886) | (31,342) |
| Gain on lease modification | 8 | (145) | (63,757) |
| Working capital changes | | | |
| Inventories | | (442,613) | (133,344) |
| Trade and other receivables | | (76,131,190) | (76,641,130) |
| Prepayments | | (556,540) | 2,066,182 |
| Trade and other payables | | 284,200,919 | 320,271,810 |
| Contract liabilities | | 15,938,293 | 14,443,131 |
| Cash generated from operations activities | | <u>33,944,940</u> | <u>26,924,545</u> |

Notes to the financial statements - continued

29 Related party transaction

Identity of related parties

29.1 Parent and ultimate controlling party

KANN Utility Company Ltd (KANN) acquired a majority of the Company's shares from BPE and Ministry of Finance on 1 November 2013. KANN was jointly owned by CEC Africa Investments Ltd and Xerxes Global Investment Ltd. During 2020, CEC Africa Investments Limited acquired the majority of the KANN's shares. As a result, the ultimate controlling party of the Company was CEC Africa.

On 31 December 2021, the controlling shares of the Company (60%) was allotted to United Capital Trustees Limited (UCTL) which made UCTL the new parent Company. UCTL is owned by United Capital Plc. In May 2023, 60% controlling shares of the Company was transferred to Jeolan International Limited. As a result, Jeolan International Limited became the Parent Company of Abuja Electricity Company Plc.

29.2 Transactions with related parties

| | 2025 | 2024 |
|--|-----------|-----------|
| | ₦'000 | ₦'000 |
| <i>Jeolan</i> | | |
| Operations and management service fees | 7,160,169 | 5,835,286 |
| <i>Supply of electricity</i> | | |
| -Bureau of Public Enterprises (BPE) | 88,888 | 271,115 |
| -Ministry of Finance Incorporated (MoFI) | 192,824 | 74,181 |

29.3 Key management personnel remuneration

Key management personnel are those involved in key decision making process of the Company and comprise Executive directors and executive management staff.

Key management personnel compensation comprised:

| | 2025 | 2024 |
|---------------------------|------------------|----------------|
| | ₦'000 | ₦'000 |
| Salaries | 819,172 | 642,539 |
| Other short-term benefits | 286,238 | 153,228 |
| | <u>1,105,410</u> | <u>795,767</u> |

Other than as detailed above, in terms of compensation, there were no transactions between key management personnel and the Company.

29.4 Other related party balances

| | 2025 | 2024 |
|---|----------------------------|----------------------------|
| | ₦'000 | ₦'000 |
| Due to related parties: | | |
| KANN Utility Company Ltd | 7,626,129 | 7,626,129 |
| CEC Africa | 11,113 | 11,113 |
| Jeolan International Ltd | 12,987,955 | 5,827,786 |
| Related party balance included in trade and other payables | <u>20,625,197</u> | <u>13,465,028</u> |
| Net related party balance | <u>(20,625,197)</u> | <u>(13,465,028)</u> |

Due to related parties relates to management services fees accrued for the respective years, they are unsecured and repayable on demand.

Notes to the financial statements - continued

29.5 Operations and management (O&M) services

The Company has an Operations and Management services (O & M) agreement with the parent company, Jeolan International Limited for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building. The remuneration of Jeolan International Ltd is made up of two elements. The first element will be a Fixed Fee (equivalent to 2% of collections) to reimburse costs incurred by Jeolan International Ltd. The second element of remuneration will be Management Fee which will be a performance related fee based on the achievement of performance measures.

30 Contingent liabilities/assets

30.1 Transfer of pre-completion liabilities and trade receivables

As part of the privatization completion, the Company through the Bureau of Public Enterprises signed a deed of assignment of pre-completion receivables and liabilities with the Nigerian Electricity Liability Management Company Limited (NELMCO) effective 31 October 2013. The final confirmation of amounts transferred will be determined based on a reconciliation between the company and NELMCO. As at date of issue of these financial statements, the reconciliations are yet to happen.

The Directors, based on independent legal advice obtained as well as their understanding of the Share Purchase Agreement between KANN, BPE and the Ministry of Finance Incorporated are of the opinion that all trade receivables and pre-completion liabilities (crystallized or contingent) as at 31 October 2013 have been effectively transferred. If in the process of a subsequent reconciliation with NELMCO, certain items are identified and agreed to be borne by the Company, the amounts would be recorded in the period they were identified or when payment becomes probable.

30.2 Litigations and claims

The Company is involved in certain litigations and claims (separate from those taken over by NELMCO). Maximum exposure based on the damages being claimed by litigants amounts to ₦ 7.2 billion (2024: ₦11.3 billion). The Directors based on a review of the circumstances of each claim and advice from external solicitors (where deemed necessary), believe the risk of material loss to the Company is remote and as such no provisions have been recorded.

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management

31.1 Accounting classifications and fair values

Set out below is a comparison by category of carrying amount and fair value of all financial instruments:

| | Carrying amount | | Fair value | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2025 ₦'000 | 2024 ₦'000 | 2025 ₦'000 | 2024 ₦'000 |
| Financial instruments | | | | |
| Loans and borrowings | 37,125,077 | 41,010,468 | 35,126,059 | 39,010,578 |
| Cash and cash equivalents | 38,267,882 | 24,587,059 | 38,267,882 | 24,587,059 |
| Trade and other receivables | 270,869,817 | 218,814,067 | 270,869,817 | 218,814,067 |
| Trade and other payables | 297,653,412 | 259,000,891 | 297,653,412 | 259,000,891 |
| | 643,916,188 | 543,412,485 | 641,917,170 | 541,412,595 |

In determining the fair value of interest bearing loans and borrowings, non-performance risks of the Company as at year end were assessed to be insignificant.

31.1.1 Fair value hierarchy

As at the reporting date, the Company had classified its financial instruments into the three levels prescribed under the accounting standards. There were no transfers of financial instruments between fair value hierarchy levels during the year.

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.

| | Level 1 ₦'000 | Level 2 ₦'000 | Level 3 ₦'000 |
|--------------------------|------------------|------------------|------------------|
| 31 December, 2025 | | | |
| Loans and borrowings | - | 35,126,059 | - |
| 31 December, 2024 | | | |
| Loans and borrowings | - | 39,010,578 | - |

31.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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 board of directors is also responsible for developing and monitoring the Company's risk management policies.

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

The Company's audit and governance committees oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit is expected to undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management - continued

31.2 Financial risk management - continued

31.2.1 Credit risk - continued

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and government related entities as well as cash and bank balances.

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

| | Notes | 2025 | 2024 |
|------------------------------|-------|-------------|-------------|
| | | ₦'000 | ₦'000 |
| Trade and other receivables* | 16 | 357,304,740 | 280,972,157 |
| Cash and cash equivalents | 18 | 38,267,882 | 24,586,068 |
| | | 395,572,622 | 305,558,225 |

* Carrying amount of the trade and other receivable does not include advance payment to vendors and withholding tax receivable.

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

| | 2025 | 2024 |
|---|------------|------------|
| | ₦'000 | ₦'000 |
| Charge of expected credit loss on trade receivables | 24,138,564 | 11,306,101 |
| Charge of expected credit loss on other receivables | - | 421,769 |
| | 24,138,564 | 11,727,870 |

Trade and other receivables

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The Company has a large customer base within its licensed area of supply thereby reducing its concentration of credit risk. To further mitigate credit risk, the Company is continually increasing the share of prepaid customers in its portfolio. The Company's exposure to credit risk is influenced by the characteristics of each category of customers.

In monitoring credit risk, customers are grouped according to common credit risk characteristics - geographic region, metering status and volume of consumption. No security is provided for the electricity supplied though the Company retains the right to disconnect non paying customers to enforce collections.

The Company does not require collateral in respect of trade and other receivables. The company does not have trade receivables for which no loss allowance is recognised because of collateral.

Other receivables

The Company's exposure to credit risk arises primarily from other receivables, which consist mainly of restricted cash balances held with banks and managed through fund managers. Credit risk represents the risk that counterparties will fail to meet their contractual obligations, resulting in a financial loss to the Company.

For restricted cash, credit risk is largely attributable to the financial institutions and fund managers holding or managing the funds, rather than to underlying customers.

The Company applies the expected credit loss (ECL) model in accordance with IFRS 9 to other receivables.

Restricted cash balances are assessed under the general approach, and impairment is measured using 12-month expected credit losses, as these balances are held with counterparties that are assessed to have low credit risk at the reporting date. A counterparty is considered to have low credit risk where it has a strong investment-grade external credit rating and no evidence of financial difficulty.

Given that the Company's restricted cash is held predominantly with high-quality, investment-grade counterparties, the probability of default is assessed to be low. Accordingly, the expected credit loss recognised on other receivables is minimal and not material to the financial statements.

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management - continued

31.2 Financial risk management - continued

31.2.1 Credit risk - continued

Other receivables - continued

Receivables from super vendors relate to funds collected from AEDC's customers by appointed collection agents in prior years. The associated credit risk arises from the possibility of these collection agents failing to remit the collections to AEDC's bank accounts in line with the agreed terms.

Effective from 2023, AEDC implemented a revised collection arrangement to mitigate this risk. Under the new model, all collection agents are required to pre-fund their wallets before being permitted to collect payments from AEDC customers. This control was introduced to prevent defaults and eliminate the risk of non-remittance by collection agents.

We assessed the expected credit loss (ECL) on receivables from super vendors by considering the days past default of the collection agents, their financial condition, and other relevant credit risk indicators. Based on our reassessment, the ECL remains consistent with the computation performed in the prior year. The results are not materially different from the previous year's assessment; therefore, no impairment was recognised.

Expected credit loss assessment for customers

The Company uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from customers. Loss rates are based on actual credit loss. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product rates.

Loss rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, metering status and volume of consumption.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

| | | Gross carrying amount | Loss allowance |
|--|------------------|-----------------------------------|-----------------------|
| | | ₦'000 | ₦'000 |
| Prepaid customers (PPM)* | | 48,884,216 | 7,501,271 |
| Government Agencies | | 34,891,774 | 6,221,849 |
| Metered Maximum Demand customers | | 43,135,947 | 4,238,922 |
| Unmetered Maximum Demand customers | | 1,477,500 | 772,355 |
| Metered non-Maximum Demand customers (High tier) | | 6,444,864 | 2,594,695 |
| Metered non-Maximum Demand customers (Middle tier) | | 532,008 | 222,717 |
| Metered non-Maximum Demand customers (Low tier) | | 10,470,705 | 5,379,623 |
| Unmetered non-Maximum Demand customers (High tier) | | 1,921,190 | 1,008,269 |
| Unmetered non-Maximum Demand customers (Middle tier) | | 7,356,801 | 4,403,713 |
| Unmetered non-Maximum Demand customers (Low tier) | | 172,451,681 | 53,408,820 |
| | | 327,566,686 | 85,752,234 |
| | | Total Gross Receivable | ECL |
| | | ₦'000 | ₦'000 |
| No of days | Loss rate | | |
| 0-60 | 0.24% | 10,467,630 | 25,205 |
| 61-120 | 8.95% | 16,825,835 | 1,506,431 |
| 121-180 | 15.01% | 3,904,733 | 586,237 |
| 181 -240 | 21.80% | 5,498,718 | 1,198,936 |
| 241 -300 | 25.55% | 6,446,052 | 1,646,809 |
| 301 -360 | 25.49% | 105,263,253 | 26,836,016 |
| 361 and above | 30.11% | 179,160,465 | 53,952,600 |
| Total | | 327,566,686 | 85,752,234 |

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management - continued

31.2 Financial risk management - continued

31.2.1 Credit risk - continued

Expected credit loss assessment for customers - continued

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

| | Gross carrying amount | Loss allowance |
|--|--------------------------|-------------------|
| | ₦'000 | ₦'000 |
| Prepaid customers(PPM)* | 15,050,797 | 81,025 |
| Government Agencies | 33,751,205 | 231,885 |
| Metered Maximum Demand customers | 23,795,903 | 1,199,720 |
| Unmetered Maximum Demand customers | 7,053,663 | 1,439,986 |
| Metered non-Maximum Demand customers (High tier) | 7,015,644 | 1,747,603 |
| Metered non-Maximum Demand customers (Middle tier) | 1,382,098 | 345,403 |
| Metered non-Maximum Demand customers (Low tier) | 7,814,758 | 177,669 |
| Unmetered non-Maximum Demand customers (High tier) | 560,521 | 109,632 |
| Unmetered non-Maximum Demand customers (Middle tier) | 1,587,460 | 500,022 |
| Unmetered non-Maximum Demand customers (Low tier) | 157,662,130 | 55,780,725 |
| | 255,674,179 | 61,613,670 |

| No of days | Loss rate | Total Gross Receivable | ECL |
|---------------|-----------|---------------------------|-------------------|
| | | ₦'000 | ₦'000 |
| 0-60 | 0.68% | 13,221,828 | 90,556 |
| 61-120 | 1.79% | 7,912,573 | 141,869 |
| 121-180 | 12.74% | 6,061,662 | 772,048 |
| 181 -240 | 21.68% | 5,819,610 | 1,261,558 |
| 241 -300 | 25.51% | 7,854,187 | 2,003,514 |
| 301 -360 | 21.98% | 76,851,099 | 16,892,201 |
| 361 and above | 29.32% | 137,953,220 | 40,451,924 |
| Total | | 255,674,179 | 61,613,670 |

Cash at bank

The Company held cash and cash equivalents of ₦33.36 billion at 31 December 2025 (2024: ₦24.59 billion). The cash and cash equivalents are held with bank and reputable financial institution in Nigeria.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Employee receivables

The Company advances funds to employees for operational activities. To mitigate credit risk, the Company monitors the progress of such activities which have been funded.

Letter of credit

The Company has letter of credit of ₦5.5 billion (2024: ₦5.5 billion) obtained from United Bank of Africa Plc. A cash collateral of ₦5.5 billion (2024: ₦5.5 billion) was deposited with the bank. The Company considers that the restricted cash have low credit risk based on the external credit ratings of the counterparty.

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management - continued

31.2 Financial risk management - continued

31.2.2 Liquidity risk

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

In order to manage liquidity risks and ensure that it has sufficient cash to match outflows expected in the normal course of its business, the Company is doing the following:

- Intensifying efforts to collect trade receivables.
- Accessing the various financial interventions applicable to the Company under the PSRP (See Note 34) - going concern.

The following are the contractual maturities of financial liabilities, including estimated interest payments for loans and borrowings and excluding the impact of netting agreements.

| Non-derivative financial liabilities | Contractual cash flows | | | | | Total |
|--------------------------------------|------------------------|------------------|------------------|-------------------|-------------------|--------------------|
| | Less than 1 year | 1 - 2 years | 2- 3 years | 3-5 Years | Above 5 years | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 31 December 2025 | | | | | | |
| Trade and other payables | 297,653,412 | - | - | - | - | 297,653,412 |
| Loans and borrowings | 14,842,996 | 9,529,889 | 9,530,514 | 18971635 | 2,597,795 | 55,472,829 |
| Lease liabilities | 59,894 | 89,841 | 134,762 | 404,285 | - | 688,782 |
| | 312,556,302 | 9,619,730 | 9,665,276 | 19,375,920 | 2,597,795 | 353,815,023 |
| 31 December 2024 | | | | | | |
| Trade and other payables | 274,562,741 | - | - | - | - | 274,562,741 |
| Loans and borrowings | 15,482,338 | 9,495,626 | 8,843,157 | 18,991,657 | 12,005,408 | 64,818,186 |
| Lease liabilities | 64,063 | 96,095 | 144,142 | 432,425 | - | 736,725 |
| | 290,109,142 | 9,591,721 | 8,987,299 | 19,424,082 | 12,005,408 | 340,117,652 |

31.2.3 Market risk

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

The Company manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Currency risk

The Company, based on operations to date has limited exposure to currency risks based on the fact that its revenue is earned in its functional currency and the cost of energy supplied paid in same. Exposure to currency risk is majorly limited to cash balances and trade and other payables which are denominated in US Dollar. The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the long term, permanent changes in exchange rates would have an impact on profit or loss. It monitors the movement in the currency rates on an ongoing basis.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported by management is as follows:

| | 2025 | 2025 | 2024 | 2024 |
|---|------------------|----------------------|------------------|----------------------|
| | USD | NGN | USD | NGN |
| Cash and cash equivalents | 44,619 | 64,061,783 | 45,250 | 69,843,000 |
| Trade and other payables | (593,870) | (852,652,665) | (467,994) | (722,348,291) |
| Net statement of financial position exposure | (549,251) | (788,590,882) | (422,744) | (652,505,291) |

The following significant exchange rates were applied during the year

Notes to the financial statements - continued

31 Financial instruments - fair values and risk management - continued

31.2 Financial risk management - continued

31.2.3 Market risk - continued

Exposure to currency risk - continued

| | Average rate | | Reporting date spot rate | |
|-------|--------------|---------|--------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| US \$ | 1599.86 | 1506.15 | 1435.76 | 1543.5 |

The Company translates its US Dollar denominated balances using the Nigerian autonomous foreign exchange (NAFEX) rate.

Sensitivity analysis

A 20% strengthening of the USD at 31 December 2025 (2024:20%) would have increased/(decreased) profit for the year by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | 2025 | 2024 |
|-----------------------------|----------|-----------|
| | ₦'000 | ₦'000 |
| Impact on loss for the year | | |
| 20% increase (2024:20%) | (25,248) | (130,501) |
| 20% decrease (2024: 20%) | 25,248 | 130,501 |

Interest rate risk

Interest rate risk management

The Company is exposed to interest rate risk arising from the interest bearing obligations from the (Market Operator) MO/NBET payables.

Interest rate risk-Sensitivity analysis

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

| Variable-rate instruments | Rate | 2025 | Rate | 2024 |
|---------------------------|----------|-------------|----------|-------------|
| | | | | |
| MO/NBET market debts | NIBOR+4% | 251,771,954 | NIBOR+4% | 222,024,783 |

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, or designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 300 basis points in interest rates at the reporting date would have increased/(decreased) profit/(loss) by the amounts shown below:

| | 2025 | 2024 |
|--------------------------|-------------|-------------|
| | ₦'000 | ₦'000 |
| 300 basis point increase | 5,787,276 | 4,752,616 |
| 300 basis point decrease | (5,787,276) | (4,752,616) |

Notes to the financial statements - continued

32 Capital management

The Company's policy is to maintain a strong capital base so as to gain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, less cash and cash equivalents. Total equity comprises all components of equity.

The board of directors seeks to achieve a more favourable total equity to adjusted net debt by engaging in mass metering projects and strengthening the revenue assurance function. The Company is not subject to any externally imposed capital requirements.

The Company's adjusted net debt to equity ratio as at December 2025 was as follows:

| | 2025 | 2024 |
|------------------------------------|--------------|--------------|
| | ₦'000 | ₦'000 |
| Total liabilities | 467,736,108 | 407,676,280 |
| Less: cash and cash equivalents | (38,267,882) | (24,587,059) |
| Adjusted net debts | 429,468,226 | 383,089,221 |
| Total equity | 142,345,543 | 128,206,941 |
| Adjusted net debts to total equity | 3.02 | 2.99 |

Equity includes share capital, revaluation reserves and accumulated losses.

33 Events after reporting date

There were no events subsequent to the financial position date which require adjustment to or disclosures in the financial statements.

34 Going concern

The Company recorded a net profit of ₦14.45 billion for the year ended 31 December 2025 (2024: a net profit of ₦781.11 million), accumulated losses of ₦50.64 billion (2024: ₦64.78 billion) and net current liabilities of ₦120.67 billion (2024: ₦122.45 billion).

About two years ago, the Nigerian Electricity Regulatory Commission (NERC) approved tariff adjustments, enabling the implementation of more cost-reflective tariffs for Band A customers. The Company's improved performance in 2025 is primarily driven by enhanced tariff structures, improved energy sales, and significant progress in metering and collections. Cash flows improved during the year, strengthening the Company's liquidity position and supporting the gradual settlement of legacy obligations.

Collections continue to be managed through escrow arrangements to prioritise payments to NBET and ONEM. Management projects continued improvement in liquidity, supported by ongoing metering initiatives and enhanced billing efficiency.

As at 31 December 2025, the Company has consistently met its current market obligations, including full settlement of monthly NBET and ONEM invoices. Metering initiatives have significantly improved collection efficiency, with a notable increase in revenue collections compared to prior periods. Consequently, net current liabilities have reduced compared to prior year levels.

To further strengthen liquidity and operational performance, the Company continues to implement the following initiatives:

- ▶Reduction of technical and commercial losses through network investments and system upgrades;
- ▶Improvement in billing accuracy and revenue assurance through smart metering and automation;
- ▶Expansion of metering coverage, including for Ministries, Departments and Agencies (MDAs), to enhance collections.

Management believes that ongoing regulatory support, improved tariff structures, and operational enhancements will sustain the Company's improved performance and liquidity position.

Accordingly, the financial statements have been prepared on a going concern basis, as Management has a reasonable expectation that the Company will continue to realise its assets and settle its liabilities in the ordinary course of business.

Notes to the financial statements - continued

35 Reclassification of financial statement items

i. Contract liabilities

During the current year, the comparative amount for Meter Asset Provider (MAP) liability was reclassified from Trade and other payables to Contract liabilities in the statement of financial position, as it was considered more appropriate to classify as a contract liability.

Nature of reclassification: The Meter Asset Provider (MAP) liability, which was previously classified under Trade and other payables, represents advance payments received from customers for the cost of electricity meters. These payments are made by customers in advance in exchange for the future provision of metered electricity supply, which constitutes the Company's performance obligation.

In accordance with IFRS 15 - Revenue from Contracts with Customers, advance payments received from customers that give rise to an obligation to transfer goods or services in the future meet the definition of contract liabilities. Accordingly, management has determined that the MAP liability is more appropriately classified as Contract liabilities rather than Trade and other payables, and the reclassification has been effected to reflect the substance of the arrangement.

Amount reclassified: The amount of meter asset provider (MAP) liability reclassified from "Trade and other payables" to "Contract liabilities" for the prior year is ₦15.56 billion.

Reason for reclassification: The reclassification was made to more accurately reflect the substance and nature of the transaction as a contract liability, in line with the requirements of IFRS Accounting Standards. This classification appropriately recognises the Company's obligation to transfer goods or services to customers in the future in respect of advance payments received.

ii. Foreign exchange loss

During the current year the comparative amount of foreign exchange loss was reclassified from finance cost to administrative expense for prior year in the statement of profit or loss, as it was considered more appropriate to classify as administrative expense.

Nature of reclassification: Foreign exchange losses, which were previously classified under finance costs, relate to foreign currency fluctuations arising from the Company's operations and do not relate to loans and borrowings or lease liabilities. Accordingly, management has determined that these foreign exchange losses are more appropriately classified as administrative expenses rather than finance costs, to better reflect the nature of the underlying transactions.

Amount reclassified: The amount of foreign exchange loss reclassified from "Finance cost" to "Administrative expenses" for the prior year is ₦298.61 million.

Reasons for reclassification: The reclassification was made to ensure the expense is presented as an administrative expense, as this more accurately reflects the substance and nature of the transaction, in line with the requirements of IFRS Accounting Standards.

Other national disclosures

Value Added Statement

For the year ended 31 December 2025

| | 2025 | % | 2024 | % |
|--|--------------------------|-------------|--------------------------|-------------|
| | N'000 | | N'000 | |
| Revenue | 699,484,008 | | 601,630,343 | |
| Bought in materials and services: | | | | |
| -Local | (621,433,459) | | (548,852,307) | |
| -Foreign | | | | |
| | <u>78,050,549</u> | | <u>52,778,036</u> | |
| Finance Income | 2,727,752 | | 1,185,443 | |
| Other income | 4,590,270 | | 6,694,336 | |
| Value added | <u>85,368,571</u> | 100% | <u>60,657,815</u> | 100% |
| Applied as follows: | | | | |
| To Employees: | | | | |
| - as salaries, wages and other staff costs | 15,098,884 | 19% | 14,894,599 | 26% |
| To Providers of finance: | | | | |
| - Finance cost and similar charges | 35,387,921 | 41% | 31,147,624 | 51% |
| To Government as: | | | | |
| - Taxes | 2,567,024 | 3% | 2,331,187 | 4% |
| Retained in the business: | | | | |
| To maintain and replace | | | | |
| - property, plant and equipment (depreciation) | 17,462,496 | 20% | 11,145,954 | 18% |
| - right of use (depreciation) | 58,850 | 0% | 75,059 | 0% |
| - intangible assets (amortisation) | 342,082 | 0% | 282,285 | 0% |
| - To augment reserves | 14,451,314 | 17% | 781,107 | 1% |
| Profit for the year | <u>85,368,571</u> | 100% | <u>60,657,815</u> | 100% |

The Value added represents the additional wealth which the Company has been able to create by its own and employees' effort. This statement shows the allocation of that wealth to employees, providers of finance, shareholders, government and that retained for creation of future wealth.

Five-Year Financial Summary

Statement of profit or loss and other comprehensive income

| | 2025 | 2024 | 2023 | Restated 2022 | 2021 |
|-----------------------------------|-------------|-------------|-------------|------------------|--------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Revenue | 699,484,008 | 601,630,343 | 250,548,755 | 148,882,467 | 165,325,621 |
| Results from operating activities | 49,678,507 | 33,074,475 | 20,193,750 | 8,132,602 | (1,109,852) |
| Profit/(loss) before tax expense | 17,018,338 | 3,112,294 | 1,655,036 | (6,590,187) | (11,208,028) |
| Profit/(loss) after tax expense | 14,451,314 | 781,107 | 398,146 | (7,336,802) | (11,945,351) |
| Total comprehensive income/(loss) | 14,138,602 | 73,660,579 | 21,489,912 | (7,229,057) | 42,362,998 |

Statement of financial position

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|-------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Employment of funds | | | | | |
| Property, plant and equipment | 297,364,520 | 289,515,146 | 210,729,043 | 186,384,954 | 185,781,081 |
| Right of Use asset | 74,912 | 127,469 | 169,409 | 197,512 | 349,640 |
| Intangible assets | 87,728 | 460,016 | 641,606 | 697,724 | 741,196 |
| Net current liabilities | (120,668,915) | (122,445,316) | (112,672,022) | (110,773,983) | (112,432,066) |
| Non-current liabilities | (34,512,702) | (39,450,374) | (44,321,674) | (43,449,757) | (34,154,344) |
| Net Assets | 142,345,543 | 128,206,941 | 54,546,362 | 33,056,450 | 40,285,507 |
| Funds Employed | | | | | |
| Share capital | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Accumulated losses | (50,636,859) | (64,775,461) | (65,651,916) | (66,110,031) | (58,880,974) |
| Revaluation reserve | 192,967,402 | 192,967,402 | 120,183,278 | 99,151,481 | 99,151,481 |
| | 142,345,543 | 128,206,941 | 54,546,362 | 33,056,450 | 40,285,507 |