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25



# BROMPTON CITY

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Developed by updc

The consolidated and separate financial statements, which are in line with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act (CAMA 2020) and the Federal Reporting Council of Nigeria (FRCN) Act, have been independently audited by Deloitte & Touche.

The financial statements have been prepared in such a manner as to provide stakeholders with an understanding of the company's business, performance, prospects and strategy. This report is also intended to provide stakeholders with an appreciation of the overall environment in which the company operates.

The report covers the operation of UPDC Plc and its subsidiaries for the financial year ended 31st December, 2025.

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# OVERVIEW

## EXCELLENCE. INNOVATION. EXPERTISE

Founded in 1997, UPDC Plc is a seasoned development and investment company in Nigeria with an established record in developing, selling, and managing real estate assets across Nigeria. Known for the quality of our products, UPDC is the first real estate company to have been listed on the Nigerian Stock Exchange and offers the most diversified portfolio of residential, commercial, retail, and hospitality assets. Our brand is well-recognized for providing distinctive lifestyle properties across Nigeria as well as offering exceptional quality and facilities management.

### Our Vision

To become the leading lifestyle real estate company of choice in Nigeria by delivering world-class properties and services tailored to the needs of the Nigerian market.

### Our Mission

To build and manage:

- Distinctive lifestyle developments to time, cost and quality.
- Customers for life: from development stage to sales to asset and facility management.
- Shareholder value.

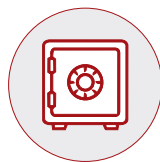
### Core Values



RESPONSIBILITY



SERVICE



INTEGRITY



EXCELLENCE



SHAREHOLDER  
VALUE



CUSTOMER  
FOCUS

## Business Lines

01

**Real Estate Advisory**

03

**Project Management**

05

**Facility Management**

02

**Property Development**

04

**Asset and Property Management Services**

06

**Hospitality**

## Our Track Record

**1997**

**Founded**

Established presence in Nigerian real estate

**1<sup>st</sup>**

**Listed Company**

First real estate company listed on Nigeria Stock Exchange

**25+**

**Years of Excellence**

Seasoned development and investment company



At  
**BROMPTON  
CITY**

Every plot comes with:

**Building your  
dream home**  
**OR**  
growing your investment  
portfolio, Brompton City gives  
you the best of both worlds.

- Long-term value growth.
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- Serviced plots in a prime location.
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# PERFORMANCE HIGHLIGHTS

	The Group			The Company		
	2025 N'000	2024 N'000	% Change	2025 N'000	2024 N'000	% Change
Revenue	12,908,015	11,786,913	10	2,636,429	4,401,353	(40)
Operating profit/(loss)	1,378,058	1,146,780	20	(276,162)	203,574	(236)
Net finance Income	1,867,338	162,139	1,052	7,449	117,708	(94)
Profit /(loss) before taxation	3,245,396	1,308,919	148	(268,713)	321,282	(184)
Taxation	(1,227,062)	(472,010)	(160)	(39,751)	(35,385)	(12)
Total comprehensive profit/(loss) for the year	2,151,615	650,130	231	(175,183)	99,118	(277)
Total Equity	11,451,569	9,485,553	21	1,024,027	1,384,809	(26)
Total equity and liabilities	29,989,374	30,988,108	(3)	13,327,167	10,532,769	27
Cash and Cash equivalents	10,197,862	11,504,698	(11)	1,612,225	4,238,385	(62)
Basic Earnings Per Share (Kobo)	11	5	141	(2)	2	(208)
NSE quotation as at December 31 (kobo)	490	159	208	490	159	208
Number of shares in issue ('000)	18,559,970	18,559,970		18,559,970	18,559,970	
Market capitalisation as at December 31 (N'000)	90,943,853	29,510,352		90,943,853	29,510,352	

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of UPDC PLC (Company) will be held at Arthur Mbanefo Hall, Festival Hotel, Festac Town, Lagos on Thursday, 7<sup>th</sup> May 2026 at 10am to transact the following businesses:

## ORDINARY BUSINESS

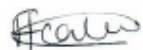
- To lay before the Members, the Report of the Directors, the Consolidated Statement of Financial Position of the Company as at 31st December 2025, together with the Consolidated Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
- To declare a dividend.
- To re-elect Mr. Oluwole Oshin and Mr. Adeniyi Falade as Directors.
- To authorize the Directors to fix the remuneration of the Auditors.
- To elect members of the Audit Committee.
- Disclosure of remuneration of Managers.

## SPECIAL BUSINESS

- To fix the remuneration of the Non - Executive Directors.
- To raise a N100bn Real Estate Fund

**Dated this 26th day of March 2026**

## BY ORDER OF THE BOARD



**Folake Kalaro (Mrs.)**

Company Secretary  
FRC/2018/NBA/00000017754



## NOTES

### 1. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba, Lagos or sent via email to [info@meristemregistrars.com](mailto:info@meristemregistrars.com) not later than 48 hours before the time fixed for the meeting.

### 2. STAMPING OF PROXY

The Company has made arrangements at its cost for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated timeline.

### 3. CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from Thursday, 23rd April 2026 to Thursday, 30th April 2026 both days inclusive for the purpose of updating the Register of Members.

### 4. PAYMENT DIVIDEND

If the final dividend of 1 kobo per share recommended by the Board of Directors is approved, the dividend will be paid on Thursday, 7<sup>th</sup> of May 2026 to shareholders whose names appear in the register of members at the close of business on Wednesday, 22nd April 2026.

### 5. NOMINATION TO THE STATUTORY AUDIT COMMITTEE

Pursuant to Section 404(6) of the Companies & Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements.

### 6. DIRECTORS RETIRING BY ROTATION

In accordance with the Articles of Association of the Company, Mr. Oluwole Oshin and Mr. Adeniyi Falade retire by rotation at the meeting and being eligible, offer themselves for re-election. Their profiles are contained in the Annual Report and on the Company's website at [www.updcplc.com](http://www.updcplc.com).

### 7. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Monday, 4th May 2026.

### 8. UNCLAIMED DIVIDENDS

The list of Unclaimed dividends has been uploaded on our website. You can access the list through: <https://updcplc.com/wp-content/uploads/2026/04/UPDC-UNCLAIMED-DIVIDEND-LIST.xlsx>

Shareholders who are yet to claim their outstanding dividends are hereby advised to visit the Registrars at 213, Herbert Macaulay Way, Yaba Lagos for the purpose of claiming their outstanding dividends. Shareholders are encouraged to use the link: <https://docuhub3.nibss-plc.com.ng/edmmms/self-service> to set up mandates for electronic payments for their dividends.

### Board of Directors

Mr. Oluwole Oshin	-	Non-Executive Chairman
Mr. Odunayo Ojo	-	Chief Executive Officer
Ms. Bidemi Fadayomi	-	Non-Executive Director
Mr. Folasope Aiyesimoju	-	Non-Executive Director
Mr. Oyekunle Osilaja	-	Non-Executive Director
Mr. Adeniyi Falade	-	Non- Executive Director

### Company Secretary/Legal Adviser

Mrs. Afolake Temitope Kalaro

### Registered Office and Transfer Office

UAC House  
1-5, Odunlami Street  
Marina, Lagos

### The Registrar

Meristem Registrars and Probate Services Limited  
213 Herbert Macaulay Way  
Yaba, Lagos.

### Independent Auditors

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe Avenue  
Victoria Island, Lagos.

A professional portrait of Oluwole Oshin, the Chairman. He is a Black man with short hair, smiling warmly at the camera. He is wearing a dark blue pinstriped suit jacket over a light blue dress shirt and a dark blue necktie. A patterned pocket square is visible in his jacket. The background is a plain, light color.

## **CHAIRMAN'S STATEMENT**

**"A year defined by strategic clarity, disciplined execution, and a steadfast commitment to long-term value creation."**

**Oluwole Oshin**  
Chairman

# CHAIRMAN STATEMENT

Dear Distinguished Stakeholders,

It is a privilege to welcome you to the 28<sup>th</sup> Annual General Meeting of UPDC Plc and to present the Annual Report for the financial year ended 31 December 2025.

The year under review underscored the clarity of our strategy, strength in execution and steadfast pursuit of long-term value. Our capacity to consistently create value and identify growth opportunities despite evolving market conditions is a direct result of the commitment and collaboration of all our stakeholders.

As we build on our achievements, we remain focused not only on preserving our track record but on actively contributing to the continued evolution of Nigeria's real estate sector.

## Global Operating Environment

The global economic landscape in 2025 was characterized by rapid shifts and heightened uncertainty, driven largely by evolving policy directions across major economies. Governments and institutions recalibrated economic strategies in response to changing global conditions, while trade developments remained central to international discourse, shaping market sentiment and expectations for global growth.

Global trade dynamics were significantly influenced by policy shifts originating in the United States. The introduction of higher tariffs and renegotiated trade arrangements signaled a firmer protectionist stance compared with earlier policy direction, despite subsequent partial tariff rollbacks. These developments prompted widespread global responses, including stockpiling of traded goods and the formation of new trade partnerships aimed at mitigating potential disruptions. As a result of these adjustments, global trade demonstrated notable resilience in 2025, reflecting not a retreat from globalization but rather a structural reorientation of trade partnerships and supply chains.

Economic recovery in advanced economies continued, with nearly 90% surpassing pre-pandemic per capita income levels. However, disparities remained, as over a quarter of Emerging Market and Developing Economies (EMDE), particularly low-income and conflict-affected countries— remained below their 2019 income benchmarks.

Global inflation moderated toward central bank targets but stayed above pre-pandemic levels, with increases in some advanced economies and continued easing across many emerging markets. Financial conditions eased, supported by stronger risk appetite, reduced market stress indicators, and a weaker U.S. dollar, leading to lower market volatility.

Geopolitical tensions remained a defining feature of the global environment, marked by increasing economic fragmentation. The strategic rivalry between the United States and China, ongoing conflicts such as the Russia-Ukraine war and heightened Israel-Iran tensions continued to disrupt supply chains and elevated global risk perceptions.

The adoption of artificial intelligence accelerated significantly in 2025, with global usage reaching record levels. AI

technologies continued to gain traction globally, supported by rising investment and increasing prioritization by businesses, particularly within technology, media, telecommunications, and service industries. AI-related investment remained a key driver of innovation.

Overall, the global economy demonstrated greater resilience than initially anticipated despite elevated trade tensions and policy uncertainties. This resilience was supported by front-loaded trade activity, supply-chain adjustments and diversification, new trade partnerships, easing financial conditions, supportive fiscal and monetary policies, and accelerating investment in artificial intelligence and digital transformation.

**“The year under review underscored the clarity of our strategy, strength in execution and steadfast pursuit of long-term value.”**

## The Nigerian Economy

Nigeria's economy in 2025 was characterized by macroeconomic stabilization efforts aimed at restoring investor confidence and correcting long-standing structural distortions. The economy operated within a reform-driven macroeconomic environment as the country continued adjusting to major policy changes, particularly the fuel subsidy removal and foreign exchange market liberalization. Although growth started slowly, the economy gradually adapted to the new policy environment, resulting in steady improvements across key performance indicators.

Nigeria's Gross Domestic Product (GDP) grew by 3.9% in 2025, up from 3.4% in 2024. Growth was largely driven by the non-oil sector, which accounted for 96.47% of total GDP, slightly below its 96.62% contribution in 2024. Key drivers of non-oil growth included agriculture, trade, real estate, and the information and communications sectors.

The oil sector recorded an annual growth rate of 8.50%, significantly higher than the 5.54% recorded in 2024. Total production, including condensates, rose to 599.64 million barrels, representing a 5.7% increase compared to 566.79 million barrels in 2024. However, production levels declined over the course of the year, with the year's production commencing at an average of 1.7 mbpd in January 2025 and closing at 1.54 mbpd by December.

Inflation moderated in 2025, largely due to the sustained tight monetary policy stance of the Central Bank, increased stability in the foreign exchange market, and the easing supply-side constraint. A key factor was also the rebasing of the Consumer Price Index (CPI) by the National Bureau of Statistics (NBS) —reflecting updated consumption patterns and a recalibrated new base year—headline inflation. As a result, Inflation declined to 24.48% in January 2025 and fell further to 15.15% by year-end.

The Naira also recorded a notable recovery during the year. After closing at ₦1,535/\$1 in December 2024, the currency strengthened to ₦1,446/\$1 by December 2025. This appreciation was supported by domestic economic reforms, increased capital inflows, stronger export receipts, and expanding local refining capacity, which reduced pressure on foreign exchange demand.

Additionally, the introduction of the Nigerian Tax Act marked a significant step towards fiscal reform. The act aims to consolidate tax collection, harmonize existing tax laws, and enhance tax administration efficiency through the establishment of a unified revenue collection framework under the Nigeria Revenue Service.

Overall, 2025 reflected a year of stabilization and gradual recovery for the Nigerian economy. While structural challenges remain, the combined impact of policy reforms, improved macroeconomic coordination, and strengthening investor confidence contributed to a broadly improved economic performance.

### **Nigeria's Real Estate Sector in 2025**

Nigeria's real estate sector experienced a mix of opportunities and challenges in 2025, influenced by evolving market dynamics, policy shifts, and structural constraints. The real estate services sector contributed 13.57% to total GDP, reflecting a slight decline from 13.58% in 2024 and is currently the 3<sup>rd</sup> largest contributor to the GDP after the rebasing exercise that was carried out at the start of 2025.

The year saw the introduction of initiatives and reforms aimed at improving the sector's structure and providing relief to stakeholders. A significant development was the launch of the Ministry of Finance Incorporated (MOFI's) MREIF fund, which sought to address the housing gap. As of December 2025, the MOFI investor report recorded ₦70.72 billion in disbursements, supporting 1,082 mortgages across 21 states and the FCT. Another significant development was the endorsement of the Nigerian tax reforms which introduced rent relief, mortgage incentives, and withholding tax exemptions on REITs and REICs dividends. The impact of the reform is to

be felt in 2026 when implementation takes effect.

Despite these interventions, fundamental challenges remain, particularly the limited access to long-term credit and rising construction costs. In the residential market, both sale and rental prices surged, especially in major urban centres, driven by undersupply, market gaps, and expanding urban infrastructure.

The office segment witnessed an increase in brownfield acquisitions, reflecting the high cost of new construction. Transactions were largely led by indigenous investors following a pullback in long-term investments from multinational companies. Meanwhile, the retail market maintained its occupancy levels, with property owners offering concessions and flexible leasing arrangements to sustain tenancy.

Overall, the real estate sector demonstrated resilience throughout 2025, underpinned by sustained demand for real estate products across key segments. Developers and leading operators responded to market dynamics through innovative business models and strategic partnerships, unlocking demand and supporting expansion. Combined with recent government policy initiatives, these efforts have reinforced a constructive operating environment and helped sustain transaction activity, positioning the sector for long-term growth.

**“Overall, the Company's performance underscores the resilience of our business model and positions UPDC for sustained growth and value creation in the periods ahead.”**

### **Our operations**

UPDC's strong operational performance and disciplined capital management continue to deliver sustainable value to our shareholders. During the year, the Company made significant progress on its Brompton City Phases 2 & 3 development, a sites-and-services project designed to redefine communal living through the integration of well-structured designs and quality infrastructure that enhance everyday living experiences.

Our Advisory and Asset Management business further strengthened its market presence, securing key development management mandates which will deepen its contribution to the Group's diversified revenue base. This reflects increasing market confidence in our technical expertise and execution capabilities.

The Facilities Management business recorded an improved

performance during the year. Through the deployment of technology-driven solutions, the business expanded its service offerings, deepening its customer penetration. The business also secured new mandates, resulting in overall revenue growth and stronger client retention.

Festival Hotel, our hospitality subsidiary, undertook operational reengineering initiatives and infrastructure upgrades aimed at improving efficiency and optimizing performance. These measures contributed positively to operational effectiveness and supported improvements in the subsidiary's bottom line.

### Our Performance Scorecard

Under the strategic guidance of the Board, UPDC delivered a strong financial performance during the year, recording a significant increase in profit before tax of **₦3,245 million**, compared with **₦1,309 million** in the prior year, a 148% growth year-on-year. This performance reflects the Company's continued execution of its strategic priorities and disciplined operational focus.

Revenue grew by 10% year-on-year, driven primarily by robust property sales performance and deeper market penetration across our client segments.

Operating profit increased by 20% to **₦1,378 million**, up from **₦1,147 million** in 2024, demonstrating improved operational efficiency and effective cost management across the business.

The Company recorded a net finance income of **₦1,867 million**, reflecting prudent capital allocation, effective treasury management, and a strong liquidity position during the year.

Overall, the Company's performance underscores the resilience of our business model and positions UPDC for sustained growth and value creation in the periods ahead.

### Outlook for 2026

In 2026, we anticipate sustained growth in demand for real estate solutions, supported by accelerating urbanization, expanding infrastructure development, and improving investor confidence. At UPDC, we will continue to position ourselves to capture these opportunities by delivering high-quality real estate products aligned with evolving market needs and customer expectations.

We remain committed to delivering long-term value creation. Our ability to attract and collaborate with strategic partners continues to serve as a key competitive advantage, enabling us to advance major growth projects while effectively managing risk and enhancing shareholder returns. Developments initiated in 2025 are expected to continue contributing meaningfully to the Company's bottom line, while we expand our development management services and focus on emerging urban locations benefiting from strong infrastructure investments.

Within our hospitality segment, we aim to strengthen our value proposition by elevating guest experience and deepening market penetration. We will also continue to enhance our

facilities management services by broadening our client base across diverse customer segments. A key priority will be improving operational efficiency through the adoption of technology-driven solutions to enhance service delivery, innovation, and performance monitoring.

During the course of 2026, we plan to create a Real Estate Fund that will be structured to channel long term institutional capital to emerging real estate opportunities, provide superior returns to investors, and deepen the company's capital base for sustainable growth.

In 2026, our focus remains on delivering enhanced experience for all end users while creating sustainable value for our stakeholders.

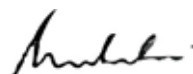
**“In 2026, our focus remains on delivering enhanced experience for all end users while creating sustainable value for our stakeholders.”**

### Stakeholders' commitment

Our stakeholders remain central to everything we do. We are committed to building sustainable and resilient businesses that consistently deliver long-term value. This commitment is anchored on operational excellence, a dynamic and supportive work environment, and the highest standards of ethical governance across all areas of our operations. Our actions continue to be guided by our core values of excellence and integrity.

As a result, the company is proposing a dividend payment of **₦0.01** (1 kobo) per ordinary share to its shareholders. This demonstrates the need to reward our shareholders as the company's performance improves, while retaining sufficient capital in the company to finance future growth initiatives for optimal and sustained performance.

I sincerely appreciate our stakeholders for their continued confidence in UPDC. I am confident that this enduring trust will translate into long-term benefits as we remain focused on creating long-lasting impact for our shareholders, customers, employees, partners, and the communities we serve.



**Oluwole Oshin**

Chairman

FRC/2013/CIIN/0000003054

# TEAM BONDING EVENT





**BROMPTON  
CITY**  
LEKKI SCHEME II, LAGOS

*A model for*  
**URBAN**  
*Living*



**Detached House**

Low Density Plots  
From 300m<sup>2</sup>



**Semi-Detached Houses**

Medium Density Plots  
From 550m<sup>2</sup>



**Block of Apartments**

High Density Plots  
From 900m<sup>2</sup>

**FOR MORE INFORMATION**

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✉ info@updcplc.com

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## DIRECTORS' PROFILES



### **Mr. Oluwole Oshin**

Chairman

Mr. Oluwole Oshin is the founder and Group Managing Director of Custodian Investment Plc. He is an industry leader with several decades of experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Council Member of the West African Insurance Companies Association (Ghana), Council Member of the African Insurance Organization, and External Lecturer – West African Insurance Institute, Banjul, The Gambia. He sits on several boards, including the International Insurance Society (New York), Council Member of the Nigerian Insurers Association, Advisory Board of the Commonwealth Enterprise and Investment Council, and the National Council on Privatisation.

He has received numerous awards including nomination as “African CEO of the Year” by African Reinsurance Corporation, a three (3) time awardee of the Top 25 CEO’s Award by the influential BusinessDay Newspaper and the 2019 Harvard Business School Association of Nigeria (HBSAN) Leadership Award for General Management. A graduate of Actuarial Science and a Chartered Insurer by Profession, he holds a Doctor of Finance (Honoris Causa) and is a Fellow of numerous associations, including the Chartered Insurance Institute of Nigeria, the Risk Managers Society of Nigeria, Association of Investment Advisers and Portfolio Managers as well as the West African Insurance Institute, Banjul, The Gambia. He is a past president of the Lagos Business School Alumni Association (LBSAA), as well as an alumnus of the Harvard Business School (OPM 42).

Wole joined the Board of the Company on 5th January 2021 and was appointed the Chairman of the Board on 13th January 2021.



### **Mr. Odunayo Ojo**

Chief Executive Officer (CEO)

A consummate real estate professional, Mr. Odunayo Ojo has been involved in property development, asset management, private equity and advisory services for various asset classes including master planned communities, mixed-use schemes, shopping centres, commercial buildings and hotels.

Prior to his appointment as the CEO of UPDC Plc, Odunayo held several roles such as CEO of Alaro City, Director of Development and Projects at Eagle Hills, Abu Dhabi, Development Director at Laurus Development Partners, Vice President at Ocean and Oil Holdings and Business Manager at UPDC Plc.

Odunayo is a member of the Royal Institution of Chartered Surveyors (RICS), The Nigerian Institution of Estate Surveyors and Valuers (NIESV) and a Registered Surveyor and Valuer (RSV).

He holds a Master’s in Business Administration (MBA) and a Bachelor’s Degree (BSc) in Estate Management. He was appointed the CEO and director with effect from 4th May 2021. He is a member of the Board Finance, Investment and Operations Committee and the Board Risk, Audit and Compliance Committee.



## Ms Bidemi Fadayomi

Non-Executive Director

With a distinguished 30-year career spanning the full lifecycle of the built environment, Ms. Fadayomi is a strategic Real Estate Developer and Investor specializing in high-value assets across Western Africa and Europe. Her unique professional trajectory—combining technical precision with institutional-grade investment expertise—allows her to navigate complex markets and deliver superior risk-adjusted returns. She has built her career on flawlessly executing highly complex global transactions and has a proven track record of steering multi-million dollar projects from initial visioning, site acquisition through to asset stabilization. Her expertise covers the full spectrum of high-value real estate, including Institutional-grade Commercial Offices, Luxury Residential developments, and Hospitality assets. Ms Fadayomi holds a Bachelor of Science and a Bachelors of Science and a Bachelors of Architecture, both from the University of Wales, Cardiff.

Bidemi is the CEO of Urbanalia Real Estate Limited, a real estate investment, development and advisory firm focusing on wealth creation and maximising real estate portfolio returns. Before joining Urbanalia, Bidemi’s roles included Executive Director at UPDC Plc, Head, Real Estate Asset Development of Argentil Asset Management Limited, Vice President, Real Estate of Avante Property Asset Management Services, Project Manager for Trench Farrow, UK and Project Architect at Aedas Architects UK.

Bidemi was appointed a Director of the Company on 28th July 2022. She is a member of the Board Finance, Investment and Operations Committee and the Board Risk, Audit and Compliance Committee..



## Mr. Folasope Aiyesimoju

Non-Executive Director

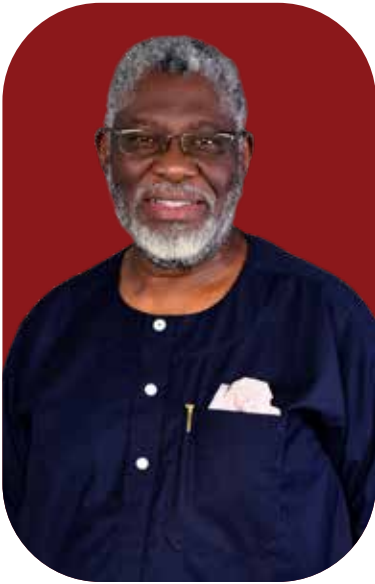
Mr Folasope Aiyesimoju is the Group Managing Director of UAC of Nigeria PLC, a holding company with interests in packaged food and beverages, animal nutrition, paint, real estate, quick service restaurants, and logistics. Under his leadership, UAC has undergone significant growth, focusing on operational excellence, technology, risk management, and capital allocation for long-term value creation.

Fola has over two decades of experience spanning investment banking, principal investing, private equity and corporate leadership. Prior to joining UAC, he held roles at leading institutions including Standard Bank, Ocean and Oil Holdings, and Kohlberg Kravis Roberts (KKR).

Fola is passionate about African enterprise and long-term capital formation. He is the founder of Themis Capital Management, a long-term investment company focused on building sustainable businesses in Africa.

He holds a degree in Real Estate Management from the University of Lagos and earned the right to use the CFA charter in 2006. He chairs the boards of directors of Chemical and Allied Products PLC, Grand Cereals Limited, UAC Foods Limited, UAC Restaurants Limited and CHI Limited, all subsidiaries of UAC. He also serves on the board of directors of Juven Africa.

Fola was appointed a Director of the Company on 6th August 2018. He chairs the Board Risk, Audit and Compliance Committee and is a member of the Board Finance, Investment and Operations Committee as well as the Board Remuneration & Governance Committee.



## **Mr. Oyekunle Osilaja**

Non-Executive Director

Mr Oyekunle Osilaja is an experienced Board and Investment Committee member with some 35 years experience in international real estate and financial services. He was Group Head (Snr Vice President) of Real Estate for Ecobank Transnational Inc (ETI) and Head of Ecobank Capital, Nigeria - responsible for overseeing and Chairing the Boards of entities: Investment Banking, Asset Management, Securities Trading and Registrars businesses in Nigeria.

Prior to joining ETI in 2012, Kunle spent most of his career in the UK at Jones Lang LaSalle (world's largest firm of real estate advisors) where he was the Chair of Lead Directors JLL Corporate Finance and Head of Debt & Structured Finance (Europe, Middle East & Africa) specializing in real estate finance - advisory, debt and equity capital markets in the UK and Western Europe.

He has advised on various projects including Greenwich Peninsula (and Millennium Dome); regeneration of King's Cross Central; Four Seasons Hotel, Milan; The Adelphi office London, London Stratford City, and various Commercial Mortgage-Backed Securities (CMBS) and Non-Performing Loans (NPL) transactions.

He sat on the board of Old Mutual Gen Insurance Company, Nigeria and the Investment Committee of CAPIC Fund (part of Africa Capital Alliance). He was the Chairman of EDC Securities Ltd and Board member of EDC Asset Management Ltd. He currently sits as a Non-Executive Director of Eko Atlantic City Management Co Ltd, ITB Construction Nigeria Ltd and HiTech Construction Ltd.

Kunle was appointed a Director of the Company on 10th January 2020. He chairs the Board Remuneration & Governance Committee and is a member of the Board Finance, Investment and Operations Committee and the Statutory Audit Committee.



## **Mr. Adeniyi Falade**

Non- Executive Director

Mr. Adeniyi Falade is a Chartered accountant, Chartered Stockbroker and an Investment Banker. He had his professional accountancy training at PricewaterhouseCoopers Lagos, and Coopers & Lybrand Limited, Lagos. Before his recent appointment as Group Executive Director of Custodian Investment PLC, he was the Managing Director of Crusader Sterling Pensions Ltd. He had also served as the Managing Director of Lead Capital and Head of Investment Banking Groups of Ecobank Nigeria Plc and Lead Bank Plc at various times. He was also the Head of Internal Control/ Chief Inspector and Head of Risk Management Department of Lead Bank Plc much earlier in his career.

Niyi holds a Master of Business Administration (MBA) from the University of Warwick, United Kingdom and a Bachelor of Science degree (BSc), from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Institute of Chartered Stockbrokers of Nigeria.

He serves on the Board of many companies as a non- executive director including Custodian Trustees Limited, Custodian and Allied Insurance Limited, Interstate Securities Limited and UPDC Hotels Limited. He currently also serves as the Chairman of UPDC Facility Management Limited.

Niyi was appointed a Director of the Company on 5th January 2021. He chairs the Board Finance, Investment and Operations Committee and is a member of the Board Risk, Audit and Compliance Committee, Board Remuneration & Governance Committee and the Statutory Audit Committee.

# REAL ESTATE SUMMIT



## DIRECTORS' REPORT

The Directors have the pleasure of submitting their annual report, together with the audited Financial Statements for the year ended 31st December 2025.

### Principal Activities

UPDC Plc (UPDC or the Company) is a seasoned development company in Nigeria with an established record in developing, selling, and managing real estate assets across Nigeria. UPDC is the first real estate listed company and offers the most diversified portfolio of residential, commercial, retail, and hospitality assets.

### Operating Results

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue	12,908,015	11,786,913	2,636,429	4,401,353
Cost of Sales	(9,286,078)	(8,388,112)	(1,474,367)	(3,191,829)
Gross Profit/(loss)	3,621,937	3,398,801	1,162,062	1,209,524
Selling and distribution expenses	(230,305)	(550,067)	(180,412)	(145,829)
Administrative expenses	(2,369,600)	(1,972,420)	(1,305,314)	(1,012,547)
Other Operating income	605,500	434,071	151,170	193,940
Credit loss expenses	(241,513)	(163,604)	(95,709)	(41,514)
Share of loss from joint venture	(7,959)	-	(7,959)	-
Operating profit/ (Loss)	1,378,058	1,146,780	(276,162)	203,574
Net finance Income (Cost)	1,867,338	162,139	7,449	117,708
Profit/(loss) before taxation	3,245,396	1,308,919	(268,713)	321,282
Taxation	(1,227,062)	(472,010)	(39,751)	(35,385)
Profit/(loss) for the year	2,018,334	836,909	(308,464)	285,897
Fair value gain on financial assets	133,281	(186,779)	133,281	(186,779)
<b>Total comprehensive profit/(loss) for the year</b>	<b>2,151,615</b>	<b>650,130</b>	<b>(175,183)</b>	<b>99,118</b>

### Dividend

The Board of Directors has approved a dividend of 1 kobo per ordinary share for the financial year ended 31 December 2025 (2024: 1 Kobo). This amounts to a total dividend payout of N185,599,699.36, based on the total outstanding ordinary shares of 18,559,969,936.

### Directors' Interests in Shares

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/or as notified by the Directors in compliance with Sections 301 and 302 of the Companies and Allied Matters Act 2020 and the Listing Requirements of the Nigerian Exchange Limited were as follows:

	31 December 2025		31 December 2024	
	Direct	Indirect	Direct	Indirect
Mr Wole Oshin	-	9,486,390,663	-	9,486,390,663
Mr Odunayo Ojo	-	-	-	-
Ms Bidemi Fadayomi	-	-	-	-
Mr Folasope Aiyesimoju	-	7,697,451,236	-	7,908,186,837
Mr Oyekunle Osilaja	-	-	-	-
Mr Adeniyi Falade	-	-	-	-

### Directors' Interests in Contracts

In line with Section 303 of the Companies & Allied Matters Act 2020, no Director had interest in any contract with the Company during the year.

## Shareholders with Substantial Interest of 5% and Above

The issued and fully paid-up share capital of the Company is N9,279,984,968 divided into 18,559,969,936 ordinary shares of 50 kobo each. The following table shows the shareholders with substantial interest above 5%:

S/N	FULL NAME	ADDRESS	HOLDINGS	%
1	Custodian Investment Plc	Custodian House, 16A, Commercial Avenue, Sabo, Yaba	9,486,390,663	51.11
2	UAC of Nigeria Plc	UAC House, 1 – 5, Odunlami Street, Marina, Lagos.	7,697,451,236	41.47

Except for the list above, no other individual or entity holds 5% and above of the issued and fully paid shares of the Company.

## Our People

At UPDC (the Company), our people are central to the achievement of our strategic objectives. We are committed to fostering a workforce that reflects our core values of integrity, responsibility, service, excellence, customer focus, and shareholder value creation. Our corporate culture promotes open communication, collaboration, diversity, and forward thinking, creating an environment where ideas, perspectives, and knowledge are freely shared. This culture supports innovation, enhances employee engagement, and enables our people to contribute effectively to the Company's long-term growth and success.

## Diversity and Inclusion

The Company maintains a zero-tolerance stance on discrimination and is committed to promoting fairness and equal opportunity across all aspects of employment. Recruitment, training, and career advancement are based strictly on character, competence, and merit. Our recruitment processes are structured to ensure transparency and fair competition, enabling us to attract and retain highly qualified individuals across relevant fields. Through this approach, we continue to build a diverse and capable workforce that strengthens the Company's performance and sustainability.

## Health, Safety and Welfare of Employees

The Company places a high priority on the health, safety and welfare of its employees and maintains policies and procedures designed to ensure a safe working environment.

## Employee Engagement and Team Communication

The Company recognizes that its employees are integral to the success of the business and therefore implements initiatives designed to enhance staff morale, engagement, and collaboration. Employees are actively involved in the formulation and execution of strategies within their respective business units, fostering ownership of business plans and commitment to organizational objectives.

To encourage collaboration and information sharing, the Company regularly holds Team Retreats, Business Review Meetings, Strategy Review Sessions, Project Integration Meetings, and Town Hall Meetings. These forums provide opportunities for the exchange of ideas and the dissemination of key business information. The Company has also increasingly adopted technology-enabled platforms to facilitate hybrid meeting formats and enhance participation and efficiency.

## Learning and Development

The Company encourages continuous personal and professional development among its employees. To support this, it adopts a training approach that promotes internal knowledge sharing while also encouraging and monitoring self-development initiatives.

In addition, the Company organizes training programmes with external facilitators to support career growth. These programmes cover both technical and people-development competencies and are aligned with employees' development needs. Post-training evaluations indicate positive outcomes and a measurable return on investment from these initiatives.

## Employee Wellness and Wellbeing

The Company prioritizes employee wellbeing and mental health, recognizing that a healthy workforce is critical to building resilience and sustaining productivity. The Company periodically implements initiatives aimed at improving the health and overall wellbeing of its employees and encourages participation in programmes that promote healthy lifestyles and support mental, emotional, physical, and social wellbeing.

These initiatives collectively contribute to a supportive workplace culture, enhanced employee engagement, and sustained organizational performance. Some of the wellness initiatives implemented during the year include:

- Health Insurance cover for employees through the Health Maintenance Organizations (HMOs).
- Compulsory Annual Health Checks for all employees, on-site physical health checks, healthier living and maintaining a good work-life balance.

## UPDC Plc

- Regular advisory and health talks during health awareness sessions, work life balance initiatives which include remote work policies.
- A work environment free from health hazards and the continuous provision of resources that create a conducive and ergonomic workplace.
- Paid time off for all medical, maternity and paternity leave.
- A daily meal is provided to staff while on duty.

### **Performance Management**

The Company's performance management framework is designed to maximize employee productivity while maintaining a healthy and motivated workforce. Business objectives are clearly defined, cascaded across the organization, and periodically monitored to ensure alignment with overall corporate goals.

The Company also conducts periodic training on performance management standards, while monitoring compliance to ensure consistency, accountability, and continuous improvement across the organization.

### **Employee Recognition and Incentive Scheme**

Management openly acknowledges and recognises employees who demonstrate exceptional performance each year. Gift vouchers are also awarded in recognition of outstanding individual contributions. In addition, the Company implements incentive initiatives designed to foster employee engagement and encourage strong team performance. These initiatives are aimed at enhancing employee morale and motivation, which in turn contributes positively to productivity and overall business performance.

### **Information Technology Upgrades**

Information Technology is integral to the Company's operations. The Company maintains a stable and up-to-date IT infrastructure to enhance the working environment, improve productivity, and strengthen cybersecurity.

Key initiatives include the deployment of productivity applications, the implementation of a centralized Microsoft Office 365 SharePoint Library for secure document sharing and backup, the establishment of a centralized Storage Area Network (SAN) for secure file storage, and periodic upgrades of antivirus systems to address evolving cybersecurity threats.

### **Internship Management**

The Company operates an Internship Programme designed to build a pipeline of future talent by providing learning opportunities and practical work experience for young undergraduates undertaking their Student Industrial Work Experience Scheme (SIWES) or Industrial Attachment. Through structured learning modules and exposure to the Company's operations, interns develop both technical and soft skills, gaining practical insights that support their career development and readiness for the workplace.

### **Recruitment**

The Company's internal recruitment team is responsible not only for filling open positions but also for partnering with hiring managers to continuously enhance talent acquisition processes, including workforce marketing, candidate screening, interviewing, onboarding, and employee retention.

To attract and retain high-quality talent, the Company adopts a multi-channel recruitment approach. In addition to recruiting locally within the communities it serves, the Company leverages employee referral programmes, and social media platforms to broaden its talent pipeline and strengthen its employer brand.

### **Corporate Social Responsibility**

The Company is committed to responsible corporate citizenship and actively pursues its corporate social responsibility by supporting communities in less-developed city outskirts, including locations where the Company may not necessarily derive direct business benefit.

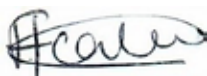
Through these initiatives, the Company seeks to contribute to the improvement of living standards and socio-economic wellbeing within these communities. These efforts reflect the Company's commitment to inclusive development and its contribution to broader global initiatives aimed at reducing extreme poverty and supporting sustainable community development.

**Conflict of Interest**

Employees may engage in external activities provided that such activities do not interfere with the proper performance of their duties and do not conflict with the interests of the Company or involve the misuse of the Company's trademarks, property, reputation, goodwill, or confidential information.

Where an employee has an actual or potential personal interest in any matter relating to the Company's business that conflicts with, or could reasonably be perceived to conflict with, the best interests of the Company, or that may impair the employee's ability to exercise objective judgment, the employee shall promptly disclose such interest in accordance with the Company's conflict of interest policy.

Failure to disclose or appropriately manage such conflicts of interest may result in disciplinary action in accordance with the Company's policies.

**BY ORDER OF THE BOARD****Folake Kalaro (Mrs.)**

Company Secretary  
FRC/2018/NBA/00000017754

# CORPORATE GOVERNANCE REPORT

## Overview of the Board's Role

The Board of the Company (the Board) is responsible for providing strategic leadership and oversight for the Company and ensuring that the Company is managed in a manner that promotes sustainable growth and long-term shareholder value. In discharging its responsibilities, the Board establishes appropriate governance structures, monitors management performance, and ensures compliance with applicable laws, regulations, and corporate governance standards.

## Governance Philosophy

The Board is committed to maintaining corporate governance, which it considers essential to the integrity, sustainability, and long-term success of the Company. The Company expects all Directors and employees to act with honesty, integrity, and fairness in the discharge of their duties and strives to comply with all applicable laws and regulations in Nigeria while upholding sound business practices.

## Board Composition

The Board comprises individuals with diverse skills, experience, and expertise relevant to the Company's business.

During the period under review, the Board comprised five (5) Non-Executive Directors and one (1) Executive Director. The Board is led by a Non-Executive Chairman, while the Chief Executive Officer, whose role is separate from that of the Chairman, is responsible for the day-to-day management of the Company. The current Directors of the Company and their classifications are as follows:

Mr Oluwole Oshin	Non-Executive Chairman
Mr Odunayo Ojo	Chief Executive Officer
Mr Folasope Aiyesimoju	Non-Executive Director
Mr Oyekunle Osilaja	Non-Executive Director
Mr Adeniyi Falade	Non-Executive Director
Ms Bidemi Fadayomi	Non-Executive Director

## Board Responsibilities

The Board is responsible for providing strategic direction to the Company and overseeing the management of its affairs. It ensures that appropriate systems of internal control and risk management are in place and that the Company operates in compliance with applicable laws, regulations, and sound corporate governance practices.

The Board also reviews and approves the Company's strategic plans, major investments and financial performance while monitoring management's execution of the Company's strategy.

## Board Meetings

The Board met five (5) times during the 2025 financial year. The following table shows the attendance of Directors at the Board meetings:

DIRECTORS	18/2	25/3	23/4	25/7	30/10
Mr Oluwole Oshin	P	P	P	P	P
Mr Odunayo Ojo	P	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P	P
Mr Adeniyi Falade	P	P	P	P	P

### Key:

P - Present

## Board Committees

To enhance efficiency and effectiveness in the discharge of its responsibilities, the Board has established certain committees to focus on specific areas of oversight. These committees operate under clearly defined terms of reference approved by the Board.

The key committees of the Board include:

- Board Finance, Investment and Operations Committee
- Board Risk, Audit and Compliance Committee
- Board Remuneration & Governance Committee

Each Committee reports to the Board and makes recommendations for the Board's consideration.

While the various Board Committees have the authority to examine issues within the terms of reference and report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board.

## Finance, Investment and Operations Committee

The Committee supports the Board's responsibilities relating to the financial affairs of the Company and to make recommendations to the Board in connection with the Company's investment, financing and operational activities. The Committee operates under terms of reference approved by the Board.

### Members

Name	Position	Status
Mr Adeniyi Falade	Chairman	NED
Mr Folasope Aiyesimoju	Member	NED
Mr Oyekunle Osilaja	Member	NED
Mr Odunayo Ojo	Member	CEO
Ms Bidemi Fadayomi	Member	NED

## The Committee Meetings

The Committee met five (5) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	24/3	23/4	23/7	28/10	11/12
Mr Adeniyi Falade	P	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P	P
Mr Odunayo Ojo	P	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P	P

### Key:

P: Present

## The Risk, Audit and Compliance Committee

The Committee supports the Board's responsibilities relating to the risk management and effectiveness of internal controls of the Company and to make recommendations to the Board in connection with the Company's risk management and internal control policies and framework. The Committee operates under terms of reference approved by the Board.

### Members

Name	Position	Status
Mr Folasope Aiyesimoju	Chairman	NED
Mr Adeniyi Falade	Member	NED
Mr Odunayo Ojo	Member	CEO
Ms Bidemi Fadayomi	Member	NED

**Committee Meetings**

The Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

<b>DIRECTORS</b>	<b>24/3</b>	<b>17/4</b>	<b>22/7</b>	<b>21/10</b>
Mr Folasope Aiyesimoju	P	P	P	P
Mr Adeniyi Falade	P	P	P	P
Mr Odunayo Ojo	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P

**Key:**

P - Present

**The Remuneration & Governance Committee**

The Board Remuneration and Governance Committee assists the Board in overseeing matters relating to corporate governance, Board composition and appointments, Directors’ remuneration, succession planning, and Board performance evaluation.

The Committee also reviews governance policies and ensures that the Company’s governance practices remain aligned with applicable regulatory requirements and recognised best practices.

The Committee operates under terms of reference approved by the Board.

**Members**

<b>Name</b>	<b>Position</b>	<b>Status</b>
Mr Oyekunle Osilaja	Chairman	NED
Mr Folasope Aiyesimoju	Member	NED
Mr Adeniyi Falade	Member	NED

**Committee’s Meetings**

The Committee met two (2) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

<b>DIRECTORS</b>	<b>17/4</b>	<b>28/10</b>
Mr Oyekunle Osilaja	P	P
Mr Folasope Aiyesimoju	P	P
Mr Adeniyi Falade	P	P

**Key:**

P - Present

**The Statutory Audit Committee**

The Statutory Audit Committee consists of five members made up of three representatives of the shareholders elected at the previous Annual General Meeting for tenure of one year and two representatives of the Board of Directors. The meetings of the Committee which are held quarterly were attended by our Internal Audit Manager and when necessary, by representatives of Deloitte & Touché, our External Auditors.

**Members**

<b>Name</b>	<b>Position</b>
Mr Joe Anosikeh	Chairman
Eng. Taiwo G. Fawole	Member
Mr Uchenna Nnamdi Nnadozie	Member
Mr Oyekunle Osilaja	Member
Mr Adeniyi Falade	Member

## Committee's Meetings

The Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

DIRECTORS	24/3	23/4	23/7	28/10
Mr Joe Anosikeh	P	P	P	P
Mr Uchenna Nnamdi Nnadozie	P	P	P	P
Engr Taiwo Fawole	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P
Mr Adeniyi Falade	P	P	P	P

### Key:

P - Present

The Committee is authorized by CAMA 2020 to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with the external auditor and departmental responses thereon.
- Keep under review the effectiveness of the company's system of accounting and internal control.
- Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee; and
- Receive quarterly/periodic reports from the internal audit unit.

In addition, the SEC Code of Corporate Governance also assigns specific responsibilities to the Committee.

## Board Appointment Process

The Board Remuneration & Governance Committee serves as the nomination committee and is responsible for recommending suitable candidates to fill vacancies on the Board. The appointment process typically involves the declaration of a vacancy by the Board, assessment of the Board's requirements, sourcing and review of suitable candidates' curriculum vitae, background checks, and interactions with selected candidates.

The Committee thereafter recommends qualified candidate(s) to the Board for approval. Directors appointed by the Board are presented to the next Annual General Meeting for election in accordance with statutory requirements. In line with the Company's Articles of Association, one-third of the members of the Board retire by rotation at each Annual General Meeting.

## Induction of Directors

Newly appointed Directors receive a formal letter of appointment outlining their roles, responsibilities and expected time commitment. They are also provided with key Company documents, including the Memorandum and Articles of Association, the most recent Annual Report and Accounts, the National Code of Corporate Governance, and the Company's Code of Business Conduct.

Each new Director undergoes an induction and orientation programme designed to familiarise them with the Company's governance framework, leadership team, and business operations.

## Training and Development

The Company is committed to ensuring that Directors continually develop their knowledge and skills. Periodic training programmes are organised to ensure that members of the Board remain abreast of developments in corporate governance, regulatory requirements, and industry practices.

## Board Evaluation

The Board has established a system for the annual evaluation of its performance, as well as that of its committees and individual Directors. The Board believes that the engagement of an independent consultant enhances the objectivity and transparency of the evaluation process. In this regard, the Society for Corporate Governance Nigeria was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2025.

The annual evaluation covered key aspects of the Board's composition, structure, and responsibilities, as well as the effectiveness of its processes, relationships, and decision-making. The assessment also considered the competencies and contributions of

individual Directors and their respective roles in the overall performance of the Board. In addition, the evaluation reviewed the Company's level of compliance with the applicable provisions of the Code of Corporate Governance.

The outcome of the evaluation confirmed that the Board, its Committees and individual Directors continue to operate effectively and efficiently in the discharge of their responsibilities.

### **Board Compensation**

Consistent with the Company's policy, remuneration of Executive Directors is fixed by the Board Remuneration and Governance Committee, which also has the responsibility of making recommendations to the Board on all payments made to Executive Directors.

Non-Executive Directors are remunerated in line with the Company's policy of providing them with fixed annual fees and sitting allowances for their services on the Board and Committees.

### **Conflict of Interest Policy**

The Company maintains a policy requiring Directors to disclose any actual or potential conflicts of interest that may arise in the course of performing their duties. Directors are required to recuse themselves from deliberations and decisions where such conflicts exist.

The Board ensures that all related-party transactions are conducted on an arm's length basis and in the best interest of the Company.

### **Access to Independent Professional Advice**

In the discharge of their responsibilities, Directors have access to independent professional advice where necessary and at the expense of the Company. This ensures that the Board is able to make informed decisions on matters requiring specialised expertise.

### **Directors' Independence**

The Board recognises the importance of independence in ensuring effective oversight and objective decision-making. The Non-Executive Directors are responsible for providing independent judgment in the consideration of strategic, performance and governance matters.

The Board confirms that the Non-Executive Directors are independent in character and judgment and are free from relationships or circumstances that could materially interfere with the exercise of their independent judgment. The Board also ensures that appropriate safeguards are in place to maintain a clear separation between the oversight responsibilities of the Board and the executive responsibilities of Management.

### **Company Secretary**

The Company Secretary supports the Board in the effective discharge of its governance responsibilities. The Secretary ensures that Board procedures are followed and that the Board complies with applicable legal and regulatory requirements.

The Company Secretary also facilitates the flow of information between the Board, its Committees and management.

### **Succession Planning**

The Board Remuneration and Governance Committee is tasked with the responsibility for the Company's succession planning process. The Committee identifies critical positions on the Board and the Executive Management Level that are deemed important to the achievement of the Company's business objectives and strategies and have a significant impact on the Company.

The Company has a robust policy which is aligned to the Company's performance management process. The Policy seeks to identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned development and learning initiatives.

### **Diversity and Inclusion**

The Company recognises that a diverse workforce is of significant social and commercial value and is essential to building an inclusive workplace. The Company acknowledges that diversity enhances creativity and innovation, improves alignment with stakeholders, and broadens the pool of skills and experience from which it can attract and retain top talent.

The Company is committed to fostering an inclusive work environment where all individuals are treated with dignity and respect, regardless of gender, age, race, disability, cultural background, religion, family responsibilities, or other differences. While recognising the importance of all aspects of diversity, the Company places particular emphasis on promoting gender diversity across its workforce.

## **Whistleblowing**

The Company is committed to maintaining high standards of integrity, transparency, and accountability in the conduct of its business. The Company has established a whistleblowing framework which provides employees and other stakeholders with secure and confidential channels through which concerns about unethical conduct, misconduct, fraud, or other irregularities may be reported.

Reports made through the whistleblowing channels are treated with strict confidentiality and investigated promptly and appropriately. The Company prohibits any form of retaliation against individuals who, in good faith, report concerns under the whistleblowing policy.

## **Internal Control and Risk Management**

The Board is responsible for ensuring that the Company maintains an effective system of internal control designed to safeguard the Company's assets, ensure the reliability of financial reporting, and promote compliance with applicable laws and regulations.

Management is responsible for implementing and maintaining the internal control framework, while the Board, through its relevant committees, provides oversight of the effectiveness of these controls and the Company's risk management processes.

The system of internal control is designed to manage rather than eliminate risk and can therefore provide reasonable, but not absolute, assurance against material misstatement or loss.

## **Trading in Security Policy**

In compliance with the Rules of the Nigerian Exchange Limited (NGX), the Company has adopted a Securities Trading Policy to guide Directors, employees, persons closely connected to them, and other insiders of the Company in relation to trading in the Company's securities.

Under the policy, a closed period applies from the end of each relevant quarter until twenty-four (24) hours after price-sensitive information has been submitted to the NGX and publicly disclosed. During this period, Directors, employees, and other insiders of the Company are prohibited from trading in the Company's securities.

The Company confirms that no Director traded in the securities of the Company during the closed period under review.

The Company continues to monitor compliance with the Securities Trading Policy to ensure adherence to regulatory requirements and promote transparency in the trading of the Company's securities.

## **Shareholders Complaints Management Policy**

The Company has established a Shareholders' Complaints Management Policy to ensure the effective handling and resolution of complaints from shareholders and other investors. The Policy provides a structured framework for receiving, addressing, and resolving complaints in a timely and transparent manner.

Senior Management is responsible for the implementation of the Policy, which is available on the Company's website.

## **Corporate Governance Compliance Summary**

The Company is committed to maintaining a governance framework that aligns with applicable regulatory requirements and recognised best practices. The Board confirms that the Company has substantially complied with the principles and provisions of the following governance frameworks:

- The 2011 Code of Corporate Governance for Public Companies in Nigeria
- The 2018 National Code of Corporate Governance

However, during the period under review, the Company was penalised for the late filing of its 2024 Audited Financial Statements. The Company has since taken the necessary steps to strengthen its internal processes to ensure timely compliance with regulatory filing requirements going forward.

The Company continues to review and strengthen its governance structures, policies, and processes to ensure continued compliance with evolving regulatory and governance standards.

## **Communication with Third Parties**

The Board recognises that the responsibility for communicating with third parties, including investors, the media and the general public, rests primarily with Management. Accordingly, Management serves as the principal channel for such communications on behalf of the Company.

Directors engage in communications with third parties only at the request of, or after consultation with, Management.

**Code of Business Conduct and Ethics**

The Company has adopted a Code of Business Conduct and Ethics which sets out the standards of ethical behaviour expected of Directors, Management, and employees in the conduct of the Company's business. The Code promotes integrity, accountability, transparency, and responsible business practices across the organisation.

All Directors, Management and employees are required to familiarise themselves with and adhere to the provisions of the Code. The Company remains committed to upholding the highest standards of ethical conduct and corporate governance in all aspects of its operations.

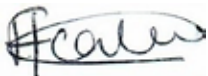
**Sustainability and ESG Governance**

The Company recognises the importance of sustainable business practices and is committed to conducting its operations in a responsible and environmentally conscious manner. The Board provides oversight of the Company's sustainability initiatives and ensures that environmental, social and governance (ESG) considerations are integrated into the Company's business strategy and decision-making processes.

The Company seeks to operate in a manner that creates long-term value for its stakeholders while contributing positively to the communities in which it operates. In this regard, the Company continues to promote responsible business practices, ethical conduct, employee wellbeing, and compliance with applicable environmental and regulatory requirements.

The Board will continue to review and strengthen the Company's sustainability practices in line with evolving regulatory expectations and recognised best practices.

**BY ORDER OF THE BOARD**



**Folake Kalaro (Mrs.)**

Company Secretary  
FRC/2018/NBA/00000017754

# BOARD EVALUATION REPORT



## EXECUTIVE SUMMARY OF THE BOARD EVALUATION REPORT FOR UPDC PLC FOR THE YEAR ENDED 31 DECEMBER 2025

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation of the performance of the Board of UPDC PLC (the "Company") for the year ended 31 December 2025. The evaluation was conducted in compliance with the Nigerian Code of Corporate Governance 2018 (NCCG 2018), the Companies and Allied Matters Act 2020 (CAMA 2020), and the Securities and Exchange Commission Corporate Governance Guidelines (2020), with a view to strengthening board effectiveness and sustaining high standards of corporate governance.

The evaluation adopted a robust and multi-dimensional methodology, including structured questionnaires, self and peer assessments, desk reviews of board and committee materials, and confidential one-on-one interviews with directors. This approach enabled a balanced and objective assessment of the Board's performance, effectiveness, and governance practices.

The assessment covered key governance areas, including Board leadership, roles and responsibilities, risk management and compliance oversight, board composition and structure, board operations and processes, stakeholder engagement, director development and appointment, business conduct and ethics, transparency and disclosures, and the effectiveness of board committees.

Findings from the evaluation indicate that the Board continues to demonstrate effective leadership and oversight of the Company's strategic direction. The Chairman fosters constructive engagement and balanced participation at meetings, while the Board-Management relationship remains collaborative and supported by timely and adequate information flow. The Company also maintains structured governance, risk management, and compliance processes that support informed decision-making and regulatory adherence.

While the Board's overall performance remains strong, the evaluation identified areas for further enhancement, outlined in detail within the body of the report, with practical recommendations to strengthen Board processes, oversight, and long-term value creation.

Overall, the Board of UPDC PLC is assessed to have maintained acceptable governance standards and demonstrated a continued commitment to corporate governance best practices during the 2025 financial year.

Yours Sincerely,

**FOR: SOCIETY FOR CORPORATE GOVERNANCE NIGERIA**

**Chioma Mordi (Mrs.)**

Chief Executive Officer

FRC/2014/NIM/00000007899

+234 703 157 2499  
+234 803 763 81451

5B, Lawani Oduloye Street,  
Oniru Estate, Victoria Island, Lagos

info@corp.govnigeria.org  
www.corp.govnigeria.org

Board of Directors: Mr. Muhammad K. Ahmad, OON (President & Chairman of the Board); Mrs. Chioma Mordi (Managing Director/CEO); Prof. Fabian Ajogwu, SAN, OFF  
Mrs. Clare Omatseye; Ms. Koomson Kalyan; Ms. Rabi Isma; Mrs. Nkemdirim Uwaje Bogho; Prof. Olayinka David-West; Prof. Kenneth Amaeshi  
Mr. Haruna Jalo-Waziri, Mr. Oscar Onyema, OON, Mr. Tajudeen Ahmed

# CORPORATE GOVERNANCE AUDIT REPORT



## EXECUTIVE SUMMARY OF THE CORPORATE GOVERNANCE AUDIT REPORT FOR UPDC PLC FOR THE YEAR ENDED 31 DECEMBER 2025

The Society for Corporate Governance Nigeria was engaged to conduct an independent audit of the corporate governance practices of UPDC PLC (the “Company”) for the year ended 31 December 2025. The audit was conducted in line with the Nigerian Code of Corporate Governance 2018 (NCCG 2018), the Companies and Allied Matters Act 2020 (CAMA 2020), and the Securities and Exchange Commission Corporate Governance Guidelines (2020), with the objective of assessing the effectiveness of the Company’s governance framework and its level of regulatory compliance.

The audit adopted a structured methodology comprising questionnaires administered to management, desk reviews of key governance documents, and analysis of the Company’s governance structures, policies, and processes. This enabled an objective assessment of the Company’s governance practices across key areas, including board structure and composition, roles and responsibilities, risk management and internal controls, board committees, transparency and disclosures, business conduct and ethics, and stakeholder engagement.

Findings from the audit indicate that the Company maintains a sound corporate governance framework, supported by established policies, effective board oversight, and structured risk management and compliance processes. Governance practices are largely aligned with applicable regulatory requirements, and the Company demonstrates a commitment to transparency, accountability, and ethical conduct in its operations.

While the overall governance framework is considered effective, the audit identified areas for further enhancement to strengthen governance outcomes and ensure continued alignment with evolving regulatory expectations and best practices. These areas are detailed in the main report.

In conclusion, UPDC PLC is assessed to have maintained a sound and substantially compliant corporate governance framework for the 2025 financial year, providing a solid foundation for sustained performance and long-term value creation.

Yours Sincerely,

**FOR: SOCIETY FOR CORPORATE GOVERNANCE NIGERIA**

**Chioma Mordi (Mrs.)**  
Chief Executive Officer  
FRC/2014/NIM/00000007899

+234 703 157 2499  
+234 803 763 81451

5B, Lawani Oduloye Street,  
Oniru Estate, Victoria Island, Lagos

info@corpgovnigeria.org  
www.corpgovnigeria.org

Board of Directors: Mr. Muhammad K. Ahmad, OON (President & Chairman of the Board); Mrs. Chioma Mordi (Managing Director/CEO); Prof. Fabian Ajogwu, SAN, OFF  
Mrs. Clare Omatseye; Ms. Kosum Kalyan; Ms. Rabi Isma; Mrs. Nkemdim Uwaje Bogho; Prof. Olayinka David-West; Prof. Kenneth Amaeshi  
Mr. Haruna Jalo-Waziri, Mr. Oscar Onyema, OON, Mr. Tajudeen Ahmed

# ENTERPRISE RISK MANAGEMENT REPORT

## 1.0 INTRODUCTION AND OVERVIEW

Effective risk management is fundamental to the achievement of the Group's strategic objectives. Our Enterprise Risk Management (ERM) framework adopts a systematic and consistent approach, establishing clear responsibility and accountability structures. The overarching objective is to embed a culture of proactive risk management across the Group.

The UPDC ERM framework has been developed with reference to ISO 31000:2018 and the IRM Risk Management Standard, incorporating and adapting elements of these frameworks to meet our operational requirements.

- Risks to key business goals are identified and assessed under defined categories.
- Processes have been developed to treat, monitor and report risks accordingly.

The Board is responsible for determining the Group's risk profile and risk appetite, the latter defines the acceptable tolerance levels for key risks. The Board oversees the Group's risk management framework, reviews the Group's key existing and potential risks and their respective mitigation strategies, and ensures risk management effectiveness. The Risk, Audit and Compliance Committee as delegated by the Board, holds regular meetings to review the management of these risks and effectiveness of mitigation strategies and controls and actively identify the positive business opportunities in relation to these risks.

Our risk management framework design is based on the "Three Lines of Defence" model. The model ensures that risk is managed in line with the risk appetite as defined by the Board and is cascaded throughout the Group. The process owners being 'The First Line of Defence' are responsible for risk identification, prevention and implementation of internal controls as set by the second and third lines of defence. The Risk & Compliance Department functions as the 'Second Line of Defence' which monitors risks and reports to the relevant stakeholders. It ensures compliance to the risk management process and its reporting. The 'Third Line of Defence' is the Internal Audit reporting to the Board by providing assurance to the board and Senior Management that existing controls are effective and adequate for risk management.

## 2.0 ENTERPRISE RISK MANAGEMENT PROCESS

At UPDC Plc, risk management is embedded in our culture, with the responsibility shared across all levels of the organization. We integrate ERM capabilities into strategy setting and performance management, ensuring proactive risk mitigation.

### Philosophy and Principles

Collaboration across the Group is a key dependency for an effective ERM framework. We are committed to optimal risk management to achieve our vision, mission, objectives, strategies, and plans, while protecting our core values.

### Guiding Principles:

- **Tone at the Top:** The Board and senior management set a strong culture of adherence to risk limits and awareness boundaries.
- **Risk Ownership:** Every employee is responsible for proactively managing risks in their daily activities.
- **Strategy Setting:** Business units integrate risk management and accountability into their strategies and decisions.
- **Culture:** A proactive culture of identifying future uncertainties and planning for them without inhibiting growth and innovation.
- **Training & Empowerment:** Staff are trained to integrate risk management into daily operations; risk and control officers are empowered to act professionally and independently.
- **Transparency:** Clear and consistent communication on risks.
- **Compliance:** Zero tolerance for non-compliant behaviours, including breaches of laws, regulations, and Group policies.

**Strategy and Objectives**

Our strategy for managing risk is to establish and sustain a robust ERM framework that is proactive and integrated in our processes, strategies, and culture. This ensures that responses to risks remain current and dynamic.

Our Enterprise Risk Management Framework is targeted at achieving the following objectives:

- Develop a risk culture that encourages our staff to identify risks and associated opportunities and to respond to them with cost effective actions.
- Integrate risk management into our strategy-setting and decision-making process.
- Improve our ability to identify risks that exist within business opportunities and proactively develop mitigation plans to maximize such opportunities.
- Enhance business performance and improve stakeholders' confidence and trust by minimizing operational surprises and losses; and
- Establish and sustain top-down awareness of risk management within the Group.

**3.0 GOVERNANCE STRUCTURE**

The Board, through the RACC, oversees the Group's risk management framework, reviews key risks and mitigation strategies, and ensures risk management effectiveness. The RACC holds quarterly meetings to assess risk management activities and identify potential business opportunities.

To maintain an effective risk management process, responsibilities are structured as follows:

**The Board of Directors**

The Board of Directors has the primary responsibility for risk oversight. Our Board sets our overall risk appetite, approves the risk management strategy and is ultimately responsible for the effectiveness of the risk management process and system of internal control within UPDC. The Board oversees risk management through the Board Risk, Audit & Compliance Committee.

**The Board Risk, Audit & Compliance Committee**

The RACC is responsible for:

- Assisting the Board in risk oversight and monitoring the Group's risk management performance.
- Reviewing and recommending the risk identification, measurement, and management framework for Board approval.
- Embedding risk management policies within the corporate culture.
- Reviewing quarterly risk management reports and directing necessary senior management actions.
- Periodically evaluating the Group's risk profile and action plans for managing high-risk areas.
- Monitoring progress on risk management implementation.
- Ensuring risk exposures remain within the approved risk appetite.
- Engaging with senior management, Internal Control, and Audit teams to ensure risk management adequacy and alignment with corporate objectives

Through this structured ERM approach, UPDC Plc remains committed to proactively managing risks, ensuring compliance, and enhancing business resilience for long-term success.

**The Group Senior Management Team**

The Group Senior Management Team (comprising key functional heads at the Head Office Units and MDs of the Subsidiary Companies), have direct responsibility for providing independent risk oversight, coordination, facilitation, monitoring and challenge of the effectiveness and integrity of our risk management processes.

The role of the Group Senior Management Team includes the following:

- Review risk exposure reports and recommend appropriate actions to mitigate the impact.
- Review and recommend the appropriate policies and standards for the management of risks in the Group.
- Ensure the adequacy of controls with respect to the identified risks.
- Ensure that management has effectively identified the key risks and incorporate them into activities.
- Implement an effective internal control system in the Group; and
- Define risk management priorities.

## The Group Risk and Compliance Department

The Group Risk and Compliance Department plays a central role in coordinating and overseeing risk management activities across UPDC. Reporting to the Risk & Compliance Team Lead, who in turn reports to the Board Risk, Audit & Compliance Committee, the department ensures that the full spectrum of risks is identified, measured, monitored, and controlled in alignment with the Group's strategic objectives.

Key Responsibilities:

- Articulate, develop and implement risk management policies, procedures, and standards to assist in the effective management of risks within the Group.
- Develop and distribute tools, techniques, methodologies, common risk language, reporting template, etc across the Group.
- Coordinate and facilitate risk identification and assessment Group-wide.
- Monitor the overall risk profile including risk trends from internal and external market changes.
- Work with the business units to redesign controls to mitigate control deficiencies noted in the internal and external audit reports
- Escalate high priority issues to senior management and board risk committee
- Collate risk incidents and report on aggregate risk profile, control effectiveness and actions taken to risk committees.

## 4.0 RISK MANAGEMENT PROCESS

Our risk management process is thorough and methodical to ensure value creation for all key stakeholders. The process ensures the appropriate ownership of risk and responsibility of all stakeholders in the risk management value chain whilst ensuring collaboration between Risk Management and Process Owners across the business. Our risk management considers our risk appetite and tolerance limits to avoid misalignment with our risk profile.

The risk management process is simple and aligned with leading practices. We have adopted a 4-step approach in the risk management process as outlined in their diagram beside:



### Risk Identification

We adopt a proactive approach to identifying risks that may influence the delivery of our objectives. Risk identification is carried out across all business units and subsidiaries and captures both internal and external sources of risk. This process enables us to maintain a comprehensive view of our risks. Risks are identified through process reviews, stakeholder engagements, workshops, questionnaires, and research.

### Risk Assessment

All identified risks are assessed to determine their potential impact and likelihood. The assessment process considers the effectiveness of existing controls and aligns with our defined risk appetite. Risks are prioritised based on their overall significance, with key focus placed on the Group's Top 10 Business Risks, which receive enhanced management attention and oversight.

### Risk Mitigation and Control

Appropriate actions are developed to manage risks in line with the Group's risk appetite. Treatment options include:

- **Avoiding** activities outside acceptable risk thresholds
- **Accepting** low-impact risks or those where mitigation is not cost-effective
- **Reducing** risks through strengthened controls, improved processes, and capability building
- **Transferring** risks to third parties through insurance, outsourcing, or contractual arrangements
- **Pursuing** risks that present growth opportunities, provided they remain within appetite.

These actions help ensure a balanced approach between risk exposure and business performance.

**Risk Monitoring and Reporting****Risk Monitoring**

Owners are notified for the identified mitigation actions and progress on treatment plan is reviewed and reported periodically.

Risks and their associated mitigation actions are monitored regularly to track progress and emerging developments. The Group maintains a risk register that is reviewed periodically to ensure continued accuracy and relevance. Key risk indicators (KRIs) are used to support early detection of potential changes in our risk profile.

**Risk Management Assurance**

- Independent assurance on the effectiveness of the risk management process is provided by Internal Audit, which evaluates the adequacy of risk identification, assessment, controls, and mitigation plans. While the external auditors also review aspects of the Group's control environment as part of their audit procedures.

**Risk Reporting**

We rely on risk reports to assess the adequacy and completeness of the risk management process. For the risk management process to be successful, regular progress reports and comparisons to previous risk reports and industry practices are generated so that changes can be made as appropriate. Furthermore, changes in the risk environment, based on new information, may result in changing strategies employed to manage and exploit the risk.

**5.0 FUTURE OUTLOOK**

The Group has successfully established a robust Enterprise Risk Management (ERM) framework, embedding risk practices, culture, and awareness beyond regulatory compliance. Recognizing that risk management is a continuous journey, we remain committed to strengthening and refining our processes to ensure resilience in a dynamic operating environment.

Our long-term vision is to position risk management as a strategic value driver enhancing stakeholder confidence, supporting sustainable growth, and safeguarding the institution's long-term viability.

Key initiatives planned to further enhance the ERM framework include:

- Implementing systems capable of managing risks in line with global best practices.
- Enhancing frameworks and infrastructure to ensure operational resilience in the face of disruptions.
- Driving an aggressive, Group-wide campaign to elevate employee competence, engagement, and ownership in managing risks.
- Embedding environmental, social, and governance (ESG) considerations into our risk framework to align with stakeholder expectations and regulatory trends.

Through these initiatives, the Group will continue to evolve its ERM framework, ensuring that risk management remains dynamic, forward-looking, and a cornerstone of strategic decision-making.

# STATEMENT OF DIRECTORS' RESPONSIBILITY FOR ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Directors of UPDC Plc are responsible for the integrity of the annual financial statements of the company, consolidated subsidiary, associates and the objectivity of their information presented in the annual report. The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organisational structure which provides delegation of authority and establishes clear responsibility, together with constant communication and review of operational performance measured against approved plans and budgets.

Management and employees operate within the code of ethics approved by the Board of the Company. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

The annual financial statements, prepared in line with International Financial Reporting Standards (IFRS), the provisions of Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria Act No 6 of 2011, are examined by our auditors in conformity with International Standards on Auditing.

An audit committee comprising three (3) representatives of the shareholders and two (2) board members meets periodically with our internal and external auditors as well as management to discuss internal accounting controls, auditing and financial reporting matters. The auditors have unrestricted access to the audit committee.

The Directors have no reason to believe that the company's operations will not continue as going concern in the year ahead other than where disclosures of discontinuations are anticipated, in which case provision is made to reduce the carrying cost of the relevant assets to net realisable value.



**Wole Oshin**

Chairman

FRC/2013/CIIN/0000003054



**Odunayo Ojo**

Chief Executive Officer

FRC/2016/NIESV/00000014322

# MANAGEMENT ASSESSMENT REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

For the year ended 31 December 2025

In accordance with the guidance of Securities and Exchange Commission (SEC) and Financial Reporting Council of Nigeria (FRC) on management assessment of Internal Control Over Financial Reporting, we hereby attest as follows:

UPDC Plc's management is responsible for establishing and maintaining internal controls and attest that the company's internal controls were effective as of 31 December 2025.

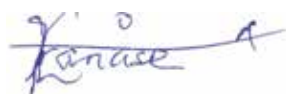
UPDC Plc's management has designed and maintained an internal control system as recommended by the Investment and Securities Act, 2007 which is able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).

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 evaluating the effectiveness of internal control over financial reporting, we adopted the Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Based on our evaluation, we are of the opinion that the Internal Control Over Financial Reporting of UPDC Plc is effective as of 31 December 2025.

Management takes responsibility to remediate deficiencies where identified. Any significant deficiencies in the design and operation of internal controls which could adversely affect the financial information of the entity has been disclosed to the independent Auditor and the Audit Committee.

Our auditor, Messrs Deloitte, has issued an attestation report on management's assessment of the entity's internal control over financial reporting as of 31 December 2025. This report will be filed as part of the annual report of UPDC Plc.



**Francis Falola**

Chief Financial Officer

FRCN/2025/PRO/ICAN/105473



**Odunayo Ojo**

Chief Executive Officer

FRC/2016/NIESV/00000014322

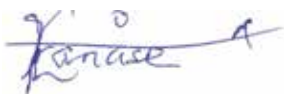
28th March, 2026

# **CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025**

To comply with the provision of SEC Guidance on implementation of section 60-63 of Investment and Securities Act 2025, I hereby make the following statement regarding the internal control of UPDC Plc for the year ended 31 December 2025.

I, Francis Falola, certify that:

- a. I have reviewed this management assessment on Internal Control over financial reporting of UPDC Plc;
- b. Based on my 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 my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d. The company's other certifying officer(s) and I:
  - i. are responsible for establishing and maintaining internal controls;
  - ii. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - iii. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - iv. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the 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. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f. The company's other certifying officer(s) and I 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.



**Francis Falola**

Chief Financial Officer

FRC No: FRC/2025/PRO/ICAN/001/105473

30th March 2026

# CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

To comply with the provision of SEC Guidance on implementation of section 60-63 of Investment and Securities Act 2025, I hereby make the following statement regarding the internal control of UPDC Plc for the year ended 31 December 2025.

I, Odunayo Ojo, certify that:

- a. I have reviewed this management assessment on Internal Control over financial reporting of UPDC Plc;
- b. Based on my 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 my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d. The company's other certifying officer(s) and I:
  - i. are responsible for establishing and maintaining internal controls;
  - ii. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - iii. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - iv. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the 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. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f. The company's other certifying officer(s) and I 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.



**Odunayo Ojo**

Chief Executive Officer

FRC/2016/NIESV/00000014322

30th March 2026

# REPORT OF THE AUDIT COMMITTEE

## TO THE MEMBERS OF UPDC PLC

In compliance with Section 404(4) of the Companies and Allied Matters Act 2020, we have reviewed the audited Financial Statements of UPDC PLC ("the Company") for the year ended 31st December 2025 and report as follows:

- a. The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.
- b. The scope and planning of the external audit for the year ended 31st December 2025 were, in our opinion adequate.
- c. We reviewed the findings and recommendations in the Internal Auditor's Report and External Auditor's Management Letter and were satisfied with the management responses thereto.
- d. The Company maintained an effective accounting and internal control system.

Dated 25<sup>th</sup> day of March 2026



**Surv. Joe O. Anosikeh**

Chairman - Audit Committee

FRC/2014/NIS/00000008836

### Members of the Committee

Surv. Joe O. Anosikeh	-	Chairman
Engr. Taiwo G. Fawole	-	Member
Mr Uchenna Nnadozie	-	Member
Mr Oyekunle Osilaja	-	Member
Mr Adeniyi Falade	-	Member

### Secretary

Folake Kalaro (Mrs)



P.O. Box 965  
Marina  
Lagos  
Nigeria

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe  
Avenue  
Victoria Island  
Lagos  
Nigeria

Tel: +234 (1) 904 1700  
www.deloitte.com.ng

**Assurance Report of Independent Auditor**

**To the Shareholders of UPDC Plc**

**Assurance Report on Management’s Assessment of Controls over Financial Reporting**

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of UPDC Plc (“the Company”) and its subsidiaries (“the Group”) as of 31 December, 2025, in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (“the ICFR framework”), and the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007 and FRC Guidance on Management report on Internal Control over Financial Reporting. UPDC Plc’s management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and Group and our report dated 31 March 2026 expressed an unmodified opinion.

**Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting and FRC Guidance on Management report on Internal Control over Financial Reporting.

**Definition of internal control over financial reporting**

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and group;



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Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

- II. 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 group; and
- III. 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.

### ***Inherent limitations***

Our procedures included the examination of historical evidence of the design and implementation of the Company's and the Group's system of internal control over financial reporting for the year ended 31 December 2025. 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.

### ***Directors' and Management's Responsibilities***

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

### ***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the 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 the firm to 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.



### *Auditor's Responsibility and Approach*

Our responsibility is to express a limited assurance opinion on the Company's and Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

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. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company and Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, 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 provides a basis for our report on the internal control put in place by management over financial reporting.

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Deloitte & Touche (FRC/2022/COY/091021)

Faturoti Ayonike, FCA - **FRC/2022/PRO/ICAN/004/611525**  
For: Deloitte & Touche  
Chartered Accountants  
Lagos, Nigeria  
31 March 2026



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UPDC Plc

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate financial statements of **UPDC Plc** and its subsidiaries (the Group and Company) set out on pages 51 to 110, which comprise the consolidated and separate statements of financial position as at 31 December 2025, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **UPDC Plc** as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, Companies and Allied Matters Act, 2020, the Investment and Securities Act CAP S124 LFN 2007 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate financial statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



List of partners and partner equivalents available on the website



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
<b>Group Audit Consideration - Special Considerations for the Audit of Group Financial Statements</b>	
<p>The statutory audit of UPDC Plc includes the audit of the standalone financial statements of the parent company and the audit of the group consolidated financial statements which incorporates four operational subsidiaries and one active joint venture.</p> <p>The Group has operations and activities which include developing, selling, and managing real estate assets including maintenance, care, and sustainable power solutions for residential, corporate, and commercial properties and hotel management across Nigeria. Note 17 highlights a comprehensive list of all subsidiaries.</p> <p>Due to the significance and size of some of these subsidiaries within the group, a lot of audit time went to the direction, coordination, and supervision of the audit of these subsidiaries and subsequent engagements and interface with those charged with governance. Hence, we consider this to be a Key Audit Matter.</p>	<p>As the Group Engagement team, we performed the group audit in line with the provisions of ISA 600 (Special considerations—audits of group financial statements (including the work of component auditors)).</p> <p>In line with the requirements of ISA 600, the following audit procedures were performed:</p> <ul style="list-style-type: none"> <li>• provided direction and supervision of the group audit engagement and ensure that all the teams involved in the audit of the group and its components performed the audit in compliance with professional standards and applicable legal and regulatory requirements.</li> <li>• established an overall group audit strategy and developed a group audit plan.</li> <li>• Set materiality for the group financial statements as a whole when establishing the overall group audit strategy.</li> <li>• Determined the type of work to be performed on the Financial Information of Components based on quantitative considerations (i.e. size and materiality) and qualitative considerations (i.e. specific risks associated with the component) including further audit procedures to be performed at the group level and at component level.</li> <li>• Held meetings and two-way communication with the Component Auditors with focus on discussing typical topics that are discussed in client’s meetings throughout the audit.</li> <li>• Performed an assessment of the component auditors in terms of Independence,</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<b>Group Audit Consideration - Special Considerations for the Audit of Group Financial Statements</b>	
	<p>competence, quality history and level of access to information.</p> <ul style="list-style-type: none"> <li>• Issued referral instructions to the significant component audit team. The referral instructions contained specific instructions on judgement areas and significant account balances.</li> <li>• Arranged review of the file and relevant part of the component auditors' audit documentation and conclusions thereon including planning considerations, significant risk areas and attention areas communicated in the Referral Instructions.</li> <li>• Performed analytical procedures at group level for significant account balances not selected for further audit procedure.</li> <li>• Reviewed the group financial statements and the consolidation process.</li> <li>• Held communication with group management and Those Charged with Governance of the group.</li> </ul> <p>Based on the review we have performed, and documentation assessed, we have no material exceptions.</p>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “UPDC Plc Annual Financial Statements for the year ended 31 December 2025”, which includes the Directors’ Report, Corporate Governance Report, Statement of Directors’ Responsibilities, Certification of the Financial statements, the Board Audit Committee’s Report, the Statement of Corporate Responsibility for Financial Statements, Certification of Management’s assessment on Internal Control Over Financial Reporting and Other National Disclosures required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## **Report on Other Legal and Regulatory Requirements**

In accordance with the Fifth Schedule of Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



In accordance with the requirements of the Financial Reporting Council of Nigeria, we also performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with **FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting** and based on the procedures we have performed, and evidence obtained, we have issued an Unmodified conclusion in our report dated 31 March 2026. That report is included on pages 42 to 44 of the financial statements.

### Contraventions

During the year, the Group contravene requirements of SEC and NGX Regulation Limited with regard to late submission of the annual financial statements for the year 2024. Details of the contravention and the related penalties are as disclosed in note 33 to the consolidated and separate financial statements.

**For: Deloitte & Touche**  
Chartered Accountants  
Lagos, Nigeria  
31 March 2026



**Engagement Partner: Fatureoti Ayonike, FCA**  
**FRC/2022/PRO/ICAN/004/611525**

# CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	The Group		The Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue	5	12,908,015	11,786,913	2,636,429	4,401,353
Cost of sales	7(i)	(9,286,078)	(8,388,112)	(1,474,367)	(3,191,829)
<b>Gross profit</b>		<b>3,621,937</b>	<b>3,398,801</b>	<b>1,162,062</b>	<b>1,209,524</b>
Selling and distribution expenses	7 (ii)	(230,305)	(550,067)	(180,412)	(145,829)
Administrative expenses	7 (iii)	(2,369,600)	(1,972,420)	(1,305,314)	(1,012,547)
Other Operating income	6	605,500	434,071	151,170	193,940
Credit loss expenses	9	(241,513)	(163,604)	(95,709)	(41,514)
Share of loss from joint venture	15(i)	(7,959)	-	(7,959)	-
<b>Operating profit/(loss)</b>		<b>1,378,058</b>	<b>1,146,780</b>	<b>(276,162)</b>	<b>203,574</b>
Finance income	8	2,328,997	559,973	528,352	515,542
Finance cost	8	(461,659)	(397,834)	(520,903)	(397,834)
<b>Net finance income</b>		<b>1,867,338</b>	<b>162,139</b>	<b>7,449</b>	<b>117,708</b>
<b>Profit /(loss) before taxation</b>		<b>3,245,396</b>	<b>1,308,919</b>	<b>(268,713)</b>	<b>321,282</b>
Taxation	10	(1,227,062)	(472,010)	(39,751)	(35,385)
<b>Profit/(loss) after Taxation</b>		<b>2,018,334</b>	<b>836,909</b>	<b>(308,464)</b>	<b>285,897</b>
<b>Other comprehensive income:</b>					
Items not to be subsequently reclassified to profit or loss:					
Net changes in fair value (loss)/gain on financial assets	16	133,281	(186,779)	133,281	(186,779)
<b>Total comprehensive profit/(loss) for the year</b>		<b>2,151,615</b>	<b>650,130</b>	<b>(175,183)</b>	<b>99,118</b>
<b>Profit/(loss) attributable to:</b>					
Equity holders of the parent		974,617	432,190	(308,464)	285,897
Non controlling interest		1,043,718	404,719	-	-
<b>Total profit</b>		<b>2,018,334</b>	<b>836,908</b>	<b>(308,464)</b>	<b>285,897</b>
<b>Total comprehensive profit attributable to:</b>					
Equity holders of the parent		1,107,897	245,411	(175,183)	99,118
Non controlling interests		1,043,718	404,719	-	-
<b>Total comprehensive profit attributable to:</b>		<b>2,151,615</b>	<b>650,130</b>	<b>(175,183)</b>	<b>99,118</b>
Earnings per share for profit attributable to the equity holders of the group:					
Basic Earnings Per Share (Kobo)					
From continuing operations	12	11	5	(2)	2
Diluted Profit Per Share (Kobo)					
From continuing operations		11	5	(2)	2

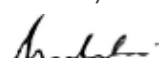
The accompanying notes and accounting policies on pages 55 to 110 form an integral part of these consolidated and separate financial statements.

# CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

## As at 31 December 2025

	Notes	The Group		The Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	8,450,096	8,252,734	240,213	61,119
Intangible assets	14	74,679	56,303	3,057	5,471
Investments in joint ventures	15	112,182	120,141	111,378	119,337
Equity instrument at fair value	16	920,553	667,067	920,553	667,067
Investments in subsidiaries	17	-	-	1,617,207	1,617,187
		<b>9,557,509</b>	<b>9,096,245</b>	<b>2,892,407</b>	<b>2,470,181</b>
<b>Current assets</b>					
Inventories	18	3,219,099	8,729,999	888,905	1,079,068
Trade and other receivables	19	6,687,775	1,509,966	7,722,279	2,597,935
Current tax assets	10 (i)	327,127	147,200	211,350	147,200
Cash and cash equivalents	20	10,197,862	11,504,698	1,612,225	4,238,385
		<b>20,431,863</b>	<b>21,891,862</b>	<b>10,434,759</b>	<b>8,062,588</b>
<b>Total assets</b>		<b>29,989,374</b>	<b>30,988,107</b>	<b>13,327,167</b>	<b>10,532,769</b>
<b>Equity</b>					
Share capital	25	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	25 (i)	8,971,551	8,971,551	8,971,551	8,971,551
Fair value reserve of financial assets at FVOCI	25 (iii)	233,341	100,060	233,341	100,060
Retained earnings	25 (ii)	(8,359,868)	(9,148,885)	(17,460,850)	(16,966,787)
<b>Equity attributable to equity holders of the Company</b>		<b>10,125,009</b>	<b>9,202,711</b>	<b>1,024,027</b>	<b>1,384,809</b>
Non controlling interest		1,326,560	282,842	-	-
<b>Total equity</b>		<b>11,451,569</b>	<b>9,485,553</b>	<b>1,024,027</b>	<b>1,384,809</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing Loans and Borrowings	21	2,015,168	3,022,763	5,502,925	3,022,763
Deferred taxation liabilities	24	207,144	83,354	192,743	72,537
		<b>2,222,312</b>	<b>3,106,117</b>	<b>5,695,668</b>	<b>3,095,300</b>
<b>Current liabilities</b>					
Trade and other payables	22	14,965,201	17,788,961	6,381,785	5,878,291
Current income tax liabilities	10	1,271,255	490,889	87,406	57,782
Interest bearing Loans and Borrowings	21	79,038	116,587	138,282	116,587
		<b>16,315,494</b>	<b>18,396,437</b>	<b>6,607,473</b>	<b>6,052,660</b>
<b>Total liabilities</b>		<b>18,537,806</b>	<b>21,502,554</b>	<b>12,303,141</b>	<b>9,147,960</b>
<b>Total equity and liabilities</b>		<b>29,989,374</b>	<b>30,988,107</b>	<b>13,327,167</b>	<b>10,532,769</b>

The Consolidated and Separate financial statements were approved by the board of directors on 26 March 2026 and signed on its behalf by:



**Wole Oshin**

Chairman

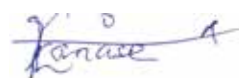
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**Odunayo Ojo**

Chief Executive Officer

FRC/2016/NIESV/00000014322



**Francis Falola**

Chief Financial Officer

FRC/2025/PRO/ICAN/001/105473

The accompanying notes and accounting policies on pages 55 to 110 form an integral part of these consolidated and separate financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	The Group		The Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
<b>Profit before tax</b>		<b>3,245,396</b>	<b>1,308,919</b>	<b>(268,713)</b>	<b>321,282</b>
<b>Adjustment for non cash items:</b>					
Depreciation	13	316,858	308,877	55,689	29,120
Amortization of intangible asset	14	8,666	6,633	2,414	2,414
Share of loss from investment in Joint Venture	15(i)	7,959	-	7,959	-
Investment income	6	(62,678)	(59,264)	(62,678)	(59,270)
Finance cost	8	461,659	397,834	520,903	397,834
Finance income	8	(2,328,997)	(559,973)	(528,352)	(515,542)
Exchange gains	6	11,376	(12,479)	1,342	(12,479)
		<b>1,660,240</b>	<b>1,390,547</b>	<b>(271,436)</b>	<b>163,359</b>
<b>Changes in working capital:</b>					
Decrease/(increase) in inventories	18	5,510,900	(5,529,841)	190,163	2,069,522
(Increase)/decrease in trade and other receivables	19	(5,357,736)	528,015	(5,188,494)	(578,640)
(Decrease)/increase in trade and other payables	22	(2,823,760)	11,973,197	503,494	(39,878)
<b>Cash flow from operating activities</b>		<b>(1,010,356)</b>	<b>8,361,918</b>	<b>(4,766,272)</b>	<b>1,614,363</b>
Tax paid	10	(443,112)	(137,789)	(10,127)	(8,741)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,453,469)</b>	<b>8,224,129</b>	<b>(4,776,399)</b>	<b>1,605,622</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant & equipment	13	(514,220)	(227,114)	(234,783)	(20,359)
Purchase of intangible asset	14	(27,044)	(10,736)	-	-
Dividend received	6	62,678	59,264	62,678	59,270
Investment in subsidiary	17	-	-	(20)	(490)
Interest received	8	2,328,997	559,973	528,352	515,542
<b>Net cash flow from investing activities</b>		<b>1,850,412</b>	<b>381,387</b>	<b>356,227</b>	<b>553,963</b>
<b>Cash flow from financing activities</b>					
Repayment of borrowings	21	(1,007,606)	(1,679,333)	(1,007,606)	(1,679,333)
Addition to borrowing	21	-	-	3,487,757	-
Interest paid	21	(499,196)	(351,972)	(499,196)	(351,972)
Dividend paid		(185,600)	-	(185,600)	-
<b>Net cash (outflows)/inflow from financing activities</b>		<b>(1,692,402)</b>	<b>(2,031,305)</b>	<b>1,795,355</b>	<b>(2,031,305)</b>
Net increase in cash and cash equivalents		(1,295,458)	6,574,210	(2,624,818)	128,279
Effect of foreign exchange gains	6	(11,376)	12,479	(1,342)	12,479
Cash and cash equivalents at the beginning of the year	20	11,504,698	4,918,009	4,238,385	4,097,627
<b>Cash and cash equivalents for the year</b>	<b>20</b>	<b>10,197,862</b>	<b>11,504,698</b>	<b>1,612,225</b>	<b>4,238,385</b>

The accompanying notes and accounting policies on pages 55 to 110 form an integral part of these consolidated and separate financial statements.

# CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	The Group						
	Attributable to owners of the Company					Non-Controlling	
	Share Capital N'000	Share Premium N'000	Retained earnings N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000	Non Controlling interest N'000	Total N'000
Balance at 1 January 2025	9,279,985	8,971,551	(9,148,885)	100,060	9,202,711	282,842	9,485,553
Profit for the year	-	-	974,617	-	974,617	1,043,718	2,018,334
Net changes in fair value of financial assets through other comprehensive income	-	-	-	133,281	133,281	-	133,281
Dividend paid	-	-	(185,600)	-	(185,600)	-	(185,600)
<b>Balance at 31 December 2025</b>	<b>9,279,985</b>	<b>8,971,551</b>	<b>(8,359,868)</b>	<b>233,341</b>	<b>10,125,009</b>	<b>1,326,560</b>	<b>11,451,569</b>
Balance at 1 January 2024	9,279,985	8,971,551	(9,581,075)	286,839	8,957,300	(121,877)	8,835,423
Profit for the year	-	-	432,190	-	432,190	404,719	836,909
Net changes in fair value of financial assets through other comprehensive income	-	-	-	(186,779)	(186,779)	-	(186,779)
<b>Balance at 31 December 2024</b>	<b>9,279,985</b>	<b>8,971,551</b>	<b>(9,148,885)</b>	<b>100,060</b>	<b>9,202,711</b>	<b>282,824</b>	<b>9,485,553</b>

	The Company				
	Attributable to owners of the Company				
	Share Capital N'000	Share Premium N'000	Revenue Reserve N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000
Balance at 1 January 2025	9,279,985	8,971,551	(16,966,787)	100,060	1,384,809
Dividend paid	-	-	(185,600)	-	(185,600)
Profit for the year	-	-	(308,464)	-	(308,464)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	133,281	133,281
<b>Balance at 31 December 2025</b>	<b>9,279,985</b>	<b>8,971,551</b>	<b>(17,460,850)</b>	<b>233,341</b>	<b>1,024,027</b>
Balance at 1 January 2024	9,279,985	8,971,551	(17,252,684)	286,839	1,285,689
Profit for the year	-	-	285,897	-	285,897
Net changes in fair value of financial assets through other comprehensive income	-	-	-	(186,779)	(186,779)
<b>Balance at 31 December 2024</b>	<b>9,279,985</b>	<b>8,971,551</b>	<b>(16,966,787)</b>	<b>100,060</b>	<b>1,384,809</b>

The accompanying notes and accounting policies on pages 55 to 110 form an integral part of these consolidated and separate financial statements.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. UPDC Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The Group and the Company have businesses with activities in the following principal sectors: real estate and hotel management. The address of the registered office is 1-5 Odunlami Street, Lagos.

The Company is a public limited company and is listed on the Nigerian Stock Exchange.

## 1.1 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) UPDC Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement.

## 1.2 Management's Assessment of Internal Controls

The management of UPDC Plc is responsible for establishing and maintaining adequate internal control over financial reporting. UPDC's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair representation of published financial statements.

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards and IFRS Interpretations Committee (IFRSIC) interpretations applicable to companies reporting under IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria (Amendment) Act 2023 and the provisions of Companies and Allied Matters Act, 2020. The consolidated and separate financial statements have been prepared under the historical cost convention except for equity instruments at fair value through other comprehensive income, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 4.

(All amounts are in Naira thousands unless otherwise stated)

## 2.1 Changes in accounting policy and disclosures New and amended standards and interpretations

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

### 2.1.1 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective

#### **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates effective January 1, 2025**

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements and the aim of the amendments therefore is to improve the information companies provide about long-term debt with covenants.

- The nature and financial impacts of the currency not being exchangeable;
- The spot exchange rate used;
- The estimation process; and
- Risk to the company because the currency is not exchangeable

The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

#### **Amendment to IAS 7 and IFRS accounting standards 17 (Supplier Finance Agreements)**

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangement on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

### **2.1.2 Standards and interpretations issued/amended but not yet effected/effective**

Other standards issued/amended by the IASB but yet to be effective are outlined below:

#### **i. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 financial instruments and IFRS 7 financial instruments: Disclosure effective January 1, 2026**

The amendments introduce an additional Solely Payments of Principal and Interest (SPPI) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an Environmental, Social, and Governance (ESG) target specified in the loan contract.

#### **ii IFRS 18 Presentation and Disclosure in Financial Statements effective January 1, 2027**

IFRS 18 replaces IAS 1 Presentation of Financial Statements. and IFRS 18 defines management performance measures (MPMs); these measures are currently commonly known as non-GAAP measures, alternative performance measures (APMs) or key performance indicators (KPIs). IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. You'll see three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

IFRS 18 reshapes how financial results are presented, introducing new mandated subtotals like operating profit, stricter classification of income and expenses, and audited disclosure of management-defined performance measures. It requires more detailed note disclosures and alignment across the profit or loss and cash flow statements. Although it does not change net profit, it must be applied retrospectively, meaning comparatives must be restated and internal reporting systems, chart of accounts, and controls must be updated to support the new structure.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

#### **iii IFRS 19 Subsidiaries without Public Accountability: Disclosures effective January 1, 2027**

The IASB intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued. Because of the timing of IFRS 19's publication, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May 2024 were included in IFRS 19 without reductions. The IASB issued a 'catch-up' exposure draft in July 2024 to consult on reducing the disclosure requirements for the

relevant standards issued in this period, most notably IFRS 18 Presentation and Disclosure in Financial Statements.

#### **iv Other annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7**

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Other amendments include derecognising lease liabilities. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

## **2.2 Consolidation**

### *(a) Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group and the Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group and the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group and the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Profit or Loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated when necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

### *(b) Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) *Associates and joint ventures*

Associates are all entities over which the Group and the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group and the Company's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group and the Company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group and the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group and the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group and the Company calculate the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the Profit or Loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

Dilution gains and losses arising on investments in associates are recognised in the Profit or Loss.

(e) *Joint arrangements*

The Group has applied IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be both joint operations and joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group and the Company account for joint operation by treating the operation as its own operations by recognising its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities held jointly, its revenue from the sale of the output by the joint operation, its share of revenue from the sale of the output by the joint operation, its expenses, including its share of any expenses incurred jointly.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

## 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions. Please refer to note 5 for additional information.

## 2.4 Foreign currency translation

### (a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira (N), which is the parent and separate's functional currency.

### (b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'Administrative expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other income, are included in other comprehensive income.

### (c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each item of Statement of Financial Position presented are translated at the closing rate at the reporting date;
- (b) income and expenses for each Profit or Loss item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

## 2.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment.

Land and buildings comprise mainly of retail outlets and offices as well as hotel rooms.

Assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

Property, plant and equipment are depreciated on a straight line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are:

Leasehold buildings	Lease terms vary from 5 to 99 years
<i>Plant and Machinery</i>	
a) Heavy	5 to 7 years
b) Light	3 to 5 years
<i>Motor Vehicles</i>	
a) Commercial	7 to 10 years
b) Passenger	4 to 5 years
Furniture and Fittings	3 to 5 years
Computer equipment	3 to 5 years

The useful lives, residual values and methods of depreciation are reassessed at the end of each reporting period and adjusted if necessary.

The depreciation on property, plant and equipment is recognised in profit or loss in the year in which it occurred. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it incurred.

**2.6 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to accounting policy on Computer Software). All internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

**Computer software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, that is, 5 years or 20%.

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset.

## **2.7 Investment properties**

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The Group makes use of internal and external valuation experts. Each property is valued by an external valuer annually.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in profit or loss against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

Leasehold investment properties represent properties acquired under government consent for 99 years.

## 2.8 Impairment of non-financial assets

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that their carrying value may not be recoverable. If such indication exists and where carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Recoverable amounts are determined as the higher of fair value less costs to sell or value in use. Impairment losses and the reversal of impairment losses are recognised 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 amortisation, if no impairment loss has been recognised.

## 2.9 Financial Instruments-recognition and subsequent measurement

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

### Financial Assets

#### Initial recognition

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and Company has applied the practical expedient, the Group and Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers below.

Other than equity instruments designated at fair value through other comprehensive income, for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Fair value through OCI financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These include investments in shares.

#### Recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified into:

#### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Group and Company. The Group and Company measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Group and Company's financial assets at amortised cost includes trade receivables, cash and cash equivalents and related parties receivables. A financial asset recoverable within one year is classified as current asset. If not, is presented as non-current asset.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and Company have retained.

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

### **Impairment of financial assets**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.1b
- Trade receivables and other financial assets Note 19"

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

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (i.e. stage 1 - a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. stage 2 & 3 - a lifetime ECL).

### **Significant increase in credit risk**

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For receivables from related parties (non-trade), and short-term deposits, the Group and Company apply general approach in calculating ECLs. It is the Group and Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group and Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve.

## **2.10 Financial Liabilities**

### **Initial recognition and measurement**

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group and Company's financial liabilities include trade and other payables.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Trade and other payables**

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Other payables that are within the scope of IFRS 9 are subsequently measured at amortised cost.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

## **2.11 Financial guarantee contracts**

Financial guarantee contracts are contracts that require the Group and Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given on behalf of debtors to secure loans.

The fair value of a financial guarantee contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been

required without the guarantee. Cost incurred on financial guarantee contracts is usually expensed and reported in the Statement of Profit or Loss where no asset is recoverable in the course.

### **2.12 Offsetting financial instruments**

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

### **2.13 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit or Loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### **2.14 Inventories**

Inventories include assets held for sale in the ordinary course of business (land and homes), assets (land, homes and infrastructure, including amenities) in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials).

Inventories are stated at the lower of cost and estimated net realisable value. Cost comprises:

- Historical cost (or fair valuation) of land
- Other costs of purchase (including taxes, transport – where applicable, handling, agency etc) net of discounts received
- Costs of production or conversion to homes, infrastructure & amenities (including fixed and variable construction overheads and the cost of services and consultants involved in the production process, projects management costs – including cost of supervision and internal projects management) and
- Other costs incurred in bringing the inventories to their present location and condition
- Capitalised borrowing costs in relation to qualifying assets

direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Any write-down to NRV is recognised as an expense in the period in which the write-down occurs. Any reversal is recognised in the income statement in the period in which the reversal occurs.

The valuation of the inventories was carried out by an independently appointed asset valuer Diya Fatimilehin & Co. - FRC/2013/NIESV/00000000754 who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of the inventories valued.

### **2.15 Cash, cash equivalents and bank overdrafts**

Cash, cash equivalents and bank overdrafts includes cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the Group and Company's cash management.

### **2.16 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.17 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation and the amount has been reliably estimated.

Provisions for restructuring costs are recognised when the Group and Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.18 Share capital****Ordinary shares are classified as equity.**

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group or Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

**2.19 Current and deferred income tax**

The tax for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit or Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the reporting liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Profit or Loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and Company intend to settle its current tax liabilities on a net basis.

## **2.20 Employee benefits**

### **(a) Defined contributory schemes**

The defined contribution plan the Group and Company have for its employees is statutory pension scheme.

#### **Pension scheme**

The Pension Reform Act of 2014 requires all companies to pay a minimum of 10% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees to pension fund administrator. The employees also contribute a minimum of 8% of their emoluments (i.e. basic, housing and transport allowances). The Company's contributions are recognised as employee benefit expenses when they are due. The Group and Company has no further payment obligation once the contributions have been paid.

#### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. This includes salaries and wages.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Termination benefits**

The Group recognizes termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal dedicated plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

### **(b) Profit-sharing and bonus plans**

The Group and Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **2.21 Revenue from contracts with customers**

The Group and Company is in the business of acquiring, developing, selling and managing high quality, serviced commercial and residential accommodation and retail space. These contracts are divided into four revenue streams namely:

- Sales of Goods - Sale of property stock
- Hotel Management services: Sale of rooms, conference halls as well as food & beverages.
- Facilities management services provided to the customer: Rendering of services - Management fees and service charge surcharge
- Advisory services - Research, Properties and Assets management, lease management, development management services

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods or services. The Group and Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The Group and Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group and Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group and Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

#### **Sale of goods - Sale of Property Stock**

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer.

The Group and Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group and Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

**Management surcharge income**

Management surcharge income represents fees charged to customers for administrative, documentation, or estate management services associated with property sales. This includes documentation/processing fees, legal/administrative charges, estate infrastructure or service fees. Management surcharge income is recognised when the related performance obligation is satisfied, i.e., when the company transfers the related service to the customer.

**Project or Facilities management services fee**

The revenue generated by the company is primarily derived from the management of building properties both commercial and residential building properties. Commercial properties are properties constructed for business activities while Residential properties as described by the client are properties constructed for non-business activity motives. A “management fee” is charged on the estates for the services provided by the company. The management fee charged is a function of the total cost incurred by an estate for a particular month.

**Business Management Fees**

Business Management Fees are fees earned from provision of financial services support, legal support services, internal control & audit support services, Information Technology support services. The fee is earned and recognised at the point in time when the other party had enjoyed the services and invoice is raised to that effect.

**Significant financing component**

Using the practical expedient in IFRS 15, the Group and Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group and Company does not adjust any of the transaction prices for the time value of money.

**Cost of sales**

Cost of sales represents the direct costs attributable to properties sold during the period. Cost of sales includes all costs directly related to the acquisition, development, and construction of properties sold, including land acquisition cost (purchase price, legal fees, title registration. Cost of sales is recognised in profit or loss when the related revenue is recognised, in accordance with IFRS 15. For completed property sales (point-in-time recognition). Cost is recognised when control of the property is transferred to the buyer i.e., handover or legal title transfer).

**Other operating income**

Other operating income represents income earned from activities that are incidental to the Company’s core operations of property development and sale but arise from ordinary business activities. Other operating income is recognised in profit or loss when it is probable that economic benefits will flow to the Company and the amount can be measured reliably, in accordance with the relevant IFRS Accounting Standards. Components of Other Operating Income include project supervision fees, commission from sales of third party properties, branding and other supervision fees.

**Finance income and Finance cost**

Finance income represents income earned from financial assets and financing activities, not from core property sales. Finance income is recognised using the effective interest rate (EIR) method, which allocates income over the relevant period to achieve a constant periodic return. Finance income includes interest income on Bank deposits, Call accounts and fixed deposits, Loans to staff. Finance costs represent costs incurred in obtaining financing for operations and property development. Finance costs are recognised using the effective interest rate method, except where capitalisation applies. Finance costs include Interest on Bank loans and overdrafts, Project financing facilities, and amortisation of loan transaction costs.

**Contract Balances:**

**Trade Receivables**

A receivable represents the Group and Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group and Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and Company performs under the contract.

### **Leases**

The Group and Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Group and Company as a lessee**

The Group and Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets (ROU)**

The Group and Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets. The Group and Company has no right of use asset at the end of the year.

### **Short-term leases**

The Group and Company applies the short-term lease recognition (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases (office rent) are recognised as expense on a straight-line basis over the lease term.

### **Group and Company as a lessor**

Leases in which the Group and Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **Dividend distribution**

Dividend distribution to the Group and Company's shareholders is recognised as a liability in the Group and Company's financial statements in the period in which the dividends are approved by the Group and Company's shareholders. In respect of interim dividends these are recognised once paid.

## **3. Financial risk management**

### **3.1 Financial risk factors**

Specific risk management functions are carried out by the specific business units.

#### **(a) Market risk**

##### **(i) Foreign exchange risk**

There are no exposures to recognised assets and liabilities as the Group and Company has no investments in foreign operations. The foreign exchange risk exposure relates to the Company.

The Group and Company do not make use of derivatives to hedge its exposures. The Group and Company is not involved in direct importation of finishing materials for its projects and uses third party suppliers and logistics agents, who bear the full foreign exchange risk which are priced into contracts upfront.

The Group and Company's concentration of foreign exchange risk is as follows:

The Group	2025		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	18	-	5
	<b>18</b>	<b>-</b>	<b>5</b>

	2024		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	19	-	5
	<b>19</b>	<b>-</b>	<b>5</b>

The Company	2025		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	18	-	5
	<b>18</b>	<b>-</b>	<b>5</b>

	2024		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	19	-	5
	<b>19</b>	<b>-</b>	<b>5</b>

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
<b>The total impact on profit and equity if Naira were to increase/decrease by 10% across currencies would be as follows</b>	<b>3,919</b>	<b>826</b>	<b>3,919</b>	<b>826</b>

In 2025, Management considered a shift of 10% in foreign currency exchange rate appropriate(2024: 2%) to determine the sensitivity of foreign currency denominated financial assets and liabilities vis a vis the Naira.

**(ii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of equity (other than those arising from interest rate risk or currency risk). The equity instrument are classified as fair value through other comprehensive income and are susceptible to market price risk arising from uncertainties about future values of the investment securities.

	2025	Change in price	The Group	The Company
			Effect on equity	
			N'000	N'000
UPDC REIT	2025	(38%)	46,028	46,028

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk as the Group invests in financial instruments at both fixed and floating rate. The risk is managed by the Group by maintaining its' investment on short term tenored investment, hence the Group has no significant concentration of interest rate risk.

**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company.

The Group and Company is exposed to credit risk from its operating activities primarily trade receivables and deposits with banks and other financial institutions. The Group and Company have a credit control function that weekly monitors trade receivables and resolves credit related matters.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Group and Company's established policy, procedures and control relating to customer credit risk management. The Group and Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The Group and Company evaluate the concentration of risk with respect to trade receivables as customers consist of large and reputable financial institutions that are subjected to financial scrutiny by various regulatory bodies. The Group and Company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

**Deposits with banks and other financial institutions**

Credit risk from balances with banks and financial institutions is managed by the Group and Company's treasury department in accordance with the Group and Company's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group and Company's Chief Financial Officer periodically and may be updated throughout the year subject to approval of the Chief Financial Officer. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group and Company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

**Impairment losses**

**Trade receivables**

For trade receivables, the Group and Company applied the simplified approach in computing ECL. Therefore, the Group and Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 20. The Group and Company do not hold collateral as security and consider a financial asset in default when contractual payments are 90 days past due.

31 December 2025	The Group					
	Trade Receivables					
	Date Past Due					Total N'000
1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 months N'000	Above 12 months N'000		
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	327,930	145,397	80,613	167,927	1,136,490	1,850,667
<b>Expected credit loss</b>	-	-	<b>6,449</b>	<b>36,944</b>	<b>1,136,490</b>	<b>1,179,882</b>

31 December 2024	Trade Receivables					
	Date Past Due					
	1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 months N'000	Above 12 months N'000	Total N'000
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	160,514	42,500	60,234	162,280	909,027	1,334,555
<b>Expected credit loss</b>	-	-	<b>4,819</b>	<b>35,702</b>	<b>909,027</b>	<b>949,547</b>

31 December 2025	The Company					
	Trade Receivables					
	Date Past Due					
	1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 months N'000	Above 12 months N'000	Total N'000
Expected credit loss rate	0%	0%	10%	37%	100%	
Estimated total gross carrying amount at default	21,350	16,000	6,850	234	883,165	927,598
<b>Expected credit loss</b>	-	-	<b>685</b>	<b>86</b>	<b>883,165</b>	<b>883,936</b>

31 December 2024	Trade Receivables					
	Date Past Due					
	1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 months N'000	Above 12 months N'000	Total N'000
Expected credit loss rate	0%	0%	10%	37%	100%	
Estimated total gross carrying amount at default	27,628	15,787	-	-	878,947	922,362
<b>Expected credit loss</b>	-	-	-	-	<b>878,947</b>	<b>878,947</b>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

The Group	The Company			
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Balance as at 1 January	949,547	790,744	878,947	878,947
Write off during the year	-	-	-	-
Provision for expected credit losses	230,335	158,803	4,989	-
<b>Balance at 31 December</b>	<b>1,179,882</b>	<b>949,547</b>	<b>883,936</b>	<b>878,947</b>

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. 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 Group and Company's view of economic conditions over the expected lives of the receivables.

### Expected credit loss measurement - other financial assets

The Group and Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. The Group and Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (i.e. stage 1 - a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition and or credit impaired, a loss allowance is required for credit losses

expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. stage 2 & 3 - a lifetime ECL).

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

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

#### **Analysis of inputs to the ECL model under multiple economic scenarios**

An overview of the approach to estimating ECLs is set out in Note 3 Summary of significant accounting policies and in Note 4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group and Company obtain the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group and Company's ECL models including determining the weights attributable to the multiple scenarios.

The following tables outline the impact of multiple scenarios on the allowance showing contribution of each scenario to the expected credit loss:

<b>31 December 2025</b>	<b>The Group</b>			<b>The Company</b>		
	<b>Short-term deposit N'000</b>	<b>Intercompany receivables N'000</b>	<b>Total N'000</b>	<b>Short-term deposit N'000</b>	<b>Intercompany receivables N'000</b>	<b>Total N'000</b>
Upside (10%)	87	326,182	326,269	18	1,742,924	1,742,942
Base (81%)	705	2,642,071	2,642,776	142	14,117,687	14,117,829
Downside (9%)	78	293,563	293,642	16	1,568,632	1,568,648
<b>Total</b>	<b>871</b>	<b>3,261,816</b>	<b>3,262,686</b>	<b>175</b>	<b>17,429,243</b>	<b>17,429,418</b>

<b>31 December 2024</b>	<b>The Group</b>			<b>The Company</b>		
	<b>Short-term deposit N'000</b>	<b>Intercompany receivables N'000</b>	<b>Total N'000</b>	<b>Short-term deposit N'000</b>	<b>Intercompany receivables N'000</b>	<b>Total N'000</b>
Upside (10%)	20	325,131	325,151	20	1,733,850	1,733,870
Base (81%)	165	2,633,559	2,633,725	163	14,044,182	14,044,344
Downside (9%)	18	292,618	292,636	20	1,560,465	1,560,485
<b>Total</b>	<b>203</b>	<b>3,251,307</b>	<b>3,251,510</b>	<b>203</b>	<b>17,338,496</b>	<b>17,338,699</b>

**Short-term deposits**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2025	8,935,970	-	-	8,935,970	3,691,538	-	-	3,691,538
New asset purchased	8,288,579	-	-	8,288,579	1,236,433	-	-	1,236,433
Asset derecognised or repaid (excluding write offs)	(8,935,970)	-	-	(8,935,970)	(3,691,538)	-	-	(3,691,538)
<b>At 31 December 2025</b>	<b>8,288,579</b>	<b>-</b>	<b>-</b>	<b>8,288,579</b>	<b>1,236,433</b>	<b>-</b>	<b>-</b>	<b>1,236,433</b>

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	203	-	-	203	203	-	-	203
New asset purchased	871	-	-	871	175	-	-	175
Asset derecognised or repaid (excluding write offs)	(203)	-	-	(203)	(203)	-	-	(203)
<b>At 31 December 2025</b>	<b>871</b>	<b>-</b>	<b>-</b>	<b>871</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>175</b>

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2024	3,415,552	-	-	3,415,552	3,415,552	-	-	3,415,552
New asset purchased	8,935,970	-	-	8,935,970	3,691,538	-	-	3,691,538
Asset derecognised or repaid (excluding write offs)	(3,415,552)	-	-	(3,415,552)	(3,415,552)	-	-	(3,415,552)
<b>At 31 December 2024</b>	<b>8,935,970</b>	<b>-</b>	<b>-</b>	<b>8,935,970</b>	<b>3,691,538</b>	<b>-</b>	<b>-</b>	<b>3,691,538</b>

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	149	-	-	149	149	-	-	149
New asset purchased	203	-	-	203	203	-	-	203
Asset derecognised or repaid (excluding write offs)	(149)	-	-	(149)	(149)	-	-	(149)
<b>At 31 December 2024</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>203</b>

## Intercompany receivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2025	-	-	3,732,934	3,732,934	-	-	-	-
Changes in receivables	3,761,574	-	-	3,761,574	24,831,548	-	-	24,831,548
<b>At 31 December 2025</b>	<b>3,761,574</b>	<b>-</b>	<b>3,732,934</b>	<b>7,494,508</b>	<b>24,831,548</b>	<b>-</b>	<b>-</b>	<b>24,831,547</b>
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	-	-	3,251,307	3,251,307	-	-	17,338,496	17,338,496
Changes in receivables	3,261,816	-	-	3,261,816	17,429,243	-	-	17,429,243
At 31 December 2025	3,261,816	-	3,251,307	6,513,123	17,429,243	-	17,338,496	34,767,739
<b>Net Intercompany receivables as at 31 December 2025 - Note 26</b>				<b>981,385</b>				<b>(9,936,193)</b>
<b>As restated*</b>	<b>The Group</b>				<b>The Company</b>			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2024	-	-	4,231,593	4,231,593	-	-	18,773,417	18,773,417
Changes in receivables	-	-	(498,659)	(498,659)	-	-	843,990	843,990
<b>At 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>3,732,934</b>	<b>3,732,934</b>	<b>-</b>	<b>-</b>	<b>19,617,407</b>	<b>19,617,407</b>
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	-	-	3,246,560	3,246,560	-	-	17,297,037	17,297,037
(Unused amount reversed)/Charge for the year	-	-	4,747	4,747	-	-	41,459	41,459
<b>At 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>3,251,307</b>	<b>3,251,307</b>	<b>-</b>	<b>-</b>	<b>17,338,496</b>	<b>17,338,496</b>
<b>Net Intercompany receivables as at 31 December 2024 - Note 26</b>				<b>481,626</b>				<b>2,278,911</b>

\*Refer to note 32 for changes to presentation of comparatives figures.

## Impairment allowance for financial assets under general approach

In assessing the Group and Company's internal rating process, the Group and Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Group and Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Group and Company's performance.

**(c) Liquidity risk**

The Group and Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Group and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and preference shares. The Group and Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. The Group and Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group and Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Liquidity risk arises from mis-match in expected inflows from sales, rentals and other revenue sources and outflows to fund projects, debt service and repayment obligations. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group and Company finance. Group and Company finance monitors rolling forecasts of the Group and Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. The Group and Company also ensures that at all times it does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	The Group				Contractual amount N'000	Carrying value N'000
	Less than 3months N'000	Between 3 Months and 1 year N'000	Between 1 and 2 years N'000	Over 2 years N'000		
<b>At 31 December 2025</b>						
Interest bearing loans and borrowings	138,282	389,814	317,267	5,502,925	2,860,531	2,094,206
Trade and other payables	-	3,737,968	-	-	3,737,968	3,737,968
	<b>138,282</b>	<b>4,127,782</b>	<b>317,267</b>	<b>5,502,925</b>	<b>6,598,499</b>	<b>5,832,174</b>

	The Group				Contractual amount N'000	Carrying value N'000
	Less than 3months N'000	Between 3 Months and 1 year N'000	Between 1 and 2 years N'000	Over 2 years N'000		
<b>At 31 December 2024</b>						
Interest bearing loans and borrowings	116,587	389,814	317,267	3,158,664	3,982,332	3,139,350
Trade and other payables	-	4,644,079	-	-	4,644,079	4,644,079
	<b>116,587</b>	<b>5,033,893</b>	<b>317,267</b>	<b>3,158,664</b>	<b>8,626,411</b>	<b>7,783,429</b>

	The Company				Contractual amount N'000	Carrying value N'000
	Less than 3months N'000	Between 3 Months and 1 year N'000	Between 1 and 2 years N'000	Over 2 years N'000		
<b>At 31 December 2025</b>						
Interest bearing loans and borrowings	138,282	389,814	317,267	5,502,925	6,348,288	5,641,207
Trade and other payables	-	3,022,367	-	-	3,022,367	3,022,367
	<b>138,282</b>	<b>3,412,181</b>	<b>317,267</b>	<b>5,502,925</b>	<b>9,370,656</b>	<b>8,663,575</b>

At 31 December 2024	The Company					
	Less than 3 months N'000	Between 3 Months and 1 year N'000	Between 1 and 2 years N'000	Over 2 years N'000	Contractual amount N'000	Carrying value N'000
Interest bearing loans and borrowings	116,587	389,814	317,267	3,022,763	3,846,431	3,139,350
Trade and other payables	-	2,896,915	-	-	2,896,915	2,896,915
	<b>116,587</b>	<b>3,286,729</b>	<b>317,267</b>	<b>3,022,763</b>	<b>6,743,346</b>	<b>6,036,265</b>

Trade and other payables is made up of trade payables and amount owed to related parties. Non-financial liabilities excluded from the trade and other payables are contract liabilities, value added tax/withholding tax payables and accruals.

### 3.2 Capital risk management

Capital includes share capital, share premium and other reserves attributable to equity holders.

The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and Company monitor capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings and trade and other payables' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated and separate statement of financial position including non controlling interest.

No formal debt equity target has been established.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Interest bearing debt	2,094,206	3,139,350	5,641,207	3,139,350
Trade and other payables	14,965,201	17,788,961	6,381,785	5,878,291
Total debt	17,060,548	20,928,311	12,022,992	9,017,641
Total capital	10,125,009	9,202,711	1,024,027	1,384,809
<b>Capital and net debt</b>	<b>27,185,557</b>	<b>30,131,023</b>	<b>13,047,019</b>	<b>10,402,450</b>
<b>Gearing ratio</b>	<b>63%</b>	<b>69%</b>	<b>92%</b>	<b>87%</b>

### 3.3 Fair value estimation

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for the period ended 31 December.

	The Group				The Company			
	Total N'000	Quoted price in active market (Level 1) N'000	Significant observ- able input (Level 2) N'000	Significant unobserv- able input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Signif- icant observ- able input (Level 2) N'000	Significant unobserv- able input (Level 3) N'000
<b>31 December 2025</b>								
<b>Assets measured at fair value</b>								
Equity instrument at fair value through OCI	920,553	920,553	-	-	920,553	920,553	-	-
<b>Assets measured at amortised cost with fair value disclosure</b>								
Trade receivables	683,464	-	-	683,464	48,651	-	-	48,651
Receivables from group companies	519,217	-	-	519,217	7,493,052	-	-	7,493,052
Cash at bank and in hand	10,197,862	-	-	10,197,862	2,615,623	-	-	2,615,623
<b>Liabilities for which fair values are disclosed:</b>								
Interest-bearing loans and borrowings	2,094,206	-	-	2,094,206	2,094,206	-	-	2,094,206
Trade Payables and other payables	2,935,546	-	-	2,935,546	2,615,623	-	-	2,615,623

	The Group				The Company			
	Total N'000	Quoted price in active market (Level 1) N'000	Significant observ- able input (Level 2) N'000	Significant unobserv- able input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Significant observ- able input (Level 2) N'000	Significant unobserv- able input (Level 3) N'000
<b>31 December 2024</b>								
<b>Assets measured at fair value</b>								
Equity instrument at fair value through OCI	667,067	667,067	-	-	667,067	667,067	-	-
Trade receivables	385,008	-	-	385,008	43,415	-	-	43,415
Receivables from group companies	481,626	-	-	481,626	2,278,911	-	-	2,278,911
Cash at bank and in hand	11,504,698	-	-	11,504,698	2,496,819	-	-	2,496,819
<b>Liabilities for which fair values are disclosed:</b>								
Interest-bearing loans and borrowings	3,139,350	-	-	3,139,350	3,139,350	-	-	3,139,350
Trade Payables and other payables	3,012,345	-	-	3,012,345	2,496,819	-	-	2,496,819

There have been no transfers between Level 1 and Level 2 during the year.

- i) Assets measured at fair values  
Investment properties: The valuation techniques used and key inputs to valuation of investment properties have been disclosed in Note 15.
- ii) Liabilities for which fair values are disclosed

The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

### 3.3 Fair value estimation

The following table represents the Groups' financial assets and liabilities that fair value is disclosed.

	<b>The Group</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Carrying Value N'000</b>	<b>Fair Value N'000</b>	<b>Carrying Value N'000</b>	<b>Fair Value N'000</b>
<b>Assets</b>				
<b>Assets measured at fair value</b>				
Equity instrument at fair value through OCI	920,553	920,553	667,067	667,067
<b>Assets measured at amortised cost with fair value disclosure</b>				
Trade receivables	683,464	683,464	385,008	385,008
Receivables from group companies	519,217	519,217	481,626	481,626
Cash at bank and in hand	10,197,862	10,197,862	11,504,698	11,504,698
<b>Liabilities</b>				
Interest bearing loans and borrowings	2,094,206	2,094,206	3,139,350	3,139,350
Trade Payables and other payables	2,935,546	2,935,546	3,012,345	3,012,345

	<b>The Company</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Carrying Value N'000</b>	<b>Fair Value N'000</b>	<b>Carrying Value N'000</b>	<b>Fair Value N'000</b>
<b>Assets</b>				
<b>Assets measured at fair value</b>				
Equity instrument at fair value through OCI	920,553	920,553	667,067	667,067
<b>Assets measured at amortised cost with fair value disclosure</b>				
Trade receivables	48,651	48,651	43,415	43,415
Receivables from group companies	7,493,052	7,493,052	2,278,911	2,278,911
Cash at bank and in hand	1,612,197	1,612,197	4,238,385	4,238,385
<b>Liabilities</b>				
Interest bearing loans and borrowings	5,641,207	5,641,207	3,139,350	3,139,350
Trade and other payables	2,615,623	2,615,623	2,496,819	2,496,819

Trade receivables is fair valued at net of impairment. Other receivables is made up of receivables to related parties which fairly approximates their stated carrying values. Trade and other payables is made up of trade payables and amount owed to related parties.

The carrying amount approximates the fair value of the instruments.

The Company does not expect to default on its various obligations represented in its liabilities as at year end.

### 3.4 Financial instruments by category

	The Group	
	2025 N'000	2024 N'000
<b>Financial assets</b>		
Equity instrument at fair value through OCI		
Trade and other receivables	1,202,681	866,634
Cash at bank and in hand	10,197,862	11,504,698
<b>Financial liabilities</b>		
Interest bearing Loans and Borrowings	2,094,206	3,139,350
Trade and other payables	2,935,546	3,012,345

	The Company	
	2025 N'000	2024 N'000
<b>Financial assets</b>		
Equity instrument at fair value through OCI		
Trade and other receivables	7,541,703	2,322,326
Cash at bank and in hand	1,612,197	4,238,385
<b>Financial liabilities</b>		
Interest bearing Loans and Borrowings	5,641,207	3,139,350
Trade and other payables	2,615,623	2,496,819

## 4. Material accounting judgements, estimates and assumptions

### 4.1 Material estimates

The preparation of the Group and the Company's financial statements 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.

### 4.2 Material judgements

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

#### a) Revenue from Contracts with Customers

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

UPDC Plc

Identifying performance obligations in a bundled sale of property and maintenance services.

The Group and the Company provides planned preventive maintenance and property life cycle maintenance that are sold separately or bundled together with the sale of property to a customer. The maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the Company and the customer.

The Group and the Company determined that the property, and the maintenance services are capable of being distinct. The fact that the Group and the Company regularly sells both property, and maintenance on a stand-alone basis indicates that the customer can benefit from each of the products on their own. The Group and the Company also determined that the promises to transfer the property and to provide maintenance are distinct within the context of the contract. The property and the maintenance are not inputs to a combined item in the contract.

In addition, the property and the maintenance are not highly interdependent or highly interrelated, because the Group and the Company would be able to transfer the property even if the customer declined maintenance and would be able to provide maintenance in relation to products sold by other distributors. Consequently, the Group and the Company allocated a portion of the transaction price to the property and the maintenance service based on relative stand-alone selling prices.

### **Determining the timing of satisfaction of sales of property stock**

The Group and the Company concluded that revenue for sales of property stock is to be recognised at a point in time; when the customer obtains control of the property. The Group and the Company assess when control is transferred using the indicators below:

- The Group and the Company has a present right to payment for the product;
- The customer has legal title to the product;
- The Group and the Company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the product; and
- The customer has accepted the asset

#### **b) Useful lives for property, plant & equipment**

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant and equipment will have an impact on the carrying value. See Note 13 for further details.

#### **c) Impairment of investments in Joint Venture**

Investment in Joint Ventures are stated at cost in the books of the Group and Company. However, where there is an objective evidence of impairment of this investment, the investment is written down to the recoverable amount. Evidence of impairment occurs where the Joint Venture incurs a loss and the Group/Company's share of loss exceeds its total investment in the Joint venture. See note 15 (ii). for details of write down in current year.

#### **d) Deferred tax asset**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

## **5. Segment Analysis**

The chief operating decision-maker has been identified as the Executive Committee (Exco). The Exco reviews the Company's internal reporting in order to assess performance and allocate resources.

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at 31 December 2025, UPDC Plc's operations comprised two main business segments which are Property Development, Sales & Management and Hospitality Services.

**Property Development, Sales & Management** - UPDC Plc's main business is the acquisition, development, sales and management of high quality serviced commercial and residential properties in the Highbrow and Middle Income segments of the real estate market in Nigeria. The Company approaches property planning from the customers' perspective to create comfortable living/working environments. UPDC Facility Management Limited is a subsidiary of UPDC Plc. The Company provides facilities management services to residential and commercial properties in Nigeria.

**Hospitality Services** - UPDC Hotels Limited, the company's subsidiary is in the hospitality industry and leverages significantly on the success of its principal promoter UPDC Plc. The hotel provides services such as sale of rooms, conference halls as well as food & beverages.

The following measures of performance are reviewed by the Exco:

- Revenue to third parties
- Earnings before interest and tax
- Profit before tax
- Net current assets
- Property, plant and equipment

	The Group		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>31 December 2025</b>			
Total Revenue	11,450,201	1,457,814	12,908,015
Intergroup revenue	-	-	-
<b>Revenue to third parties</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
Depreciation and amortisation	97,765	227,758	325,523
Share of loss from joint venture	(7,959)	-	(7,959)
<b>Earnings before interest and tax</b>	<b>1,177,598</b>	<b>200,460</b>	<b>1,378,058</b>
Finance income	2,328,997	-	
Finance cost	(248,551)	(213,108)	(461,659)
<b>Profit before tax</b>	<b>3,044,936</b>	<b>200,460</b>	<b>3,245,396</b>
Income tax expense	(1,169,234)	(57,828)	(1,227,062)
Net current asset/(liability)	5,090,867	(974,498)	4,116,369
Property, plant and equipment	350,088	8,100,008	8,450,096

	Restated		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>31 December 2024</b>			
Total Revenue	10,322,899	1,464,014	11,786,913
Intergroup revenue	-	-	-
<b>Revenue to third parties</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Depreciation and amortisation	44,357	271,153	315,510
Share of loss from joint venture	-	-	-
<b>Earnings before interest and tax</b>	<b>1,403,015</b>	<b>(256,235)</b>	<b>1,146,780</b>
Finance income	559,973	-	559,973
Finance cost	(347,464)	(50,370)	(397,834)
<b>Profit /(loss) before tax</b>	<b>1,565,154</b>	<b>(256,235)</b>	<b>1,308,919</b>
Income tax expense	(460,653)	(11,357)	(472,010)
Net current asset/(liability)	4,469,924	(974,498)	3,495,426
Property, plant and equipment	129,292	8,123,441	8,252,734

\*Refer to note 32 for changes to presentation of comparatives figures.

	The Company	
	Property development sales & management N'000	Total N'000
<b>31 December 2025</b>		
Total revenue	2,636,429	2,636,429
Intergroup revenue	-	-
<b>Revenue from third parties</b>	<b>2,636,429</b>	<b>2,636,429</b>
Depreciation and amortisation	58,103	58,103
Share of loss from joint venture	(7,959)	(7,959)
<b>Loss before interest and tax</b>	<b>(276,162)</b>	<b>(276,162)</b>
Finance income	528,352	528,352
Finance cost	(520,903)	(520,903)
<b>Loss before tax</b>	<b>(268,713)</b>	<b>(268,713)</b>
Income tax expense	(39,751)	(39,751)
Net current assets	3,827,285	3,827,285
Property, plant and equipment	240,213	240,213

	Restated The Company	
	Property development sales & management N'000	Total N'000
<b>31 December 2024</b>		
Total revenue	4,401,353	4,401,353
Intergroup revenue	-	-
<b>Revenue from third parties</b>	<b>4,401,353</b>	<b>4,401,353</b>
Depreciation and amortisation	31,534	31,534
Share of loss from joint venture	-	-
<b>Earnings before interest and tax</b>	<b>203,574</b>	<b>203,574</b>
Finance income	515,542	515,542
Finance cost	(397,834)	(397,834)
<b>Earnings before tax</b>	<b>321,282</b>	<b>321,282</b>
Income tax expense	(35,385)	(35,385)
Net current assets	2,009,928	2,009,928
Property, plant and equipment	61,119	61,119

Entity wide information	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
<b>Analysis of revenue by category:</b>				
UPDC Sale of Property Stock	1,066,400	4,081,155	1,066,400	4,081,155
Project/ Asset Management Fees	76,199	117,398	261,286	320,198
Business Management Fees	-	-	1,308,742	-
	<b>1,142,599</b>	<b>4,198,553</b>	<b>2,636,429</b>	<b>4,401,353</b>
Grupo Atlanta Sale of Property Stock	8,724,949	5,200,000	-	-
UPDC Hotel Ltd. Revenue	1,457,814	1,464,014	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	1,582,653	924,345	-	-
<b>Group</b>	<b>12,908,015</b>	<b>11,786,913</b>	<b>2,636,429</b>	<b>4,401,353</b>
<b>Analysis of revenue by geographical location:</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Nigeria	12,908,015	11,786,913	2,636,429	4,401,353

5. (i). Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group and Company's revenue from contracts with customers:

The Group	For the year ended 31 December 2025		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>Type of goods or service</b>			
Sale of Property Stock	9,791,349	-	9,791,349
Project/ Asset Management Fee	76,199	-	76,199
UPDC Hotel Ltd. Revenue	-	1,457,814	1,457,814
UPDC Facility Mgt Ltd. Management Surcharge Income	1,582,653	-	1,582,653
<b>Revenue from contracts with customers</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
Rental	-	-	-
<b>Total revenue</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
<b>Geographical markets</b>			
Within Nigeria	11,450,201	1,457,814	12,908,015
Outside Nigeria	-	-	-
<b>Total revenue from contracts with customers</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	9,791,349	-	9,791,349
Services transferred over time	1,658,851	1,457,814	3,116,666
<b>Total revenue from contracts with customers</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>11,450,201</b>	<b>1,457,814</b>	<b>12,908,015</b>

The Group	For the year ended 31 December 2024		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>Type of goods or service</b>			
Sale of Property Stock	9,281,155	-	9,281,155
Project/ Asset Management Fee	117,398	-	117,398
UPDC Hotel Ltd. Revenue	-	1,464,014	1,464,014
UPDC Facility Mgt Ltd. Management Surcharge Income	924,345	-	924,345
<b>Revenue from contracts with customers</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>

<b>Geographical markets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Within Nigeria	10,322,899	1,464,014	11,786,913
Outside Nigeria	-	-	-
<b>Total revenue from contracts with customers</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	9,281,155	-	9,281,155
Services transferred over time	1,041,743	1,464,014	2,505,758
<b>Total revenue from contracts with customers</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>

<b>The Company</b>	<b>For the year ended 31 December 2025</b>		
<b>Type of goods or service</b>	<b>Property Development Sales &amp; Management N'000</b>	<b>Hospitality Services N'000</b>	<b>Total N'000</b>
Sale of Property Stock	1,066,400	-	1,066,400
Project/ Asset Management Fee	1,308,742	-	1,308,742
<b>Revenue from contracts with customers</b>	<b>2,375,142</b>	<b>-</b>	<b>2,375,142</b>
Rental income	261,286	-	261,286
<b>Total revenue</b>	<b>2,636,429</b>	<b>-</b>	<b>2,636,429</b>
<b>Geographical markets</b>			
Within Nigeria	2,636,429	-	2,636,429
Outside Nigeria	-	-	-
<b>Total revenue from contracts with customers</b>	<b>2,636,429</b>	<b>-</b>	<b>2,636,429</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>2,636,429</b>	<b>-</b>	<b>2,636,429</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	1,066,400	-	1,066,400
Services transferred over time	1,308,742	-	1,308,742
<b>Total revenue from contracts with customers</b>	<b>2,375,142</b>	<b>-</b>	<b>2,375,142</b>
Rental income	261,286	-	261,286
<b>Total revenue</b>	<b>2,636,429</b>	<b>-</b>	<b>2,636,429</b>

The Company	For the year ended 31 December 2024		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>Type of goods or service</b>			
Sale of Property Stock	4,081,155	-	4,081,155
Project/ Asset Management Fee	320,198	-	320,198
<b>Revenue from contracts with customers</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>
<b>Geographical markets</b>			
Within Nigeria	4,401,353	-	4,401,353
Outside Nigeria	-	-	-
<b>Total revenue from contracts with customers</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	4,081,155	-	4,081,155
Services transferred over time	320,198	-	320,198
<b>Total revenue from contracts with customers</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>
Rental income	-	-	-
<b>Total revenue</b>	<b>4,401,353</b>	<b>-</b>	<b>4,401,353</b>

### Performance obligations

Information about the Company's performance obligations are summarised below:

#### Sale of property stock

The performance obligation is satisfied upon transfer of the property which is generally due within 30 to 90 days from transfer.

The Company has applied the practical expedient in paragraph 121 of IFRS 15 and did not disclose information about remaining performance obligations that have original expected durations of one year or less.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
<b>Contract balances</b>				
Trade receivables - Note 19	670,784	385,008	43,662	43,415
Customers deposit liabilities - Note 22	3,975,707	2,478,520	2,082,038	2,434,177

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

In 2025, N1.2billion (Company: N0.8billion) was recognised as provision for expected credit losses on trade receivables (2024:N0.9billion for Group and N0.8billion for Company).

Customers deposit liabilities include advances received from customers in respect of sale of property stocks and facility management fees.

## Disclosure requirements IFRS 15 - Performance Obligations

### Quantitative

Information about performance obligations in contracts with customer, including a description of the following:

- When the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service) including when performance obligations are satisfied in a bill-and-hold arrangement .
- Significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained)
- The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (i.e., if the entity is acting as an agent)
- Obligations for returns, refunds and other similar obligations
- Types of warranties and related obligations

IFRS 15.119(a)  
IFRS 15.119(b)  
IFRS 15.119(c)  
IFRS 15.119(d)

### Performance obligations - Tabular form

The Company's typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Standalone Selling Price is Typically Estimated
Sale of property stocks	Control of the asset is transferred to the customer, generally on delivery of the property at a point in time.	Payment is due on delivery date	Observable in contract document
Facilities management services provided to the customer	The services are satisfied over time as customers simultaneously receives and consumes the benefits provided by the Company. The Company recognizes revenue for these service contracts over time .	At the beginning of the contract period	Observable in renewal transactions
Project Development and Business Management	Allocation of the consideration and timing of the amount of revenue recognized in relation to the sales.	Within 90 days of services being performed	Observable in transactions without multiple performance obligations

## 6. Other income

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Dividend income	62,678	59,264	62,678	59,270
Legal, Transfer and title regularisation fees	-	93,921	-	93,921
Premium fee on rent to own scheme	-	5,031	-	5,031
Exchange (loss)/gain	(11,376)	12,479	(1,342)	12,479
Recovery on facility management*	363,031	228,415	-	-
Commision from sales of 3rd party properties	-	23,238	-	23,238
Other sundry income	191,167	11,723	89,834	-
<b>Total other income</b>	<b>605,500</b>	<b>434,071</b>	<b>151,170</b>	<b>193,940</b>

Dividend income represents dividend received on investment in UPDC REIT.

Foreign exchange gain arises from foreign currency denominated bank balance at year end.

\* Recovery on facility management primarily consists of compensations received for Customer Service Managers (CSMs) deployed to estates and other facilities. The determination of this revenue class is typically based on a percentage of the staff cost of the CSMs and is agreed upon on a case-by-case basis.

**7. Expenses by nature**

**7.(i) Cost of sales**

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Change in inventories of finished goods & other direct costs of inventories	8,146,170	8,197,142	762,846	3,000,859
Personnel expenses (Note 7b)	132,781	93,723	131,952	93,723
Directors' emoluments (Note 7b(i))	-	16,738	-	16,738
Agency Fees	222,843	77,092	9,760	77,092
Management fees	562,759	-	562,759	-
Other expenses	221,525	3,416	7,051	3,416
	<b>9,286,078</b>	<b>8,388,112</b>	<b>1,474,367</b>	<b>3,191,829</b>

**7.(ii) Selling and distribution expenses**

Personnel expenses (Note 7b)	68,900	74,733	68,900	74,733
Marketing, advertising & communication	161,405	314,784	111,512	71,096
Others	-	160,550	-	-
	<b>230,305</b>	<b>550,067</b>	<b>180,412</b>	<b>145,829</b>

**7.(iii) Administrative expenses**

	N'000	N'000	N'000	N'000
Property Maintenance expenses	47,736	35,502	47,736	35,502
Personnel expenses (Note 7b)	931,215	710,626	449,736	311,748
Depreciation of Property, Plant & Equipment	316,857	308,877	55,689	29,120
Amortization of intangible asset (Note 14)	8,666	6,633	2,414	2,414
Rent and rates	20,690	13,842	12,704	13,842
Vehicles repairs, maintenance & fueling	26,646	23,986	16,864	17,624
Other repairs & maintenance	107,005	85,416	-	4,905
Legal expenses	76,697	24,620	75,137	23,533
Auditors' remuneration*	55,306	51,821	36,500	33,863
Directors' emoluments (Note 7b(i))	121,509	108,492	115,509	108,492
Information Technology	230,270	179,873	189,425	159,158
Insurance	48,502	51,826	23,482	16,485
Communication expenses	19,357	28,313	17,739	26,503
Professional fees	158,446	87,275	101,751	73,023
Printing and stationery	14,012	17,332	7,605	15,728
Listing/ Regulatory fees	8,025	5,632	8,025	5,632
Others	178,662	232,402	137,583	134,974
	<b>2,369,600</b>	<b>1,972,421</b>	<b>1,305,314</b>	<b>1,012,547</b>

\* Auditors' remuneration relates to audit fees incurred for the provision of only statutory audit services to the Group.

## 7b. Personnel expenses

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Personnel expenses include:</b>				
Wages and salaries:				
Cost of sales	132,781	93,723	131,952	93,723
Selling and distribution expenses	68,900	74,733	68,900	74,733
Administrative expenses	931,215	710,626	449,736	311,748
	<b>1,132,896</b>	<b>879,082</b>	<b>650,588</b>	<b>480,204</b>

### Particulars of Directors and Staff

- (i) The group has in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Key management personnel compensation:</b>				
Short term benefit	271,508	233,461	164,995	141,874
Post employment benefits	16,676	10,416	12,798	7,994
	<b>288,184</b>	<b>243,877</b>	<b>177,793</b>	<b>149,868</b>
<i>Directors' emoluments:</i>				
Fees	3,400	3,400	3,400	3,400
Other emoluments	115,509	121,830	115,509	121,830
	<b>118,909</b>	<b>125,230</b>	<b>118,909</b>	<b>125,230</b>
<i>Other staff personnel compensation:</i>				
Short term benefit	781,700	563,507	373,386	291,547
Post employment benefits	65,613	54,960	26,324	22,050
	<b>847,313</b>	<b>618,467</b>	<b>469,396</b>	<b>313,597</b>
<b>Total</b>	<b>1,254,405</b>	<b>987,574</b>	<b>766,097</b>	<b>588,696</b>

The table below shows the number of employees (excluding directors), who earned over N60,000 as emoluments in the year and were within the bands stated.

N	The Group		The Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
60,000 - 999,999	104	106	2	9
1,000,000 - 1,999,999	49	62	0	6
2,000,000 - 2,999,999	41	33	1	3
3,000,000 - 3,999,999	15	15	7	5
4,000,000 - 4,999,999	14	19	2	9
5,000,000 - 5,999,999	15	11	2	2
6,000,000 - and above	41	36	24	17
	<b>279</b>	<b>282</b>	<b>38</b>	<b>51</b>

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
(ii) Emoluments of Directors				
Fees	3,400	3,400	3,400	3,400
Other emoluments	115,509	121,830	115,509	121,830
	<b>118,909</b>	<b>125,230</b>	<b>118,909</b>	<b>125,230</b>
(iii) The Chairman's emolument.	1,700	1,700	1,700	1,700
(iv) Emolument of the highest paid director.	84,391	71,354	84,391	71,354

(v) The fees attributable to the Chairman and non-executive directors, who are employees of the parent company (Custodian Investment Plc (CIP) & UACN Plc) were paid to CIP and UACN Plc.

(vi) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

N	The Group		The Company	
	31 December 2025 Number	31 December 2024 Number	31 December 2025 Number	31 December 2024 Number
1,000,001 - 9,000,000	4	4	4	4
9,000,001 - 14,000,000	0	0	0	0
14,000,001 and above	2	3	1	2
	<b>6</b>	<b>7</b>	<b>5</b>	<b>6</b>

## 8. Net Finance Income/(Cost)

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Finance Income</b>	<b>2,328,997</b>	<b>559,973</b>	<b>528,352</b>	<b>515,542</b>
Interest on borrowings	(461,659)	(397,834)	(520,903)	(397,834)
<b>Finance Costs</b>	<b>(461,659)</b>	<b>(397,834)</b>	<b>(520,903)</b>	<b>(397,834)</b>
<b>Net Finance income</b>	<b>1,867,338</b>	<b>162,139</b>	<b>7,449</b>	<b>117,708</b>

Finance income relate to interest accrued and received on short term deposits during the period

## 9. Credit loss expense

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Receivable in UPDC Metro City Ltd.	7,301	2,216	7,301	2,216
Impairment of receivable from UPDC Hotels Ltd.	-	-	78,665	37,124
Receivable in Pinnacle Apartment Development Ltd.	3,208	2,119	3,208	2,119
Receivable in other related parties	-	412	-	-
Receivable of UPDC FM LTD	-	-	1,573	-
Impairments of trade receivables	230,336	158,803	4,989	-
Impairment/(write back) of short term investment	668	54	(28)	54
	<b>241,513</b>	<b>163,604</b>	<b>95,709</b>	<b>41,514</b>

	The Group					
	2025			2024		
	Stage 1 Individual N'000	Stage 3 Individual N'000	Total N'000	Stage 1 Individual N'000	Stage 3 Individual N'000	Total N'000
Short term deposits	668	-	668	54	-	54
Related party receivables	10,509	-	10,509	4,747	-	4,747
Trade receivables	-	230,336	230,336	-	158,803	158,803
	<b>11,177</b>	<b>230,336</b>	<b>241,513</b>	<b>4,801</b>	<b>158,803</b>	<b>163,604</b>

	The Company					
	2025			2024		
	Stage 1 Individual N'000	Stage 3 Individual N'000	Total N'000	Stage 1 Individual N'000	Stage 3 Individual N'000	Total N'000
Short term deposits	(28)	-	(28)	54	-	54
Related party receivables	90,747	-	90,747	41,459	-	41,459
Trade receivables	-	4,989	4,989	-	-	-
	<b>90,719</b>	<b>4,989</b>	<b>95,709</b>	<b>41,514</b>	<b>-</b>	<b>41,514</b>

## 10. Taxation

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Current tax				
Minimum tax charge for the year	-	25,258	-	25,258
Current income tax	1,087,043	382,755	36,877	-
Education tax /Development Levy	136,435	53,115	2,875	10,111
Police Trust Fund	-	65	-	16
<b>Total current tax charge</b>	<b>1,223,478</b>	<b>461,193</b>	<b>39,751</b>	<b>35,385</b>
Total deferred tax (note 24)	3,584	10,817	-	-
<b>Total deferred tax (note 24)</b>	<b>3,584</b>	<b>10,817</b>	<b>-</b>	<b>-</b>
<b>Income tax charge</b>	<b>1,227,062</b>	<b>472,010</b>	<b>39,751</b>	<b>35,385</b>

Nigeria corporation tax is calculated at 30% (2024: 30%) of the estimated assessable profit for the year.

The income tax charge for the year can be reconciled to the profit per the consolidated and separate statement of profit or loss as follows:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Profit before taxation</b>	<b>3,245,396</b>	<b>1,308,919</b>	<b>(268,713)</b>	<b>321,282</b>
Tax at the Nigeria corporation tax rate of 30% (2024: 30%)	973,619	392,676	(80,614)	96,385
Education tax	136,435	53,115	2,875	10,111
Effect of expenses that are not deductible in determining taxable profit	263,532	136,319	42,010	42,010
Effect of income that is exempt from taxation	(100,200)	(146,240)	75,481	(138,395)
Impact of temporary differences	14,401	10,817	-	-
Minimum tax adjustments (including PTF)	-	25,323	-	25,274
<b>Tax for the period</b>	<b>1,287,787</b>	<b>472,010</b>	<b>39,751</b>	<b>35,385</b>

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Per statement of financial position</b>				
At 1 January	490,889	167,485	57,782	31,138
Charge for the year	1,223,478	461,193	39,751	35,385
Payments during the year	(443,112)	(137,789)	(10,127)	(8,741)
Withholding tax utilized	-	-	-	-
<b>At 31 December, 2025</b>	<b>1,271,255</b>	<b>490,889</b>	<b>87,406</b>	<b>57,782</b>

**10. (i) Current tax assets**

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Unutilised withholding tax credit notes as at January 1	147,200	147,200	147,200	147,200
Additional during the year	179,927	-	64,149	-
Utilization during the year	-	-	-	-
<b>Unutilised withholding tax credit notes as at December 31</b>	<b>327,127</b>	<b>147,200</b>	<b>211,350</b>	<b>147,200</b>

These relate to WHT credit notes yet to be utilized. The notes will be utilized against future income tax liabilities when filing tax returns to the Nigeria Revenue Services (NRS).

**11. Dividends**

The Board of Directors has approved a dividend of N0.01 (1 kobo) per ordinary share for the financial year ended 31 December 2025 (2024: N0.01). This amounts to a total dividend payout of N185,599,699.36, based on the total outstanding ordinary shares of 18,559,969,936. The dividend will be presented for approval by shareholders at the Company's Annual General Meeting and, if approved, will be paid to shareholders whose names appear in the Register of Members as at the specified record date.

**12. Earnings Per Share**

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Profit / (Loss) attributable to ordinary equity shareholders (NGN'000)	2,018,334	836,909	(308,464)	285,897
Profit / (Loss) for the year	2,018,334	836,909	(308,464)	285,897
Basic earnings /(Loss) per share (Kobo)	11	5	(2)	2
From continuing operations	11	5	(2)	2
Diluted earnings per share (Kobo)	11	5	(2)	2
<b>From continuing operations</b>	<b>11</b>	<b>5</b>	<b>(2)</b>	<b>2</b>

	The Group		The Company	
	31 December 2025 Number ('000)	31 December 2024 Number ('000)	31 December 2025 Number ('000)	31 December 2024 Number ('000)
Basic weighted average and Diluted weighted average number of shares	18,559,970	18,559,970	18,559,970	18,559,970
<b>Absolute number of shares (Note 25)</b>	<b>18,559,970</b>	<b>18,559,970</b>	<b>18,559,970</b>	<b>18,559,970</b>

- (b) Diluted  
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group has no dilutive instruments.

### 13. Property, plant and equipment

Cost	The Group						
	Land N'000	Building N'000	Motor vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
At 1 January 2024	1,103,600	7,024,885	80,995	201,153	102,283	107,273	8,620,189
Addition	-	341	51,500	136,910	16,179	22,183	227,114
<b>At 31 December 2024</b>	<b>1,103,600</b>	<b>7,025,226</b>	<b>132,495</b>	<b>338,063</b>	<b>118,462</b>	<b>129,456</b>	<b>8,847,303</b>
At 1 January 2025	1,103,600	7,025,226	132,495	338,063	118,462	129,456	8,847,303
Addition	-	-	243,500	10,693	202,746	57,281	514,220
<b>At 31 December 2025</b>	<b>1,103,600</b>	<b>7,025,226</b>	<b>375,995</b>	<b>348,756</b>	<b>321,208</b>	<b>186,737</b>	<b>9,361,522</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2024	-	67,383	30,386	58,595	55,910	73,418	285,692
Charge for the year	-	221,292	30,190	4,358	38,367	14,670	308,877
<b>At 31 December 2024</b>	<b>-</b>	<b>288,675</b>	<b>60,576</b>	<b>62,953</b>	<b>94,277</b>	<b>88,088</b>	<b>594,569</b>
At 1 January 2025	-	288,675	60,576	62,953	94,277	88,088	594,569
Charge for the year	-	92,110	68,639	120,842	9,656	25,611	316,858
<b>At 31 December 2025</b>	<b>-</b>	<b>380,785</b>	<b>129,215</b>	<b>183,795</b>	<b>103,933</b>	<b>113,698</b>	<b>911,426</b>
<b>Net book values</b>							
<b>At 31 December 2025</b>	<b>1,103,600</b>	<b>6,644,441</b>	<b>246,780</b>	<b>164,961</b>	<b>217,275</b>	<b>73,039</b>	<b>8,450,096</b>
<b>At 31 December 2024</b>	<b>1,103,600</b>	<b>6,736,551</b>	<b>71,919</b>	<b>275,110</b>	<b>24,185</b>	<b>41,369</b>	<b>8,252,734</b>

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2025 (2024: Nil).

No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

Cost	The Company				Total N'000
	Motor vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	
At 1 January 2024	69,486	12,736	54,153	84,805	221,180
Additions	-	-	10,390	9,969	20,359
<b>At 31 December 2024</b>	<b>69,486</b>	<b>12,736</b>	<b>64,543</b>	<b>94,774</b>	<b>241,539</b>
At 1 January 2025	69,486	12,736	64,543	94,774	241,539
Additions	182,500	-	22,387	29,897	234,783
<b>At 31 December 2025</b>	<b>251,986</b>	<b>12,736</b>	<b>86,929</b>	<b>124,671</b>	<b>476,322</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2024	25,503	12,736	47,539	65,523	151,301
Charge for the year	19,297	-	2,288	7,535	29,120
<b>At 31 December 2024</b>	<b>44,800</b>	<b>12,736</b>	<b>49,827</b>	<b>73,058</b>	<b>180,420</b>
At 1 January 2025	44,800	12,736	49,827	73,058	180,420
Charge for the year	40,437	-	4,572	10,680	55,689
<b>At 31 December 2025</b>	<b>85,238</b>	<b>12,736</b>	<b>54,399</b>	<b>83,738</b>	<b>236,109</b>
<b>Net book values</b>					
<b>At 31 December 2025</b>	<b>166,748</b>	<b>-</b>	<b>32,530</b>	<b>40,933</b>	<b>240,213</b>
<b>At 31 December 2024</b>	<b>24,686</b>	<b>-</b>	<b>14,716</b>	<b>21,716</b>	<b>61,119</b>

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2025 (2024: Nil).

No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

#### 14. Intangible Assets

Cost	The Group	The Company
	Software N'000	Software N'000
At 1 January 2024	397,231	305,770
Additions	10,736	-
At 31 December 2024	407,967	305,770
At 1 January 2025	407,967	305,770
Additions	27,044	-
At 31 December 2025	435,011	305,770
Amortisation		
At 1 January 2024	345,032	297,885
Amortisation for the year	6,633	2,414
At 31 December 2024	351,666	300,299
At 1 January 2025	351,666	300,299
Amortisation for the year	8,666	2,414
<b>At 31 December 2025</b>	<b>360,332</b>	<b>302,713</b>
<b>Net book values</b>		
<b>At 31 December 2025</b>	<b>74,679</b>	<b>3,057</b>
<b>At 31 December 2024</b>	<b>56,302</b>	<b>5,472</b>

No intangible asset was pledged as security for any liability as at 31 December 2025 (2024: Nil)

## 15. Investments in equity accounted joint ventures

The amounts recognised in the statement of financial position are as follows:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Joint ventures	112,182	120,141	111,378	119,337
	<b>112,182</b>	<b>120,141</b>	<b>111,378</b>	<b>119,337</b>

### 15 (i). Investments in joint ventures

	The Group		The Company			
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 % holding	31 December 2024 % holding
<b>Investment in Joint Ventures</b>						
First Restoration Dev. Co. Limited	112,182	120,141	111,378	119,337	51.0%	51.0%
	<b>112,182</b>	<b>120,141</b>	<b>111,378</b>	<b>119,337</b>		

The movement in the investment in joint ventures during the year is stated below:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
At 1 January		120,141	119,337	119,337
Share of loss from joint venture		(7,959)	-	(7,959)
		<b>112,182</b>	<b>120,141</b>	<b>119,337</b>

### Nature of investment in Joint ventures:

Name	Project	Country of incorporation	Nature of relationship	Measurement method	% Interest held
First Festival Mall Ltd.	Festival Mall	Nigeria	Joint venture	Equity	45%
First Restoration Dev. Coy Ltd.	Olive Court	Nigeria	Joint venture	Equity	51%
Pinnacle Apartment Dev. Ltd.	Pinnacle Apartments	Nigeria	Joint venture	Equity	51%
UPDC Metro City Ltd.	Metrocity	Nigeria	Joint venture	Equity	60%
Transit Village	Transit Village	Nigeria	Joint venture	Equity	40%

All joint ventures are primarily set up for projects as stated above. The investments in Joint Venture were measured using equity accounted method in the separate financial statements.

Set out below are the summarised financial information for the associate and joint venture accounted for using the equity method.

Name	Non Current Asset N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000	Carrying value N'000
<b>31 December 2025</b>							
First Restoration Dev. Coy Ltd.	-	311,469		92,122	25,964	219,964	112,182

Name	Revenue N'000	Depreciation N'000	Total Income N'000	Total Expense N'000	Tax Expense N'000	Profit/ (Loss) N'000
<b>31 December 2025</b>						
First Restoration Dev. Coy Ltd.	-	-	-	(15,606)	-	(15,606)

Name	Non Current Asset N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000	Carrying value N'000
<b>31 December 2024</b>							
First Restoration Dev. Coy Ltd.	-	301,265	-	57,988	25,964	269,241	120,141

Name	Revenue N'000	Depreciation N'000	Total Income N'000	Total Expense N'000	Tax Expense N'000	Profit N'000
<b>31 December 2024</b>						
First Restoration Dev. Coy Ltd.	-	-	-	-	-	-

**16. Equity instrument at fair value through other comprehensive income**

As at 31 December 2025, UPDC held 133,413,475 units, representing 5% of the total issued REIT units. This is in compliance with Section 532(z) of the SEC Rules and Regulations (as amended) that requires promoters of real estate investment schemes to subscribe to a minimum of 5% of the registered units of the scheme at inception and hold such units throughout the life of the real estate investment scheme. The fair value changes is as a result of the difference in share price from prior year of N5.00 to N6.90 per unit in current period.

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
As at 1 January	667,067	853,846	667,067	853,846
Fair value changes	253,486	(186,779)	253,486	(186,779)
	<b>920,553</b>	<b>667,067</b>	<b>920,553</b>	<b>667,067</b>

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Opening balance of Investment	667,067	853,846	667,067	853,846
Fair valuation at reporting date	(920,553)	(667,067)	(920,553)	(667,067)
Fair value loss/(gain)	(253,487)	186,779	(253,487)	186,779
Deferred tax	120,206	-	120,206	-
<b>Fair value gain (net of tax)</b>	<b>(133,281)</b>	<b>186,779</b>	<b>(133,281)</b>	<b>186,779</b>

## 17. Investments in subsidiaries

	The Company		% Shareholding	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 %	31 December 2024 %
<b>Principal investments</b>				
<i>UPDC Hotels Ltd.</i>				
2,082,500,000 Shares of N1.00 each	2,082,500	2,082,500	94.0%	94%
<i>Manor Gardens Dev. Company Ltd.</i>				
53,810,000 Ordinary Shares of N1.00 each	53,810	53,810	68%	68%
<i>UPDC Facility Management Ltd.</i>				
5,000,000 Ordinary Shares of N1.00 each	5,000	5,000	50%	50%
<i>Deep Horizon Investment Ltd.</i>				
1,000,000 Ordinary Shares of N1.00 each	1,611,697	1,611,697	100%	100%
<i>Grupo Atlanta (Nig) Ltd</i>				
510,000 Ordinary Shares of N1.00 each	510	490	51%	49%
	<b>3,753,517</b>	<b>3,753,497</b>		
Impairment of investments	(2,136,310)	(2,136,310)		
	<b>1,617,207</b>	<b>1,617,187</b>		

Investments in subsidiaries are measured at cost.

In 2024, UPDC Plc and Paragon Holding Investment acquired the total equity of Grupo Atlanta, UPDC was allotted 49% while Paragon was allotted 51% with a condition that Paragon will relinquish 2% of her holding to UPDC upon the obtainance of Federal Competition & Consumer Protection Commission (FCCPC) approval, the FCCPC approval was obtained in January 2025 and UPDC got the total of 51% holding. UPDC's has the higher representative of the Board and chair the board of Grupo Atlanta right from the onset of the acquisition and as well as controlling its' financial and operational decision making.

### 17. (i) Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interest is provided below;

Proportion of equity interests held by non-controlling interests:

	The Company		% Shareholding	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 %	31 December 2024 %
UPDC Facility Management Limited: 5,000,000 Ordinary Shares of N1.00 each	5,000	5,000	50	50
Grupo Atlanta (Nig) Ltd: 510,000 Ordinary Shares of N1.00 each	510	490	51	49
*Manor Gardens Dev. Company Ltd. 53,810,000 Ordinary Shares of N1.00 each	53,810	53,810	68	68

\*Manor Gardens Dev. Company Ltd is domant (not in operational)

**17. (ii) Summarized financial information of the subsidiaries**

The summarized financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

**Summarised statement of financial positions**

	UPDC Facility Management Limited		UPDC Hotel Limited		Deep Horizon Investment Limited		Grupo Atlanta Nig Ltd	
	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000
Current assets	1,196,356	1,085,025	736,262	949,415	1,835,777	3,408,904	15,066,924	13,501,241
Non-current assets	151,742	85,978	8,129,769	8,156,509	-	-	3,487,757	-
Current liabilities	(749,053)	(730,715)	(16,875,529)	(17,039,712)	(53,689)	(1,602,408)	(3,659,631)	(12,822,862)
Non-current liabilities	(14,401)	-	(250,000)	(250,000)	-	-	(12,224,613)	-
Total Equity	584,643	440,288	(8,259,499)	(8,183,787)	1,782,088	1,806,496	2,670,437	678,379
Attributable to:								
Equity holders of parent	292,321	220,144	(7,763,929)	(7,692,760)	1,782,088	(1,806,499)	1,348,353	332,406
Non-controlling interest	292,321	220,144	(495,570)	(491,027)	-	-	1,322,084	345,973
	<b>584,643</b>	<b>440,288</b>	<b>(8,259,499)</b>	<b>(8,183,787)</b>	<b>1,782,088</b>	<b>(1,806,499)</b>	<b>2,670,437</b>	<b>678,379</b>

**Statement of profit or loss and other comprehensive income**

	UPDC Facility Management Limited		UPDC Hotel Limited		Deep Horizon Investment Limited		Grupo Atlanta Nig Ltd	
	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000	31 December 2025 N'000	31 Dec 24 N'000
Revenue from contract with customer	1,582,653	924,345	1,457,814	1,464,014	-	-	8,724,949	5,200,000
Cost of Sales	(1,586,186)	(917,244)	(2,155,984)	(1,679,203)	(26,560)	(62,080)	(7,555,563)	(4,226,768)
Other income	240,149	228,415	893,387	9,315	-	2,408	-	-
Earnings before interest and tax	236,615	235,516	195,217	(205,873)	(26,560)	(59,672)	1,169,386	973,232
Net Finance cost	11,012	-	(213,108)	(50,370)	-	-	1,848,877	44,432
<b>Profit before tax</b>	<b>247,627</b>	<b>235,516</b>	<b>(17,891)</b>	<b>(256,243)</b>	<b>(26,560)</b>	<b>(59,672)</b>	<b>3,018,263</b>	<b>1,017,664</b>
Income tax expense	(103,273)	(89,386)	(57,829)	(11,357)	-	-	(1,026,209)	(335,880)
Profit for the year	144,354	146,130	(75,719)	(267,600)	(26,560)	(59,672)	1,992,054	681,784
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total Comprehensive income</b>	<b>144,354</b>	<b>146,130</b>	<b>(75,719)</b>	<b>(267,600)</b>	<b>(26,560)</b>	<b>(59,672)</b>	<b>1,992,054</b>	<b>681,784</b>
Attributable to:								
Equity holders of parent	72,177	73,065	(71,176)	(251,544)	(26,560)	(59,672)	1,015,947	334,074
Non-controlling interest	72,177	73,065	(4,543)	(16,056)	-	-	976,106	347,710
	<b>144,354</b>	<b>146,130</b>	<b>(75,719)</b>	<b>(267,600)</b>	<b>(26,560)</b>	<b>(59,672)</b>	<b>1,992,054</b>	<b>681,784</b>

### 17 (iii) Non-controlling interest

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Balance 1 January	282,842	(121,877)	-	-
Profit for the year	1,043,718	404,719	-	-
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-
<b>Balance 31 December</b>	<b>1,326,560</b>	<b>282,842</b>	<b>-</b>	<b>-</b>
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Profit/(loss) attributable to Non-Controlling interest from the components:</b>				
UPDC Facility Management Limited	72,177	73,065	-	-
UPDC Hotel Limited	(4,543)	(16,056)	-	-
Deep Horizon Investment Limited	-	-	-	-
Grupo Atlanta Nig Ltd	976,106	347,710	-	-
	<b>1,043,740</b>	<b>404,719</b>	<b>-</b>	<b>-</b>

### 18. Inventories

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Non trade stock	95,226	351,124	-	-
Properties under construction - Note 18 (i)	3,123,873	8,378,876	888,905	1,079,068
<b>Balance</b>	<b>3,219,099</b>	<b>8,729,999</b>	<b>888,905</b>	<b>1,079,068</b>

All Inventory above are carried at lower of cost or net realisable value at all the periods reported.

### 18. (i). Properties under construction

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Balance 1 January	8,378,876	3,148,591	1,079,068	3,148,590
Additions	1,389,671	8,231,144	572,683	931,337
Disposal	(6,644,673)	(3,000,859)	(762,846)	(3,000,859)
	<b>3,123,873</b>	<b>8,378,876</b>	<b>888,905</b>	<b>1,079,068</b>

\*Included in the additions during the year is the landed property worth of N817million (2024: N7.2billion) at Brompton city which is under construction for sale in the ordinary course of the business.

## 19. Trade and other receivables

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Trade receivables	1,850,667	1,334,555	927,598	922,362
Less: Impairment of trade receivables (Note 3.1b)	(1,179,882)	(949,547)	(883,936)	(878,947)
<b>Net trade receivables</b>	<b>670,784</b>	<b>385,008</b>	<b>43,662</b>	<b>43,415</b>
Receivables from group companies (Note 26)	499,758	481,626	7,402,304	2,278,911
Other receivables (Note 19 (i))	5,516,467	641,806	276,313	274,084
Advances to staff	766	1,524	-	1,525
	<b>6,687,775</b>	<b>1,509,965</b>	<b>7,722,279</b>	<b>2,597,935</b>

## 19. (i) Analysis of other receivables

Mobilization payments to contractors	5,173,127	26,767	27,473	26,767
Prepayments and accrued income	109,069	70,190	43,670	16,383
Withholding tax receivables	35,387	19,435	15,170	15,170
VAT Receivables	-	-	-	-
Other Debtors*	198,885	525,414	190,000	215,764
	<b>5,516,467</b>	<b>641,806</b>	<b>276,313</b>	<b>274,084</b>

Information about the credit exposures and impairment are disclosed in Note 3.

\*Other debtors comprise mainly of service charge expenses incurred on empty plot of land at Pinnock Beach and receivables from the hotel. These are reimbursable by individual customers upon commencement of development work on their respective plots.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Group has engaged a third-party supplier to provide relevant economic data for determining the factors that are specific to the debtors, the general economic conditions of the industry in which the debtors operate and the forecast direction of conditions at the reporting date. The Group has significantly increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction of travel at the reporting date. There has been no change in the estimation techniques during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

## 20. Cash and cash equivalents

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Cash at bank and in hand	1,910,153	2,568,931	375,967	547,050
Short term investments	8,288,579	8,935,970	1,236,433	3,691,538
Less: Impairment of Short term investments	(871)	(203)	(175)	(203)
<b>Cash and cash equivalents</b>	<b>10,197,862</b>	<b>11,504,698</b>	<b>1,612,225</b>	<b>4,238,385</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

## 21. Borrowings

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Current borrowings</b>				
UAC of Nigeria Plc. Loan	32,373	50,075	32,373	50,075
Custodian Investment Plc Loan	46,666	66,513	46,666	66,513
Grupo Atlanta (Nig) Ltd	-	-	59,244	-
	<b>79,038</b>	<b>116,587</b>	<b>138,282</b>	<b>116,587</b>
<b>Non-current borrowings - Principal</b>				
UACN Plc Loan	920,078	1,380,125	920,078	1,380,125
Custodian Investment Plc Loan	1,095,090	1,642,639	1,095,090	1,642,639
Grupo Atlanta (Nig) Ltd	-	-	3,487,757	-
	<b>2,015,168</b>	<b>3,022,763</b>	<b>5,502,925</b>	<b>3,022,763</b>
<b>Total borrowings</b>	<b>2,094,206</b>	<b>3,139,349</b>	<b>5,641,207</b>	<b>3,139,349</b>

Movement in total borrowing during the year is as follows:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Balance as at 1 January	3,139,350	4,772,820	3,139,350	4,772,820
Additional Loan (GANL)			3,487,757	-
Repayment of Principal	(1,007,606)	(1,679,333)	(1,007,606)	(1,679,333)
Interest accrued	461,659	397,834	520,903	397,834
Interest paid	(499,196)	(351,972)	(499,196)	(351,972)
<b>Balance as at 31 December</b>	<b>2,094,206</b>	<b>3,139,349</b>	<b>5,641,207</b>	<b>3,139,349</b>

In April 2021, the majority shareholders of UPDC Plc (CIP & UACN Plc) granted UPDC Plc a loan for N5.9billion at the rate of 9% per annum with a 3year moratorium. It was also agreed that the loan would be provided by CIP and UACN Plc's pro rata their shareholding in the UPDC i.e. CIP contributed 54.34% of the Loan whilst UACN Plc contributed 45.66% of the Loan. The purpose of the loan was to pay down the 5-year bond and UACN Bridge Finance. The loan was restructured in October 2024 with the interest rate increased from 9% to 18% pa.

\*In October 2025, UPDC Plc secured a related party loan of N4b from Grupo Atlanta with an annual interest rate of 20%, N3.49b was drawdown in December 2025. The loan is for a tenor of 18months from the draw down.

**22. Trade and other payables**

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Trade payables	2,670,312	2,738,404	528,451	378,284
Customer deposit liabilities (Note 23)	3,975,707	2,478,520	2,082,038	2,434,177
Amounts owed to other related parties (Note 26)	252,970	273,940	2,087,172	2,118,535
	<b>6,898,989</b>	<b>5,490,864</b>	<b>4,697,660</b>	<b>4,930,996</b>
Value Added Tax/ Withholding Tax Payables	323,193	176,328	147,205	41,927
Other payables*	6,462,301	10,143,499	772,315	179,737
Assets Replacement Deposits	257,845	115,795	137,409	94,795
Unclaimed dividend (Note 23 (i))	220,452	230,740	220,452	230,740
Accruals**	802,421	1,631,734	406,744	400,096
<b>Total</b>	<b>14,965,201</b>	<b>17,788,961</b>	<b>6,381,785</b>	<b>5,878,291</b>

"Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

\*Other payables includes payable for cost of land for phases 2 & 3 of Brompton City of N6.4billion (2024:N9.7billion), development levy deposits, and other payroll related statutory payment due.

\*\*Accruals is made up of payables to vendors for accrued expenses, legal fee, audit fee, amongst others.

**23. Customer deposit liabilities**

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
Deposit by customers	3,975,707	2,478,520	2,082,038	2,434,177
	<b>3,975,707</b>	<b>2,478,520</b>	<b>2,082,038</b>	<b>2,434,177</b>

This represents advances received from customers in respect of sale of property stocks and facility management fees. This is a non-interest bearing liability.

**23.(i) Unclaimed dividend**

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
As at 1 January	230,739	252,411	230,739	252,411
Unclaimed dividend fund paid	(10,287)	(21,672)	(10,287)	(21,672)
	<b>220,452</b>	<b>230,740</b>	<b>220,452</b>	<b>230,740</b>

## 24. Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Deferred tax liabilities:</b>				
– Deferred tax liability to be recovered after more than 12 months	207,144	83,354	192,743	72,537
– Deferred tax liability to be recovered within 12 months	-	-	-	-
<b>Deferred tax liabilities</b>	<b>207,144</b>	<b>83,354</b>	<b>192,743</b>	<b>72,537</b>

The gross movement on the deferred income tax account is as follows:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
At 1 January	83,354	72,537	72,537	72,537
Recognised in Profit or Loss	3,584	10,817	-	-
Tax charge relating to components of other comprehensive income	120,206	-	120,206	-
<b>At 31 December, 2025</b>	<b>207,144</b>	<b>83,354</b>	<b>192,743</b>	<b>72,537</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

The Group	Restated						Total N'000
	Property, plant and equipment N'000	Equity instrument N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	
At 1 January 2024	2,079	-	93,845	57,180	(80,686)	119	72,537
Charged to profit or loss	5,815	-	5,002	-	-	-	10,817
At 31 December 2024	7,894	-	98,847	57,180	(80,686)	119	83,354
Charged to profit or loss	3,584	-	-	-	-	-	3,584
Charged to other comprehensive income	-	120,206	-	-	-	-	120,206
<b>At 31 December 2025</b>	<b>11,478</b>	<b>-</b>	<b>98,847</b>	<b>57,180</b>	<b>(80,686)</b>	<b>119</b>	<b>207,144</b>

The Company	Property, plant and equipment N'000	Equity instrument N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	Total N'000
At 1 January 2024	2,079	-	93,845	57,180	(80,686)	119	72,537
Charged to profit or loss	-	-	-	-	-	-	-
<b>At 31 December 2024</b>	<b>2,079</b>	<b>-</b>	<b>93,845</b>	<b>57,180</b>	<b>(80,686)</b>	<b>119</b>	<b>72,537</b>
<b>Unrecognised deferred tax credit</b>	<b>11,728</b>	<b>-</b>	<b>(100,089)</b>	<b>(5,049,775)</b>	<b>(15,110)</b>	<b>5,286</b>	<b>(5,147,960)</b>
Charged to profit or loss	-	-	-	-	-	-	-
Charged to other comprehensive income	-	120,206	-	-	-	-	120,206
<b>At 30 December 2025</b>	<b>2,079</b>	<b>120,206</b>	<b>93,845</b>	<b>57,180</b>	<b>(80,686)</b>	<b>119</b>	<b>192,743</b>
<b>Unrecognised deferred tax credit</b>	<b>40,208</b>	<b>-</b>	<b>(144,868)</b>	<b>(5,009,386)</b>	<b>(61,022)</b>	<b>-</b>	<b>(5,175,068)</b>

\*Refer to note 32 for changes to presentation of comparatives figures.

**The Group/ The Company**

\*The deferred tax asset computation for the year amounted to N5.0 billion (2024: N5.1 billion), the management has however assessed and concluded that it is not probable that sufficient taxable profits will be available to offset this, hence the decision not to recognise the asset.

At the reporting date, the Group has N16.7 billion unrelieved tax losses (2024:N16.6 billion) available for offset against future profits.

**25. Share capital**

**Group and Company**

	31 December 2025		31 December 2024	
	Units '000	Amount N'000	Units '000	Amount N'000
<i>Authorised:</i>				
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,970	9,279,985
<i>Issued and fully paid:</i>				
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,969	9,279,985
<b>Authorised shares</b>				
At 1 January	18,559,970	9,279,985	18,559,970	9,279,985
Share Cancellation				
At 31 December	18,559,970	9,279,985	18,559,969	9,279,985

**25 (i). Share Premium**

Share Premium is the premium on actual price of share issue above the par value of 50 kobo and it is used to take care of bonus issues.

Section 145 of Companies and Allied Matters Act, 2020 requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

**25 (ii). Retained earnings**

Retained earnings represent net accumulated result over the years.

**25 (iii) Fair value reserve**

The fair value reserve comprises the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

## 26. Related party transactions

The ultimate parent and controlling party of the Company is Custodian Investment Plc incorporated in Nigeria. There are other companies that are related to UPDC through common shareholdings.

The following transactions were carried out with related parties:

Period-end balances arising from sales/purchases of goods/services:

	The Group		The Company	
	31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Receivable:</b>				
Receivables balance	3,761,574	3,732,934	24,831,548	19,617,407
Provision for expected credit losses	(3,261,816)	(3,251,307)	(17,429,243)	(17,338,496)
<b>Balance as at 31 December</b>	<b>499,758</b>	<b>481,626</b>	<b>7,402,304</b>	<b>2,278,911</b>

### Period-end balances arising from sales/purchases of goods/services

	Relationship	The Group		The Company	
		31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Receivable:</b>					
UPDC Metrocity Limited	Joint Venture	462,455	408,436	462,455	408,436
UPDC Hotel Ltd.	Subsidiary	-	-	14,828,506	14,543,255
First Festival Mall Limited	Joint Venture	2,614,513	2,614,513	2,614,513	2,614,513
Pinnacle Apartment Dev. Ltd/ Imani and Sons	JV Partner	560,825	537,462	425,770	402,407
Galaxy Mall Current Account	Joint Venture	74,034	74,034	74,034	74,034
UPDC REIT	Associate	49,747	98,489	49,747	98,489
Manor Gardens	Subsidiary	-	-	317,244	317,244
Groupo Atlanta Nig Ltd	Subsidiary	-	-	5,964,719	1,086,803
UPDC Facility Management Ltd.	Subsidiary	-	-	94,561	72,226
		3,761,574	3,732,934	24,831,548	19,617,407
Impairment of Intercompany receivables		(3,261,816)	(3,251,307)	(17,429,243)	(17,338,496)
		<b>499,758</b>	<b>481,626</b>	<b>7,402,304</b>	<b>2,278,911</b>

	Relationship	The Group		The Company	
		31 December 2025 N'000	31 December 2024 N'000	31 December 2025 N'000	31 December 2024 N'000
<b>Payable:</b>					
UAC of Nigeria Plc.	Associate	-	7,002	-	7,002
MDS Logistics Ltd.	Sister Company	-	1,787	-	1,787
First Restoration Dev. Co. Limited	Joint Venture	252,970	265,151	252,970	265,151
Deep Horizon Investment Ltd.	Subsidiary	-	-	1,834,202	1,844,595
		<b>252,970</b>	<b>273,940</b>	<b>2,087,172</b>	<b>2,118,535</b>

All trading balances will be settled in cash.

The related party transactions were carried out on commercial terms and conditions.

**27. Contingent liabilities**

As at 31 December 2025, the Group in its ordinary course of business is presently involved in 17 cases as a defendant and 1 case as a plaintiff. The total amount claimed in the 17 cases against the Group is estimated at N4.3billion while the total amount claimed in the one case instituted by the Company is N22.8 million.

The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Company and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

**28. Events after reporting period**

There were no subsequent events which could have had a material effect on the financial position and performance of the bank as at 31 December 2025 which had not been adequately provided for or disclosed.

**29. Financial Reporting Council’s Certification Requirement for Professionals Engaged in Financial Reporting Process**

In line with Financial Reporting Council of Nigeria certification requirement for professionals engaged in the financial reporting process: external auditors, officers of reporting entities and other professional providing assurance to reporting assurance to reporting entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the period.

<b>NAME OF PROFESSIONAL</b>	<b>FRC_NUMBER</b>	<b>SERVICES</b>	<b>FEES N’000</b>
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	Tax Consultant	3,765
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	ICFR	5,375
Diya Fatimilehin & Co	FRC/2023/COY/098756	Property Valuation Specialist	3,870
Society for Corporate Governance Nigeria	FRC/2014/NIM/00000007899	Board Evaluation Consultant	3,000

**30. Provision of Non-audit services**

Auditor’s fees represents fees for the interim and full year audit of the company for the year ended 31 December 2025. Deloitte & Touche rendered an assurance service to the company in relation to the Internal Control over Financial Reporting amounting to N8.5million.

**31. Dividend proposed**

The Board of Directors has approved a dividend of N0.01 (1 kobo) per ordinary share for the financial year ended 31 December 2025 (2024: N0.01). This amounts to a total dividend payout of N185,599,699.36, based on the total outstanding ordinary shares of 18,559,969,936. The dividend will be presented for approval by shareholders at the Company’s Annual General Meeting and, if approved, will be paid to shareholders whose names appear in the Register of Members as at the specified record date.

**32. Changes to presentation of comparatives figures**

In the disclosure note on segment reporting in note 5, the Company did not disclose some information in its segment reporting in the prior year as required by IFRS8:23. Information such are depreciation and amortisation, finance income, finance expenses, share of loss from joint venture and income tax expense were not disclosed. These undisclosed items were considered material and are now disclosed as required by IFRS8 (23) accordingly.

Also in note 3.1 on the analysis of changes in the gross carrying amount and the corresponding ECL allowances, in prior year, the Company disclosed the impairment (Expected credit loss) of its intercompany receivables which had suffered significant increase in credit risk with a provision or charge of about 90% of the gross receivable in stage 1 rather than in stage 3. This disclosure error was considered material, and it is now correctly disclosed as required by IFRS7:35H accordingly.

In addition, in note 24 on movement in deferred income tax assets and liabilities, the Company entity did not disclose the items in notes showing the movement in deferred income tax assets and liabilities during the year properly as some deferred tax movement for unutilised tax loss, property plant and equipment and capital allowances were disclosed under investment property.

The following summarise the adjustments arising from change in the correction of prior period (i.e. 31 December 2024) errors in the disclosure of the Group and Company's segment reporting in note 5, and note 3.1 for the restated ECL staging on intercompany receivables and note 24 for the restated movement in deferred tax asset and liabilities for the group and the company.

### Note 5, as previously stated

	The Group		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>31 December 2024</b>			
Total Revenue	10,322,899	1,464,014	11,786,913
<b>Revenue to third parties</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Earnings before interest and tax	1,403,015	(256,235)	1,146,780
<b>Profit before tax</b>	<b>1,565,154</b>	<b>(256,235)</b>	<b>1,308,919</b>
Net current asset/(liability)	4,469,924	(974,498)	3,495,425
Property, plant and equipment	129,292	8,123,441	8,252,734

	The Company	
	Property development sales & management N'000	Total N'000
<b>31 December 2024</b>		
Total revenue	4,401,353	4,401,353
<b>Revenue from third parties</b>	<b>4,401,353</b>	<b>4,401,353</b>
Profit before interest and tax	203,574	203,574
<b>Profit before tax</b>	<b>321,282</b>	<b>321,282</b>
Net current assets	2,009,927	2,009,927
Property, plant and equipment	61,119	61,119

Note 5 as restated

	The Group		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
<b>31 December 2024</b>			
Total Revenue	10,322,899	1,464,014	11,786,913
<b>Revenue to third parties</b>	<b>10,322,899</b>	<b>1,464,014</b>	<b>11,786,913</b>
Depreciation and amortisation	44,357	271,153	315,510
Share of loss from joint venture	-	-	-
<b>Earnings before interest and tax</b>	<b>1,403,015</b>	<b>(256,235)</b>	<b>1,146,780</b>
Finance income	559,973	-	559,973
Finance cost	(347,464)	(50,370)	(397,834)
<b>Profit /(loss) before tax</b>	<b>1,565,154</b>	<b>(256,235)</b>	<b>1,308,919</b>
Income tax expense	(460,653)	(11,357)	(472,010)
Net current asset/(liability)	4,469,924	(974,498)	3,495,426
Property, plant and equipment	129,292	8,123,441	8,252,734

	The Company	
	Property development sales & management N'000	Total N'000
<b>31 December 2024</b>		
Total revenue	4,401,353	4,401,353
<b>Revenue from third parties</b>	<b>4,401,353</b>	<b>4,401,353</b>
Depreciation and amortisation	31,534	31,534
Share of loss from joint venture	-	-
<b>Earnings before interest and tax</b>	<b>203,574</b>	<b>203,574</b>
Finance income	515,542	515,542
Finance cost	(397,834)	(397,834)
<b>Earnings before tax</b>	<b>321,282</b>	<b>321,282</b>
Income tax expense	(35,385)	(35,385)
Net current assets	2,009,928	2,009,928
Property, plant and equipment	61,119	61,119

### Note 3.1, as previously stated

	The Group			The Company		
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
Gross carrying amount as at 1 January 2024	4,231,593	-	-	-	-	18,773,417
Changes in receivables	(498,659)	-	-	-	-	843,990
At 31 December 2024	3,732,934	-	-	-	-	19,617,407
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
ECL allowance as at 1 January 2024	3,246,560	-	-	-	-	17,297,037
(Unused amount reversed)/Charge for the year	4,747	-	-	-	-	41,459
At 31 December 2024	3,251,307	-	-	-	-	17,338,496
Net Intercompany receivables as at 31 December 2024	481,627	-	-	-	-	2,278,911

### Note 3.1, as restated

	The Group			The Company		
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
Gross carrying amount as at 1 January 2024	-	-	4,231,593	-	-	18,773,417
Changes in receivables	-	-	(498,659)	-	-	843,990
At 31 December 2024	-	-	3,732,934	-	-	19,617,407
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
ECL allowance as at 1 January 2024	-	-	3,246,560	-	-	17,297,037
(Unused amount reversed)/Charge for the year	-	-	4,747	-	-	41,459
At 31 December 2024	-	-	3,251,307	-	-	17,338,496
<b>Net Intercompany receivables as at 31 December 2024</b>	-	-	<b>481,627</b>	-	-	<b>2,278,911</b>

### Note 24, as restated

	Property, plant and equipment N'000	Investment property N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	Total N'000
<b>The Group</b>							
At 1 January 2024	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2024	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
	Property, plant and equipment N'000	Investment property N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	Total N'000
<b>The Company</b>							
At 1 January 2024	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2024	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537

<b>The Group</b>	<b>Property, plant and equipment N'000</b>	<b>Equity instrument N'000</b>	<b>Provisions N'000</b>	<b>Tax losses N'000</b>	<b>Capital gains to be reinvested N'000</b>	<b>Exchange difference N'000</b>	<b>Total N'000</b>
At 1 January 2024	2,079	-	93,845	57,180	(80,686)	119	72,537
Charged to profit or loss	5,815	-	5,002	-	-	-	10,817
At 31 December 2024	7,894	-	98,847	57,180	(80,686)	119	83,354

<b>The Company</b>	<b>Property, plant and equipment N'000</b>	<b>Equity instrument N'000</b>	<b>Provisions N'000</b>	<b>Tax losses N'000</b>	<b>Capital gains to be reinvested N'000</b>	<b>Exchange difference N'000</b>	<b>Total N'000</b>
At 1 January 2024	2,079	-	93,845	57,180	(80,686)	119	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2024	2,079	-	93,845	57,180	(80,686)	119	72,537
Unrecognised deferred tax credit	11,728	-	(100,089)	(5,049,775)	(15,110)	5,286	(5,147,960)

### 33. Contravention

The Group incurred and paid the sum of N3.1 million (2024: N6.6) as a penalty for a contravention during the year.

	<b>2025 N'000</b>	<b>2024 N'000</b>
Penalties for late submission of the annual financial statements to SEC and NGX Regulation Limited.	<b>3,100</b>	6,625

A professional headshot of Odunayo Ojo, a man with short, graying hair, wearing black-rimmed glasses, a white dress shirt, a blue and white striped tie, and a blue suit jacket. He is looking directly at the camera with a slight smile. The background is a plain, light gray.

**A MESSAGE FROM  
OUR CEO ON  
SUSTAINABILITY**

**“We remain resolute in delivering sustainable real estate solutions that are resilient, forward-looking, and built to stand the test of time.”**

**Odunayo Ojo**  
Chief Executive Officer

## A MESSAGE FROM OUR CEO ON SUSTAINABILITY

We extend our deepest appreciation to all our stakeholders for their support in our journey towards a sustainable future. UPDC remains resolute in its mandate to deliver long-lasting real estate solutions that serve our community.

We take pride in our strong track record of delivering sustainable developments designed to stand the test of time. Our achievements are anchored in a quality-focused approach to research and product innovation, enabling us to create projects that are resilient, forward-looking, and responsive to evolving market needs.

### Strategic Priorities in 2025

UPDC continues to strengthen its commitment to sustainability by integrating responsible principles into the planning, design, and construction of projects. This includes optimizing land use, adopting energy-efficient solutions, reducing environmental impact, and building community-focused planning that enhances the overall living and working experience. The company's priority is developing communities that support long-term environmental and social well-being. UPDC also promotes responsible practices across its value chain by encouraging suppliers and contractors to adopt lower-emission construction methods. In addition, UPDC continues to invest in shared infrastructure and resource conservation initiatives aimed at improving efficiency and reducing the overall environmental footprint of its developments and operations.

Our workforce remains central to this journey. We have cultivated a workplace that empowers every employee to contribute meaningfully to our sustainability ambitions — linking individual growth to our broader mission.

### Environmental, Social & Governance (ESG) Progress

UPDC has made significant progress in building a structured ESG framework. The Company understands the complexities involved in integrating environmental sustainability, social impact considerations, and robust governance practices across the real estate development lifecycle, from planning and construction to asset management and community engagement.

For instance, our current Brompton City Project, a 30-hectare development in Lekki Scheme II, exemplifies our commitment to sustainable development and ESG progress. The project features a bio-digester, which plays a crucial role in reducing water contamination by safely treating organic waste before it is released into the environment. In addition, the development incorporates solar-powered streetlights, promoting renewable energy use, as well as a playground and communal park, designed to enhance community engagement and wellbeing.

UPDC has commenced the introduction of waste recycling initiatives within its facilities in partnership with specialized recycling firms, aiming to reduce landfill contributions over the long term.

Our progress also includes establishing the monitoring of power usage through the introduction of smart meters in our managed Facilities to reduce energy wastage and ensure energy utilization efficiencies.

By continuously building our ESG expertise, we strengthen our capacity to identify and manage risks, enhancing both our resilience and adaptability in a dynamic economic environment. Incorporating ESG principles into every stage of our development projects enables us to address the challenges

**“By embedding ESG principles across every stage of development, we are creating communities that generate lasting environmental and social value.”**

of sustainable growth effectively, while delivering long-term value to our stakeholders.

### Looking Ahead

While the Company has made steady progress in advancing its sustainability agenda, we remain committed to strengthening our environmental performance and embedding sustainability principles more deeply across our operations and developments. Recognizing the growing importance of climate resilience and responsible resource management, we will continue to expand initiatives that support the transition to a more sustainable built environment.

Over the long term, we plan to deepen our adoption of renewable energy solutions across our developments to reduce operational carbon emissions and improve overall energy efficiency. In parallel, we intend to enhance our waste management by scaling up recycling initiatives in collaboration with waste management partners. These efforts are aimed at reducing the volume of waste directed to landfills and contributing to the reduction of plastic pollution within the environment.

In addition, future developments will place greater emphasis on the integration of green infrastructure, including more landscaped green spaces and biodiversity-supporting features designed to enhance urban ecology, improve air quality, and support carbon sequestration within our host communities.

Through these commitments, the Company remains focused on developing resilient and sustainable communities while creating long-term environmental and social value for our stakeholders



**Odunayo Ojo**

Chief Executive Officer, UPDC Plc  
FRC/2016/NIESV/00000014322

## Our Purpose, Values & Strategic Framework

### Core Values

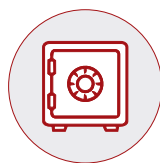
UPDC's decisions and culture are anchored in six enduring values:



RESPONSIBILITY



SERVICE



INTEGRITY



EXCELLENCE



SHAREHOLDER  
VALUE



CUSTOMER  
FOCUS

These values shape how we engage with every stakeholder — from investors and regulators to communities and our employees.

### The Four Purpose Pillars

Our sustainability strategy is organized around four interconnected pillars — the 4Ps — which translate our values into measurable commitments:

Soaring Planet	Soaring People	Soaring Practices	Soaring Progress
Embedding eco-conscious practices across all operations to protect our natural environment.	Ensuring access to quality housing and facilities and preserving cultural heritage to improve quality of life and promote equity.	Ensuring full compliance with governance principles and legal frameworks for responsible operations.	Empowering sustainable growth that delivers meaningful economic impact for communities and investors.

### Material Stakeholders

UPDC engages meaningfully with six core stakeholder groups:

Regulators, Employees, the Board of Directors, Investors, Local Communities, and Suppliers & Vendors.

## REPORT OVERVIEW

### About This Report

This Sustainability Report covers UPDC Plc's activities from January 1, 2025 to December 31, 2025. It focuses on three strategic dimensions — Environmental Stewardship, Social Responsibility & Economic Progress, and Sustainability Governance — aligned with internationally recognized reporting standards.

In preparing this report, UPDC adheres to the Nigeria Exchange Regulation Limited (NGX) guidelines and the Global Reporting Initiative (GRI) 2021 standards, enabling credible and comparable reporting on our economic, environmental, and social impacts.

## Our Approach to Doing Business Responsibly

### Strategy & Commitment to Green Practices

Our sustainability roadmap prioritizes green technologies, low-carbon solutions, and eco-friendly architectural designs that prioritize reduced environmental impact. We collaborate with partners who share our values and work toward continuous innovation in responsible development.

### People-Centered Sustainability

Meaningful transformation begins with people. We invest deeply in employee awareness, training, and empowerment — embedding sustainability as a cultural value rather than a compliance exercise. As part of our social dimension of sustainability, we cover employee well-being, health and safety, diversity and inclusion, community engagement, and investments that improve the quality of life for our stakeholders. By equipping stakeholders with knowledge and resources, we inspire lasting positive impact.

**Transition to Clean Energy**

UPDC actively pursues the transition to clean energy adoption across its operations, in alignment with Nigeria’s net-zero commitment. Our long-term strategy spans the entire value chain, promoting responsible business practices, and enabling us to measure and reduce our carbon footprint effectively.

**Alignment with the UN Sustainable Goals**

UPDC’s operations align with and contribute to the United Nations 2030 Agenda for Sustainable Development. The following SDGs reflect the areas where our activities deliver the most significant and direct impact:



Our commitment to reducing carbon emissions aligns with the United Nations Sustainable Development Goals (SDGs), particularly **Climate Action (SDG 13)** and **Life on Land (SDG 15)**. Through these efforts, we aim to enhance the quality of living within our communities while minimizing environmental impacts and safeguarding natural ecosystems for future generations.

We recognize that access to clean water and adequate sanitation is a critical sustainability priority across all our managed facilities and development projects. Accordingly, we continue to implement measures that promote responsible water management, improved sanitation systems, and environmental protection.

Beyond these primary goals, UPDC acknowledges an indirect positive influence on additional SDGs. We continue to strengthen our contributions through evolving policies, deeper partnerships, and enhanced stakeholder collaboration.

**Governing Principles**

In alignment with Nigeria’s corporate governance requirements, the Board of Directors of UPDC provides oversight of the Company’s risk management framework and strategic direction, including matters relating to environmental, social, and governance (ESG) considerations. Recognizing the increasing significance of ESG factors in shaping long-term business performance, the Board remains committed to strengthening governance structures and implementing robust processes to identify, assess, and manage ESG-related risks and opportunities effectively.

**ENVIRONMENTAL STEWARDSHIP**

UPDC’s low-carbon strategy is built on six interconnected pillars, each designed to reduce our ecological footprint while creating lasting value:

<p><b>Biodiversity &amp; Eco System Conservation</b></p>	<p><b>Renewable Energy</b></p>	<p><b>Infrastructure Optimization</b></p>
<p>Preserve natural habitats and open spaces while promoting concentrated, high-density urbanization to curb urban sprawl.</p>	<p>Integrate solar and other clean energy sources wherever feasible across developments and shared infrastructure.</p>	<p>Develop reliable, technology-driven infrastructure using energy-efficient appliances and sustainable building systems.</p>
<p><b>Local Content Sourcing</b></p>	<p><b>Climate Policy Compliance</b></p>	<p><b>Monitoring &amp; Risk Management</b></p>
<p>Prioritize locally sourced materials, use resources efficiently, and recycle construction materials wherever possible.</p>	<p>Incorporate climate change measures into all policies, strategies, and planning processes in line with local and international law.</p>	<p>Establish systems to monitor, evaluate, and report sustainability performance metrics integrated with risk management.</p>

## Biodiversity & Ecosystem Conservation

UPDC firmly believes that biodiversity conservation is essential to long-term environmental sustainability. We are committed to preserving ecosystems by avoiding the acquisition of land where natural habitats would be unnecessarily disrupted. When land acquisition is unavoidable, we ensure the responsible relocation or adaptation of wildlife.

Our biodiversity efforts include restoration projects — rehabilitating degraded habitats, creating new ecological zones, and implementing sustainable land management practices. In 2025, progress at Brompton City exemplifies these commitments:

Initiative	Impact	Outcomes	Purpose Pillar
Designing interconnected green corridors, parks, and communal green spaces within the master plan to preserve ecological connectivity.	Mitigated effects on existing ecosystems, reducing habitat fragmentation and destruction	Improved ecosystem resilience via implementation of native landscaping.	Resilient Planet: Protection from invasive species.
Exclusion zones for heavy machinery; ban on hazardous materials; appropriate fencing during construction	Protected wildlife habitats from development-related impacts	Significant improvements in risk mitigation versus earlier project targets.	Resilient Practices: Improved Building Regulation Compliance targets.

## Climate Action & Emissions Reduction

UPDC is fully committed to decisive actions to minimize our environmental impact, in alignment with the Paris Climate Agreement’s emission reduction targets. Our approach is guided by the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, providing a foundation for effective governance frameworks to manage climate risk. We maintain open channels with investors and stakeholders on climate-related issues, ensuring transparent reporting of our progress.

We recognize the critical role of climate action and emissions reduction in advancing a sustainable and resilient planet. In response, the company has implemented a range of targeted initiatives across its ongoing developments:

- Promoting dedicated landscaped areas within our planned estate and in line with the urban planning regulations.
- Promoting the recycling and reuse of construction waste materials by contractors across multiple sites.
- Incorporating designated recycling areas within our estate developments to facilitate proper waste management.

Initiative	Impact	Outcomes	Purpose Pillar
Planting indigenous trees and plant species across development sites, landscaped areas, and buffer zones to restore natural vegetation and enhance ecological balance.	To promote Carbon Sequestration and reduce green gas accumulation.	Measurable reduction in carbon emission. Reduction of Urban Heat Island Effect.	Resilient Planet: Climate change impact mitigation.
Use of locally sourced materials to minimize transportation emissions.	Enhanced global and local CO <sub>2</sub> reduction by reducing freight distances.	Measurable reduction in carbon footprint across estate developments.	Resilient Planet: Climate change impact mitigation.
Prohibition on contractors burning waste on-site; mandatory submission of carbon data for all materials.	Strengthened procurement policies favouring low-carbon materials.	More sustainable approach adopted by contractors and suppliers.	Resilient Practices: Climate change mitigation.

**Responsible Land Use & Infrastructure Planning**

UPDC’s approach to land use integrates environmental responsibility with infrastructure quality. Our site and service schemes are engineered to be environmentally conscious from the ground up — using energy-efficient systems for lighting, water conservation, and waste management.

Renewable energy sources including solar power are deployed in communal areas, while eco-friendly materials are specified for roads, utilities, and drainage systems. Advanced, high-efficiency HVAC systems with SMART features support both occupant comfort and long-term resource optimization.

Initiative	Impact	Outcomes	Purpose Pillar
Installation of advanced high-efficiency HVAC systems with SMART controls.	Improved user comfort and personalized environmental controls.	Extended equipment lifespan; minimized long-term resource consumption.	Resilient People: Optimized health and comfort.
Incorporation of open spaces and natural ventilation in building design.	Improved air quality and preservation of natural habitats near developments.	Enhanced occupant wellbeing through natural ventilation, surpassing mechanical alternatives.	Resilient Planet: Balance of natural ecosystems.

**Energy & Renewable Technology**

Nigeria’s target of achieving 30% of its energy mix from renewable sources by 2030 underscores the growing importance of clean energy in the country’s pursuit of a sustainable and low-carbon future. Energy production and consumption remain among the largest contributors to Nigeria’s carbon footprint, making the transition to renewable energy a critical national priority. As part of its sustainability agenda, the government continues to advance initiatives aimed at reducing emissions and improving energy access while also providing reliable energy access to underserved communities to support long-term economic growth.

UPDC’s overarching objective is to enhance energy security, reduce dependence on fossil fuels and promote environmental sustainability,

Initiative	Impact	Outcomes	Purpose Pillar
Installation of on-site renewable energy solutions during construction — including LED lighting and solar panels.	Reduced greenhouse gas emissions at the source.	Increased renewable energy generation; reduced reliance on fossil fuels compared to prior years.	Resilient Planet: Protection from CO emissions.
Promotion of solar panel integration in new developments to enhance renewable energy adoption and reduce operational carbon emissions.	Provides households with renewable energy, reducing reliance on grid electricity.	Lower household energy bills - Reduced CO emissions per unit - Encourages sustainable living practices.	Resilient Planet.

## Waste Management

Our waste management philosophy is anchored on three principles: reducing waste at source, diverting waste from landfills, and ensuring responsible disposal. We are expanding recycling initiatives for paper, plastics, and metals, and rolling out composting programs to divert organic waste.

All waste disposal is managed through certified, trusted partners, ensuring compliance with environmental and safety standards. Sustainability awareness campaigns reinforce waste-conscious behaviours across our teams, contractors, and supply chain.

Initiative	Impact	Outcomes	Purpose Pillar
Recycling waste materials on-site and training contractors on repurposing techniques.	Reduced overall waste generation across construction and operations.	New techniques developed for waste repurposing; improved contractor education.	Resilient Practices: Adherence to safety regulations.
Partnership with certified recycling firms.	Ensures organic, and household waste is responsibly processed and repurposed.	Increased recycling rates. Reduced waste sent to landfills. -Reduced methane and other emissions from organic waste. -Strengthened local recycling ecosystem.	Resilient practices- Circular Economy/ Climate Action.
Introduction of a bio-digester system in development sites.	Reduction of water contamination.	Contribution to clean water outcomes. Impact on the clean water sustainability goals.	Resilient Practices: Adherence to safety regulations.

## Soil Health & Water Conservation

Water conservation is embedded in every aspect of our building design. We install low-flow toilets, showers, and faucets, and incorporate rainwater harvesting and water reuse systems to maximize efficiency. These measures also protect soil health — sustainable irrigation reduces water runoff, minimizing soil erosion and nutrient loss.

Initiative	Impact	Outcomes	Purpose Pillar
Implementation of rainwater harvesting systems for landscaping in new developments.	Improved resource conservation and water cycle management.	Thriving plant ecosystems within our developments; reduced reliance on mains water.	Resilient Planet: Natural habitat preservation
Installation of low-flow fixtures in hotel facilities	Reduced water consumption per guest room and per operational unit	Measurable reduction in water consumption versus baseline year	Resilient Planet: Preservation of natural habitat

## SOCIAL RESPONSIBILITY & PEOPLE

Since its founding, UPDC has championed the creation of sustainable living environments. Our social sustainability program reflects our belief that true sustainability begins with people — building spaces that are safe, healthy, and inclusive while promoting social equity and well-being at every level of our operations.

We are committed to a positive workplace founded on respect for human rights, embracing diversity, and maintaining a zero-tolerance approach to discrimination, violence, or harassment. We equally prioritize the personal growth of our people.

### Collaboration, Diversity & Inclusion

At UPDC, equality is not a policy — it is a practice. Recruitment, training, and career advancement are based solely on character, competence, and merit. Our processes are designed to foster fair competition and identify the most qualified candidates.

### Equal Opportunity & Anti-Discrimination

UPDC is an equal-opportunity employer. In strict adherence to the Laws of the Federal Republic of Nigeria, our employment practices are completely free from bias related to gender, race, ethnicity, religion, or creed. We maintain a zero-tolerance policy for discrimination at every stage of the employment lifecycle — from hiring to promotion.

**Women in Leadership**

In 2025, UPDC continued to demonstrate strong female representation across key leadership positions, reinforcing our commitment to gender equity and inclusive workplace practices. Women occupy significant roles at both senior management and board levels, highlighting the effectiveness of our talent development and inclusive recruitment strategies. We remain dedicated to fostering a diverse and equitable workforce, providing equal opportunities for career advancement, and nurturing an organizational culture where all employees—regardless of gender—can thrive and contribute meaningfully to the company’s growth and sustainability objectives. Diversity in Recruitment

**Employee Relations & Wellbeing**

UPDC recognizes that a productive, safe, and supportive work environment is the cornerstone of strong employee relations. We provide a comprehensive benefits package, including medical insurance, maternity leave, mental and physical wellness programs, housing allowances, pensions, and 13-month bonuses, to support the well-being of our workforce.

We prioritize hiring employees who share our values and strive to promote from within, fostering career growth and talent retention. Flexible and remote working arrangements are offered to support work-life balance in line with the best global practices. Through active employee feedback channels, we maintain an inclusive, responsive, and forward-looking workplace, ensuring UPDC remains a great place to work while advancing our broader ESG and social responsibility commitments.

**Training, Development & Performance Management**

In 2025, UPDC reinforced its commitment to employee growth through a broad range of learning and development opportunities. Every employee has a personalized development plan designed to address competency gaps and support career progression.

Our approach is hybrid and holistic: coaching, mentoring, project-based learning, e-learning, job rotations, and workshops. Managers receive dedicated training on conducting fair assessments, delivering constructive feedback, and guiding teams effectively. Performance is tracked via KPIs set at year-start, with mid-year reviews and end-of-year appraisals.

**Health, Safety & Security**

UPDC is committed to maintaining a safe, secure, and healthy working environment across all areas of its operations. We recognize that effective health and safety management is fundamental to operational excellence and to safeguarding the wellbeing of our employees, contractors, customers, and other stakeholders. Our approach goes beyond regulatory compliance, emphasizing the creation of a workplace culture that supports physical safety, mental wellness, and overall employee wellbeing.

During the year, UPDC strengthened its safety governance by appointing an internal Health and Safety Specialist Manager to enhance oversight across project sites, managed facilities, and corporate workplaces. This strategic appointment reinforces our proactive approach to risk management and supports the implementation of preventive health, safety, and environmental (HSE) initiatives. The role is focused on improving monitoring processes, strengthening compliance with safety standards, and embedding a more robust and forward-looking HSE culture throughout the organization.

The Company operates a comprehensive Health and Safety Management Framework, aligned with ISO 45001 Occupational Health and Safety standards, all relevant Nigerian government regulations and industry best practices. This framework integrates systematic hazard identification, routine risk assessments, incident reporting mechanisms, and structured emergency preparedness and response procedures. These measures enable early risk detection, effective mitigation, and continuous improvement in safety performance across our operations.

Oversight is provided by a dedicated Health and Safety Committee, comprising representatives from multiple departments. The Committee meets regularly to review safety performance, assess incidents and near misses, and identify opportunities for improvement. It also plays a key role in developing and updating policies, procedures, and operational guidelines, ensuring that employees and contractors clearly understand their responsibilities in maintaining a safe and secure workplace.

**Fair Labour, Human Rights & Data Protection**

Fair Labour	Human Rights	Community Engagement	Data Protection
We work closely with suppliers to ensure responsible sourcing, uphold equality, and reject any form of discrimination or bias across our entire supply chain.	Our approach is grounded in the UN Global Compact, ensuring employees enjoy freedom of association, collective bargaining, and fair treatment. Discrimination of any kind is strictly forbidden.	We prioritize transparent communication with local communities, government bodies, and NGOs regarding our operational impact. We actively reduce inequalities in development and promote diversity.	UPDC protects the confidentiality, integrity, and accessibility of all data assets. We manage cyber and privacy risks through technical and organizational controls aligned with GDPR and Nigerian data regulations.

## ECONOMIC PROGRESS & FINANCIAL ACCOUNTABILITY

UPDC has consistently advocated sustainable economic development as a cornerstone of corporate responsibility. Our economic sustainability initiatives create environments that are economically viable, resilient, and supportive of long-term prosperity — for our investors, our customers, and the communities we serve. The most suitable approach is the use of sustainable economic development and financial strategies.

### Our Commitment to Real Estate Solutions

At UPDC, Real Estate is more than construction — it is the creation of inclusive, sustainable, resilient communities. We champion the site and service scheme model, providing individuals with access to serviced plots equipped with essential infrastructure: roads, electricity, drainage, water supply, and sanitation.

These schemes empower low- and middle-income families to build homes incrementally, at a pace suited to their financial capabilities — fostering dignity, stability, and lasting community investment. Hampshire Estate, completed in 2023 on schedule, budget, and financial targets, stands as a flagship example of this approach in action.

Eco-friendly infrastructure is integrated by design: sustainable drainage systems, erosion control measures, low-carbon cement, recycled or locally sourced materials, and energy-efficient fittings all reduce the carbon footprint of construction while improving long-term durability.

### Financial Transparency & Accountability

Financial transparency and accountability are non-negotiable at UPDC. We follow stringent international standards in financial reporting, ensuring that our statements provide an accurate, comprehensive representation of our financial health.

Our internal controls and governance systems protect the integrity of financial operations and minimise the risk of fraud or misconduct. The Board of Directors actively oversees financial matters, while independent auditors provide objective evaluations of compliance. We view audits not as obligations but as opportunities to strengthen internal processes and build stakeholder trust.

### Ethics & Anti-Corruption

Ethical behaviour is both a moral responsibility and a strategic imperative for UPDC. Our comprehensive ethics policies clearly define expectations at all organizational levels, including strict prohibitions against bribery, corruption, fraud, and related misconduct. Regular ethics training ensures employees are equipped to uphold these standards daily.

Our zero-tolerance approach to corruption is fully compliant with local and global anti-corruption laws. Procurement processes are transparent and competitive, with rigorous controls preventing conflicts of interest. A whistleblowing system — with anonymous reporting options — encourages the reporting of unethical behaviour and provides full protection from retaliation.

### Economic Multiplier Effects

UPDC's development projects generate far-reaching economic activity beyond the boundaries of our sites. During construction, projects create employment for architects, engineers, construction crews, and support staff. New developments attract further investment, stimulate local businesses, and generate government revenues through property taxes and development fees - funding vital public services across communities.

This multiplier effect means that every Naira invested in a UPDC development generates broader economic value — for local traders, service providers, local authorities, and residents.

## SUSTAINABILITY GOVERNANCE

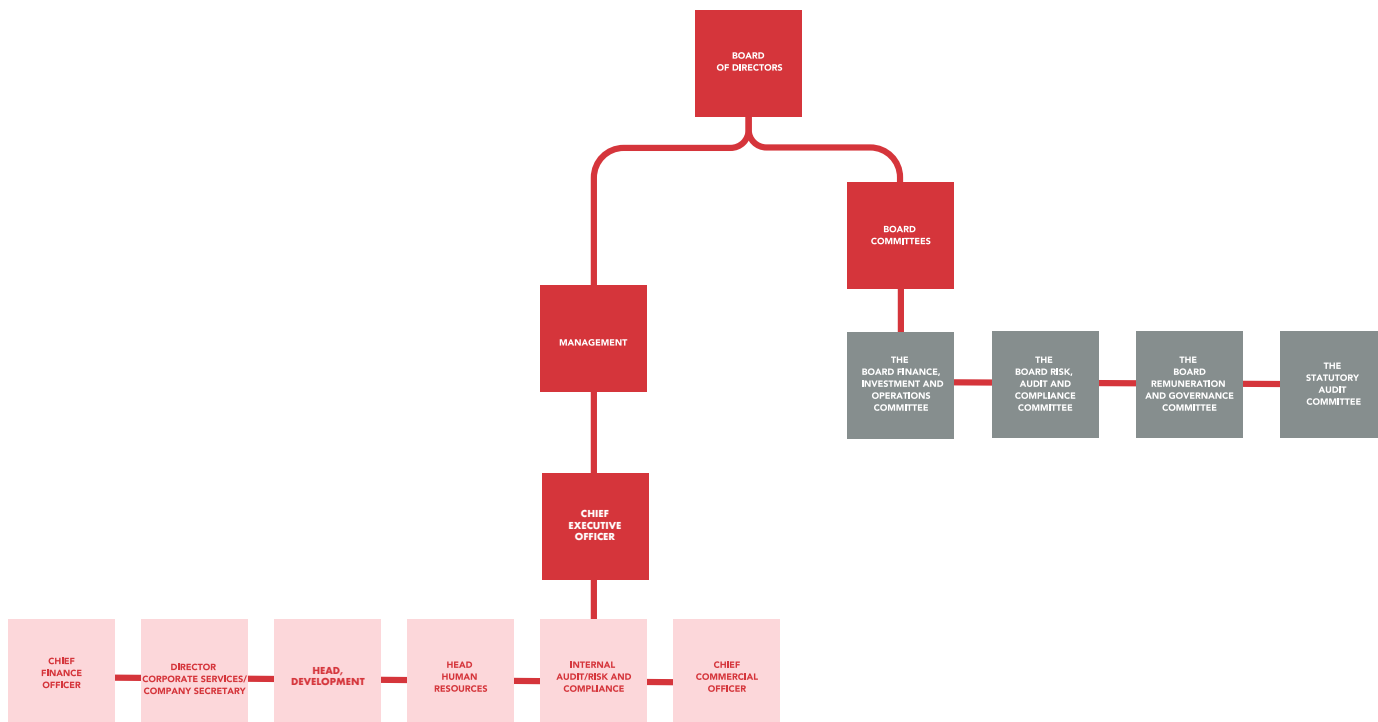
UPDC's governance framework integrates sustainability into every layer of our operations — from Board oversight to daily management decisions. Built on the principles of transparency, accountability, and stakeholder engagement, our governance structure ensures that ESG considerations are consistently embedded in strategy, risk management, and operations.

Our policies and procedures align with internationally recognized frameworks including the United Nations Global Compact and the Sustainable Development Goals (SDGs), and are regularly reviewed to reflect evolving best practices.

### Board Oversight of ESG

In line with Nigeria's corporate governance regulations, UPDC's Board of Directors holds primary responsibility for overseeing ESG risk management and strategic opportunities. The Board sets sustainability objectives, tracks progress and holds management accountable for achieving them.

Governance Framework



**Control Framework & Risk Governance**

Within UPDC, dedicated sustainability committees comprising multidisciplinary teams oversee the execution of sustainability initiatives and ensure compliance with relevant standards. Clear accountability structures, supported by robust risk management processes, enable us to identify, assess, and mitigate sustainability-related risks proactively.

Regular ESG risk assessments are conducted at critical stages of the investment and development process, addressing climate, environmental, social, and governance dimensions. The results of these assessments directly inform our overall risk register and strategic decision-making.

**Building ESG Competence Across the Organization**

In 2025, UPDC enhanced its safety governance by appointing an internal Health and Safety Specialist Manager to provide dedicated oversight across project sites, managed facilities, and corporate workplaces. This strategic role strengthens our proactive approach to risk management and ensures the effective implementation of preventive health, safety, and environmental (HSE) initiatives. The Specialist Manager is tasked with optimizing monitoring processes and fostering a forward-looking HSE culture that permeates every level of the organization.

The Company also carried out specialist trainings reinforcing compliance with safety standards across the organization. Multiple initiatives have been launched to augment ESG compliance at all employee levels — fostering a sustainability culture where every individual understands their role in advancing our goals.

**Transparency & Stakeholder Engagement**

UPDC proactively discloses ESG performance through annual sustainability reports, corporate filings, and stakeholder communications. This openness enables stakeholders to evaluate our progress and make informed decisions.

Externally, we collaborate with industry leaders and experts to benchmark progress and jointly address shared sustainability challenges. Our participation in industry forums supports sector-wide improvement and systemic change.

Stakeholder Group	Engagement Channels	Frequency
Regulators	Regulatory meetings; compliance reports	Quarterly
Employees	Employee surveys; ethics hotline/whistleblowing; town halls; internal communications/intranet	Annually/ Yearly/Weekly
Investors	Investor meetings; conferences; webcasts; general meetings; email updates; investor portal	Quarterly/Yearly/As needed
Board of Directors	Board reports; board meetings; email notifications and updates	Quarterly/As necessary
Communities	Community outreach; town halls	As necessary
Suppliers & Vendors	Surveys, conferences and town halls	Annually/As necessary

### Materiality Assessment & Matrix

The 2025 materiality assessment was updated to reflect current ESG trends and emerging challenges, including climate action, health and safety priorities, net-zero transition goals, and climate risk management. An internal review assessed the potential impacts of material issues based on comprehensive stakeholder feedback.

The resulting materiality matrix highlights the most pertinent topics identified through application of GRI reporting standards and NGX Sustainability Disclosure Guidelines, reflecting the degree of influence each issue is expected to have on UPDC's activities and strategy.

### Risk Management Framework

Effective risk management is central to UPDC's governance. Our approach is structured around clear operational processes and a strong risk culture, with continuous monitoring and proactive mitigation of ESG-related and other business risks. These include:

- a. Financial risks
- b. Sales risks
- c. Development risks
- d. Contractual risks
- e. Macro-economic risks
- f. Regulatory risks ; and
- g. Information security and technology risks

The risks are actively identified, assessed for their potential impact, mitigated through appropriate strategies, and continuously monitored to prevent their future recurrence.

## OUR PATH FORWARD

This report represents UPDC's honest account of our 2025 sustainability journey — our progress, our commitments, and our plans for continuous improvement. We recognize that the challenges of climate change, social equity, and responsible governance are complex and evolving, and we do not pretend to have all the answers.

What we commit to, unreservedly, is a culture of transparency, continuous learning, and stakeholder collaboration. We will keep measuring, reporting, and improving — holding ourselves accountable to the highest standards of sustainable business practice.

### Our Forward Commitments

In the long term, the Company will continue to strengthen the integration of Environmental, Social, and Governance (ESG) principles across its operations and development activities. Our commitments focus on measurable outcomes, operational accountability, and the creation of sustainable, resilient communities.

### **Climate Strategy and Environmental Performance**

- Advance the development of a comprehensive greenhouse gas (GHG) emissions baseline inventory across its operations and establish formal science-based emissions reduction targets aligned with the Paris Agreement and Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Accelerate the deployment of renewable energy solutions — with a primary focus on solar powered solution— across UPDC developments to support long-term decarbonization objectives.
- Implement structured measurement and monitoring of water consumption across assets and construction activities, alongside targeted efficiency initiatives aimed at reducing operational water intensity.
- Expand the adoption of bio-digesters and integrated sustainable waste management systems to minimize environmental impact and improve resource recovery outcomes.
- Establish robust waste tracking mechanisms to quantify volumes diverted from landfill and enhance circular economy performance metrics.

### **Environmental Management Systems and Operational Governance**

- Progress toward formal certification under ISO 14001 Environmental Management System (EMS) standards, strengthening environmental governance frameworks and complementing existing ISO 45001 occupational health and safety alignment.
- Strengthen sustainability performance monitoring through improved environmental data collection, verification, and reporting processes.

### **Responsible Value Chain and Organizational Capacity**

- Enhance supplier sustainability screening and assessment processes, embedding ESG requirements throughout the procurement lifecycle and extending responsible business practices across the value chain.
- Deepen ESG capacity building through more sustainability training for employees and Board members, ensuring organisation-wide sustainability literacy and governance oversight.

### **Stakeholder and Community Engagement**

- Strengthen community engagement frameworks to ensure inclusive stakeholder participation and integrate local community perspectives into development planning and decision-making processes.

## OTHER NATIONAL DISCLOSURES

# SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

## UPDC Free Float Computation

Company Name	:	UPDC PLC
Board Listed	:	MAIN BOARD
Year End	:	December
Reporting Period	:	December 2025
Share Price at end of reporting period	:	N4.90

### Shareholding Structure/Free Float Status

Description	December 2025	
	Units	Percentage
Issued Share Capital	18,559,969,936	100%
<b>Substantial Shareholdings (5% and above)</b>		
Custodian Investment Plc	9,486,390,663	51.11%
UAC of Nigeria Plc	7,697,451,236	41.47%
Total Substantial Shareholdings	17,183,841,899	92.59%
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>		
Mr Wole Oshin	-	9,486,390,663
Mr Odunayo Ojo	-	-
Ms Bidemi Fadayomi	-	-
Mr Folasope Aiyesimoju	-	7,697,451,236
Mr Oyekunle Osilaja	-	-
Mr Adeniyi Falade	-	0
Total Directors' Shareholdings	-	-
<b>Other Influential Shareholdings</b>		
First PCN/Crusader Pensions - PFA Main	213,642,424	1.15%
Free Float in Units and Percentage	906,792,952	4.89%
<b>Free Float in Units and Percentage</b>	<b>469,335,085</b>	<b>2.53%</b>
<b>Free Float in Value</b>	<b>N2,299,741,916.50</b>	

### Declaration:

UPDC Plc, with a free float percentage of 4.89% as at 31 December 2025, does not meet the free float requirements of the Nigerian Exchange Group for companies listed on the Main Board.

The Company has taken steps to resolve this. This plan will be communicated once fully executed.

# VALUE ADDED STATEMENT

For the year ended 31 December 2025

	The Group				The Company			
	2025 N'000	%	2024 N'000	%	2025 N'000	%	2024 N'000	%
Sale of properties, rents and services	12,908,015		11,786,913		2,636,429		4,401,353	
Bought in materials and services (All local)	(8,879,789)		(9,867,141)		(2,920,619)		(4,137,037)	
<b>Value Added</b>	<b>4,028,226</b>	<b>100</b>	<b>1,919,772</b>	<b>100</b>	<b>(284,190)</b>	<b>100</b>	<b>264,316</b>	<b>100</b>
<b>Distribution:</b>								
Employees	931,215	23	710,626	37	449,736	(158)	311,748	118
Company Taxes	1,223,478	30	461,193	24	39,751	(14)	35,385	13
Interest charges	(461,659)	(11)	(397,834)	(21)	(520,903)	183	(397,834)	(151)
Depreciation	316,857	8	308,877	16	55,689	(20)	29,120	11
Transfer to non-controlling interests	1,043,718	26	404,719	21	-	-	-	-
Retained profit	974,617	24	432,190	23	(308,464)	109	285,897	108
<b>Value Added</b>	<b>4,028,226</b>	<b>100</b>	<b>1,919,772</b>	<b>100</b>	<b>(284,190)</b>	<b>100</b>	<b>264,316</b>	<b>100</b>

Value added represents the additional wealth which the group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creations of more wealth.

# GROUP FIVE - YEAR FINANCIAL SUMMARY

## Statement of financial position as at 31 December 2025

	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
<b>Liabilities</b>					
Non-current liabilities	2,222,312	3,106,117	4,774,633	4,775,112	5,591,010
Current liabilities	16,315,494	18,396,437	6,053,974	6,462,693	4,927,716
<b>Total liabilities</b>	<b>18,537,806</b>	<b>21,502,554</b>	<b>10,828,607</b>	<b>11,237,805</b>	<b>11,706,623</b>
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551
Other reserves	-	-	-	-	391,420
Revenue reserve and fair value reserve of financial assets at FVOCI	(8,126,527)	(9,048,825)	(9,294,236)	(10,001,355)	(10,654,356)
Shareholders' funds	10,125,009	9,202,711	8,957,300	8,250,181	7,988,600
Non-controlling interest	1,326,560	282,842	(121,877)	(59,583)	(100,457)
<b>Total equity</b>	<b>11,451,569</b>	<b>9,485,553</b>	<b>8,835,423</b>	<b>8,190,598</b>	<b>7,888,143</b>
<b>Net equity and liabilities</b>	<b>29,989,374</b>	<b>30,988,108</b>	<b>19,664,030</b>	<b>19,428,403</b>	<b>19,594,766</b>
PPE & Investment properties	8,524,775	8,309,037	8,386,696	8,435,602	66,317
Long term Investments	1,032,735	787,208	973,987	525,887	722,616
Assets of disposal group classified as held for sale	-	-	-	-	8,086,682
Current assets	20,431,864	21,891,863	10,303,347	10,466,914	10,719,151
<b>Total assets</b>	<b>29,989,374</b>	<b>30,988,108</b>	<b>19,664,030</b>	<b>19,428,403</b>	<b>19,594,766</b>
<b>Comprehensive income</b>					
Revenue	12,908,015	11,786,913	5,343,622	5,896,957	825,404
Profit/ (loss) before taxation	3,245,396	1,308,919	379,935	330,598	(1,617,268)
Taxation	(1,227,062)	(472,010)	(158,430)	(130,066)	(142,969)
Profit/ (loss) after taxation	2,018,334	836,909	221,505	200,532	(1,760,237)
Non-controlling Interest	1,043,718	404,719	(32,008)	40,874	51,055
Total comprehensive profit/(loss) attributable to the equity holders of the parent	1,107,897	245,411	707,119	159,658	(2,067,662)
Retained earnings	1,107,897	245,411	707,119	159,658	(2,067,662)
Basic earnings/ (loss) per share (kobo)	11	5	1	(1)	(9)
Net assets per share (Naira)	0.6	0.5	0.5	0.4	0.4

Note :

The earnings, dividends and net assets per share of 50 kobo are computed respectively on the profit after taxation, proposed dividends and the shareholders' funds each on the basis of the number of shares in issue as at 31st December.

# COMPANY FIVE - YEAR FINANCIAL SUMMARY

## Statement of financial position as at 31 December 2025

	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
<b>Liabilities</b>					
Non-current liabilities	5,695,668	3,095,300	4,774,633	4,774,633	5,584,190
Current liabilities	6,607,473	6,052,660	6,020,034	5,435,651	4,450,208
<b>Total liabilities</b>	<b>12,303,141</b>	<b>9,147,960</b>	<b>10,794,667</b>	<b>10,210,284</b>	<b>10,034,398</b>
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551
Other reserves	-	-	-	-	391,420
Retained earnings and fair value reserve of financial assets at FVOCI	(17,227,509)	(16,866,727)	(16,965,846)	(17,712,104)	(17,815,360)
<b>Total equity</b>	<b>1,024,027</b>	<b>1,384,809</b>	<b>1,285,690</b>	<b>539,432</b>	<b>827,596</b>
<b>Net equity and liabilities</b>	<b>13,327,167</b>	<b>10,532,768</b>	<b>12,080,357</b>	<b>10,749,716</b>	<b>10,861,994</b>
PPE & Investment properties	243,269	66,589	77,765	39,714	45,717
Long term Investments	2,649,138	2,403,590	2,589,879	2,141,780	2,338,509
Current assets	10,434,759	8,062,588	9,412,712	8,568,222	8,477,768
<b>Total assets</b>	<b>13,327,167</b>	<b>10,532,767</b>	<b>12,080,357</b>	<b>10,749,716</b>	<b>10,861,994</b>
<b>Comprehensive income</b>					
Revenue	2,636,429	4,401,353	2,397,109	3,870,963	540,563
Profit/ (loss) before taxation	(268,713)	321,282	316,676	322,957	(8,503,661)
Taxation	(39,751)	(35,385)	(24,024)	(26,251)	(75,717)
Profit/ (loss) after taxation	(308,464)	285,897	292,652	296,706	(8,579,378)
Other comprehensive income for the period net of taxation	133,281	(186,779)	453,606	-	-
Total comprehensive income/(loss)	(175,183)	99,118	746,258	296,706	(8,579,378)
Basic earnings/ (loss) per share (kobo)	(2)	2	2	2	(46)
Net assets per share (Naira)	0.06	0.07	0.07	0.03	0.1

Note :

The earnings, dividends and net assets per share of 3 kobo are computed respectively on the profit after taxation, proposed dividends and the shareholders' funds each on the basis of the number of shares in issue as at 31st December.

# SHAREHOLDERS INFORMATION

as at 31 December 2025

## Range Analysis

S/N	RANGE	NO OF HOLDERS	HOLDER %	HOLDERS CUM	UNITS	UNITS %	UNITS CUM
1	1-1,000	9,495	27.3096	9,495	3,500,720	0.0189	0.0189
2	1,001-5,000	15,938	45.841	25,433	36,633,924	0.1974	0.2163
3	5,001-10,000	3,627	10.432	29,060	26,331,153	0.1419	0.3582
4	10,001-50,000	3,740	10.757	32,800	84,316,046	0.4543	0.8125
5	50,001-100,000	808	2.324	33,608	60,060,797	0.3236	1.1361
6	100,001-500,000	826	2.3757	34,434	176,216,328	0.9494	2.0855
7	500,001-1,000,000	157	0.4516	34,591	118,336,591	0.6376	2.7231
8	1,000,001-5,000,000	150	0.4314	34,741	309,072,793	1.6653	4.3884
9	5,000,001-10,000,000	13	0.0374	34,754	94,250,600	0.5078	4.8962
10	10,000,001-50,000,000	8	0.023	34,762	105,164,409	0.5666	5.428
11	100000001-ABOVE	6	0.0173	34,768	17,546,086,575	94.5373	100
<b>GRAND TOTAL</b>		<b>34,768</b>	<b>100</b>	<b>34,768</b>	<b>18,559,969,936</b>	<b>100</b>	<b>100</b>

## Share Capital History

YEAR	BONUS ISSUE	UNITS	VALUE (N)
1999	Starting Capital	1,000,000,000	500,000,000
2004	1 for 10 bonus issue	11,000,000,000	550,000,000
2005 - 2009	None	11,000,000,000	550,000,000
2010	1 for 4 bonus issue	1,375,000,000	687,500,000
2011 - 2012	None	1,375,000,000	687,500,000
2013	1 for 4 bonus issue	1,718,749,995	859,374,997.50
2014 - 2016	None	1,718,749,995	859,374,997.50
2017	1 for 1 Rights Issue	2,598,395,794	1,299,197,897
2018 - 2019	None	2,598,395,794	1,299,197,897
2020	43 for 7 Rights Issue	18,559,969,936	9,279,984,968
2021 -2025	None	18,559,969,936	9,279,984,968

## Five Year Share Price History

Year	Last Trading Day	Closing Share Price (N)	% Inc/ (Dec) Over Preceding Year
2021	December 31, 2021	1.19	51%
2022	December 31, 2022	0.91	-23%
2023	December 31, 2023	1.28	40%
2024	December 31, 2024	1.59	24%
2025	December 31, 2025	4.9	208.18%

# SHAREHOLDERS INFORMATION

as at 31 December 2025

## Five Year Dividend History

Dividend Number	Reporting Period	Closure Date	Dividend Per Share	Dividend Total (N)
Nil	2020 Accounting Year	Not Applicable	Nil	Nil
Nil	2021 Accounting Year	Not Applicable	Nil	Nil
Nil	2022 Accounting Year	Not Applicable	Nil	Nil
Nil	2023 Accounting Year	Not Applicable	Nil	Nil
18	2024 Accounting Year	Not Applicable	1Kobo	185,599,699.4

## Unclaimed Dividend

Div. No	Year	Amount Unclaimed (N)
15	2013	24,609,424.14
16	2014	36,092,219.31
17	2015	42,033,200.90
18	2024	2,334,045.40



# PROXY FORM

Annual General Meeting of UPDC Plc to be held on Thursday, 7th May 2026 at Arthur Mbanefo Hall, Festival Hotel, Amuwo Odofin, Lagos at 10am.

I/WE \_\_\_\_\_  
(Name of Shareholder(s) in block letters)

Being member(s) of UPDC PLC, here appoint

\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 7th May 2026 at 10am and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he /she thinks fit.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2026

Shareholder(s) signature \_\_\_\_\_

## NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to attend by proxy. The above form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on this for the Chairman to act as your proxy, but if you wish you may insert in the blank space on the form (marked \*) the name of the person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please fill, date and sign this form, and deliver or post to the Registrar, Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba, Lagos. You can also send the form via email to info@meristemregistrars.com not later than 48 hours before the meeting.
4. If executed by a corporation, the proxy form should be sealed with the Common Seal or signed.
5. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance to the Meeting.
6. The proxy form should not be completed and sent to the address if the member will be attending the Meeting in person.

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON 7TH MAY 2026**

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1	To declare a dividend			
2	To re-elect the following Directors retiring by rotation:  Mr Oluwole Oshin  Mr Adeniyi Falade			
3	To authorise the Directors to fix the remuneration of the Auditors			
4	To elect members of the Statutory Audit Committee			
SPECIAL BUSINESS				
5	To approve the Directors' remuneration for 2026.			
6	To raise N100bn Real Estate Fund			

**Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.**





## Annual General Meeting Admission Card

**Please admit**

---

to the Annual General Meeting of UPDC PLC which will be held at Arthur Mbanefo Hall, Festival Hotel, Amuwo, Odofin, Lagos on Thursday, 7th May 2026 at 10.00 a.m.

**IMPORTANT NOTICE:**

1. This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
2. Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting.

A handwritten signature in black ink, appearing to read 'Folake Kalaro', is written over a horizontal line.

**FOLAKE KALARO (MRS.)**  
COMPANY SECRETARY



## Annual General Meeting Admission Card

Name & Signature of Shareholder \_\_\_\_\_

Name & Signature of Proxy \_\_\_\_\_



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