



TRANSNATIONAL CORPORATION PLC

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



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

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**Transnational Corporation Plc**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Corporate Information**Country of incorporation
and domicile:**

Nigeria

Board of Directors:Mr. Tony O. Elumelu, CFR
Dr. (Mrs) Foluke K. Abdulrazaq, OONChairman
Vice Chairman / Independent Non-**Executive Director:**Dr. (Mrs) Owen Omogiafo, OON
Mr. Victor Famuyibo
Dr. Stanley Lawson
Mr. Oliver Andrews
Mallam Ahmadu Sambo
Dr. (Mrs) Toyin Sanni
Mr. Chiugo NdubisiPresident/Group CEO
Independent Non-Executive Director
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Non-Executive Director
Non-Executive Director**Group Company Secretary:**

Ms. Atinuke Kolade

Registered office:38 Glover Road
Ikoyi
Lagos, Nigeria.**Registration number:**

RC 611238

Tax identification Number:

01020694-0001

Registrars:Africa Prudential Plc
220B Ikorodu Road
Palmgrove, Lagos.**Principal bankers:**United Bank for Africa Plc
First Bank of Nigeria Limited**Auditors:**Messrs. Deloitte & Touche
Chartered Accountants
Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria.**Investors Relations Manager:**Mr. Festus Izevbizua
investorrelations@transcorpgroup.com**Investors Relations Portal:**<https://transcorpgroup.com/investor-relations/>



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

Directors' Report

The Directors have the pleasure of submitting their report on the audited consolidated and separate financial statements of Transnational Corporation Plc ("the Group" and "the Company") for the year ended 31 December 2025.

1. PRINCIPAL ACTIVITIES

The Group's business continues to be investing in and operating portfolio companies in the Hospitality, Power, and Oil & Gas sectors. The Company has subsidiaries and affiliates providing services and sale of goods in these sectors.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

Full details of the financial position, results of operations, cash flows and notes to the financial statements of the Group and Company are set out on pages 30 to 132 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Revenue	<u>544,140,613</u>	<u>407,915,908</u>	<u>54,766,079</u>	<u>14,409,555</u>
Gross profit	<u>274,549,671</u>	<u>195,666,074</u>	<u>54,766,079</u>	<u>14,409,555</u>
Profit before tax	179,502,435	136,668,246	53,304,660	18,486,442
Tax	<u>(43,592,565)</u>	<u>(42,579,495)</u>	<u>(4,026,603)</u>	<u>(1,588,795)</u>
Profit after tax	<u>135,909,870</u>	<u>94,088,751</u>	<u>49,278,057</u>	<u>16,897,647</u>

3. DIRECTORATE

The Directors in office during the reporting period are as follows:

Directors

Mr. Tony O. Elumelu, CFR
Dr. (Mrs) Foluke K. Abdulrazaq, OON
Dr. (Mrs) Owen Omogiafo, OON
Mr. Victor Famuyibo
Dr. Stanley Lawson
Mr. Oliver Andrews
Mallam Ahmadu Sambo
Dr. (Mrs) Toyin Sanni
Mr. Chiugo Ndubisi

Designation

Chairman
Vice Chairman / Independent Non-Executive Director
President/Group Chief Executive Officer
Independent Non-Executive Director
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Non-Executive Director
Non-Executive Director

Directors' Report (cont'd)

4. DIRECTORS INTERESTS IN SHARES

The interests of each Director in the issued share capital of the Company as recorded in the register of Directors' shareholding as at 31 December 2025 were as follows:

Directors	Designation	2025 Direct	2024 Direct	2025 Indirect 2,999,821,729	2024 Indirect 2,997,789,337
Mr. Tony O. Elumelu, CFR*	Chairman	68,276,011	68,276,011	68,386,431	68,386,431
Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman / Independent Non- Executive Director	-	-	-	-
Dr. (Mrs) Owen Omogiafo, OON	President/Group CEO	6,872,769	6,872,769	-	-
Mr. Victor Famuyibo	Independent Non- Executive Director	75,000	75,000	-	-
Dr. Stanley Lawson	Non-Executive Director	30,697,526	30,697,526	-	-
Mr. Oliver Andrews	Independent Non- Executive Director	-	-	-	-
Mallam Ahmadu Sambo	Independent Non- Executive Director	-	-	-	-
Dr. (Mrs) Toyin Sanni	Non-Executive Director	-	-	-	-
Mr. Chiugo Ndubisi	Non-Executive Director	-	-	-	-

*2,999,821,729 shares are held indirectly through HH Capital Limited, and 68,386,431 shares are held indirectly through Heirs Holdings Limited.

There have been no changes in beneficial interests that occurred between the end of the reporting year and the date of this report.

5. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year for the purpose of Section 303 of the Companies and Allied Matters Act, 2020.

6. ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

7. DIVIDENDS

The Board of Directors has recommended the payment of N2.00 per ordinary shares (2024: N1.00 per share) as full year dividend to the shareholders. This consists of 40 kobo (2024:40k) interim dividend already paid and a final proposed dividend of N1.60 kobo (2024:60k)

8. SHARE CAPITAL

As at 31 December 2025, the below shareholders held 5% or more of the issued and fully paid shares of 50 kobo of the Company.

	2025 Number of shares	2025 %	2024 Number of shares	2024 %
HH CAPITAL LIMITED	2,999,821,729	29.52%	2,997,789,337	29.50%
UBA NOMINEES LTD - TRADING	938,250,760	9.23%	940,000,000	9.25%
ELUMELU AWELE VIVIEN, OFR	517,698,701	5.09%	517,698,701	5.09%

The analysis of shareholders as at 31 December 2025 is shown below:

Range	No. of Holders	Holders Percentage %	Holdings (number)	Holding Percentage %
1 1-1000	179,967	61.77	71,234,214	0.70
2 1001- 5,000	76,798	26.36	158,345,278	1.56
3 5,001 - 10,000	14,947	5.12	96,734,279	0.95
4 10,001 - 50,000	14,274	4.90	295,729,116	2.91
5 50,001 - 100,000	2,208	0.76	147,730,131	1.45
6 100,001 - 500,000	2,558	0.88	496,124,945	4.88
7 500,001 - 1,000,000	285	0.10	195,835,260	1.93
8 1,000,001 - 999,999,999,999	328	0.11	8,700,264,351	85.62
Total	291,365	100.00	10,161,997,574	100.00

Directors' Report (cont'd)

8. SHARE CAPITAL (CONT'D)

Shareholder Structure as at 31 December 2025

Holder type	Holder count	Holdings (number)	Holding Percentage %
Corporate	3,648	7,451,237,725	73.32
Foreign	844	18,468,279	0.18
Government	115	839,447	0.01
Individual	285,292	2,559,220,632	25.18
Institution	204	53,435,713	0.53
Joint	1,235	23,476,015	0.23
Pension	27	55,319,763	0.55
Total	291,365	10,161,997,574	100.00

9. SHARE CAPITAL HISTORY

The following changes have taken place in the Company's share capital since inception.

Year	Authorised (N)		Issued & Fully Paid-up		Consideration
	Increase/ (Decrease)	Cumulative	Increase/ (Decrease)	Cumulative (N)	
2004	100,000,000	100,000,000	25,000,000	25,000,000	Cash
2006	100,000,000	200,000,000	25,000,000	50,000,000	Stock Split
2006	35,800,000,000	36,000,000,000	18,503,905,526	18,553,905,526	Cash
2007	-	36,000,000,000	7,260,092,757	25,813,998,283	Cash
2013	9,000,000,000	45,000,000,000	12,906,998,142	38,720,996,425	Right issue
2016	-	45,000,000,000	1,926,993,868	40,647,990,293	Bonus issue
2022	(4,352,009,707)	40,647,990,293	-	40,647,990,293	Share cancellation
2024	(30,485,992,719)	10,161,997,574	(30,485,992,719)	10,161,997,574	Share reconstruction

In October 2024, the company reconstructed its share capital by consolidation of the total number of issued shares at a ratio of 1 to 4 ordinary shares at the par value of 50 kobo per share. This resulted in a Share Reconstruction Reserve for 30,485,992,719 units from the reconstruction exercise.

The Company obtained all necessary regulatory approvals including Board of Directors approval, CAC approval, Court sanction and SEC approval for the Share reconstruction of 1 for 4 ordinary shares.

10. PROPERTY PLANT AND EQUIPMENT

Information relating to movement in property, plant and equipment is shown in Note 20 to the Consolidated and Separate financial statements. In the opinion of the Directors, the market values of the Group and Company's properties are not less than the value shown in these financial statements.

11. EMPLOYMENT AND EMPLOYEES

Equality of opportunity, diversity and inclusion are a part of Transnational Corporation Plc's identity.

a) Employment of Physically Challenged Persons

The Group has a policy of fair consideration of job applications by physically challenged persons, having regard to their abilities and aptitude. The Group's policy prohibits discrimination against physically challenged persons in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

b) Health, Safety and Environment

The Group maintains business premises and work environment that promote the safety and health of its employees and other stakeholders. The Group's rules and practices in these regards are reviewed and tested regularly. Also, the Group provides medical insurance for its employees and their families through selected health management organizations and hospitals.

c) Employees Development, Training and Engagement

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year, formal classroom, onsite and offsite trainings, as well as online training courses were deployed in training and re-training all staff at various levels. The Group's skill base has been extended by a range of training provided to the employees, whose opportunity for career development within the Group has been enhanced.

Employees are kept fully informed of the Group's performance, and the Group operates an open-door policy whereby views of employees are sought and given due consideration on matters which particularly affect them. Employees in the hospitality business are also involved in the affairs of the Group through the service charge bonus scheme, which entitles them to a percentage of the hotel's service charge revenue.

Transnational Corporation Plc

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For the year ended 31 December 2025

Directors' Report (cont'd)

12 DONATIONS

No donation was made to any political party during the year.

The value of gifts and donations made by the Group during the year are analysed as follows:

	2025 N'000	2024 N'000
Daughters of Charity food supply	10,691	11,163
Sponsorship package for Lagos State Energy Summit	2,500	-
Capital Market Choice Award	5,000	-
Sewing Machine & accessories for Ace charity	537	2,727
School for the blind	1,458	1,525
Amazing Grace Foundation Old People's home	883	-
2025 PEARL Awards	2,500	-
Institute of Capital Market Registrar	1,000	-
Chartered Institute of Market Registrar	375	-
School recycling initiative	116	2,102
Kuchingoro Community Primary School	180	-
School of special needs	2,220	-
LBS Alumni Association	10,000	5,000
Donation of Items to Kuchingoro Old People's Home	-	520
	37,460	23,037

13. SECURITIES TRADING POLICY

The Group's Code of Conduct and the Securities Trading Policy detail activities on security trading. The policies prohibit employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board, Management and Employees are regularly notified of closed periods. There was no insider trading recorded during the year.

14. COMPLAINT MANAGEMENT PROCEDURE

In line with the Securities and Exchange Commission (SEC) rule, a dedicated process and feedback mechanism for the management and resolution of shareholders' complaints is in place and can also be accessed on the Company's website.

15. RISK MANAGEMENT POLICY AND PRACTICES

The Group has an Enterprise Risk Management Framework, which sets out the governance structure, process and policy requirements for the consistent management of risk. The Enterprise Risk Management Framework was developed to institutionalize risk management practices across Transnational Corporation Plc.

It covers the framework principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite, Risk Governance and Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting and communication. The Board sets the tone and risk appetite for each business and risks identified. Management assesses the risks following quarterly risk assessment exercises. The Board Audit and Governance Committee (BAGC) has oversight over risk management. The risk report is presented quarterly at each BAGC meeting and key risks noted are escalated to the Board with recommendations from the BAGC on how to manage them effectively. The risk management systems and practices of the Company are effective and efficient.

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Directors' Report (cont'd)

16. FINES AND PENALTIES

The Group was not fined during the year under review.

17. THE NATURE OF ANY RELATED PARTY RELATIONSHIP AND TRANSACTION

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Amount due to related parties	Nature of relationship	Group		Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Transcorp Power Plc	subsidiary	-	-	-	26,250,246
Transcorp Hotels Plc	subsidiary	-	-	726,550	-
Heirs Energies and related companies	Joint control	35,284,336	8,430,790	2,665,369	-
		<u>35,284,336</u>	<u>8,430,790</u>	<u>3,391,919</u>	<u>26,250,246</u>
Amount due from related parties					
Afam Power Plc	subsidiary	-	-	3,554,825	4,908,797
Transcorp Power Plc	subsidiary	-	-	9,048,319	8,339,365
Transcorp OPL 281 Limited	subsidiary	-	-	16,737,681	14,036,755
Transcorp Hotels Plc	subsidiary	-	-	-	151,317
Aura by Transcorp	subsidiary	-	-	20,643	17,013
Transcorp Energy Limited	subsidiary	-	-	497,234	304,175
		-	-	29,858,702	27,757,422
Allowance for expected credit loss		-	-	(1,073,046)	(1,344,086)
		<u>-</u>	<u>-</u>	<u>28,785,656</u>	<u>26,413,336</u>

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs regularly except as disclosed in Note 17b below. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Company recognised N1.5bn (2024: N1.3bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Energies Limited (HEL) supplied gas to Afam Power Plc amounting to N30.3 billion (2024: N8.4 billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by related companies to Transnational Group amounting to N6.4 billion (2024: N4.3billion) during the year; these are included in administrative expenses.

17b Related party borrowings

Included in the amount due from Transcorp OPL 281 Limited is N15.9bn loan at 22%.



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Directors' Report (cont'd)

18. OTHER TERMS

The Company entered into a Technical and Management Services Agreement with Transcorp Hotels Plc, Transcorp Power Plc, and TransAfam Power Limited. As stipulated in the signed agreements, the Company earns management fee of higher of N350 million or 5% of profit before tax of TransAfam Power Limited and Transcorp Power Plc while it earned 5% of revenue from Transcorp Hotels Plc. In addition, there is an agreement with Transcorp Power Plc on operation maintenance and commercial which is at 5% of revenue.

19. EVENTS AFTER THE REPORTING DATE

There are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

20. TERMS OF APPOINTMENT OF AUDITORS

Messrs. Deloitte & Touche having satisfied the relevant corporate governance rules, have indicated willingness to continue in office as auditors to the Group. In accordance with Section 401(2) of Companies and Allied Matters, Act 2020, the auditors will be re-appointed at the next Annual General Meeting of the Group without any resolution being passed.

Signed on behalf of the Board of Directors By:

A handwritten signature in black ink, appearing to be "AK", written over a horizontal line.

Ms. Atinuke Kolade

FRC/2019/PRO/NBA/002/00000019306

Group Company Secretary

23 February 2026.



Transnational Corporation Plc

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Corporate Governance Report

Transnational Corporation Plc (“the Company” or “the Group”) remains committed to upholding the highest standards of corporate governance through the implementation of a robust governance framework that ensures strategic direction and effective oversight by the Board. At Transcorp, corporate governance is not merely a guiding principle but a foundational pillar of our operations vital for driving sustainable value creation and ensuring long-term success for all stakeholders.

1 Overview

During the financial year ended 31 December 2025, Transcorp adhered to the provisions of the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN), the Securities and Exchange Commission (SEC) Rules and Regulations, the Nigerian Exchange Limited (NGX) Listing Rules, as well as all other applicable laws and regulations governing corporate governance.

The Company further reinforced its commitment to best practices by enhancing existing policies to improve performance, ensure business sustainability, and preserve brand equity. The following are some of the key policies enhanced, reviewed and approved by the Board in 2025 that promote strong corporate governance within the Company:

- 1 Board Succession Policy
- 2 Board Remuneration Policy
- 3 Board Induction Policy
- 4 Shareholder Management and Communication Policy
- 5 Whistle Blowing Policy
- 6 Internal Audit Charter
- 7 Data Governance Policy
- 8 Information Technology Policy and Asset usage
- 9 Information Security Policy
- 10 Health Safety and Environmental Policy
- 11 Human Resources Policy

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

- **Board Succession Policy**
This Policy ensures continuity and stability of Board leadership by providing a structured framework for identifying, developing, and appointing competent individuals to the Board, aligned with the Company’s strategic direction and diversity objectives.
- **Board Remuneration Policy**
The Board Remuneration Policy defines a fair and transparent structure for compensating Directors, ensuring alignment with performance, accountability, and shareholder interests while promoting sound governance practices.
- **Board Induction Policy**
This Policy ensures that new Directors are effectively onboarded through a structured induction process that enhances understanding of the Company’s operations, strategy, and governance framework.



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Corporate Governance Report (cont'd)

1 Overview (cont'd)

- **Stakeholders Management and Communications Policy**
This Policy provides a structured approach to stakeholder engagement and communication, ensuring transparency, trust, and alignment between the Company and its key internal and external stakeholders.
- **Whistle Blowing Policy**
The Whistle Blowing Policy promotes transparency and accountability by providing a confidential and secure channel for employees and stakeholders to report unethical practices or violations without fear of retaliation.
- **Internal Audit Charter**
The Internal Audit Charter defines the purpose, authority, and responsibility of the Internal Audit function, reinforcing its independence and role in providing assurance on governance, risk management, and internal controls.
- **Data Governance Policy**
The Data Governance Policy establishes controls for the management, protection, and ethical use of data assets. It promotes data quality, privacy, and compliance with applicable data protection laws.
- **Information Technology Policy**
This policy sets out the standards for developing and managing IT resources to support operational efficiency, system reliability and business
- **Health Safety & Environmental Policy**
The Health Safety & Environmental Policy outlines the Company's commitment to maintaining a safe workplace, protecting the environment, and complying with all relevant HSE regulations.
- **Human Resources Policy**
The Human Resources Policy provides a structured framework for attracting, developing, and retaining talent while ensuring equity, meritocracy, and compliance with applicable labour laws. It reinforces the Company's commitment to a performance-driven culture and employee well-being.

In addition, the Company also reviewed and adopted several Standard Operating Procedures (SOPs), operating frameworks and manuals during the year in order to ensure continued improvement and efficiency in operations.



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Corporate Governance Report (cont'd)

2. Board of Directors

2.1 General

The Board of Directors comprises nine (9) members, including one (1) Executive Director, (the President/GCEO), and eight (8) Non-Executive Directors, four (4) of whom are Independent Directors. In line with the provisions of the Companies and Allied Matters Act 2020 (CAMA) and the Company's Board Governance Charter, the Chairman of the Board presides over all Board proceedings.

In 2025, the Board sustained a steady cadence of engagement, convening quarterly (four (4) times) during the year to provide strategic direction and effective oversight. This consistent schedule reflects the Board's commitment to robust governance and timely decision-making. Details of Directors' attendance at Board meetings are provided hereunder.

The Board has established formal delegations of authority that define the scope of Management's power and responsibilities. While certain powers are delegated to Management for the day-to-day operations of the Company, these delegations strictly adhere to statutory limitations that reserve specific responsibilities for the Board. Any authority not expressly delegated remains within the purview of the Board and its Committees.

The Company continues to benefit immensely from the diverse expertise and wealth of experience of its Directors, all of whom are accomplished professionals who have distinguished themselves in their respective fields.

2.1.1 Board Appointment

Directors are appointed based on the recommendation of the Board Audit and Governance Committee (BAGC), in line with the provisions of the Board and Board Committees Governance Charter. In selecting Directors, the Company seeks individuals with relevant experience, a strong professional reputation, high integrity, a shareholder-oriented mindset, no conflicts of interest, and a deep understanding of the Company's strategic businesses, alongside a genuine commitment to its success.

2.1.2 Induction and Training process

The Company has a structured Director Induction Plan & Procedure designed to equip newly appointed Directors with a comprehensive understanding of the business, its governance framework, key executives, subsidiary operations, and overall corporate structure. Through this programme, Directors gain insights into the Company's facilities and operational procedures. Additionally, all Board members, including new appointees, participate in Group-wide training initiatives to enhance their effectiveness.

2.1.3 Separation of the position of Chairman and Managing Director

In compliance with good corporate governance practices, the positions of the Chairman of the Board and the Managing Director/CEO are separate and in adherence to best corporate governance practices. The roles of Chairman of the Board and Managing Director/CEO are distinct and held by separate individuals, ensuring clear segregation of duties and enhancing accountability.

Corporate Governance Report (cont'd)

2.2 Membership and Changes on the Board

During the year under review, there was no change to the composition of the Board. The Board of Directors was comprised of the following members::

Director	Position	Date appointed to the Board	Date(s) re-appointed/re-elected	Date of resignation/retirement
1. Mr. Tony Elumelu, CFR	Chairman	14 April, 2011	June 21, 2013, April 29, 2016, March 15, 2019, April 21, 2022, April 9, 2025	NA
2. Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman	5 June, 2020	April 21, 2022, May 2024	NA
3. Dr. (Mrs). Owen Omogiafo, OON	President/Group CEO	25 March, 2020	NA	NA
4. Dr. Stanley Lawson	Non-Executive Director	19 September, 2011	June 21, 2013, May 8, 2015, April 30, 2018, April 21, 2022 April 9, 2025	NA
5. Dr. (Mrs.) Toyin Sanni	Non-Executive Director	30 October, 2018	April 26, 2021, April 26, 2023 April 9, 2025	NA
6. Mr. Victor Famuyibo	Independent Non - Executive Director	22 April, 2021	April 26, 2023	NA
7. Mallam Ahmadu Sambo	Independent Non - Executive Director	22 April, 2021	May 27, 2024	NA
8. Mr. Oliver Andrews	Independent Non - Executive Director	23 August, 2021	May 27, 2024	NA
9. Mr. Chiugo Ndubisi	Non-Executive Director	27 May, 2024	N/A	NA

2.3 Board Meeting Attendance

During the year under review, the Board met four (4) times. The table below shows the frequency of meetings of the Board and members attendance

Director	Total No. of Meetings	No. of Meetings Attended	06-Mar	08-Apr	28-Jul	07-Nov
Mr. Tony O. Elumelu, CFR	4	4	✓	✓	✓	✓
Dr. (Mrs) Foluke K. Abdulrazaq, OON	4	4	✓	✓	✓	✓
Dr. (Mrs). Owen Omogiafo, OON	4	4	✓	✓	✓	✓
Dr. Stanley Lawson	4	4	✓	✓	✓	✓
Dr. (Mrs) Toyin Sanni	4	4	✓	✓	✓	✓
Mr. Victor Famuyibo	4	4	✓	✓	✓	✓
Mallam Ahmadu Sambo	4	4	✓	✓	✓	✓
Mr. Oliver Andrews	4	4	✓	✓	✓	✓
Mr. Chiugo Ndubisi	4	4	✓	✓	✓	✓

2.4. Board Committees & Executive Management Committee

(a) Board Audit & Governance Committee

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

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

Corporate Governance Report (cont'd)

2.4. Board Committees & Executive Management Committee (cont'd)

(a) Board Audit & Governance Committee (cont'd)

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

- | | | | |
|----|-----------------------|---|----------|
| 1. | Dr. Stanley I. Lawson | - | Chairman |
| 2. | Mr. Chiugo Ndubisi | - | Member |
| 3. | Mr. Victor Famuyibo | - | Member |

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

The BAGC met four (4) times in 2025, with a 100% attendance record as seen in the table below:

Directors	Total No. of Meetings	No. of Meetings Attended	05-Mar	02-Apr	15-Jul	15-Oct
Dr. Stanley I. Lawson	4	4	✓	✓	✓	✓
Mr. Chiugo Ndubisi	4	4	✓	✓	✓	✓
Mr. Victor Famuyibo	4	4	✓	✓	✓	✓

✓ = Director was present for the meeting

Each BAGC meeting was attended by the Head, Internal Audit who presented the Internal Audit Report.

(b) Finance and Investment Committee

The functions of the Finance and Investment Committee (FIC) include the following:

- Discharging the Board's responsibilities with regard to strategic direction and budgeting.
- Ensuring that adequate and comprehensive financial controls are in place and implemented in line with the financial regulations.
- Providing oversight on financial matters and the performance of the Group.
- Reviewing and recommending investment opportunities or initiatives to the Board for decision.
- Recommending financial and investment decisions within its approved limits.
- Have oversight of risk management.
- Ensuring that an effective system of financial and internal control is in place
- Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.

The Committee was composed of the following Directors in 2025 financial year:

- | | | | |
|----|------------------------------|---|----------|
| 1. | Mr. Chiugo Ndubisi | - | Chairman |
| 2. | Dr. (Mrs) Owen Omogiafo, OON | - | Member |
| 3. | Mr. Oliver Andrews | - | Member |
| 4. | Dr. (Mrs) Toyin Sanni | - | Member |
| 5. | Mallam Ahmadu Sambo | - | Member |

Corporate Governance Report (cont'd)

2.4. Board Committees & Executive Management Committee (cont'd)

(b) Finance and Investment Committee (cont'd)

During the year, the Committee, among other responsibilities, reviewed the Company's process for accepting credit facilities from financial institutions, assessed quarterly financial statements, evaluated tax-related matters, and analyzed the funding requirements of operating businesses. Additionally, the Committee reviewed budgets, forecasts, and progress on key investments. Based on these assessments, the Committee made informed decisions and provided recommendations to the Board for approval.

The FIC met four (4) times during the year. The table below shows the frequency of meetings of FIC and members' attendance:

	Total No. of Meetings	No. of Meetings Attended	05-Mar	02-Apr	27-Jul	15-Oct
Directors						
Mr. Chiugo Ndubisi	4	4	✓	✓	✓	✓
Dr. (Mrs) Owen Omogiafo, OON	4	4	✓	✓	✓	✓
Mr. Oliver Andrews	4	4	✓	✓	✓	✓
Dr. (Mrs) Toyin Sanni	4	3	✓	X	✓	✓
Mallam Ahmadu Sambo	4	4	✓	✓	✓	✓

Key

✓ = Director was present for the meeting

X = Director was absent with an apology

Each FIC meeting was attended by the Group CFO who presented the Financial Reports and the Risk Report.

(c) The Statutory Audit Committee

The Statutory Audit Committee (SAC) is broadly empowered to oversee the Group's financial reporting process, audit framework, internal control systems, and financial risk management to ensure compliance with statutory, regulatory, and professional requirements. The Committee also evaluates the performance of the Company's external auditors.

Chaired by a shareholder, the Committee consists of two additional shareholder representatives, as well as two Directors. Beyond the powers conferred on it by the Companies and Allied Matters Act (CAMA), the Committee is also authorized to engage independent consultants to support its functions when necessary.

During 2025, the Committee was composed of the following members:

- | | | |
|--------------------------|---|---------------------------------------|
| 1. Mr. John Isesele | - | Chairman (Shareholder representative) |
| 2. Mr. Mathew Esonanor | - | Member (Shareholder representative) |
| 3. Ms. Judith Rapu | - | Member (Shareholder representative) |
| 4. Dr. Stanley I. Lawson | - | Member (Director representative) |
| 5. Mr. Victor Famuyibo | - | Member (Director representative) |

Corporate Governance Report (cont'd)

2.4. Board Committees & Executive Management Committee (cont'd)

(c) The Statutory Audit Committee (cont'd)

The SAC met four (4) times in 2025 with a 100% attendance record as seen in the table below:

Members	Total Meetings	No. of Meetings Attended	05-Mar	07-Apr	28-Jul	24-Oct
Mr. John Isesele	4	4	✓	✓	✓	✓
Mr. Matthew Esonanor	4	4	✓	✓	✓	✓
Ms. Judith Rapu	4	4	✓	✓	✓	✓
Dr. Stanley Lawson	4	4	✓	✓	✓	✓
Mr. Victor Famuyibo	4	4	✓	✓	✓	✓

(d) Executive Management Committee

The Executive Management Committee (EMC) is responsible for the day-to-day management of the Group's businesses. The EMC is charged with the following responsibilities:

- Articulating the strategy of the Group and recommending the same to the Board for approval.
- Discussing strategic matters and their impact on the Group's investment portfolio.
- Articulating the manner through which investment sectors/new business areas and geographies will be chosen and making recommendations to the Board in that regard.
- Recommending to the Board the framework or policy for investment; and monitoring the implementation of investment procedures.
- In line with Board approvals, outlining of philosophy, policy, objectives and resultant tasks to be accomplished
- Recommending to the Board, structures and systems through which activities are arranged, defined and coordinated in terms of specific objectives.
- Preparation of annual financial plans for the approval of the Board and ensuring the achievement of set objectives.
- Reviewing and approval of the structure and framework for performance reporting of subsidiary companies.
- Assessment and management of Group risk

The Executive Management Committee comprises:

1. President/ Group CEO
2. CEOs of Subsidiaries
3. Group Chief Finance Officer
4. Group Company Secretary
5. Group Head, Legal & Regulatory Management
6. Group Head, Human Resources
7. Group Head, Internal Audit and Control
8. Group Head, Marketing and Corporate Communications
9. Chief Information & Technology Officer

The EMC meets fortnightly to consider operational matters and the President/GCEO is the Chairman of the EMC.

Corporate Governance Report (cont'd)

2.5 Directors' Remuneration Policy

The Board's remuneration policy as embedded in the Board Charter is structured to suit the environment in which it operates and the results it achieves at the end of each financial year. The Policy is reviewed when necessary to meet economic realities and includes the following:

(a) Non-Executive Directors

Annual Fees & Allowances

During the 2025 financial year, Non-Executive Directors earned a total of ₦90,000,000.00 in fees and allowances, while the Vice-Chairman earned ₦100,000,000.00 and the Chairman earned ₦150,000,000.00. All fees and allowances were inclusive of applicable taxes and were paid bi-annually

Board Meetings

Non- Executive Directors earn N350,000 sitting allowances per meeting while the Chairman earns N500,000. Transportation costs and hotel expenses are reimbursed where applicable.

Committee Meetings

Non- Executive Directors earn N300,000 sitting allowances per meeting, while the Chairman earns N350,000. Transportation costs and hotel expenses are reimbursed where applicable

(b) Executive Directors

The remuneration policy for executive directors includes the following:

- Fixed remuneration: This takes into account the level of responsibility, and the need to ensuring that executive remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria.
- Variable annual remuneration linked to performance: The amount of this remuneration is subject to achieving specific, quantifiable and measurable Key Performance Indicators (KPIs) set and appraised annually by the Parent and Company Boards.

3. Summary Report of the Annual Corporate Governance Evaluation

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2025 in line with the requirements of the Nigerian Code of Corporate Governance 2018 (the "Code").

The statements by the external consultant on the Board and Corporate Governance evaluation are contained in the Annual Report, and covers the summary of Board, Committees, individual Directors and overall governance evaluation.

4. Human Resource Policies and internal management structure

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

5. Gender diversity on the Board and employment

The Company ensures gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level is 3:6 while gender diversity for staff is 13:13.

Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Corporate Governance Report (cont'd)

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

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

7. Independent Auditors

In accordance with section 401(2) Companies and Allied Matters Act 2020, Deloitte & Touche have indicated their willingness to continue after their five years as independent Auditor of the company. The directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

By Order of the Board



Ms. Atinuke Kolade

FRC/2019/PRO/NBA/002/00000019306

Group Company Secretary

23 February 2026



Transnational Corporation Plc

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

Statement of Directors' Responsibilities

The Directors of Transnational Corporation Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the financial statements, the Directors are responsible for:

- a) properly selecting and applying accounting policies
- b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

The financial statements of the Group for the year ended 31 December 2025 were approved by the Directors on 23 February, 2026.

On behalf of the Directors of the Company

Mr. Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/PRO/DIR/003/00000002590

Dr. (Mrs) Owen Omogiafo, OON
President/GCEO
FRC/2019/PRO/DIR/003/00000019827

Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria 2020, the Chief Executive Officer and the Chief Finance Officer certify that the financial statements have been reviewed and based on our knowledge, the:

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for, the periods covered by the audited financial statements;

We state that Management and Directors:

- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company [and its subsidiaries] is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that the Group's internal controls are effective as of that date;

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The financial statements of the Group for the year ended 31 December 2025 were approved by the Directors on 23 February 2026.



Dr. (Mrs) Owen Omogiafo, OON
President/GCEO
FRC/2019/PRO/DIR/003/00000019827



Mr. Festus Izevbizua
Group Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000001628

**Transnational Corporation Plc**

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Report of the Statutory Audit Committee**To the Members of Transnational Corporation Plc**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we, the members of the Statutory Audit Committee of Transnational Corporation Plc ("the Company"), hereby report that:

- (a) The accounting and reporting policies of the Company for the year ended 31 December 2025 are consistent with legal requirements and ethical practices;
- (b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems
- (c) The scope and planning of the statutory independent audit for the year ended 31 December 2025 are satisfactory; and
- (d) We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transnational Corporation Plc

John Isesele**FRC/2014/PRO/ICAN/004/00000008988****Dated this 20th day of February 2026****Members of the Statutory Audit Committee**

- | | | | |
|------------------------------|---|----------|--------------------------------------|
| 1. Mr. John Isesele | - | Chairman | (Representative of shareholders) |
| 2. Mr. Matthew Esonanor, SAN | - | Member | (Representative of shareholders) |
| 3. Ms. Judith Rapu | - | Member | (Representative of shareholders) |
| 4. Dr. Stanley Lawson | - | Member | (Non-Executive Director) |
| 5. Mr. Victor Famuyibo | - | Member | (Independent Non-Executive Director) |



Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Certification By Company Secretary

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

A handwritten signature in black ink, appearing to be "Atinuke Kolade", written over a horizontal line.

Ms. Atinuke Kolade

Company Secretary

FRC/2019/PRO/NBA/002/00000019306

23 February 2026



Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

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

The Management of Transnational Corporation Plc ("Transcorp Plc") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including the safeguarding of assets against unauthorised acquisition, use, or disposition. This system is designed to provide reasonable assurance to Management and the Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS) and applicable regulatory requirements.

Transcorp Plc's system of internal control over financial reporting is supported by written policies and procedures, contains self-monitoring mechanisms, and is subject to review by the Internal Audit function. Appropriate actions are taken by Management to address control deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding controls, and therefore can provide only reasonable assurance as to the reliability of financial statement preparation and the safeguarding of assets.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of 31 December 2025. In making this assessment, Management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

During the assessment, Management became aware of a material weakness in internal controls over the consolidation and elimination process of one of its subsidiary Companies in 2024. The assessment revealed that the material weakness was occasioned by the manual process of preparation, review and consolidation of Group accounts and manual process of elimination adjustments in the subsidiary's books. The elimination errors were equally consolidated in the Parent Group Accounts. This resulted in the identification of prior-period misstatements and necessitated the restatement of comparative financial information, as disclosed in Note 47 to the financial statements.

Management's assessment further confirmed that transaction-level controls within the underlying entities were appropriately designed and generally operated effectively, and that the material weakness identified was limited to manual consolidation and elimination activities performed at one of the subsidiaries' holding company level.

Following the identification of this material weakness in the consolidation review control, Management as part of its remediation process implemented enhancements to the Group Consolidation and Reporting process. These actions included strengthened technical review procedures, improved documentation procedure, and increased senior-level oversight of consolidation and elimination journals. Management has tested the operating effectiveness of the enhanced controls and has concluded that for the period ended, the remediation has operated reasonably, and the controls are sufficiently adequate.

Based on the assessment performed, Management concluded that the Company's internal control over financial reporting was generally effective, except for the material weakness identified in controls over the Group's consolidation and elimination process, which has been remediated and addressed through enhanced control design and has been concluded to operate effectively at year end.

Management remains committed to maintaining a strong control environment and continues to take appropriate actions to strengthen internal controls in support of high-quality and reliable financial reporting.

The Company's external auditors, Deloitte, an independent registered public accounting firm, have considered the system of internal control over financial reporting in planning and performing the audit of the financial statements.

Dated this 23rd day of February 2026.

Dr. (Mrs) Owen Omogiafo, OON
President/GCEO

FRC/2019/PRO/DIR/003/00000019827

Mr. Festus Izevbizua
Group Chief Finance Officer

FRC/2013/PRO/ICAN/001/00000001628

Assurance Report of Independent Auditors

To the Shareholders of Transnational Corporation 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 **Transnational Corporation Plc** 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 Management Report on Internal Control Over Financial Reporting. Transnational Corporation Plc 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 Group and our report dated 24 February 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 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.

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.
- 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
- 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 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 the International Financial Reporting Standards (IFRS) 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 require 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 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 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 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 provide a basis for our report on the internal control put in place by management over financial reporting.

Ngozika Emeka-Eze (FRC/2013/PRO/ICAN/004/00000001817)

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

Chartered Accountants

Lagos, Nigeria

24 February 2026



Independent Auditor's Report

To the Shareholders of Transnational Corporation Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Transnational Corporation Plc** and its subsidiaries (the Group and Company) set out on pages 30 to 132, 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 and 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 **Transnational Corporation 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, the requirements of the Companies and Allied Matters Act 2020 and 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 Group and 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.

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. These matters were 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 these matters.



Key Audit Matter	How the matter was addressed in the audit
Assessment of goodwill impairment - Consolidated The Group has a material balance of N28.96 billion as goodwill, which principally relates to the acquisition of Transcorp Power Plc (TPP) and Transcorp Hotel Plc (THP). The asset is not amortised but tested for impairment annually. Goodwill is calculated as the difference between the purchase consideration and the share of net assets acquired; it is allocated to the Cash Generating Units (CGUs) of TPP and THP. In line with the provision of IAS 36 – impairment of assets, goodwill should be tested for impairment annually. The Group tested impairment the goodwill related to the two CGUs. The recoverable amounts of the two CGUs have been determined using the Value-In-Use approach. In determining the value in use, the Group has estimated future cash flows, associated discount rates and growth rates based on the Directors’ view of future business processes. The current economic climate increases the complexity of forecasting. Scrutiny is placed on forecast assumptions and discount rates, with a greater focus on more recent trends and less reliance on historical trends. The annual impairment test is significant to the audit because the balance involved is significant to the Group and the testing process is complex and requires significant judgment made by the Directors concerning the estimated value. Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions. The disclosure of goodwill is set out in Note 23 of the consolidated and separate financial statements.	To determine the appropriateness of the management assumptions and conclusions on the impairment assessment of the goodwill balance, in line with the provisions of IAS 36, we performed the following procedures: • We considered the determination of Transcorp Hotels Plc (THP) and Transcorp Power (TPP) as identifiable cash-generating units. • We obtained an understanding of management's processes and controls in place and carried out test of the controls. • Involved internal valuation specialists to assist in the review of the Goodwill testing carried out by the management. • Evaluated the appropriateness of the approach - value in use method - adopted by management in determining the recoverable amounts of the cash generating units. • Evaluated the reasonableness of the management’s assumptions and judgements in respect of the forecast and discount rate used in the Value- in- Use computation. • Compared the cashflows forecast to approved budgets and other relevant market and economic information. • Re-performed the goodwill impairment test computation under Value- in- Use approach to check for mathematical accuracy. • Carried out sensitivity analysis of major inputs such as terminal growth rates and discount rates; and • We checked the sufficiency and appropriateness of the related disclosures in the financial statements. Based on the procedures performed, we believe the goodwill impairment assessment by the Group is reasonable, the balance is not impaired, and details have been appropriately disclosed in the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of Plant and Machinery for Transcorp Power Plc	
Plant and machinery, which are majorly Turbines, are a significant element of the operations of Transcorp Power plc and its main cash generating unit. IAS 36 - Impairment of Assets requires that a company's assets are not carried at more than their recoverable amounts; and to be assessed at each reporting date to determine whether there is any indication of impairment. Impairment indicators are observed from either external sources such as market value decline, negative changes in technology, markets, economy, laws, and regulatory environment or from internal sources such as obsolescence, physical damage, idle asset. As disclosed in Note 20, the carrying amount of the Plant and Machinery was N 176 billion as at 31 December 2025. The amount relating to Transcorp Power Plc's Plant and Machinery (Turbines) was N46.1 billion. Based on the level of judgements involved in estimating the impairment of assets and the possibility of management bias in estimating the amount, we have considered impairment of plant and machinery a key audit matter. Transcorp Power Plc's trade receivable is on both energy and capacity charges billed to its customers monthly. In line with the provision of IFRS 9 – Financial Instruments, the Company is required to recognize Expected Credit Loss (ECL) on its receivable trade balance.	The audit procedures that we performed included the following: • We obtained an understanding of management's processes and controls in place to determine impairment indicators through inquiries from the operations and maintenance personnel, and the assessment thereof regarding the plant and machinery. • We physically verified the gas turbines and transformers to confirm its existence and working condition. • We obtained and reviewed management assessment of impairment. • We obtained and reviewed management valuation of the recoverable amount of plant and machinery as performed by the management expert. The management adopted fair value less cost to sell as recoverable amount. • We reviewed the report of the management expert and evaluated the appropriateness, reasonableness of the assumptions and methodology adopted. • We checked to ascertain that the carrying amount of plant and machinery was not higher than the recoverable amount. • We assessed the sufficiency and appropriateness of the related disclosures in the financial statements. Based on the procedures performed, we believe that the impairment assessment on the company's plant and machinery was reasonable, and impairment losses were accounted for on certain turbines.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) on Trade Receivables for Transcorp Power Plc	
As disclosed in Note 29, the gross carrying amount is N543 billion and the carrying amount relating to Transcorp Power Plc's is N447 billion. Transcorp Power Plc uses the simplified approach of the expected credit loss model to analyse historical data by risk groups to capture defaults, migration to defaults, collections, etc. for a statistically reasonable number of years. Based on the level of judgements involved in estimating the expected credit loss and the possibility of management bias in estimating the amount, we have considered expected credit loss on trade receivables a key audit matter.	In addressing this matter, we adopted a substantive approach to the audit of expected credit losses on trade receivables. The procedures adopted included the following: • Updated our understanding of the procedures put in place by management to identify impaired trade receivables. • Tested the ageing of receivables to confirm that all outstanding receivable balances have accurately aged. • Confirmed the appropriateness of the groupings of trade receivables based on the shared credit characteristics for the purpose of determining the loss rate. • Reviewed and challenged the judgements made by management in estimating the expected credit loss to identify whether indicators of possible management bias exist. • Reviewed and independently confirmed the accuracy of the forecast macro-economic data and other inputs used in the entity's expected credit loss model. • We compared the Expected Credit Loss computed by management against the amount already recognized in the books. • We confirmed that IFRS 9 disclosures are appropriate and adequate. Based on the procedures performed, we considered the method used and assumptions made by management to be reasonable.

Other Information

The directors are responsible for the other information. The other information comprises the Information included in the document titled "Transnational Corporation Plc Annual Reports and Financial Statements for the year ended 31 December 2025, which includes the Corporate information, Directors' Report, Corporate Governance Report, Statement of Directors Responsibilities for the Preparation of the Financial Statements, Certification of the Financial Statements, Report of the Statutory Audit Committee, Certification by Company Secretary, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other national Disclosures (Consolidated and Separate Value-Added Statement and Consolidated and Separate Five-Year Financial Summary), which we obtained prior to the date of this report, and the ESG Report, Statement by the Board on the Company's ESG Activities, Board Evaluation Report, Corporate Governance Evaluation Report all included in the Annual Report and Financial statements, which is expected to be made available to us after that date. 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. Also, we:

- 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 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 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 the evidence obtained, we have issued an Unmodified conclusion in our report dated 24 February 2026. That report is included on pages 22 and 23 of the financial statements.

Ngozika Emeka-Eze, FCA - FRC/2013/PRO/ICAN/004/00000001817

For: Deloitte & Touche (FRC/2022/Coy/091021)

Chartered Accountants

Lagos, Nigeria

24 February 2026



Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

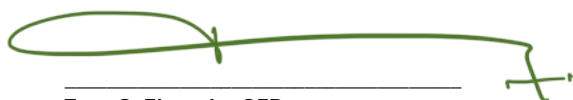
	Note(s)	Group		Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue	9	544,140,613	407,915,908	54,766,079	14,409,555
Cost of sales	10	(269,590,942)	(212,249,834)	-	-
Gross profit		274,549,671	195,666,074	54,766,079	14,409,555
Other gains or (losses)	11	12,712,381	5,317,189	11,853,046	4,504,248
Gain on the disposal of shares	11.2	-	10,907,442	-	10,907,442
Impairment loss on financial assets	16	(12,805,370)	(8,925,211)	(35,623)	(126,876)
Impairment loss on PPE	20	(4,885,620)	-	-	-
Administrative expenses	15	(72,228,781)	(53,924,899)	(8,554,535)	(4,524,364)
Operating profit		197,342,281	149,040,595	58,028,967	25,170,005
Net foreign exchange (loss)/gain	11.1	(457,950)	4,345,733	(5,699)	(970)
Finance income	12	1,218,212	1,814,739	2,970,109	2,205,821
Finance cost	13	(18,600,108)	(18,532,821)	(7,688,717)	(8,888,414)
Profit before tax		179,502,435	136,668,246	53,304,660	18,486,442
Income tax	17	(43,592,565)	(42,579,495)	(4,026,603)	(1,588,795)
Profit for the year		135,909,870	94,088,751	49,278,057	16,897,647
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Gain on valuation of investments in equity instruments	25	7,576,091	4,042,958	4,331,289	4,042,958
Net gain/(loss) from changes in actuarial assumptions	39	80,058	(222,132)	-	-
Tax (expense)/credit on actuarial losses	39	(26,419)	73,304	-	-
Items that will be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year		7,629,730	3,894,130	4,331,289	4,042,958
Total comprehensive income for the year		143,539,600	97,982,881	53,609,346	20,940,605
Profit attributable to:					
Owners of the parent		85,788,771	51,524,914	49,278,057	16,897,647
Non-controlling interest		50,121,099	42,563,837	-	-
		135,909,870	94,088,751	49,278,057	16,897,647
Total comprehensive income attributable to:					
Owners of the parent		91,914,351	55,454,525	53,609,346	20,940,605
Non-controlling interest	41	51,625,249	42,528,356	-	-
		143,539,600	97,982,881	53,609,346	20,940,605
Earnings per share					
Per share information					
Basic earnings per share (Kobo)	19	844	145	485	48
Diluted earnings per share (Kobo)	19	844	145	485	48

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

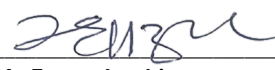
Consolidated and Separate Statements of Financial Position
As at December 2025

		Group			Company	
			(Restated)	(Restated)		
		31-Dec	31-Dec	01-Jan	31-Dec	31-Dec
		2025	2024	2024	2025	2024
Note(s)	N'000	N'000	N'000	N'000	N'000	
Assets						
Non-Current Assets						
Property, plant and equipment	20	312,763,305	310,491,396	294,520,208	554,303	69,602
Right-of-use assets	21	61,488	118,247	175,006	61,488	118,247
Investment properties	22	17,000,000	6,900,000	4,600,000	17,000,000	6,900,000
Goodwill	23	28,959,387	28,959,387	28,959,387	-	-
Other intangible assets	24	11,714,783	17,399,314	11,445,973	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	-	52,239,973	52,239,973
Investment in financial asset	25	46,171,728	18,217,915	14,156,499	24,137,226	16,428,215
Other Investments	40	12,800,450	22,178,172	1,800,450	5,400,100	3,777,822
Prepayments and other assets	30	17,454	32,506	22,154	17,454	32,506
Long-term receivables	29.8	1,631,250	1,856,250	-	-	-
		431,119,845	406,153,187	355,679,677	104,486,362	84,642,183
Current Assets						
Inventories	28	5,809,095	4,683,722	3,984,305	-	-
Deposit for Investments	37	-	-	-	28,385,000	28,385,000
Trade and other receivables	29.8	542,098,681	320,643,269	146,398,317	31,086,297	27,933,258
Prepayments and other assets	30	1,430,049	2,116,172	4,384,795	84,263	77,402
Cash and bank balances	31	21,884,952	17,966,955	16,577,762	1,020,816	927,838
		571,222,777	345,410,118	171,345,179	60,576,376	57,323,498
Asset classified as held for sale		-	-	2,898,863	-	-
		571,222,777	345,410,118	174,244,042	60,576,376	57,323,498
Total Assets		1,002,342,622	751,563,305	529,923,719	165,062,738	141,965,681
Equity and Liabilities						
Equity						
Share capital	32	5,080,999	5,080,999	20,323,996	5,080,999	5,080,999
Share premium	33	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Share reconstruction reserve	32.2	15,242,997	15,242,997	-	15,242,997	15,242,997
Other reserves*		20,237,753	14,112,173	10,182,562	18,677,612	14,346,323
Retained earnings *	32.3	181,182,532	105,555,760	62,160,444	73,630,695	34,514,637
Equity attributable to holders of parent		227,994,152	146,241,800	98,916,873	118,882,174	75,434,827
Non-controlling interest	41	125,391,254	93,951,248	56,880,827	-	-
Total Equity		353,385,406	240,193,048	155,797,700	118,882,174	75,434,827
Liabilities						
Non-Current Liabilities						
Borrowings	26	35,183,170	50,415,460	52,054,530	5,563,355	8,577,195
Deposit for shares	38	84,590,000	27,935,000	12,935,000	-	-
Defined Benefit Liability	39	359,213	420,815	211,836	-	-
Contract Liabilities	35	1,681,080	1,833,905	1,986,730	-	-
Deferred income	34	202,701	650,778	1,100,082	-	-
Deferred tax liabilities	18.2	24,490,972	21,498,794	18,770,156	961,131	-
		146,507,136	102,754,752	87,058,334	6,524,486	8,577,195
Current Liabilities						
Trade and other payables*	36	368,571,337	312,723,806	212,209,999	8,178,212	30,685,747
Borrowings	26	40,280,149	38,096,782	51,324,795	28,687,112	26,237,327
Contract Liabilities	35	1,077,889	357,709	296,375	-	-
Deferred income	34	476,500	469,000	457,500	32,500	25,000
Defined Benefit Liability	39	84,159	45,936	32,231	-	-
Income tax payable	17.1	91,960,046	56,922,272	22,347,922	2,758,254	1,005,585
		502,450,080	408,615,505	286,668,822	39,656,078	57,953,659
Liabilities directly associated with assets classified as held for sale		-	-	398,863	-	-
Total Liabilities		648,957,216	511,370,257	374,126,019	46,180,564	66,530,854
Total Equity and Liabilities		1,002,342,622	751,563,305	529,923,719	165,062,738	141,965,681

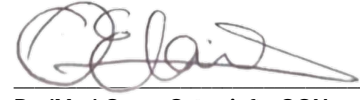
The consolidated and separate financial statements were approved by the Board of Directors on 23 February, 2025 and were signed on its behalf by:



Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/PRO/DIR/003/00000002590



Mr. Festus Izevbia
Group Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000001628



Dr. (Mrs) Owen Omogiafo, OON
President/Group CEO
FRC/2019/PRO/DIR/003/00000019827

* There has been a restatement of the comparative balances in the current year. Refer to note 47 for the details of the restatement.

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



Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Consolidated and Separate Statements of Changes In Equity

	Share capital N'000	Share premium N'000	Share reconstruction reserve	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
Group								
Balance at 1 January 2024	20,323,996	6,249,871		34,920,455	68,922,551	130,416,873	56,880,827	187,297,700
Prior year adjustment*	-	-	-	(24,737,893)	(6,762,107)	(31,500,000)	-	(31,500,000)
Balance at 1 January, 2024 (as restated)*	20,323,996	6,249,871	-	10,182,562	62,160,444	98,916,873	56,880,827	155,797,700
Profit for the year	-	-		-	51,524,914	51,524,914	42,563,837	94,088,751
Other comprehensive income**	-	-		3,929,611	-	3,929,611	(35,481)	3,894,130
Total comprehensive income/(loss) for the year	-	-		3,929,611	51,524,914	55,454,525	42,528,356	97,982,881
Adjustment for disposal of shares (Note 6.2)	-	-		-	-		299,658	299,658
Dividends (Note 36.1)	-	-		-	(8,129,598)	(8,129,598)	(5,757,593)	(13,887,191)
Share reconstruction (Note 32.1)	(15,242,997)	-	15,242,997	-	-	-	-	-
Scrip dividend	-	-		-	-	-	-	-
Total distributions to owners of company recognised directly in equity	(15,242,997)	-	15,242,997	-	(8,129,598)	(8,129,598)	(5,457,935)	(13,587,533)
Balance at 31 December 2024	5,080,999	6,249,871	15,242,997	14,112,173	105,555,760	146,241,800	93,951,248	240,193,048
Balance at 1 January 2025	5,080,999	6,249,871	15,242,997	14,112,173	105,555,760	146,241,800	93,951,248	240,193,048
Profit for the year	-	-		-	85,788,771	85,788,771	50,121,099	135,909,870
Other comprehensive income*	-	-		6,125,580	-	6,125,580	1,504,150	7,629,730
Total comprehensive income/(loss) for the year	-	-		6,125,580	85,788,771	91,914,351	51,625,249	143,539,600
Dividends (Note 36.1)	-	-	-	-	(10,161,999)	(10,161,999)	(20,185,243)	(30,347,242)
Total distributions to owners of company recognised directly in equity	-	-	-	-	(10,161,999)	(10,161,999)	(20,185,243)	(30,347,242)
Balance at 31 December 2025	5,080,999	6,249,871	15,242,997	20,237,753	181,182,532	227,994,152	125,391,254	353,385,406
Note(s)	32	33	32.1				41	

* There has been a restatement of the comparative balances in the current year. Refer to note 47 for the details of the restatement.

**Other comprehensive income represents fair value gain/ (loss) on equity investment and actuary gain/(loss) on defined benefit during the year.

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



Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Consolidated and Separate Statements of Changes In Equity

	Share capital N'000	Share premium N'000	Share reconstruction reserve	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
Company								
Balance at 1 January 2024	20,323,996	6,249,871	-	10,303,365	25,746,588	62,623,820	-	62,623,820
Profit for the year	-	-		-	16,897,647	16,897,647	-	16,897,647
Other comprehensive income	-	-		4,042,958	-	4,042,958	-	4,042,958
Total comprehensive income for the year	-	-		4,042,958	16,897,647	20,940,605	-	20,940,605
Dividends (Note 36.1)	-	-		-	(8,129,598)	(8,129,598)	-	(8,129,598)
Share reconstruction (Note 32.1)	(15,242,997)		15,242,997					
Total distributions to owners of company recognised directly in equity	(15,242,997)		15,242,997		(8,129,598)	(8,129,598)	-	(8,129,598)
Balance at 31 December 2024	5,080,999	6,249,871	15,242,997	14,346,323	34,514,637	75,434,827	-	75,434,827
Balance at 1 January 2025	5,080,999	6,249,871	15,242,997	14,346,323	34,514,637	75,434,827	-	75,434,827
Profit for the year	-	-		-	49,278,057	49,278,057	-	49,278,057
Other comprehensive income	-	-		4,331,289	-	4,331,289	-	4,331,289
Total comprehensive income for the year	-	-		4,331,289	49,278,057	53,609,346	-	53,609,346
Dividends (Note 36.1)	-	-		-	(10,161,999)	(10,161,999)	-	(10,161,999)
Total distributions to owners of company recognised directly in equity	-	-	-	-	(10,161,999)	(10,161,999)	-	(10,161,999)
Balance at 31 December 2025	5,080,999	6,249,871	15,242,997	18,677,612	73,630,695	118,882,174	-	118,882,174
Note(s)	32	33	32.1					

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



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

Consolidated and Separate Statements of Cash Flows

	Note(s)	Group		Company	
		2025 N '000	2024 N '000	2025 N '000	2024 N '000
Cash flows from operating activities					
Profit Before Taxation		179,502,435	136,668,246	53,304,660	18,486,442
Adjustments for:					
Depreciation of property, plant and equipment	20	11,736,230	9,134,732	29,509	26,440
Amortisation of intangible assets	24	5,812,641	48,294	-	-
Depreciation of right of use asset	21	56,759	56,759	56,759	56,759
PPE written off	20	1,648,871	-	-	-
Loss/ (Profit) on disposal of property, plant and equipment	11	(39,413)	(29,290)	3,428	(27)
Key money	11	(152,825)	-	-	-
Day 1 Gain Income	11	(448,077)	-	-	-
Rental income	11	(57,500)	-	(57,500)	-
Gain on disposal of investments	11	-	(11,028,872)	-	(11,028,872)
Gain on asset held for sale		-	(56,975)	-	-
Adjustment from PPE	20	907,322	-	-	-
Dividend income on equity securities	11	(1,690,548)	(2,075,863)	(1,593,223)	(2,075,863)
Net unrealised foreign exchange gain	11.1	457,950	(4,345,733)	(5,699)	-
Finance income	12	(1,218,212)	(1,814,739)	(2,970,109)	(2,205,821)
Finance cost on loan and borrowings	13	18,600,108	18,785,524	6,401,370	8,888,414
Adjustment for tax on franked income	17	(1,813,083)	(859,253)	(1,813,083)	(859,253)
Impairment loss on financial assets	16	12,805,370	9,665,078	35,623	126,876
Impairment loss on PPE	20	4,885,620	-	-	-
Increase in fair value of investment properties	22	(10,100,000)	(2,300,000)	(10,100,000)	(2,300,000)
Changes in working capital:					
Increase in Inventories		(1,125,373)	(699,417)	-	-
(Increase)/Decrease in Trade and Other Receivables		(234,035,782)	(185,766,278)	(3,188,662)	32,361,410
Decrease/(Increase) in Prepayments		701,175	2,258,271	8,191	(58,248)
Decrease in assets classified as held for sale		-	2,138,224	-	-
Increase/(Decrease) in Trade and Other Payables		55,846,097	113,576,249	(21,388,835)	(8,725,157)
Increase/(Decrease) in Contract Liabilities		720,180	(91,491)	-	-
(Decrease)/increase in Deferred Income		-	(437,804)	-	11,500
Cash generated from operations		42,999,945	82,825,664	18,722,429	32,704,600
Income tax paid	17.1	(3,775,951)	(4,343,950)	(729,563)	(346,308)
Defined benefit paid	39	(43,077)	(45,384)	-	-
Net cash generated by operating activities		39,180,917	78,436,329	17,992,866	32,358,292
Cash flows from investing activities					
Purchase of property, plant and equipment	20	(21,366,602)	(24,772,434)	(519,325)	(38,161)
Proceeds from sale of property, plant and equipment		57,212	31,722	1,687	500
Proceeds of disposal of investments	6	-	11,328,528	-	11,328,528
Purchase of investment in financial assets	25	-	(1,789,700)	-	-
Redemption of debt securities	25	-	1,771,242	-	-
Purchase of other investments	40	(11,000,000)	(20,377,722)	(5,000,000)	(3,377,722)
Purchase of other intangible assets	24	(128,110)	(6,001,635)	-	-
Proceed on disposal of subsidiary		-	418,750	-	-
Proceed from rental income	34	65,000	-	65,000	-
Interest received	12	1,058,561	1,814,739	2,970,109	-
Dividend income on equity securities	11	1,690,548	2,075,863	1,593,223	2,075,863
Deposit for investments	37	-	-	-	(28,385,000)
Net cash used in investing activities		(29,623,391)	(35,500,647)	(889,306)	(18,395,992)
Cash flows from financing activities					
Proceeds from borrowings	26.1	23,526,569	26,868,268	-	-
Repayment of borrowings	26.1	(38,294,853)	(46,116,827)	(1,915,941)	(1,864,051)
Deposit for shares	38	56,655,000	15,000,000	-	-
Dividends paid	36.1	(30,347,242)	(26,949,633)	(10,161,999)	(8,129,598)
Interest paid	26.1	(16,809,340)	(14,563,356)	(4,938,342)	(4,076,547)
Net cash used in financing activities		(5,269,866)	(45,761,548)	(17,016,281)	(14,070,196)
Net increase/(decrease) in cash and cash equivalents		4,287,660	(2,825,866)	87,279	(107,896)
Cash and cash equivalent at the beginning of the year	31	17,966,955	12,536,107	927,838	(1,294,819)
Effect of foreign exchange rate changes		(369,663)	4,345,733	5,699	-
Cash and cash equivalent at end of the year	31.1	21,884,952	14,055,974	1,020,816	(1,402,715)

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



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

Notes to the Consolidated and Separate Financial Statements

1. Corporate information

The consolidated and Separate financial statements of Transnational Corporation Plc and its subsidiaries (collectively, the Group) for the year ended 31 December, 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 23 February, 2026. Transnational Corporation Plc (the Company or the Parent) is a public company incorporated under the Companies and Allied Matters Act (CAMA) on 16 November 2004, domiciled in Nigeria and whose shares are publicly traded on the Main Board of the Nigerian Exchange Limited (NGX). The registered office is located at 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Major Shareholder is HH Capital Limited with 2,999,821,729 shares being 29.52% shareholding.

The Group is principally engaged in the power, oil & gas and hospitality sectors. Information on the Group's structure is provided in Note 6. Information on other related party relationships of the Group is provided in Note 43.

2. Material Accounting Policies

2.1 Basis of preparation

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

The Consolidated and Separate financial statements have been prepared on a historical cost basis, except for investment properties and equity financial assets that have been measured at fair value. The Consolidated and Separate financial statements are presented in Naira, and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The Consolidated and Separate financial statements provide comparative information in respect of the previous year.

2.2 Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Basis of consolidation

The Consolidated and Separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Notes to the Consolidated and Separate Financial Statements

2.3 Basis of consolidation (cont'd)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated and Separate financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Notes to the Consolidated and Separate Financial Statements

2.4 Business combinations and goodwill (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the Bargain purchase gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a Cash-Generating Unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the Consolidated and Separate Financial Statements

2.5 Current versus non-current classification (cont'd)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.6 Fair value measurement

The Group measures financial instruments such as equity financial assets, and non-financial assets such as investment properties, at fair value at each reporting date.

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

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

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

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

2.6 Fair value measurement (cont'd)

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

Management determines the procedures for both recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by management after discussion with and approval by the Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated after a periodic assessment on the need to change valuers are carried out. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, fair value measurement hierarchy - Note 8
- Quantitative disclosures of fair value measurement hierarchy - Note 8
- Investment properties - Note 22
- Financial instruments (including those carried at amortised cost) - Note 7

2.7 Revenue from contracts with customers

The Group is principally engaged in the power, oil & gas and hospitality industry.

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 expects to be entitled in exchange for those goods or services.

The Group 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.

Notes to the Consolidated and Separate Financial Statements

2.7 Revenue from contracts with customers (cont'd)

The Group has applied the practical expedient in IFRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

At contract inception, the Group assesses the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Group assessed the goods and services as capable of being distinct and as distinct within the context of the contract after considering the following:

- If the customer can benefit from the individual good or service on its own;
- If the customer can use the good or service with other readily available resources; service on its own;
- If multiple promised goods or services work together to deliver a combined output(s); and
- whether the good or service is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Dividend Income from subsidiaries

Dividend income from subsidiaries is recognized when the right to receive the dividend is established, which is generally when the dividend is declared by the subsidiary. The income is recorded in the income statement of the parent company as part of its revenue. This is netted off on consolidation.

Management fees and Operation, Maintenance & Commercial (OM&C) from subsidiaries

Management fees and OM&C fees from subsidiaries are recognized as part of revenue in the financial statements. These fees are invoiced by the parent company to its subsidiaries for management services, operation, maintenance and commercial activities rendered. The recognition of these management fees is aligned with the recognition of the associated revenue based on the agreed-upon terms and conditions of the management service agreements. This is netted off on consolidation.



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

Notes to the Consolidated and Separate Financial Statements

2.7 Revenue from contracts with customers (cont'd)

Rooms

Contract for the rendering of service by providing a room for an agreed period begins on performance which is when a customer checks in.

The Group recognises revenue from the provision of room over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an output method in measuring progress for the provision of room because time elapsed faithfully depict the entity's performance towards complete satisfaction of the performance obligation. The normal credit term is 30 to 90 days upon check-in.

Food and beverages

The Group sells food and beverages to hotel guests and visitors. The Group recognises revenue from the sale of food and beverages at a point in time when control of the food and beverage is transferred to the customer.

Energy and capacity charge

Capacity charge is recognized monthly based on the average of available capacity declared at the beginning of the month. Revenue from energy sent out is calculated on the basis of megawatts of electricity pushed to the transmission grid. The capacity charge and energy delivered are included in revenue reported in the profit and loss account.

Contract for the sale of electric power begins when the energy is generated, sent to the grid and control transfers to the transmission company then revenue is recognised per the energy generated and transmitted to the grid by the Group.

The Group 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 (if any). In determining the transaction price for the sale of electric power, the Group considers the existence of significant financing components and consideration payable to the customer.

Ancillary services

Ancillary services relate to services provided by the Group, other than the primary production of electricity, which is used to operate a stable and secure Power System including but not limited to reactive power, operating reserve, frequency control and black start capability. The ancillary services are provided in line with the existing agreement.

The Group recognises revenue from ancillary services over time as control is transferred.

Other services

The Group generates revenue from other streams such as secretarial services, recreational services, service charge, shop rental and other operating services. Revenue from rendering these services is recognised over time with the exception of secretarial services and service charge. For the revenue recognised over time, the Group uses the output method in measuring progress for the provision of the amenities because time elapsed. This faithfully depicts the entity's performance towards complete satisfaction of the performance obligation.

A flat rate service charge is included in the consideration expected from the customer. A portion of this (10%) is earned by the company and the balance is paid to the staff.

Notes to the Consolidated and Separate Financial Statements

2.7 Revenue from contracts with customers (cont'd)

Trade receivables

A receivable represents the Group'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 Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the 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 performs under the contract (i.e., transfers control of the related goods or services to the customer).

Security deposit

The Group receives a refundable deposit from customers. The refundable deposit is called a security deposit, and the deposit is used to recoup unpaid balances owed by the customer. However, if the customer does not have unpaid balances, the security deposit is refunded to the customer.

2.8 Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated and Separate Financial Statements

2.8 Taxes (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

2.8 Taxes (cont'd)

Value added tax (VAT)

Expenses and assets are recognised net of the amount of value added tax (VAT), except:

- When the value added tax (VAT) incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax (VAT) included.

The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.9 Foreign currencies

The Group's Consolidated and Separate financial statements are presented in Naira, which is also the parent company's functional currency. For each entity, the Group determines the functional currency; and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Notes to the Consolidated and Separate Financial Statements

2.10 Dividend to Shareholders

A dividend is recognized as a liability when it is declared by the board of directors and approved by the shareholders. For interim dividends, the liability is recognized as soon as the dividend is declared by the board, while for final dividends, the liability is recognized once the shareholders approve the dividend at the annual general meeting (AGM). A corresponding amount is recognised directly in equity.

2.11 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the motor vehicle, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of motor vehicle and plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Notes to the Consolidated and Separate Financial Statements

2.11 Property, plant and equipment (cont'd)

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

Item	Depreciation Method	Average useful life
Buildings	Straight line	50 years
Freehold land	Not depreciated	
Plant and machinery	Straight line	10 to 50 years
Furniture and fixtures	Straight line	5 to 10 years
Motor vehicles	Straight line	4 to 5 years
Computer and office equipment	Straight line	3 to 10 years
Leasehold improvements	Straight line	5 to 10 years

Assets are depreciated when available for use.

Derecognition of Property, Plant and Equipment

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

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

2.12 Leases

The Group 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

The Group applies a single recognition and measurement approach for its lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Consolidated and Separate Financial Statements

2.12 Leases (cont'd)

Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-Use Assets

The Group 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 asset 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 asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as shown below:

Item	Depreciation Method	Average useful life
Office Buildings	Straight line	5 years

If ownership of the leased asset transfers to the Group 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 on Impairment of non-financial assets.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of 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 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.

Notes to the Consolidated and Separate Financial Statements

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

If an entity owns property that is leased to, and occupied by, another entity in the same group, the property does not qualify as investment property in the consolidated financial statements that include both entities. This is because the property is owner-occupied from the perspective of the group as a whole. However, from the perspective of the individual entity that owns it, the property is an investment property.

2.15 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Notes to the Consolidated and Separate Financial Statements

2.15 Intangible assets (cont'd)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Derecognition of Intangible Assets

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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.

Goodwill with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the Cash-Generating Unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Computer software

Computer software acquisition costs recognised as assets are amortised over their estimated useful lives from the point at which the asset is ready for use. The estimated useful lives of the software of the group is between three to eight years.

Research and development

Research costs are charged to expense as incurred.

Development expenses are capitalised when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its ability to use or sell the intangible asset;
- The technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- The ability of the asset to generate probable future economic benefits;
- The ability to measure reliably the expenditures attributable to the asset; and
- The feasibility and intention of the Group to complete the intangible asset and use or sell it.

Advertising, training and start-up costs are charged to expense when incurred. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Notes to the Consolidated and Separate Financial Statements

2.15 Intangible assets (cont'd)

Oil and natural gas exploration & evaluation, appraisal and development expenditure

The Group applies IFRS 6 “Exploration for and Evaluation of Mineral Resources” for exploration and evaluation costs. Oil and natural gas properties and expenditures; and Exploration and Evaluation assets are accounted for in accordance with the successful effort method of accounting (SEM).

Pre- license costs

Pre-license costs are expensed in the period in which they are incurred.

License acquisition costs

Exploration license acquisition costs are capitalized within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the license and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and natural gas properties. License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit.

Acquisition of producing assets

Upon acquisition of producing assets, where the Group does not have control, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Exploration and evaluation costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors. Geological and geophysical costs are recognized in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient or continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss. When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and natural gas properties.

Notes to the Consolidated and Separate Financial Statements

2.15 Intangible assets (cont'd)

No amortization is charged during the exploration and evaluation phase. For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized in the profit or loss.

Development expenditure

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised within oil and natural gas properties.

2.16 Financial instruments – initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

Financial assets are 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'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 has applied the practical expedient, the Group 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 has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Notes to the Consolidated and Separate Financial Statements

2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

i) Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (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's financial assets at amortised cost includes trade receivables, receivables from other related parties and debt instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Notes to the Consolidated and Separate Financial Statements

2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

i) Financial assets (cont'd)

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 Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group 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 3
- Trade and Other receivables - Note 29

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

The receivables are grouped into two categories for the purpose of ECLs assessment. For credit exposures for which there have 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 (a 12-month ECL). For those credit exposures for which there have 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 (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Consolidated and Separate Financial Statements

2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

i) Financial assets (cont'd)

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

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities as loans and borrowings, or payables, 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's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Gains or losses on liabilities held for trading are recognised in profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 26.

Notes to the Consolidated and Separate Financial Statements

2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

ii) Financial liabilities (cont'd)

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.

iii) Offsetting of financial instruments

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

2.17 Inventories

Inventory is stated at a lower cost and net realisable value. Cost is determined using the weighted average cost method. The cost of inventory includes purchase costs and costs directly attributable to the purchase.

Inventory comprises of engineering spares that are not ready for use (complex installation process), tools and lubricants.

Subsequent to initial recognition, inventory is measured at the lower of cost and net realisable value. Any write down of inventory to net realisable value is recognised in the statement of profit or loss. Inventories are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Direct materials: purchase cost on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale for example, costs to be incurred in marketing, selling and distribution.

Notes to the Consolidated and Separate Financial Statements

2.18 Impairment of non-financial assets

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

- Disclosures for significant assumptions - Note 3
- Property, plant and equipment - Note 20
- Other Intangible asset - Note 24
- Goodwill - Note 23

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.19 Cash and cash equivalent

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

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

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Pension and other post-employment benefits

Defined contribution scheme - pension

The Group operates a defined contribution plan for its staff in accordance with the provisions of the Pension Reform Act 2014 as amended. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

Each employee contributes 8% of annual earnings (basic pay, transport and housing), while the employer contributes 10% the staff annual earnings to the scheme. Staff contributions to the plan are funded through payroll deductions while the Group and Company's contribution is recorded as employee benefit expense in profit or loss.

The Group does not have any legal or constructive obligation to pay further amounts if the plan asset is not sufficient to fund the obligation.

Short term Employee Benefit

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and obligation can be estimated reliably.

2.21 Pension and other post-employment benefits (cont'd)

Other long-term employee benefits

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The Projected Unit Credit (PUC) method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The regular benefit expense for the year to be recognised in Profit/Loss is a result of:

- a) the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 15);
- b) plus net interest on the net liability, i.e.:
 - interest cost on the accrued defined benefit obligation;
 - interest income on the fair value of plan assets (if any);

The amount recognised as a net benefit liability in the Consolidated Statement of Financial Position is:

- the deficit in the plan; (see note 39);
- plus the effect of asset ceiling, if applicable;
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset);
- actuarial gains and losses arising during the financial year;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Amendments to Plan, Curtailments and Settlements in the Staff Long Service Award (LSA) plan

During the current financial year, there was no change made to the Long Service Award (LSA) plan. Also, there were no material events, curtailment or settlements during the financial year.

2.22 Deferred income

The Group enters into transactions where the fair value of the financial instruments is determined using valuation models for which certain inputs are not based on market-observable prices or rates. Such financial instruments are initially recognised at fair value. The transaction price may differ from the valuation amount obtained, giving rise to a day one gain or loss.

The difference between the transaction price and the valuation amount commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances from Bank of Industry (See note 34)

For the Company, deferred income relates to rental income received on the investment property. Income is recognised in equal amounts over the expected period.

2.23 Profit-sharing and bonus plan

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board, and the expense is recognised in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

2.24 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met.

The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

2.25 Share Capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the period in which they are declared.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



Transnational Corporation Plc

Consolidated and Separate Financial Statements

For the year ended 31 December 2025

Notes to the Consolidated and Separate Financial Statements

3.1 Judgements

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

Revenue from contracts with customers

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

Determining the timing of satisfaction

The Group concluded that revenue from energy and capacity supplied, rooms and other services will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the output method is the best method in measuring progress while rendering the services to the customer. The output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

In addition, the Group determined that the output method is the best method in measuring progress of the energy and capacity supplied because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

The Group concluded that revenue from selling food and beverages is to be recognised at a point in time because sale of food and beverage do not meet the requirements of being satisfied overtime. The Group has assessed that a customer obtains control of the food and beverage when:

Allocation of transaction price to customer loyalty programme

- The Group has a present right to payment for the food and beverage;
- The Group has transferred physical possession of the food and beverage to the Customer;
- The customer has the significant risks and rewards of the food and beverage;

The Group has assessed that revenue earned from service charge will be recognised as the host good or service is being satisfied. For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services are being recognised.

For food and beverage: revenue earned from service charge levied on food and beverage will be recognised at a point in time, in line with how revenue from food and beverage are being recognised.

3.1 Judgements (cont'd)

Principal versus agent considerations: Hilton Honors- customer loyalty program

The Group participates in the Hilton Honors customer loyalty program. The loyalty program allows a customer to earn points for nights spent in the hotel. On accumulating sufficient points, the customer earns a discount that can be used at any Hilton Hotel worldwide. The Group determined that it acts as an agent in the transaction through assessing the following:

- a. The Group is not primarily responsible for fulfilling the promise to provide the specified benefit arising from earning loyalty points.
- b. The Group has no control of loyalty program.
- c. The Group does not determine the cash value of the points earned by customers.

3.2 Estimates and assumptions

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on comparative method of valuation was used to arrive at the fair value of the land. The Group engaged an independent valuation specialist to assess fair values as at 31 December, 2025 for the investment properties.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 22.

Valuation Basis

The basis of valuation of the investment property is the comparative method, that is, the price, which an interest in a property might reasonably be expected to realize in a comparative property within same area assuming:

- a. willing buyer;
- b. reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- c. values will remain static throughout the period;
- d. the property will be freely exposed to the market;
- e. no account is to be taken of an additional bid by a special purchaser;
- f. no account is to be taken of expenses of realization, which may arise in the event of a disposal.

Method of Valuation

We have valued the property in the open market using the Direct Market Comparison method of valuation.

Direct Market Comparison Approach

This approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions to arrive at the value. The process uses one of several techniques to adjust the prices of the comparable transactions according to the presence, absence or degree of characteristics which influence value.

3.2 Estimates and assumptions (cont'd)

Impairment of non-financial assets - Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 23.

Provision for expected credit losses of trade receivables and Contract Assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 29.

Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost (due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL in Note 29 is further detailed below, which also sets out key sensitivities of the ECL to changes in these elements.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

3.2 Estimates and assumptions (cont'd)

Measurement of the expected credit loss allowance for financial asset (cont'd)

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

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

Taxes

Deferred tax assets are recognised for 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 upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Impairment of property, plant and equipment

The Company assesses annually whether property, plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of property, plant and equipment have been determined based on fair value less cost to sell calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. The carrying amount of the Group's property, plant and equipment at the end of reporting period is disclosed in Note 20 to the financial statements.

4 New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has applied amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

Transnational Corporation Plc

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4.2 New and revised IFRS Accounting Standards in issue but not yet effective

New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Group's consolidated financial statements. At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

- 1) Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- 2) Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
- 3) IFRS 18 Presentation and Disclosures in Financial Statements
- 4) IFRS 19 Subsidiaries without Public Accountability: Disclosures
- 5) Annual Improvements to IFRS Accounting Standards – Volume 11

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

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

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of the entity are still assessing the impact to the group's consolidated financial statements in future periods.

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4.2 New and revised IFRS Standards in issue but not yet effective (cont'd)

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

Amendments to IFRS 9 Financial Instruments

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

4.2 New and revised IFRS Standards in issue but not yet effective (cont'd)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

Guidance on implementing IFRS 7—Introduction and credit risk disclosures

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

IFRS 9 Financial Instruments—Derecognition of lease liabilities

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9:2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

IFRS 9 Financial Instruments—Transaction price

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9:5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9:5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.



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4.2 New and revised IFRS Standards in issue but not yet effective (cont'd)

IFRS 10 Consolidated Financial Statements—Determination of a ‘de facto agent’

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory.

IFRS 10:B73 refers to ‘de facto agents’ as parties acting on the investor’s behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term ‘cost method’ with ‘at cost’ in IAS 7:37 in line with the removal of the definition of ‘cost method’ from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

5 Segment analysis

The Group

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker has been identified as the President/Group CEO for Transnational Corporation Plc and the Managing Director/CEO of respective Subsidiary Companies. The President/Group CEO and the respective Managing Director/CEO of each subsidiary reviews the Group and Individual Company's internal reporting in order to assess performance and allocate resources. The President/Group CEO has determined the operating segments based on these reports. Assessment of performance is based on operating profit of the operating segment that is reviewed by the President/Group CEO and other Directors. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Directors consider the business from an industry perspective and have identified five (5) operating segment which are listed below.

All businesses are situated in Nigeria. In addition, inter-segmental transactions have been properly eliminated upon consolidation.

**Transnational Corporation Plc**

Consolidated and Separate Financial Statements

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Notes to the Consolidated and Separate Financial Statements**5 Segment analysis (cont'd)****i Hospitality**

The hospitality business is made up of its direct subsidiary Transcorp Hotels Plc. (THP) (with its subsidiaries, Transcorp Hotels Ikoyi Limited, Transcorp Hotels Port Harcourt Limited and Aura by Transcorp Hotels Limited). These entities render hospitality services to customers.

ii Agro-allied

This relates to a subsidiary, Teragro Commodities Limited. The subsidiary is engaged in the manufacturing/processing of fruit concentrates from fruits. This subsidiary is currently non-operational.

iii Power

This relates to subsidiaries, Transcorp Power Plc and TransAfam Power Limited (with its subsidiaries, Afam Power Limited and Afam Three Fast Power Limited). The subsidiaries engaged in generation and sale of electric power.

iv Oil & Gas

Two subsidiaries make up the oil & gas segment namely Transcorp Energy Limited and Transcorp OPL 281 Limited. The companies are into the exploration, refining and marketing of petroleum products. The subsidiaries are in the start-up phase.

v Corporate Centre

This segment is the parent Company, Transnational Corporation Plc and the other non-operational subsidiaries.

The President/Group CEO who is the Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Notes to the Consolidated and Separate Financial Statements

5 Segment analysis (cont'd)

The revenue from external parties reported to the Group is measured in a manner consistent with that in the income statement.

Total segment assets are included in the reconciliation to the total statement of financial position assets.

	Hospitality N'000	Oil & Gas N'000	Agro-Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
As at 31 December 2025							
Revenue	97,038,178	173,748	-	483,971,367	54,766,079	(91,808,759)	544,140,613
Cost of Sales	(22,634,942)	-	-	(283,824,930)	-	36,868,932	(269,590,942)
Gross profit	74,403,236	173,748	-	200,146,437	54,766,079	(54,939,827)	274,549,671
Other operating income	761,743	-	-	97,591	11,853,046	-	12,712,381
Impairment gain/(loss) on financial assets	16,591	-	-	(13,726,036)	(35,623)	939,699	(12,805,370)
Impairment of PPE	-	-	-	(4,885,620)	-	-	(4,885,620)
Administrative expenses	(39,681,818)	(6,038,427)	-	(49,354,854)	(8,554,535)	31,400,853	(72,228,781)
Net foreign exchange gain	(258,052)	(11)	-	(194,187)	(5,699)	-	(457,950)
Finance cost	(3,739,195)	-	-	(13,512,780)	(7,688,717)	6,340,584	(18,600,108)
Finance income	1,315,129	618	-	5,863,528	2,970,109	(8,931,171)	1,218,212
Profit/(loss) before taxation	32,817,634	(5,864,072)	-	124,434,079	53,304,660	(25,189,865)	179,502,435
Taxation	(10,965,512)	-	-	(28,600,451)	(4,026,603)	-	(43,592,565)
Profit/(loss) after taxation	21,852,122	(5,864,072)	-	95,833,627	49,278,057	(25,189,865)	135,909,870
Profit /(loss) for the year	21,852,122	(5,864,072)	-	95,833,627	49,278,057	(25,189,865)	135,909,870
Total assets	159,905,916	15,054,152	16,753	777,950,166	165,062,738	(115,647,104)	1,002,342,622
Total liabilities	(64,676,473)	(28,881,785)	(19,945)	(590,874,544)	(46,180,564)	81,676,095	(648,957,216)
Net assets	95,229,443	(13,827,633)	(3,192)	187,075,622	118,882,174	(33,971,009)	353,385,406
Capital expenditure: Additions during the year- 2025							
	Hospitality N'000	Oil & Gas N'000	Agro-Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	10,437,295	-	-	10,409,982	519,325	-	21,366,602
Other intangible assets	128,110	-	-	-	-	-	128,110
Depreciation and amortisation							
Depreciation	3,371,542	-	-	8,335,179	29,509	-	11,736,230
Amortisation	47,425	5,759,325	-	5,891	-	-	5,812,641
As at 31 December 2024	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	70,134,425	-	-	348,321,180	14,409,555	(24,949,252)	407,915,908
Cost of Sales	(20,414,882)	-	-	(202,374,647)	-	10,539,695	(212,249,834)
Gross profit	49,719,543	-	-	145,946,533	14,409,555	(14,409,557)	195,666,074
Other operating income/(loss)	828,422	675	-	21,156	4,504,248	(37,312)	5,317,189
Impairment (loss)/gain on financial assets	(69,174)	-	-	(9,804,323)	(126,876)	1,075,162	(8,925,211)
Impairment loss on goodwill	-	-	-	-	10,907,442	-	10,907,442
Administrative expenses	(29,034,445)	(5,891,484)	(1,950)	(22,569,896)	(4,524,364)	8,097,240	(53,924,899)
Net foreign exchange gain	4,584,807	52	-	(238,156)	(970)	-	4,345,733
Finance cost	(4,011,065)	-	-	(12,202,908)	(8,888,414)	6,569,566	(18,532,821)
Finance income	594,546	-	-	7,348,594	2,205,821	(8,334,223)	1,814,739
Profit/(loss) before taxation	22,612,634	(5,890,757)	(1,950)	108,501,001	18,486,442	(7,039,124)	136,668,246
Taxation	(7,716,773)	-	-	(33,273,927)	(1,588,795)	-	(42,579,495)
Profit/(loss) after taxation	14,895,861	(5,890,757)	(1,950)	75,227,073	16,897,647	(7,039,124)	94,088,751
Profit /(loss) for the year	14,895,861	(5,890,757)	(1,950)	75,227,073	16,897,647	(7,039,124)	94,088,751
Total assets	140,696,212	18,237,599	16,753	571,621,906	141,965,681	(120,974,846)	751,563,305
Total liabilities	(60,177,063)	(26,205,167)	(21,895)	(445,740,708)	(66,530,854)	87,305,430	(511,370,257)
Net assets	80,519,149	(7,967,568)	(5,142)	125,881,198	75,434,827	(33,669,416)	240,193,048

Revenue for the Corporate Centre in 2025 and 2024 relates to Management, Technical Services and dividend income from the subsidiaries to the Company.

Other operating income relates majorly to dividend earned on equity investments, Change in fair value of investment properties and rental income.

Capital expenditure: Additions during the year 2024

	Hospitality N'000	Oil & Gas N'000	Agro-Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	12,227,977	-	-	12,506,296	38,161	-	24,772,434
Other intangible assets	60,567	5,941,068	-	-	-	-	6,001,635
Depreciation and amortisation							
Depreciation	2,589,053	-	-	6,519,239	26,440	-	9,134,732
Amortisation	42,403	-	-	5,891	-	-	48,294

Notes to the Consolidated and Separate Financial Statements

5 Segment analysis (cont'd)

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

Revenue	2025 N'000	2024 N'000
Total revenue for reportable segments	635,949,372	432,865,160
Elimination of inter-segment revenue (i)	(91,808,759)	(24,949,252)
External revenue	544,140,613	407,915,908
Profit or loss		
Profit for reportable segments	204,692,300	143,707,371
Elimination of inter-segment profits (iii)	(25,189,865)	(7,039,124)
Consolidated profit before taxation	179,502,435	136,668,246
Assets	31 December 2025	31 December 2024
Total assets of reportable segments	1,117,989,726	872,538,151
Consolidation eliminations (iv)	(115,647,104)	(120,974,846)
Consolidated total assets	1,002,342,622	751,563,305
Liabilities		
Total liabilities of reportable segments	730,633,311	598,675,687
Consolidation eliminations (v)	(81,676,095)	(87,305,430)
Consolidated total liabilities	648,957,216	511,370,257

The nature of differences between the measurements of the reportable segment' information and that of the Group is as follows:

- (i) Elimination of inter-segment revenue relates to dividend income from Transcorp Power Plc and Transcorp Hotels Plc to Transnational Corporation Plc and Management and technical service fees income from Transcorp Power Plc, Transcorp Hotels Plc and TransAfam Power Limited. It also includes Operation, Maintenance and Commercial.
- (ii) Elimination of intra group revenue and cost of sales relates to sales booked on behalf of TransAfam Power Limited by Transcorp Power Plc.
- (iii) Elimination of inter-segment profits relates to dividend income, management and technical service fees, and finance cost/income between the segments and income arising from transactions with non-controlling interests.
- (iv) Investments of Transnational Corporation Plc in its subsidiaries and investment of Transcorp Hotels Plc in Transcorp Hotels Port Harcourt Limited, Transcorp Hotels Ikoyi Limited and Aura by Transcorp Hotels Limited respectively account for the consolidation eliminations of total assets of reportable segments. Inter-segment receivables were also eliminated to arrive at the consolidated total assets.



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5 Segment analysis (cont'd)

- (v) Inter-segment payables, dividend payable to segments within the Group and management fees payable and interest payable to Transnational Corporation Plc from Transcorp Hotels Plc, Transcorp Power Plc and TransAfam Power Limited accounts for the consolidation eliminations in total liabilities of the reportable segments.

Entity-wide information

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

Analysis of revenue by category:	31 December 2025 N'000	31 December 2024 N'000
Rooms	63,471,581	45,597,829
Food and beverage	29,171,425	22,188,617
Event centre hall rental	1,612,900	-
Shop rental	1,787,286	1,575,361
Other operating revenue	994,986	772,618
Capacity charge	204,333,133	95,012,181
Energy sent out	242,751,302	242,751,302
Ancillary services	18,000	18,000
Total	544,140,613	407,915,908
Analysis of Cost of sales by category:		
Room	7,244,900	7,068,437
Food and beverages	14,962,285	12,675,995
Natural gas and fuel costs	210,576,732	170,014,783
Direct materials and related expenses	13,423,803	4,196,961
Employee costs	2,303,835	1,893,353
Depreciation and impairment	8,137,571	6,342,831
Amortisation	5,891	5,891
Repairs and maintenance	8,995,967	7,148,787
Insurance	672,652	1,178,559
Other expenses	3,267,306	1,724,237
	269,590,942	212,249,834

See segment breakdown of Revenue and cost of sales in note 9 and 10 respectively

The Group is domiciled in Nigeria. The total non-current assets of the Group are all located in Nigeria.

	31 December 2025 N'000	31 December 2024 N'000
Revenue generated from		
Local customers	427,093,479	353,235,355
International customers	117,047,134	54,680,553
	544,140,613	407,915,908

Notes to the Consolidated and Separate Financial Statements

6. Investment in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company					
Name of company	Principal activities	% holding		Carrying amount	Carrying amount
		2025	2024	2025	2024
				N' 000	N' 000
Transcorp Hotels Plc	Hospitality services	76.16 %	76.16 %	25,470,755	25,470,755
Transcorp Power Plc	Power generation	50.99 %	50.99 %	26,670,798	26,670,798
Transcorp Energy Limited	Exploration of petroleum product	99.00 %	99.00 %	9,900	9,900
TransAfam Power Limited	Power generation	95.00 %	95.00 %	47,500	47,500
Transcorp Properties Limited	Building	100.00 %	100.00 %	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100.00 %	100.00 %	500	500
Terago Commodities Limited	Growing of Agricultural product processing food and cash crops	95.00 %	95.00 %	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing	100.00 %	100.00 %	1,000	1,000
Transcorp Trading and Logistics Limited	General maritime Operation	100.00 %	100.00 %	10,000	10,000
Transcorp Telecomms Limited	Communication	100.00 %	100.00 %	10,000	10,000
Aura by Transcorp Hotel Limited	Communication services	100.00 %	100.00 %	20	20
Transcorp Hotel Plc's investments in subsidiaries include:					
Transcorp Hotels Port Harcourt Limited	Hospitality services	100.00 %	100.00 %	-	-
Transcorp Hotels Ikoyi Limited	Hospitality services	58.00 %	58.00 %	-	-
Aura by Transcorp Hotels Limited	Hospitality services	60.00 %	60.00 %	-	-
TransAfam Power Limited's investments in subsidiaries include:					
Afam Power Plc	Power generation	100.00 %	100.00 %	-	-
Afam Three Fast Power Limited	Power generation	100.00 %	100.00 %	-	-
				52,239,973	52,239,973

Notes to the Consolidated and Separate Financial Statements

6. Investment in subsidiaries including consolidated structured entities (cont'd)

6.1 Movement in investment in subsidiaries

	2025 N' 000	2024 N' 000
As at 1 January	52,239,973	52,539,631
Additional investment during the year	-	-
Disposal of investment	-	(299,658)
	52,239,973	52,239,973
For Cashflow purpose	2025 N' 000	2024 N' 000
Additional investment during the year	-	-
Proceed from sales of shares during the year	-	11,328,528
Non cash items	-	-
	-	11,328,528

6.3 Material partly-owned subsidiaries

Financial information of subsidiaries that have non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2025	2024
Transcorp Hotels Plc	Nigeria	23.84 %	23.84 %
Transcorp Power Plc	Nigeria	49.01 %	49.01 %
TransAfam Power Limited	Nigeria	5.00 %	5.00 %

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2025	2024	2025	2024	2025	2024
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Assets						
Non-current assets	130,416,014	122,107,540	89,433,923	87,691,019	133,465,559	132,635,128
Current assets	29,489,902	18,588,672	474,045,034	309,091,249	81,005,649	42,204,509
Non-current assets held for sale						
Total assets	159,905,916	140,696,212	563,478,957	396,782,268	214,471,208	174,839,637
Liabilities						
Non-current liabilities	27,899,577	26,422,319	28,020,336	40,347,503	110,565,000	53,910,000
Current liabilities	36,776,896	33,754,744	352,059,843	229,809,150	100,229,365	90,174,055
Total liabilities	64,676,473	60,177,063	380,080,179	270,156,653	210,794,365	144,084,055
Total net assets	95,229,443	80,519,149	183,398,778	126,625,615	3,676,843	30,755,582
Carrying amount of non-controlling interest	22,702,699	19,195,765	89,883,741	28,022,734	183,842	1,537,779

Transcorp Hotels Plc Group includes Transcorp Hotels Port-Harcourt, Transcorp Hotels Ikoyi

Summarised consolidated and separate statement of profit or loss and other comprehensive income

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2025	2024	2025	2024	2025	2024
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue	97,038,178	70,134,425	398,268,482	305,943,634	85,702,885	42,377,546
Cost of sales	(22,634,942)	(20,414,882)	(216,406,109)	(163,733,739)	(67,418,822)	(38,640,911)
Other operating income	761,743	828,422	(10,241)	1,792,749	(86,354)	(2,009,748)
Impairment (loss)/gain on financial assets	16,591	(69,174)	(11,565,900)	(8,109,188)	(2,160,136)	(1,695,134)
Impairment loss on PPE	-	-	(812,243)	-	(4,073,377)	-
Administrative expenses	(39,681,818)	(29,034,445)	(44,530,852)	(20,090,766)	(4,824,001)	(2,479,129)
Net foreign exchange gain	(258,052)	4,584,807	-	-	-	-
Finance income	1,315,129	594,546	5,782,004	7,342,864	81,524	5,730
Finance cost	(3,739,196)	(4,011,066)	(10,707,468)	(9,858,358)	(2,805,312)	(2,344,550)
Profit before tax	32,817,634	22,612,634	120,017,672	113,287,195	4,416,406	(4,786,196)
Tax expense	(10,965,512)	(7,716,773)	(28,600,450)	(33,273,928)	-	-
Profit after tax from continuing operations	21,852,122	14,895,861	91,417,222	80,013,268	4,416,406	(4,786,196)
Loss for the year from discontinued operations	-	-	-	-	-	-
Profit for the year	21,852,122	14,895,861	91,417,222	80,013,268	4,416,406	(4,786,196)

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2025	2024	2025	2024	2025	2024
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cash flows from operating activities	34,224,097	20,002,512	56,300,359	54,848,446	16,579,210	2,381,389
Cash flows from investing activities	(10,710,453)	(13,827,460)	(7,290,952)	(22,187,436)	(7,625,604)	(4,970,465)
Cash flows from financing activities	(14,713,541)	(10,272,308)	(55,125,586)	(31,250,708)	(7,349,938)	2,464,058
Net increase(decrease) in cash and cash equivalents	8,800,103	(4,097,256)	(6,116,179)	1,410,302	1,603,668	(125,018)

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise of loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, investment in financial assets and cash and bank balances that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Classes and categories of financial instruments and their fair values

Categories of financial assets

Group - 2025 Carrying Value

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	46,171,728	-	46,171,728
Trade and other receivables	29	-	543,729,931	543,729,931
Cash and cash equivalent	31	-	21,884,952	21,884,952
Other Investments	40	12,800,450	-	12,800,450
		58,972,178	565,614,883	624,587,061

Group - 2024 Carrying value

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	18,217,915	-	18,217,915
Trade and other receivables	29	-	322,499,519	322,499,519
Cash and cash equivalent	31	-	17,966,955	17,966,955
Other Investments	40	22,178,172	-	22,178,172
		40,396,087	340,466,474	380,862,561

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

Company - 2025

Carrying value

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	24,137,226	-	24,137,226
Trade and other receivables	29	-	31,086,297	31,086,297
Cash and cash equivalent	31	-	1,020,816	1,020,816
Other Investments	40	5,400,100	-	5,400,100
		29,537,326	32,107,113	61,644,439

Company - 2024

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	16,428,215	-	16,428,215
Trade and other receivables	29	-	27,933,258	27,933,258
Cash and cash equivalent	31	-	927,838	927,838
Other Investments	40	3,777,822	-	3,777,822
		20,206,037	28,861,096	49,067,133

Categories of financial liabilities

Group - 2025

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	346,724,673	346,724,673
Borrowings	26	75,463,319	75,463,319
		422,187,992	422,187,992

Group - 2024

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	260,430,527	260,430,527
Borrowings	26	88,512,242	88,512,242
		348,942,769	348,942,769

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

Company - 2025			
	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	36	3,221,072	3,221,072
Borrowings	26	34,250,467	34,250,467
		37,471,539	37,471,539
Company - 2024			
	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	36	28,549,103	28,549,103
Borrowings	26	34,814,522	34,814,522
		63,363,625	63,363,625

Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, share premium, share reconstruction reserve and retained earnings attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the finance covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% and 70%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	Note(s)	Group		Company	
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
Borrowings	26	75,463,319	88,512,242	34,250,467	34,814,522
Total debt		75,463,319	88,512,242	34,250,467	34,814,522
Cash and cash equivalent	31	(21,884,952)	(17,966,955)	(1,020,816)	(927,838)
Net debt		53,578,367	70,545,287	33,229,651	33,886,684
Equity		353,385,406	240,193,048	118,882,174	75,434,827
Capital and net debt		406,963,773	310,738,335	152,111,825	109,321,511
Gearing ratio		13 %	23 %	22 %	31 %

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets finance covenants attached to the interest-bearing loans and borrowings that decline capital structure requirements. Breaches in meeting the finance covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the finance covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December, 2025 and 2024.

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

Financial risk management

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a finance instrument or customer contract, leading to a finance loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and finance institutions, foreign exchange transactions and other finance instruments.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to credit risk is presented in the table below:

Group	Note(s)	2025			2024		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.4	576,880,602	(33,150,671)	543,729,931	341,063,444	(18,563,925)	322,499,519
Cash and cash equivalent	31	21,884,952	-	21,884,952	17,966,955	-	17,966,955

Company	Note(s)	2025			2024		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.4	33,031,751	(1,945,454)	31,086,297	29,843,089	(1,909,831)	27,933,258
Cash and cash equivalent	31	1,020,816	-	1,020,816	927,838	-	927,838

Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). 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 29. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Trade receivables - Group						
Note	Days past due					Total N' 000
	Current N' 000	<30 days N' 000	30-60 days N' 000	61-90 days N' 000	> 91 days N' 000	
31 December 2025						
Third party receivables						
Expected credit loss rate	0.72%	1.67%	5.36%	7.12%	12.76%	
Estimated total gross carrying amount at default	29.5 2,423,150	204,519,018	67,896,616	118,366,031	138,289,909	531,494,723
Expected credit loss	29.5 17,475	3,414,010	3,637,016	8,432,441	17,649,729	33,150,671
31 December 2024						
Third party receivables						
Expected credit loss rate	0.72%	1.74%	4.86%	6.81%	13.08%	
Estimated total gross carrying amount at default	29.5 1,212,428	115,085,946	38,007,527	66,624,465	77,761,644	298,692,010
Expected credit loss	29.5 8,765	2,004,619	1,846,399	4,535,299	10,168,843	18,563,925

There is no trade receivables for the Company.

Reconciliation of Loss Allowances on Third Party Receivables

	Group		Company	
	2025	2024	2025	2024
As at 1 January	18,563,925	8,898,847	1,909,830	1,782,954
Charge for the year	12,805,370	8,925,211	35,623	126,876
Write-off	1,781,376	739,867	-	-
As at 31 December	33,150,671	18,563,925	1,945,453	1,909,830

Related party receivables (Note 29.2)

	Company	
	2025	2024
Expected credit loss rate	3.6%	4.8%
Estimated total gross carrying amount at default	29,858,702	27,757,422
Expected credit loss	1,073,046	1,344,086

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

Credit Risk management

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other finance institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk is the risk that fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (When revenue or expense is denominated in a foreign currency).

Foreign Currency Balance (shown in foreign currency amount)

	Group		Company	
	2025	2024	2025	2024
USD	1,611,458	4,034,049	4,458	6,049
GBP	9,000	9,000	-	-
Euro	36,458	36,458	-	-

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

Group	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Effect on profit before tax:	N	N	N	N
Change in USD rate 5% (2024: 5%)	115,683,350	(115,683,350)	309,814,952	(309,814,952)
Change in GBP rate 5% (2024: 5%)	870,111	(870,111)	949,500	(949,500)
Change in Euro rate 5% (2024: 5%)	3,075,777	(3,075,777)	3,117,194	(3,117,194)
	119,629,239	(119,629,238)	313,881,646	(313,881,646)
Company	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Effect on profit before tax:				
Change in USD rate 5% (2024: 5%)	320,034	(320,034)	464,552	(464,552)

This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the reporting date. The Group's sensitivity to foreign currency has increased during the current year mainly due to the additional loans and borrowing denominated in United States Dollar (USD). In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is being reduced since the Group's long-term debt obligations are fixed interest rates.

Equity price risk

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value listed on the Nigeria Exchange Limited (NGX) was N46,170,334,000 (31 December, 2024: N18,217,916,000). The changes in fair values of the equity investments held are strongly positively correlated with changes of the NGX market index. The Group has determined that an increase/(decrease) of 5% on the NGX market index could have an impact of approximately N2,308,516,690 (31 December, 2024: N910,895,800) increase/(decrease) on the income and equity attributable to the Group.

7.1 Expected credit loss measurement - other financial assets

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

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

7.1 Expected credit loss measurement - other financial assets (cont'd)

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 (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 (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 finance assets including information about their impairment allowance are disclosed below respectively.

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

7.1a 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 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of experts within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December, 2025 and 31 December, 2024.

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

7.1a The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-25	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Upside (10%)	3,315,067	1,856,392	194,545	190,983
Base (82%)	27,183,550	15,222,419	1,595,272	1,566,061
Downturn (8%)	2,652,054	1,485,114	155,636	152,786
	33,150,671	18,563,925	1,945,453	1,909,830

7.1b Trade and other receivable and ECL allowances

	Group		Company	
	Dec 2025	Dec 2024	Dec 2025	Dec 2024
	N'000	N'000	N'000	N'000
Trade and other receivables	576,880,602	341,063,444	33,031,75	129,843,089
ECL Allowance	(33,150,671)	(18,563,925)	(1,945,454)	(1,909,831)
At 31 December	543,729,931	322,499,519	31,086,297	27,933,258

Excessive risk concentration

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market Management monitors, rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market management monitors, rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

7.1b Liquidity risk (cont'd)

This is generally carried out at each of the respective companies of the Group in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Group Year ended 31 December 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	4,643,813	7,519,131	37,845,118	39,824,438	-	89,832,499
Trade and other payables	26,661,117	66,502,235	439,888,025	-	-	533,051,378
	31,304,930	74,021,366	477,733,143	39,824,438	-	622,883,877

Group Restated* Year ended 31 December 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	6,179,991	6,980,313	32,979,695	45,215,464	10,521,416	101,876,878
Trade and other payables	18,839,655	42,764,515	167,326,357	-	-	228,930,527
	25,019,646	49,744,828	200,306,052	45,215,464	10,521,416	330,807,405

* The prior year balances have been restated to correctly present the undiscounted interest-bearing loans and borrowings amounts.

As previously stated in 2024

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings*	3,910,981	10,867,700	23,318,101	47,881,798	2,694,955	88,673,535
Trade and other payables	18,839,655	42,764,515	167,326,357	-	-	228,930,527
	22,750,636	53,632,215	190,644,458	47,881,798	2,694,955	317,604,062

Notes to the Consolidated and Separate Financial Statements

7. Financial instruments risk management objectives and policies (cont'd)

7.1b Liquidity risk (cont'd)

Company Year ended 31 December 2025	On demand N' 000	Less than 3 months N' 000	3 to 12 months N' 000	1 to 5 years N' 000	> 5 years N' 000	Total N' 000
Interest-bearing loans and borrowings	1,707,298	1,443,901	30,156,037	7,068,568	-	40,375,803
Trade and other payables	-	-	3,221,072	-	-	3,221,072
	1,707,298	-	33,377,109	7,068,568	-	43,596,876

Company Restated* Year ended 31 December 2024	On demand N' 000	Less than 3 months N' 000	3 to 12 months N' 000	1 to 5 years N' 000	> 5 years N' 000	Total N' 000
Interest-bearing loans and borrowings	2,330,553	1,199,981	27,312,789	12,485,953	-	43,329,275
Trade and other payables	-	-	28,549,103	-	-	28,549,103
	2,330,553	1,199,981.15	55,861,892	12,485,953	-	71,878,379

* The prior year balances have been restated to correctly present the undiscounted interest-bearing loans and borrowings amounts.

As Previously stated in 2024

	On demand N' 000	Less than 3 months N' 000	3 to 12 months N' 000	1 to 5 years N' 000	> 5 years N' 000	Total N' 000
Interest-bearing loans and borrowings	-	-	26,341,878	8,632,250	-	34,974,128
Trade and other payables	-	-	28,549,103	-	-	28,549,103
	-	-	54,890,981	8,632,250	-	63,523,231

Notes to the Consolidated and Separate Financial Statements

8 Fair value measurement (cont'd)

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value measurement hierarchy for assets as at 31 December, 2024:

Fair value measurement

2025 - Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2025	17,000,000	-	17,000,000	-
Listed equity investments (Note 25)	31 Dec,2025	46,171,728	46,171,728	-	-
Other investment (Note 40)	31 Dec,2025	12,800,450	-	-	12,800,450

There were no transfers between Level 1, Level 2 and Level 3 in the year ended 31 December 2025.

Fair value measurement

2024 Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2024	6,900,000	-	6,900,000	-
Listed equity investments (Note 25)	31 Dec,2024	18,217,915	18,217,915	-	-
Other investment (Note 40)	31 Dec,2024	22,178,172	-	-	22,178,172

Fair value measurement

2025 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2025	17,000,000	-	17,000,000	-
Listed equity investments (Note 25)	31 Dec,2025	24,137,226	24,137,226	-	-
Other investment (Note 40)	31 Dec,2025	5,400,100	-	-	5,400,100

Notes to the Consolidated and Separate Financial Statements

8 Fair value measurement (cont'd)

There were transfers between Level 3 to Level 1 in the year ended 31 December 2025.

Fair value measurement

2025 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2024	6,900,000	-	6,900,000	-
Listed equity investments (Note 25)	31 Dec,2024	16,428,215	16,428,215.42	-	-
Other investment (Note 40)	31 Dec,2024	3,777,822	-	-	3,777,822

There were no transfers between Level 1 and Level 2 in year ended 31 December 2024.

Fair value hierarchy

The table above analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the year.



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8 Fair value measurement (cont'd)

Valuation processes applied by the Group

The following fair valuation methods and assumptions were used:

- Cash & cash equivalents represents cash held in various bank accounts at the end of the year. The fair value of this amount is the carrying amount.
- Trade and Other receivables: represent amount due from third parties and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Investment property represents landed assets in Rumens road owned 100% by the Group and is revalued annually by expert estate valuers using level 2 inputs. The carrying amount is the fair value of the assets.
- Listed equity investment: represent amount of investment in shares of listed entities. This is revalued using the quoted prices on the stock exchange.
- Trade payable: represent amount payable to vendors and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Borrowings represents loans from third party institutions at market interest rates which have varying tenors in line with each loan agreement. The amortised cost of these balances are their carrying amount.
- Other liabilities: are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

Notes to the Consolidated and Separate Financial Statements

9. Revenue

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

31-Dec-25	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	63,471,581	-	-	63,471,581
Food and beverages	29,171,425	-	-	29,171,425
Event centre hall rental	1,612,900	-	-	1,612,900
Shop rental	1,787,286	-	-	1,787,286
Electric energy and capacity	-	447,084,435	-	447,084,435
Ancillary services	-	18,000	-	18,000
Other operating revenue	994,986	-	-	994,986
Total revenue from contracts with customers	97,038,178	447,102,435	-	544,140,613
Other revenue				
Dividend income from subsidiaries	-	-	24,894,229	24,894,229
Other revenue from OM and C	-	-	18,070,111	18,070,111
Management fees from subsidiaries	-	-	11,801,739	11,801,739
Total revenue	97,038,178	447,102,435	54,766,079	598,906,692
Timing of revenue recognition				
Goods transferred at a point in time	95,250,892	-	-	95,250,892
Services transferred over time	1,787,286	447,102,435	-	448,889,721
Total revenue from contracts with customers	97,038,178	447,102,435	-	544,140,613

The dividend for the corporate centre is made up of N19.12bn from Transcorp Power Plc and N5.77bn from Transcorp Hotel Plc. Management fees for the corporate centre is made of N6.6bn from Transcorp Power Plc, N4.85bn from Transcorp Hotel Plc and N350m from TransAfam Power Limited. Other revenue from Operation, Maintenance & Commercial of N18.1bn from Transcorp Power Plc.

Notes to the Consolidated and Separate Financial Statements

9. Revenue (cont'd)

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 5):

	Hospitality	Power	Corporate Centre	Total
Revenue	N '000	N '000	N '000	N '000
External customer	97,038,178	447,102,435	-	544,140,613
Inter-segment	-	-	54,766,079	54,766,079
	97,038,178	447,102,435	54,766,079	598,906,692
Inter-segment adjustments and eliminations	-	-	(54,766,079)	(54,766,079)
Total revenue	97,038,178	447,102,435	-	544,140,613

31-Dec-24	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	45,597,829	-	-	45,597,829
Food and beverages	22,188,617	-	-	22,188,617
Shop rental	1,575,361	-	-	1,575,361
Electric energy and capacity	-	337,763,483	-	337,763,483
Ancillary services	-	18,000	-	18,000
Other operating revenue	772,618	-	-	772,618
Total revenue from contracts with customers	70,134,425	337,781,483	-	407,915,908
Other revenue				
Dividend income from subsidiaries	-	-	6,516,660	6,516,660
Management fees from subsidiaries			7,892,895	7,892,895
Total revenue	70,134,425	337,781,483	14,409,555	422,325,463
Timing of revenue recognition				
Goods transferred at a point in time	68,559,064	-	-	68,559,064
Services transferred over time	1,575,361	337,781,483	-	339,356,844
Total revenue from contracts with customers	70,134,425	337,781,483	-	407,915,908

The dividend for the corporate centre is made up of N5.7bn from Transcorp Power Plc and N0.78bn from Transcorp Hotel Plc. Management fees for the corporate centre is made of N6.3bn from Transcorp Power Plc, N1.19bn from Transcorp Hotel Plc and N350m from TransAfam Power Limited.

Notes to the Consolidated and Separate Financial Statements

9. Revenue (cont'd)

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 5):

Revenue	Hospitality N '000	Power N '000	Corporate Centre N '000	Total N '000
External customer	70,134,425	337,781,483	-	407,915,908
Inter-segment	-	-	14,409,555	14,409,555
	70,134,425	337,781,483	14,409,555	422,325,463
Inter-segment adjustments and eliminations	-	-	(14,409,555)	(14,409,555)
Total revenue	70,134,425	337,781,483	-	407,915,908

10. Cost of sales

	Group		Company	
	2025 N '000	2024 N '000	2025 N '000	2024 N '000
Room	7,244,900	7,068,437	-	-
Food and beverages	14,962,285	12,675,995	-	-
Natural gas and fuel costs	210,576,732	170,014,783	-	-
Direct materials and related expenses	13,423,803	4,196,961	-	-
Employee costs	2,303,835	1,893,353	-	-
Depreciation, amortisation and impairment	8,137,571	6,342,831	-	-
Amortisation	5,891	5,891	-	-
Repairs and maintenance	8,995,967	7,148,787	-	-
Insurance	672,652	1,178,559	-	-
Inventory Provision	-	-	-	-
Other expenses	3,267,306	1,724,237	-	-
	269,590,942	212,249,834	-	-

31-Dec-25	Hospitality	Power	Corporate Centre (Company)	Total
Room	7,244,900	-	-	7,244,900
Food and beverages	14,962,285	-	-	14,962,285
Natural gas and fuel costs	-	210,576,732	-	210,576,732
Direct materials and related expenses	-	13,423,803	-	13,423,803
Employee costs	-	2,303,835	-	2,303,835
Depreciation, amortisation and impairment	-	8,143,462	-	8,143,462
Repairs and maintenance	-	8,995,967	-	8,995,967
Insurance	-	672,652	-	672,652
Other expenses	427,757	2,839,549	-	3,267,306
	22,634,942	246,956,000	-	269,590,942

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9. Revenue (cont'd)				
31-Dec-24	Hospitality	Power	Corporate Centre (Company)	Total
Room	7,068,437	-	-	7,068,437
Food and beverages	12,675,995	-	-	12,675,995
Natural gas and fuel costs	-	170,014,783	-	170,014,783
Direct materials and related expenses	-	4,202,852	-	4,202,852
Employee costs	-	1,893,353	-	1,893,353
Depreciation, amortisation and impairment	-	6,342,831	-	6,342,831
Repairs and maintenance	-	7,148,787	-	7,148,787
Insurance	-	1,178,559	-	1,178,559
Other expenses	670,450	1,053,787	-	1,724,237
	20,414,882	191,834,952	-	212,249,834

11 Other gains or losses				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Change in fair value of investment properties (Note 23)	10,100,000	2,300,000	10,100,000	2,300,000
Dividend income on equity securities	1,690,548	2,075,863	1,593,223	2,075,863
Rental income on investment property	57,500	38,500	57,500	38,500
Key money (Note 35.2)	152,825	152,825	-	-
Deferred income (Note 34)	448,077	449,304	-	-
Profit/(Loss) from disposal of assets	39,413	29,290	(3,428)	27
Other income	224,018	271,407	105,751	89,858
	12,712,381	5,317,189	11,853,046	4,504,248
11.1 Net foreign exchange (loss)/gain	(457,950)	4,345,733	(5,699)	(970)
11.2 Gain on disposal of investment	-	11,028,872	-	11,028,872
Dividend forfeited on sale of shares	-	(121,430)	-	(121,430)
Net gain on disposal of investment	-	10,907,442	-	10,907,442

This represents the gain on disposal of shares in Transcorp Power Plc in 2024, sequel to listing of the shares to meet required floating shares.

The proceeds from the disposal of shares recognised during the year 2024 was reinvested in the acquisition of shares of other Nigerian companies in the same year.

Notes to the Consolidated and Separate Financial Statements

12. Finance income (cont'd)				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Financial instruments measured at amortised cost				
Interest income				
Interest on debt instrument	-	-	-	-
Interest on loan	-	1,791,650	2,754,979	2,205,821
Interest on bank deposits	1,218,212	23,089	215,130	-
Total finance income	1,218,212	1,814,739	2,970,109	2,205,821
Non cash item-interest on debt instrument (Note 29.7)				
	-	-	-	(2,205,821)
Finance income for Cashflow	1,058,561	1,814,739	2,970,109.00	-

13. Finance cost				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Interest on loans and borrowings (Note 26.1)	18,528,701	18,740,429	6,401,370	6,083,687
Interest on intercompany balance	-	-	1,287,347	2,804,727
Other interest cost	172,555	128,310	-	-
Net foreign exchange losses on foreign currency borrowings	-	-	-	-
	18,701,256	18,868,739	7,688,717	8,888,414
Less: Capitalised borrowing cost	(101,148)	(335,918)	-	-
Total finance costs	18,600,108	18,532,821	7,688,717	8,888,414
Non cash item-interest on intercompany loan				
	-	-	-	-
Finance cost for Cashflow	18,600,108	18,532,821	6,401,370	8,888,414

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14. Employee costs

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Direct employee costs				
Wages and salaries	2,253,453	1,770,585	-	-
Pension costs	50,382	122,768	-	-
	2,303,835	1,893,353	-	-
Indirect employee costs				
Wages and salaries	8,712,035	6,983,129	1,620,320	797,625
Pension costs	227,609	166,654	31,319	26,269
	8,939,644	7,149,783	1,651,639	823,894
Total employee costs				
Direct employee costs	2,303,835	1,893,353	-	-
Indirect employee costs	8,939,644	7,149,783	1,651,639	823,894
	11,243,479	9,043,136	1,651,639	823,894

Average number of persons employed during the year

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Managerial	55	53	9	8
Senior staff	517	482	8	4
Others	1,874	1,220	9	10
	2,446	1,755	26	22

The table shows the numbers of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
N500,000 - N1,000,000	677	69	-	-
N1,000,000 - N2,000,000	72	66	-	-
N2,000,001 - N4,000,000	361	652	1	1
N4,000,001 - N5,000,000	384	83	-	-
N5,000,000 and above	952	885	25	21
	2,446	1,755	26	22

Notes to the Consolidated and Separate Financial Statements

14. Employee costs (cont'd)

Staff costs for the above persons (excluding Directors):

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Salaries and wages	10,965,488	8,753,714	1,620,320	797,625
Pension cost	277,991	289,422	31,319	26,269
	11,243,479	9,043,136	1,651,639	823,894

14.1 Compensation of Managers

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Salaries and short-term employee benefits	2,193,098	1,750,743	324,065	159,526
Defined contributions	55,598	57,884	6,264	5,254
	2,248,696	1,808,627	330,329	164,780

Managers excludes Directors (Executive and Non-Executive). The compensation paid or payable to Managers for services is as shown above. The number of Managers of the Group (including the highest paid Manager) whose remuneration, excluding pension contributions, in respect of services to the Group is within the following range:

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Less than N10,000,000	14	14	-	-
Over N10,000,000	41	39	9	8
	55	53	9	8

Notes to the Consolidated and Separate Financial Statements

15. Administrative expenses

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Employee costs (Note 14)	8,939,644	7,149,783	1,651,639	823,894
Depreciation (Note 20)	3,598,659	2,791,901	29,509	26,441
Depreciation of Right of use Assets (Note 21)	56,759	56,759	56,759	56,759
Amortisation of Computer Software (Note 24)	47,425	42,403	-	-
Auditors remuneration	352,900	287,638	81,179	68,796
Marketing, sales and advertisement	2,255,226	1,654,444	151,303	68,335
Bank charges	1,636,091	1,172,920	31,311	39,691
Group services and benefits	2,051,610	1,531,570	-	-
Professional fees	934,879	975,192	197,786	345,750
Donations	37,460	23,037	21,491	7,102
Directors remuneration	2,016,527	947,950	838,542	418,757
Corporate social responsibility	6,827,584	2,539,181	-	-
Management fees*	12,769,793	7,323,664	3,969,124	510,509
Insurance	1,204,021	975,123	11,584	10,691
Telecommunications and IT expenses	602,725	434,154	23,065	30,673
Rents and rates	70,726	19,000	51,726	-
Energy cost	5,055,059	4,800,285	46,521	37,780
Repairs and maintenance	4,053,180	3,931,758	21,059	12,132
License and fees	650,368	319,850	157,567	104,081
Security	617,997	406,392	4,589	2,916
Travel, logistics and accommodation	1,756,127	1,249,621	346,100	234,350
Bad debt written off	1,781,376	1,355,810	1,891	-
PPE written off	1,648,871	-	-	-
Medical	298,652	214,064	82,791	51,838
Printing and Stationary	69,589	336,284	1,808	21,751
License renewal**	5,759,325	5,759,325	-	-
Back duty tax expense	292,509	-	292,509	-
Office expenses	5,115,677	5,730,226	290,385	1,225,821
Other administrative expenses	1,728,023	1,896,565	194,297	426,297
Total administrative expenses	72,228,781	53,924,899	8,554,535	4,524,364

*Management fees are majorly made up of Base Management Fees payable to Hilton International at 1.5% of Revenue, Incentive Fee based on an accelerated rate schedule applied on the Gross Operating Profit. These fees are specified in the Executed Management Agreement between Transcorp Hotels Plc and Hilton International for the provision of Hotel Management and Other Related Services to the Transcorp Hotels Plc. It also includes management payable to Hiers Holding based on Technical Service Agreement.

**This is amortisation of license extension for OPL 281

Notes to the Consolidated and Separate Financial Statements

16. Impairment loss on financial assets

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Trade receivables (Note 29.6)	12,805,370	8,925,211	35,623	126,876
Related party and other receivables (Note 7.1c)	-	-	-	-
	12,805,370	8,925,211	35,623	126,876

17. Income tax

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Current tax expense				
Current income/minimum tax charge	36,319,987	32,866,769	1,946,440	728,618
Tertiary education tax charged	4,861,717	3,851,528	533,128	-
Police tax	10,356	6,588	2,665	924
Capital gain tax	-	1,128	-	-
(Overprovision)/under provision of tax	(2,378,335)	2,192,287	(1,229,844)	-
	38,813,725	38,918,300	1,252,389	729,542
Tax on franked investment income	1,813,083	859,253	1,813,083	859,253
Deferred tax:				
Origination and reversing temporary differences	2,965,757	2,801,942	961,131	-
Tax expense in the statement of profit or loss	43,592,565	42,579,495	4,026,603	1,588,795

Notes to the Consolidated and Separate Financial Statements

17. Income tax (cont'd)

Reconciliation of the tax expense

	Group		Company	
	2025	Restated 2024	2025	2024
	N'000	N'000	N'000	N'000
Accounting profit before income tax	179,502,435	136,668,246	53,304,660	18,486,442
At Nigeria's statutory income tax rate of 30% (2024: 30%)	53,850,731	41,000,474	15,991,398	5,545,933
Tax effect of adjustments on taxable income				
Education tax 3% (2024:3%)	4,861,717	3,851,528	533,128	-
Police tax	10,356	6,588	2,665	924
(Overprovision)/under provision of tax	(2,378,335)	2,192,287	(1,229,844)	-
Capital gain tax	-	1,128	-	-
Deferred CGT on sale of shares	-	1,090,744	-	1,090,744
Deferred education tax	(153,431)	87,000	(58,222)	-
Effect of sale of investment	-	(3,200,537)	-	(3,200,537)
Fair value adjustment	(3,321,000)	-	(3,030,000)	-
Tax effect of Loss relief	(3,344,641)	-	(3,344,641)	-
Tax on franked investment income	1,813,083	859,253	1,813,083	859,253
Exempt dividend Income	(7,946,236)	(2,577,757)	(7,946,236)	(2,577,757)
CGT on Fair Value Gain on Investment Property	1,107,300	(679,755)	1,010,000	(690,000)
Non allowable income	(10,064,509)	(6,261,970)	-	-
Non-deductible expenses	871,662	1,110,124	285,271	560,235
Adjustments upon consolidation-losses/(gains) from subsidiaries	8,285,868	5,100,387	-	-
Income tax expense reported in profit or loss	43,592,566	42,579,495	4,026,603	1,588,795
Effective tax rate	24%	31%	8%	9%

*The prior year numbers have been corrected in the current year.

17.1 Current tax payable

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
As of 1 January	56,922,272	22,347,922	1,005,585	622,350
Income tax expense during the year	38,813,725	38,918,300	2,482,233	729,542
Payment during the year:	(3,775,951)	(4,343,950)	(729,563)	(346,308)
As of 31 December	91,960,046	56,922,272	2,758,254	1,005,585

Notes to the Consolidated and Separate Financial Statements

17. Income tax (cont'd)

17.2 Reconciliation of the tax expense – Restated

In the prior year, the tax reconciliation done in the notes to the financial statements included Deferred tax as a line item and this suggests there are also other numbers in the reconciliation which are either the wrong value or should not be included. As shown below the impact of the deferred tax as a line item affects showing the Capital Gain tax on sale of shares, the effect on sale of investment, there was no tax effect on loss relief, effect on adjustment on subsidiaries and the allowable income was not correctly shown in the prior year.

	Group	
	Restated 2024 N'000	As Previously presented 2024 N'000
Accounting profit before income tax	136,668,246	136,668,246
At Nigeria's statutory income tax rate of 30% (2024: 30%)	41,000,474	41,000,474
Tax effect of adjustments on taxable income		
Education tax 3% (2024:3%)	3,851,528	3,851,528
Police tax	6,588	6,588
(Overprovision)/under provision of tax	2,192,287	2,192,287
Capital gain tax	1,128	1,128
Deferred CGT on sale of shares	1,090,744	-
Deferred education tax	87,000	2,801,942
Effect of sale of investment	(3,200,537)	-
Fair value adjustment	-	-
Tax effect of Loss relief	-	(12,505,146)
Tax on franked investment income	859,253	859,253
Exempt dividend Income	(2,577,757)	(4,668,509)
Excess		5,312,791
CGT on Fair Value Gain on Investment Property	(679,755)	-
Non allowable income	(6,261,970)	-
Non-deductible expenses	1,110,124	3,727,158
Adjustments upon consolidation-losses/(gains) from subsidiaries	5,100,387	-
Income tax expense reported in profit or loss	42,579,494	42,579,494

Notes to the Consolidated and Separate Financial Statements

18. Deferred tax

Deferred tax relates to the following:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Deferred tax liability	36,889,809	28,382,895	1,603,131	-
Deferred tax asset	(12,398,837)	(6,884,101)	(642,000)	-
Total net deferred tax liability	24,490,972	21,498,794	961,131	-

18.1 Reconciliation of deferred tax liability

	Group			
	Statement of financial position		Statement of profit or loss	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Accelerated depreciation for tax purposes	34,804,338	27,276,131	7,528,207	2,883,648
Unrealised FX gain/(losses)	2,085,471	1,106,764	978,707	3,172,554
Expected credit losses of debt financial assets	(12,333,310)	(6,792,155)	(5,541,155)	(3,254,260)
Tax on Actuarial gain in OCI	(65,527)	(91,946)	26,419	(73,304)
	24,490,972	21,498,794	2,992,178	2,728,638

18.2 Disclosure in SOFP

	Group		Company	
	N'000	N'000	N'000	N'000
Deferred tax liability	36,889,809	28,382,895	1,603,131	-
Deferred tax asset	(12,398,837)	(6,884,101)	(642,000)	-
Total net deferred tax liability	24,490,972	21,498,794	961,131	-

Deferred tax recognition - Group

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



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19. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Group		Company	
	2025	2024	2025	2024
Profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	85,788,771	51,524,914	49,278,057	16,897,647
Average number of ordinary shares for basic EPS (thousands)	10,161,998	35,566,991	10,161,998	35,566,991
Basic Earnings per share (Kobo)	844	145	485	48
Diluted Earnings per share (Kobo)	844	145	485	48

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Consolidated and Separate Financial Statements

20. Property, plant and equipment

Reconciliation of property, plant and equipment – Group

	Land	Buildings	Plant and machinery	Computer and office equipment	Motor vehicles	Capital work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January, 2024	42,193,553	54,218,833	203,037,521	19,268,618	885,621	25,835,322	345,431,911
Additions	-	390,425	2,677,171	1,940,851	144,050	19,619,937	24,772,434
Interest capitalised	-	-	-	-	-	335,918	335,918
Reclassification	-	-	4,659,545	(248)	-	(4,659,297)	-
Disposals	-	-	(74,240)	(21,434)	(16,120)	(451)	(112,245)
At 31 December, 2024	42,193,553	54,609,259	210,299,997	21,187,788	1,013,551	41,131,429	370,428,018
Additions	-	110,895	2,239,745	2,491,135	1,631,140	14,893,687	21,366,602
Interest capitalised*	-	-	-	-	-	101,148	101,148
Reclassification	-	7,733,709	20,287,117	1,869,888	-	(29,890,714)	-
Write-off**	-	-	(3,693,991)	-	(134,634)	(85,655)	(3,914,280)
Disposals	-	(31,421)	(7,570)	(150,799)	(61,448)	-	(251,238)
Adjustment ***	-	-	-	-	-	(907,322)	(907,322)
At 31 December, 2025	42,193,553	62,422,442	229,125,298	25,398,013	2,448,609	25,242,573	386,822,928
Depreciation							
At 1 January, 2024	-	8,057,052	35,797,333	6,456,052	601,267	-	50,911,703
Depreciation for the year	-	1,147,006	6,482,799	1,389,479	115,448	-	9,134,732
Disposals	-	-	(74,240)	(19,476)	(16,097)	-	(109,813)
At 31 December, 2024	-	9,204,058	42,205,892	7,826,055	700,618	-	59,936,622
Depreciation for the year	-	1,440,165	8,378,008	1,737,712	180,345	-	11,736,230
Disposals	-	(28,809)	(7,570)	(146,967)	(50,093)	-	(233,439)
Write off	-	-	(2,256,435)	-	(8,975)	-	(2,265,410)
Impairment	-	-	4,885,620	-	-	-	4,885,620
At 31 December, 2025	-	10,615,414	53,205,515	9,416,800	821,895	-	74,059,623
Carrying amount							
At 31 December, 2025	42,193,553	51,807,028	175,919,783	15,981,213	1,626,714	25,242,573	312,763,305
At 31 December, 2024	42,193,553	45,405,201	168,094,105	13,361,733	312,933	41,131,429	310,491,396

Notes to the Consolidated and Separate Financial Statements

20. Property, plant and equipment (cont'd)

*Interest capitalised relates to interest on loan taking by Transcorp Hotel Plc for the completion of the event centre.

**The write off relates to some certain gas turbines that the carrying amount exceeded the recoverable amount based on fair value.

***The adjustment relates to certain costs in Capital Work in Progress (CWIP) which were expensed during the year as it did not meet the recognition criteria for Property, Plant and Equipment (PPE) under applicable accounting standards.

Reconciliation of property, plant and equipment - Company

	Buildings	Plant and machinery	Computer and office equipment	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
At 1 January, 2024	43,332	22,716	121,745	7,528	902	196,223
Additions	411	1,423	36,327	-	-	38,161
Reclassification	-	-	451	-	- 451	-
Disposals	-	-	-	(230)	(451)	(681)
At 31 December, 2024	43,743	24,139	158,523	7,298	-	233,703
Additions	1,892	498	13,772	-	503,163	519,325
Disposals	(31,421)	-	(7,197)	-	-	(38,618)
At 31 December, 2025	14,214	24,637	165,098	7,298	503,163	714,410
Depreciation						
At 1 January, 2024	34,820	8,635	86,909	7,504	-	137,868
Depreciation for the year	3,686	2,249	20,505	-	-	26,440
Disposal	-	-	-	(207)	-	(207)
At 31 December, 2024	38,506	10,884	107,414	7,298	-	164,101
Depreciation for the year	3,645	2,346	23,518	-	-	29,509
Disposal	(28,809)	-	(4,694)	-	-	(33,503)
At 31 December, 2025	13,342	13,230	126,238	7,298	-	160,107
Carrying amount						
At 31 December, 2025	872	11,407	38,860	-	503,163	554,303
At 31 December, 2024	5,237	13,255	51,109	-	-	69,602

Notes to the Consolidated and Separate Financial Statements

20. Property, plant and equipment (cont'd)

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Depreciation is allocated as follows:				
Cost of sales (Note 10)	8,137,571	6,342,831	-	-
Administrative expenses (Note 15)	3,598,659	2,791,901	29,509	26,441
	11,736,230	9,134,732	29,509	26,441

During the year, indicators of impairment were identified in respect of Transcorp Power Plc's and TransAfam Power Limited turbines, which form part of the Group's plant and machinery assets. Accordingly, the affected assets were assessed and tested for impairment, and the required impairment provisions were recognised for the impaired machines.

Upon indication of impairment, the plant and machinery were assessed and tested for impairment. In arriving at the impairment on the plant and machinery, the Company engaged the services of a professional valuer, Jide Taiwo & Co (FRC No. FRC/2012/00000000254), to determine the fair value. The Partner in charge of the valuation was Umoru Yakubu Ayiegbeni (FRC No.: FRC/2014/NIESV/000000008842). The valuer considered the following:

In determining the fair value, the valuer considered the following:

- a short time period for the consummation of a sales.
- the assets are subjected to market conditions prevailing as of the date of valuation or assumed timescale within which the transaction is to be completed.
- both the buyer and the seller are acting prudently and knowledgeably.
- the seller is under compulsion to sell.
- the buyer is typically motivated.
- both parties are acting in what they consider their best interests.

Based on the valuation results, some of the fair values of the turbines as at 31 December 2025 exceeded their respective carrying amounts. Where the carrying amount of any turbine exceeded its fair value, the resulting impairment loss was recognised in the financial statements.

Notes to the Consolidated and Separate Financial Statements

21. Right of Use Assets (Group as Lessee)			
	Group Buildings N '000	Company Buildings N '000	
Cost			
At 1 January, 2024	462,151	462,151	
Addition	-	-	
At 31 December, 2024	462,151	462,151	
Addition	-	-	
At 31 December, 2025	462,151	462,151	
Depreciation			
At 1 January, 2024	287,145	287,145	
Depreciation	56,759	56,759	
At 31 December, 2024	343,904	343,904	
Depreciation	56,759	56,759	
At 31 December, 2025	400,663	400,663	
Carrying amount			
At 31 December, 2025	61,488	61,488	
At 31 December, 2024	118,247	118,247	

The Company entered into a lease arrangement for its office. The lease is for a five-year period.

The Group and Company have no future cash outflows relating to leases that have not yet commenced.

22. Investment properties				
	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
At 1 January	6,900,000	4,600,000	6,900,000	4,600,000
Net gain from fair value remeasurement	10,100,000	2,300,000	10,100,000	2,300,000
At 31 December	17,000,000	6,900,000	17,000,000	6,900,000

Investment properties relates to the 4,876.151 square metres of fenced expanse of land at No.2, Rumens Road, off Alfred Rewane Road, Ikoyi Lagos State.

As at 31 December, 2025, the fair values of the properties are based on valuations performed by Mr Ubosi Chukwudi Stephen -FRC/2013/PRO/NIESV/004/00000001493 of Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997) an accredited independent valuer. and specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Rental income derived from investment properties during the year amounts to N57.5 million (2024: N38.5 million).

22. Investment properties (cont'd)

Reconciliation of investment property - Group and Company

	Investment property N'000
Cost	
At 1 January, 2024	4,600,000
Fair value remeasurement	2,300,000
At 31 December, 2024	6,900,000
Fair value remeasurement gain	10,100,000
At 31 December, 2025	17,000,000

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2025	2024
Land - market comparison method (refer below)	Estimated rental value per sqm meter	155,000	52,500
	Rent growth p.a.	148%	25%
	Average land value per square meter	3,500,000	1,400,000

Sensitivity Analysis

The following tables demonstrate the sensitivity to key variables in the calculation of the Investment Property value.

	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Rental Value per sqm	5% 162,750	5% 147,250	5% 55,125	5% 49,875
Investment Property Value	17,850,000	16,150,000	7,245,000	6,555,000

	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Average Land value per sqm	5% 3,675,000	5% 3,325,000	5% 1,470,000	5% 1,330,000
Investment Property Value	17,850,000	16,150,000	7,245,000	6,555,000

The comparison method of valuation was used to arrive at the fair value of the land. This method involved analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately in arriving at the value.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and average land value per square meter.

There is no restriction on the realisability of investment property or remittance of income or proceeds of disposal.

Notes to the Consolidated and Separate Financial Statements

23. Goodwill

Reconciliation of goodwill - Group

	Goodwill N'000
Cost	
At 1 January, 2024	29,971,031
Transfer/Additions	-
At 31 December, 2024	29,971,031
Transfer/Additions	-
At 31 December, 2025	29,971,031
Accumulated impairment losses	
At 1 January, 2024	(1,011,644)
Impairment losses for the year	-
At 31 December, 2024	(1,011,644)
Impairment losses for the year	-
At 31 December, 2025	(1,011,644)
Carrying amount	
At 31 December, 2025	28,959,387
At 31 December, 2024	28,959,387

Goodwill has been allocated to the following Cash Generating Units (CGUs):

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Carrying amount of goodwill				
Transcorp Power Plc (TPP)	9,701,190	9,701,190	-	-
Transcorp Hotels Plc (THP)	19,258,197	19,258,197	-	-
Total carrying amount of goodwill	28,959,387	28,959,387	-	-

In assessing goodwill for impairment at 31 December, 2025, the Group compared the recoverable amount of the net assets of the CGU to its respective carrying amounts. Based on the results of the impairment evaluation described below, the recorded goodwill was not impaired for Transcorp Power Plc as the recoverable amount of the subsidiary exceeded the carrying value.

Notes to the Consolidated and Separate Financial Statements

23. Goodwill (cont'd)

Transcorp Power Plc CGU

The recoverable amount of Transcorp Power Plc CGU, N333.84bn as at 31 December 2025, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The discount rate applied to cash flow projections is 29.78% and cash flows beyond the five-year period are extrapolated using a 2% growth rate that is the same as the long-term average growth rate for the power industry. It was concluded that the recoverable amount exceeded the carrying amount N215.26bn. As a result of this analysis, no impairment charge has been recognised by management.

Transcorp Hotels Plc CGU

The recoverable amount of Transcorp Hotel Plc CGU, N145.74bn as at 31 December 2025, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The discount rate applied to cash flow projections is 27.07% and cash flows beyond the five-year period are extrapolated using a 2% growth rate that is the same as the long-term average growth rate for the hospitality industry. It was concluded that the recoverable amount exceeded the carrying amount N86.93bn. As a result of this analysis, no impairment charge has been recognised by management.

23.1 Sensitivity analysis

If the discounting rate decrease/increase by 5% the table below shows the impact on recoverable amount:

Transcorp Power Plc (TPP)	Decrease by 5%	Base	Increase by 5%
	N'000	N'000	N'000
Recoverable amount (Value in Use)	397,237	333,836	288,879
Carrying amount	205,501	205,501	205,501
Headroom	191,736	128,335	83,378
Coverage	193%	162%	141%
Transcorp Hotels Plc (THP)	Decrease by 5%	Base	Increase by 5%
	N'000	N'000	N'000
Recoverable amount (Value in Use)	170,320	145,741	126,163
Carrying amount	86,931	86,931	86,931
Headroom	83,389	58,810	39,232
Coverage	196%	168%	145%

Notes to the Consolidated and Separate Financial Statements

24. Intangible assets

Intangible assets - Group	Computer software	Restated License Cost	Restated Exploration & evaluation expenditure	Total
Cost	N'000	N'000	N'000	N'000
At 1 January, 2024*	429,024	58,912	11,262,679	11,750,615
Additions*	60,567	11,518,650	181,743	11,760,960
Disposal	-	-	-	-
At 31 December, 2024	489,591	11,577,562	11,444,422	23,511,575
Additions	128,110	-	-	128,110
Disposal	-	-	-	-
At 31 December, 2025	617,701	11,577,562	11,444,422	23,639,685
Amortisation and impairment				
At 1 January, 2024	(289,423)	(15,219)	-	(304,642)
Amortisation*	(42,403)	(5,765,216)	-	(5,807,619)
Disposal	-	-	-	-
At 31 December, 2024	(331,826)	(5,780,435)	-	(6,112,261)
Amortisation	(47,425)	(5,765,216)	-	(5,812,641)
At 31 December, 2025	(379,251)	(11,545,651)	-	(11,924,902)
Carrying amount				
At 31 December, 2025	238,450	31,911	11,444,422	11,714,783
At 31 December, 2024	157,765	5,797,127	11,444,422	17,399,314

*Certain Prior year numbers were restated to transfer expenditure amounting to N5.76 billion from License costs to Exploration and evaluation expenditure to properly account for the exploration and evaluation expenditure. The addition in 2024 for license cost was also properly stated to show separately the total cost of the 2 years license renewal; N11.52 billion and the amortisation for the year N5.76 billion.

Other information

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. In 2024, Transcorp received approval for the license extension.

The exploration and evaluation expenditure relate to all directly attributable costs being incurred by OPL 281 on exploration activities including the Oil Prospecting License.

Notes to the Consolidated and Separate Financial Statements

24. Intangible assets (cont'd)

Intangible assets - Company

	Computer software N'000	Oil Prospecting License (OPL) N'000	Total N'000
Cost			
At 1 January, 2024	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2024	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2025	12,966	5,075,818	5,088,784
Amortisation			
At 1 January, 2024	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2024	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2025	(12,966)	-	(12,966)
Carrying amount			
At 31 December, 2025	-	5,075,818	5,075,818
At 31 December, 2024	-	5,075,818	5,075,818

Other information

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. In 2024, Transcorp received approval for the license extension.

The exploration and evaluation expenditure relate to all directly attributable costs being incurred by OPL 281 on exploration activities.

Notes to the Consolidated and Separate Financial Statements

25. Investment in financial assets

Equity investments at fair value through other comprehensive income

Investments, excluding debt instruments, held by the Group which measured at fair value through other comprehensive income are as follows:

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	18,217,915	12,385,257	16,428,215	12,385,257
Additions during the year (Note 25.1)	-	1,789,700	-	-
Reclassified from other investments (Note 40)	20,377,722	-	3,377,722	-
Movement in other comprehensive income for current period	7,576,091	4,042,958	4,331,289	4,042,958
	46,171,728	18,217,915	24,137,226	16,428,215

Financial assets at amortised cost - debt instrument

Opening balance	-	1,771,242	-	-
Disposals	-	(1,771,242)	-	-
Total investment in financial assets	46,171,728	18,217,915	24,137,226	16,428,215

Split between non-current and current portions

Non-current assets	46,171,728	18,217,915	24,137,226	16,428,215
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25.1 This represents additional investment in quoted equity made during the year.

Investments held at reporting date – Group

	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive income	
	Fair value	Fair value	Fair value	Fair value
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	18,217,915	14,156,499	-	-
Additions	-	1,789,700	-	-
Reclassified from other investment	20,377,722	-	-	-
Fair value gain/(loss) on investment in equity instruments	7,576,091	4,042,958	7,576,091	4,042,958
Dividend received on equity instrument	-	-	1,690,548	2,075,863
Interest earned on debt instrument	-	-	-	-
Debt instrument redeemed during the year	-	(1,771,242)	-	-
Statement of Financial Position	46,171,728	18,217,915		
Statement of Profit or Loss and Other Comprehensive income			9,266,639	6,118,821

Notes to the Consolidated and Separate Financial Statements

25. Investment in financial assets (cont'd)

Investments held at reporting date - Company	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive income	
	Fair value 2025 N'000	Fair value 2024 N'000	Fair value 2025 N'000	Fair value 2024 N'000
Opening balance	16,428,215	12,385,257	-	-
Reclassified from other investment	3,377,722	-	-	-
Fair value gain/(loss) on investment in equity instruments	4,331,289	4,042,958	4,331,289	4,042,958
Dividend received on equity instrument			1,593,223	2,075,863
Statement of Financial Position	24,137,226	16,428,215		
Statement of Profit or Loss and Other Comprehensive income			5,924,512	6,118,821

Financial assets at fair value through OCI include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

26. Borrowings

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Held at amortised cost				
Term loan	72,348,366	84,601,261	32,543,169	32,483,969
Bank overdraft	3,114,953	3,910,981	1,707,298	2,330,553
\$215 million acquisition loan	-	-	-	-
	75,463,319	88,512,242	34,250,467	34,814,522

Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
N17 billion consolidated term loan	9,936,306	10,685,754	9,930,704	10,680,152
Other term loans	22,612,465	21,803,817	22,612,465	21,803,817
N2 billion bank loan	1,038,365	1,978,911	-	-
N12.75 billion loan	7,274,810	9,277,266	-	-
N10 billion loan	797,458	3,248,434	-	-
Bank Overdraft	3,114,953	3,910,981	1,707,298	2,330,553
Term loan	30,688,962	37,607,079	-	-
Total interest-bearing loans and borrowings	75,463,319	88,512,242	34,250,467	34,814,522
Total current interest-bearing loans and borrowings	40,280,149	38,096,782	28,687,112	26,237,327
Total non-current interest-bearing loans and borrowings	35,183,170	50,415,460	5,563,355	8,577,195

Notes to the Consolidated and Separate Financial Statements

26. Borrowings (cont'd)

Total Interest-bearing loans and borrowings	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
As at 1 January	84,601,261	99,672,747	32,483,970	32,340,881
Additions	23,526,569	26,868,268	-	-
Effective interest	18,528,701	18,740,429	6,005,158	6,083,687
Principal repayments	(37,577,163)	(46,116,827)	(1,306,437)	(1,864,051)
Interest repayments	(16,731,002)	(14,563,356)	(4,639,522)	(4,076,547)
Exchange Loss	-	-	-	-
	72,348,366	84,601,261	32,543,169	32,483,970
Overdraft (Note 31)	3,114,953	3,910,981	1,707,298	2,330,552
	75,463,319	88,512,242	34,250,467	34,814,522

Qualitative description of interest-bearing loans and borrowing

Term loan

Term loans are facilities obtained by the Company from its banker (UBA). These facilities are repayable by instalments at various dates between 2026 and 2030 with interest rate ranging from 24.5% to 28.5% per annum and all loan repayments are made in line with the agreed repayment schedule with the bank.

Bank overdrafts

The bank overdrafts are secured by a portion of the Group's asset

Short-term loan

Short-term loan represents a rolling 90-day tenor with an average interest rate of 22.5%.

N2 billion loan

N2 billion term loan with a tenor of 4 years and 24 months moratorium on principal and at interest rate of 16.75%.

N12.75 billion 5-year bond

N12.75 billion term loan with a tenor of 8 years and 24 months moratorium on principal and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

N10 billion loan

N10 billion term loan with a tenor of 7 years and 24 months moratorium on principal and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

Notes to the Consolidated and Separate Financial Statements

26. Borrowings (cont'd)

Group Financial liabilities	Carrying amount		Undiscounted	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	75,463,319	88,512,242	89,832,499	101,876,878

Company Financial liabilities	Carrying amount		Undiscounted	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	34,250,467	34,814,522	40,375,803	43,329,275

The management assessed that the fair values of cash and bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the Group's interest-bearing borrowings and loans are determined by using the Discounted Cashflow method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

26.1 For Cashflow purpose

In the current year, the Company reassessed the use of its bank overdraft facility. Although the overdraft remains repayable on demand, it no longer fluctuated between positive and overdrawn balances and was used to fund the Company's operations rather than to manage short-term cash requirements. Accordingly, the overdraft no longer meets the definition of cash and cash equivalents under IAS 7 and has been reclassified to borrowings. The prior-year classification remains unchanged as the overdraft met the IAS 7 criteria in that period.

	Group		
	Borrowings N'000	Overdraft N'000	Total N'000
Opening balance as 1 Jan 2025	84,601,261		84,601,261
Proceeds from borrowings	23,526,569		23,526,569
Repayments	(37,498,825)	(796,028)	(38,294,853)
Reclassification from Cash and cash equivalents	-	3,910,981	3,910,981
Interest accrued	17,959,716	568,985	18,528,701
Interest paid	(16,240,355)	(568,985)	(16,809,340)
Closing Balance as at 31 December 2025	72,348,366	3,114,953	75,463,319

	Company		
	Borrowings N'000	Overdraft N'000	Total N'000
Opening balance at 1 Jan 2025	32,483,970	-	32,483,970
Proceeds from borrowings	-	-	-
Repayments	(1,292,686)	(623,255)	(1,915,941)
Reclassification from Cash and cash equivalents	-	2,330,552	2,330,552
Interest accrued	6,005,158	396,212	6,401,370
Interest paid	(4,542,130)	(396,211)	(4,938,342)
Other adjustments*	(111,141)	-	(111,141)
Closing Balance at 31 December 2025	32,543,169	1,707,298	34,250,467

*Included in trade payables is withholding tax of N111 million on outstanding interest payable to a related party, for cash flow purpose, this has been backed out of the trade payables balance in the period and included in borrowings.

Notes to the Consolidated and Separate Financial Statements

27. Non-audit services

During the year, the Company's external auditors (Deloitte) rendered non-audit services to the Company.

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Fee for Attestation of Internal Control over Financial Reporting	57,500	37,000	12,500	10,000

28. Inventories

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Engineering spares	5,009,498	3,690,743	-	-
Guest supplies	452,322	589,729	-	-
Fuel	347,275	403,250	-	-
	5,809,095	4,683,722	-	-

There was no write-down of inventories to net realisable value during the year.

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to N6.94 billion (2024: N4.24 billion).

29. Trade and other receivables

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Receivables from third-party customers and other receivables	543,729,931	322,499,519	2,300,641	1,519,922
Due from related companies	-	-	28,785,656	26,413,336
	543,729,931	322,499,519	31,086,297	27,933,258

29.1 Receivables from third-party customers and other receivables

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Trade receivables	531,494,724	298,692,010	-	-
Other receivables	45,385,878	42,371,434	3,173,049	2,085,667
Allowances for expected credit losses	(33,150,671)	(18,563,925)	(872,408)	(565,745)
	543,729,931	322,499,519	2,300,641	1,519,922

Notes to the Consolidated and Separate Financial Statements

29. Trade and other receivables (cont'd)

29.2 Due from related companies	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Due from related companies and other receivables (Note 43)	-	-	29,858,702	27,757,422
Allowances for expected credit losses on due from related parties	-	-	(1,073,046)	(1,344,086)
	-	-	28,785,656	26,413,336

29.3 Other receivables	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
WHT Receivable	508,982	508,982	765,412	206,752
Unclaimed Dividend Receivable	887,068	893,875	887,068	893,875
Staff Advance	334,857	342,593	334,857	342,593
Other receivables*	43,654,971	40,625,985	1,185,711	642,447
	45,385,878	42,371,435	3,173,049	2,085,667

*Included in the other receivables are Advances to suppliers for N20.4bn (2024: N1.1bn), Unbilled receivable of N15.9bn (2024: N25.9bn)

29.4 Total net trade and other receivables	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Total trade and other receivables	576,880,602	341,063,444	33,031,751	29,843,089
Total allowance on expected credit loss on trade and other receivables	(33,150,671)	(18,563,925)	(1,945,454)	(1,909,831)
	543,729,931	322,499,519	31,086,297	27,933,258

29.5 Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). 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 7.

The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Notes to the Consolidated and Separate Financial Statements

29. Trade and other receivables (cont'd)

29.5 Impairment of trade receivables (cont'd)

Group	2025		2024	
	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	N'000	N'000	N'000	N'000
Expected credit loss rate:				
Current: 0.74%(2024:0.72%)	2,423,150	17,475	1,212,428	8,765
Less than 30 days past due: 1.71% (2024: 1.74%)	204,519,018	3,414,010	115,085,946	2,004,619
30 - 60 days:5.50% (2024: 4.86%)	67,896,616	3,637,016	38,007,527	1,846,399
61 - 90 days: 7.31% (2024: 6.81%)	118,366,031	8,432,441	66,624,465	4,535,299
More than 90 days: 13.09% (2024: 7.65%)	138,289,909	17,649,729	77,761,644	10,168,843
Total	531,494,724	33,150,671	298,692,010	18,563,925

29.5 Impairment of trade receivables Company

	2025		2024	
	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	N'000	N'000	N'000	N'000
Expected credit loss rate:				
Current	288,851	-	137,722	-
Less than 30 days past due: 21% (2024: 23%)	689,945	144,620	407,621	93,753
30 - 60 days: 10% (2024: 21%)	7,319	780	2,725	572
61 - 90 days: 16% (2024: 20%)	31,799	5,388	20,902	4,180
More than 90 days: 33% (2024: 40%)	2,155,135	721,620	1,516,697	467,240
	3,173,049	872,408	2,085,667	565,745

29.6 Reconciliation of loss allowances

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

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Opening balance in accordance with IFRS 9				
As at 1 January	18,563,925	8,898,847	1,909,830	1,782,954
Provision for expected credit losses	12,805,370	8,925,211	35,623	126,876
Write-off	1,781,376	739,867	-	-
Closing balance	33,150,671	18,563,925	1,945,453	1,909,830

Notes to the Consolidated and Separate Financial Statements

29. Trade and other receivables (cont'd)

29.7	Cashflows purpose	Group		Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
	Opening balance - Gross	341,063,444	155,297,166	29,843,089	59,998,678
	Closing balance - Gross	(576,880,602)	(341,063,444)	(33,031,751)	(29,843,089)
		(235,817,158)	(185,766,278)	(3,188,662)	30,155,589
	Non-cash item- additional investment in subsidiary (Note 6.2)	-	-	-	-
	Non cash item-interest on debt instrument (Note 12)	-	-	-	2,205,821
		(235,817,158)	(185,766,278)	(3,188,662)	32,361,410
29.8	Current	542,098,681	320,643,269	31,086,297	27,933,258
	Non-current	1,631,250	1,856,250	-	-
		543,729,931	322,499,519	31,086,297	27,933,258

Non-current receivables is from Eco Travels and Tours Limited relate to the sales consideration due from Eco travels and tours, following the completion of the disposal of Transcorp Hotels Calabar Limited.

30. Prepayments and other assets

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Maintenance contracts	507,871	438,771	-	-
Insurance and permits	176,654	818,350	-	-
Prepaid loan management fees (BOI Loans)	147,361	239,925	-	-
Deposits and Advances	506,262	250,149	-	-
Other prepaid expenses	109,355	401,483	101,717	109,908
	1,447,503	2,148,678	101,717	109,908
Current	1,430,049	2,116,172	84,263	77,402
Non-current	17,454	32,506	17,454	32,506
	1,447,503	2,148,678	101,717	109,908

31. Cash and cash balances

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Cash on hand	42,176	59,831	1,474	4,359
Cash at bank	13,231,502	11,286,833	66,577	300,138
Short-term deposits	8,611,274	6,620,291	952,765	623,341
	21,884,952	17,966,955	1,020,816	927,838

Notes to the Consolidated and Separate Financial Statements

31. Cash and cash balances (cont'd)

31.1 There is no restricted cash in line with IAS 7.

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following as at 31 December.

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Cash on hand and at bank	13,273,678	11,346,664	68,051	304,497
Short-term deposits	8,611,274	6,620,291	952,765	623,341
	21,884,952	17,966,955	1,020,816	927,838
Bank overdraft (Note 26)		(3,910,981)		(2,330,553)
	21,884,952	14,055,974	1,020,816	(1,402,715)

Cash and cash equivalents

Opening balance as at 1 January 2025 (including overdraft)

14,055,974 (1,402,715)

Overdraft reclassified to borrowings*

3,910,981 2,330,553

17,966,955 927,838

Net cashflow for the year

3,917,997 92,978

Closing balance as at 31 December 2025

21,884,952 1,020,816

*Reclassification of bank overdraft

In the current year, the Company reassessed the use of its bank overdraft facility. Although the overdraft remains repayable on demand, it no longer fluctuated between positive and overdrawn balances and was used to fund the Company's operations rather than to manage short-term cash requirements. Accordingly, the overdraft no longer meets the definition of cash and cash equivalents under IAS 7 and has been reclassified to borrowings. The prior-year classification remains unchanged as the overdraft met the IAS 7 criteria in that period.

32. Issued capital

32.1 Share capital

Ordinary shares authorised

At 1 January (40,647,990,293 ordinary shares of 50 kobo each)

5,080,999 20,323,996 5,080,999 20,323,996

Share reconstruction (30,485,992,719 of 50 kobo each)

- (15,242,997) - (15,242,997)

5,080,999 5,080,999 5,080,999 5,080,999

Ordinary shares issued and fully paid

10,161,997,574 ordinary shares of 50 kobo each

5,080,999 5,080,999 5,080,999 5,080,999

Notes to the Consolidated and Separate Financial Statements

32. Issued capital (cont'd)

32.2 Share reconstruction reserve

	Group & Company			
	2025		2024	
	Number	N'000	Number	N'000
At 1 January	30,485,992,719	15,242,997	-	-
Transfer from share capital	-	-	30,485,992,719	15,242,997
	30,485,992,719	15,242,997	30,485,992,719	15,242,997

The share reconstruction reserve arose from the issue of 1 for 4 ordinary shares in the capital reduction scheme that was done in October 2024. The scheme resulted in a 30.49bn surplus shares that were transferred to the share reconstruction reserve in 2024.

32.3 Retained Earnings

	Group		Company	
	N'000	N'000	N'000	N'000
Balance at 1 January*	105,555,760	62,160,444	34,514,637	25,746,588
Profit for the year	85,788,771	51,524,914	49,278,057	16,897,647
Dividends	(10,161,999)	(8,129,598)	(10,161,999)	(8,129,598)
Balance at 31 December	181,182,532	105,555,760	73,630,695	34,514,637

*The prior year number was restated. In preparing the TransAfam's 2024 financial statements, the elimination of investment in subsidiary for consolidation purposes of N31.5 billion which was incorrectly eliminated against trade payables has now been properly adjusted for in other reserves and retained earnings for consolidation purposes. Refer to note 47.

32.4 Other Reserve

	Group		Company	
	N'000	N'000	N'000	N'000
Balance at 1 January	14,112,173	34,920,455	14,346,323	10,303,365
Prior year adjustment	-	(24,737,893)	-	-
Other comprehensive income for the year	7,629,730	3,894,130	4,331,289	4,042,958
Share/claw back) to/from NCI	(1,504,150)	35,481	-	-
Balance at 31 December	20,237,752	14,112,173	18,677,612	14,346,323

*The prior year number was restated. In preparing the TransAfam's 2024 financial statements, the elimination of investment in subsidiary for consolidation purposes of N31.5 billion which was incorrectly eliminated against trade payables has now been properly adjusted for in other reserves and retained earnings for consolidation purposes. Refer to note 47.

Notes to the Consolidated and Separate Financial Statements

33 Share premium				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Premium arising on issue of equity shares	6,249,871	6,249,871	6,249,871	6,249,871

34. Deferred income				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	1,119,778	1,557,582	25,000	13,500
Received during the year	65,000	50,000	65,000	50,000
Released to the statement of profit or loss:				
- BOI loan interest	(448,077)	(449,304)	-	-
- Rental income	(57,500)	(38,500)	(57,500)	(38,500)
	679,201	1,119,778	32,500	25,000
Current	476,500	469,000	32,500	25,000
Non-current	202,701	650,778	-	-
	679,201	1,119,778	32,500	25,000

Transcorp Hotel Plc obtained loans from Bank of Industry (BOI) for the sum of N10billion in 2019 and 12.751billion in 2021. The purpose of the loans were to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate on the loan 10% was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date. The deferred income was subsequently amortized on a straight-line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N1.12billion and N448 million was credited to other operating income in the statement of profit or loss for the year ended 31 December 2025.

Notes to the Consolidated and Separate Financial Statements

35. Contract liabilities				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Summary of contract liabilities				
Short-term advances for hospitality services (Note 35.1)	925,069	204,889	-	-
Key money from Hilton (Note 35.2)	1,833,900	1,986,725	-	-
	2,758,969	2,191,614	-	-
Reconciliation of contract liabilities				
As at 1 January	2,191,614	2,283,105	-	-
Deferred during the year	925,069	-	-	-
Recognised as revenue during the year	(357,714)	(91,491)	-	-
	2,758,969	2,191,614	-	-
Split between non-current and current portions				
Non-current liabilities	1,681,080	1,833,905	-	-
Current liabilities	1,077,889	357,709	-	-
	2,758,969	2,191,614	-	-

35.1 Short-term advances for hospitality services

This relates to consideration paid by customers before the Hotel transfers goods or services. Contract liabilities are recognised as revenue when the Hotel performs its obligations under the contract.

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Reconciliation of short-term advances				
At 1 January	204,889	143,555	-	-
Deferred during the year	925,069	204,889	-	-
Recognised as other operating income during the year	(204,889)	(143,555)	-	-
At 31 December	925,069	204,889	-	-
Current	925,069	204,889	-	-

35.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed \$10million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest, and it is not repayable by the Company unless the contract is terminated before the end of the contract period. The Key money from Hilton International LLC will be notionally amortised over the contract period on a straight-line basis to other income. The outstanding balance of N1.83bn relates to the unamortised portion of the key money as at 31 December 2025.

Notes to the Consolidated and Separate Financial Statements

35. Contract liabilities (cont'd)

35.2 Key money from Hilton (cont'd)

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Reconciliation of Key money from Hilton				
At 1 January	1,986,725	2,139,550	-	-
Recognised as other operating income during the year	(152,825)	(152,825)	-	-
At 31 December	1,833,900	1,986,725	-	-

36. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Financial instruments:				
Trade payables*	274,642,827	212,522,336	-	-
Due to related companies and other payables	35,284,336	8,430,790	726,550	26,250,246
Accrued liabilities	34,475,602	37,318,616	714,481	555,297
Unclaimed dividend	2,233,610	2,071,921	1,780,041	1,743,560
Dividend payable (Note 36.1)	88,298	86,864	-	-
	346,724,673	260,430,527	3,221,072	28,549,103
Non-financial instruments:				
Advanced deposits	161,578	167,401	-	-
VAT and WHT	2,452,904	3,887,470	2,258,306	2,061,201
Afam payables	-	8,273,168	-	-
Other payables (Note 36.3)	19,232,182	39,965,240	2,698,834	75,443
	21,846,664	52,293,279	4,957,140	2,136,644
Total Trade and other payables	368,571,337	312,723,806	8,178,212	30,685,747

36.1 Dividend payable

As at 1 January	86,864	13,149,306	-	-
Appropriation during the year	30,347,242	13,887,191	10,161,999	8,129,598
Dividend paid	(30,345,808)	(26,949,633)	(10,161,999)	(8,129,598)
	88,298	86,864	-	-

*The prior year number was restated. In preparing the TransAfam's 2024 financial statements, the elimination of investment in subsidiary for consolidation purposes of N31.5 billion which was incorrectly eliminated against trade payables has now been properly adjusted for in other reserves and retained earnings for consolidation purposes. Refer to note 47.

*Included in trade payables is withholding tax of N111 million on outstanding interest payable to a related party, for cash flow purpose, this has been backed out of the trade payables balance in the period and included in borrowings.

Notes to the Consolidated and Separate Financial Statements

36. Trade and other payables (cont'd)

The Directors proposed dividend of N2.00 per ordinary share (2024: N1.00). The proposed dividend will be presented to shareholders for approval at the next Annual General Meeting and paid subsequently subject to withholding tax at an appropriate rate. The full year dividend of N20.2bn proposed by management shall be paid from the net dividend income of NGN24.66bn to be received during the year from subsidiaries.

For Transcorp Power Plc, dividend of N5.50 was declared in 2025 based on 7,500,000,000 ordinary shares (2024: N5) while Transcorp Hotels Plc declared N1.30 in 2025 (2024: 74kobo).

36.2 Trade payables are non-interest bearing and are normally settled on 60-day terms.

36.3 Other payables

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Statutory Liabilities	-	-	-	-
Other payables	19,232,182	39,965,240	2,698,834	75,443
	19,232,182	39,965,240	2,698,834	75,443

Included in other payables is the sum of N19bn (2024:39bn) from Transcorp Power Plc relating to vendors that supplied various material and provided services to the company. For the company, included in the N2.69bn is the payable of N2.66bn due to Heirs Holdings for the management fee and other transactions.

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	-	-	28,385,000	-
Addition during the year	-	-	-	28,385,000
At 31 December	-	-	28,385,000	28,385,000

37.1 This is deposit for investment in TransAfam Power Limited

38. Deposit for shares

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Deposit for shares-THIL (Note 38.1)	2,410,000	2,410,000	-	-
Deposit for shares-TAPL (Note 38.2)	82,180,000	25,525,000	-	-
	84,590,000	27,935,000	-	-

38.1 Deposit for shares-THIL

Deposit for shares relates to Heirs Holdings Limited's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL). Based on the Memorandum of Understanding between Transnational Corporation Plc and Heirs Holdings Limited, THIL will issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

Notes to the Consolidated and Separate Financial Statements

38. Deposit for shares (cont'd)

38.2 Deposit for shares-TAPL

Deposit for shares relates to other parties' contribution to TransAfam Power Limited(TAPL) towards the acquisition cost for the Afam Power Genco.

	Group	
	2025	2024
	N'000	N'000
Opening balance	27,935,000	12,935,000
Additions	56,655,000	15,000,000
	84,590,000	27,935,000

39. Defined Benefit Plan - Other employee benefit

Transcorp Hotels Plc provides a long-service award benefit to employees who is in active employment for a determined length of service. The benefit is defined for different lengths of service in 8 bands of 5 years from 5 to 40 years with benefits escalating with the length of service. The plan is funded from the company's operations for each year that there are qualifying staff members.

The benefit typically exposes the Company to actuarial risks such as foreign exchange risk, interest rate risk, longevity risk and attrition risk. The risk relating to benefits to be paid to the qualifying staff members is borne by the company and factored into the computation of the defined benefit obligation.

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31December 2025 by Mr. Shefiu Ganiu Dare, FRC/2017/PRO/NAS/004/00000017548, Fellow-Society of Actuaries, America of GIANT CONSULTANTS LIMITED, FRC/2023/COY/335546.

The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Key assumptions used:

Financial Assumptions

Discount Rate

In line with IAS 19, future benefits cash flow should be projected for each employee and discounted to their net present value as at the current balance sheet date, using an interest assumption (called the discount rate under IAS 19).

IAS 19 requires an entity to determine the rate to be used for discounting long-term employees' benefits with reference to market yields on high-quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead.

There is no deep market in corporate bonds in Nigeria, and we have determined the rate used for the current valuation by reference to the yield available on Nigerian Federal Government Bonds.

Notes to the Consolidated and Separate Financial Statements

39. Defined Benefit Plan - Other employee benefit (cont'd)

Discount Rate (cont'd)

As at 31st December 2025, the discount rate assumption was maintained at its old level of 17.5% per annum in line with current redemption yield on long term Federal Government Bond.

Benefit escalation rate

Monetary benefit escalation rate assumption changed slightly from its previous rate of 8.5% to 9.0% to reflect the current situation (i.e. 50% of long-term average inflation).

Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample Age	Number of deaths in a year out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

We have assumed a withdrawal rate for the current valuation at a rate starting from 5% for all ages up to age 30 years and decreasing to 1% at age 50 years then nil thereafter.

Age Band (years)	Withdrawal Rate (%)
Up to 30	5
31 -35	4
36 - 40	3
41 -50	1
51 and over	Nil

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Current Service cost	19,764	10,190		
Interest expense	79,991	35,746		
Components of defined benefit costs recognised in profit or loss	99,755	45,936	-	-

Of the expense (service cost) for the year, N9.5mn (2024: N4.9 mn) has been included in profit or loss as cost of sales and N10.3mn (2024: N5.3 mn) has been included in administrative expenses. The net interest expense has been included within finance costs (See note 13). The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes to the Consolidated and Separate Financial Statements

39. Defined Benefit Plan - Other employee benefit (cont'd)

Amounts recognised in other comprehensive income (net of tax) are as follows:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Actuarial (gains) and losses arising from changes in Discount Rate Assumption	-	(64,323)	-	-
Actuarial (gains) and losses arising from changes in Exchange Rate Assumption	(34,935)	191,220	-	-
Cost of benefit improvement	-	26,620	-	-
Actuarial losses – Change in Benefit Escalation Assumption	2,653			
Actuarial (gains) and losses arising from experience adjustments	(47,776)	68,615	-	-
Remeasurement of the net defined benefit liability	(80,058)	222,132		
Tax charge/(credit)	26,419	(73,304)	-	-
Remeasurement of the net defined benefit liability	(53,639)	148,828	-	-

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement benefit plans is as follows:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Present value of defined benefit obligations	443,371	466,751	-	-
Fair value of plan assets	-	-	-	-
Funded status	443,371	466,751	-	-
Restrictions on asset recognised	-	-	-	-
Net liability arising from defined benefit obligation	443,371	466,751	-	-
Split between non-current and current portions				
Current liabilities	84,159	45,936	-	-
Non-current liabilities	359,213	420,815	-	-
	443,371	466,751	-	-

The current liabilities is the portion of the liabilities that is due in the next 12 months.

Movements in the present value of defined benefit obligations in the year were as follows:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Opening defined benefit obligation	466,751	244,067	-	-
Service cost	19,764	10,190	-	-
Interest cost	79,991	35,746	-	-
Actuarial losses	(80,058)	222,132	-	-
Benefits paid	(43,077)	(45,384)	-	-
Closing defined benefit obligation	443,371	466,751	-	-

Significant actuarial assumptions for the determination of the defined benefit liability are discount rate, expected escalation rate of the defined benefit, length of stay and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

All amounts are in thousands of naira

	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	464,701,885	443,371,154	423,789,390
Effect of 1% increase or decrease in Escalation rate	438,173,572	443,371,154	449,028,164
Effect of 10% increase or decrease in Exchange rate	398,859,539	443,371,154	491,678,159
Effect of 10% increase or decrease in Withdrawal rate	446,486,397	443,371,154	440,308,939
Effect of 10% increase or decrease in Mortality rate	443,889,521	443,371,154	442,853,681

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39. Defined Benefit Plan - Other employee benefit (cont'd)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

40. Other Investments

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Investment in Jeolan International Limited (Note 40.1)	1,800,450	1,800,450	400,100	400,100
United Bank for Africa Plc (note 40.2)	11,000,000	20,377,722	5,000,000	3,377,722
	12,800,450	22,178,172	5,400,100	3,777,822
Movement in Other investments				
Opening balance	22,178,172	1,800,450	3,777,822	400,100
Additon during the year	11,000,000	20,377,722	5,000,000	3,377,722
Reclassified to Investment in financial assets (Note 25)*	(20,377,722)	-	(3,377,722)	-
	12,800,450	22,178,172	5,400,100	3,777,822

40.1 The equity instrument represents a purchase of 10% of the 1,000,000 ordinary share capital of Jeolan International Limited.

40.2 This represents payment made for United Bank for Africa Plc right issues which has not been allotted as at year end.

*The reclassification of the shares were done after allotments of the shares by UBA



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41. Non-Controlling Interest		
	Group	
	2025	2024
	N'000	N'000
Balance brought forward	93,951,248	56,880,827
Transferred from Profit or loss account	51,625,249	42,528,356
Dividend paid to Non-Controlling Interest during the year	(20,185,243)	(5,757,593)
**Adjustment for disposal of shares (Note 6.2)	-	299,658
	125,391,254	93,951,248

42. Commitments and contingencies

42a Commitments

The Directors confirm that all known liabilities and commitments relevant to the assessment of the state of affairs of the Group have been appropriately considered in the preparation of these financial statements.

As at 31 December 2025, Transcorp Plc had capital commitments relating to the renovation of its Head Office located at 38 Glover Road, Ikoyi. The total capital commitment amounted to N592 million, of which N474 million was paid, leaving an outstanding balance of N118 million as at 31 December 2025 (2024: Nil).

Transcorp Hotels Plc as at 31 December 2025, had nil Capital commitment on the Transcorp Centre construction project (2024: N1.5bn)

42b Contingent Liability

The Group is involved in some legal actions in the ordinary course of the business. The Group has been advised by its legal counsel that the likelihood of the claims being against the Group is low and no provision required.

Notes to the Consolidated and Separate Financial Statements

43. Related party disclosures

Note 6 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Related party balances	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Amount owed to related parties				
Transcorp Power Plc	-	-	-	26,250,246
Transcorp Hotels Plc	-	-	726,550	-
Heirs Energy and related companies	35,284,336	8,430,790	2,665,369	-
	35,284,336	8,430,790	3,391,919	26,250,246
Amount owed by related parties				
Afam Power Plc	-	-	3,554,825	4,908,797
Transcorp Power Plc	-	-	9,048,319	8,339,365
Transcorp OPL 281 Limited	-	-	16,737,681	14,036,755
Transcorp Hotels Plc	-	-	-	151,317
TransAfam Power Ltd	-	-	-	-
Aura by Transcorp	-	-	20,643	17,013
Transcorp Energy Limited	-	-	497,234	304,175
	-	-	29,858,702	27,757,422
Allowance for expected credit loss	-	-	(1,073,046)	(1,344,086)
	-	-	28,785,656	26,413,336

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs regularly. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Company recognised N1.1bn (2024:N1.3bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Energies Limited (HEL) supplied gas to Afam Power Plc amounting to N30.3 billion (2024: N8.4 billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HEL related companies to Transnational Group amounting to N6.4 billion (2024: N4.3billion) during the year; these are included in administrative expenses.

Company

Related party borrowings

Included in the amount due from OPL 281 Limited is N15.9b balance of loan at 22%.

The loan to Afam Power Plc is N800mn at 22%



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43. Related party disclosures (cont'd)

Other terms

The Company entered into a Technical and Management services agreement with Transcorp Hotels Plc, Transcorp Power Plc, and TransAfam Power Limited. As stipulated in the signed agreement, the Company earns management fee of higher of N350 million or 5% of profit before tax from Transcorp Power Plc and TransAfam Power Limited. Additionally, it earns 5% of Revenue from Transcorp Power Plc and Transcorp Hotels Plc.

Below are details of transaction in the Profit or loss account during the year.

Nature	Subsidiaries	Company	
		2025 N'000	Restated* 2024 N'000
Dividend income from subsidiaries	Transcorp Power Plc	19,122,177	5,736,653
	Transcorp Hotels Plc	5,772,052	780,007
OM& C Management fee	Transcorp Power Plc	18,070,111	-
	TransAfam Power Limited	350,000	350,000
	Transcorp Power Plc	6,599,909	6,347,952
Interest income	Transcorp Hotels Plc	4,851,830	1,194,943
	Transcorp OPL 281 Limited	2,590,587	1,764,657
	TransAfam Power Limited	164,393	169,320
Interest expense	Transcorp Power Plc	1,162,844	2,804,727
	Transcorp Hotels Plc	124,503	-

*The prior year numbers have been included to show the disclosure not included in the prior year signed financial statements.

43.1 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and their close family members. Close family members are those family who may be expected to influence, or be influenced by that individual in their dealings with Transcorp Group and its subsidiaries.

Key management personnel and their close family members engaged in the following transactions with the Group during the period:

		2025 N'000	2024 N'000
Dr. (Mrs) Owen Omogiafo, OON	Loan	49,583	75,741

This is upfront advances in line with the terms and conditions of staff employment.

Notes to the Consolidated and Separate Financial Statements

43. Related party disclosures (cont'd)

43.1 Key Management Personnel (cont'd)

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Compensation to directors				
Salaries and other short-term employee benefits	1,462,315	411,738	622,868	221,083
Defined contributions	5,680	5,680	2,134	2,134
Fees and allowances	548,532	530,532	213,540	195,540
	2,016,527	947,950	838,542	418,757
Amount paid to highest paid director (excluding pension contributions)	150,000	120,000	150,000	120,000
Chairman's emoluments				
Fees	8,000	8,000	8,000	8,000
Other allowance	-	-	-	-
Benefits in kind	45,485	45,485	45,485	45,485
	53,485	53,485	53,485	53,485

The number of Directors of the Company (including the highest paid Director) whose remuneration, excluding pension contributions, in respect of services to the Company is within the following range:

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Less than N10,000,000	23	23	-	-
Over N10,000,000	12	12	9	9
	35	35	9	9

Notes to the Consolidated and Separate Financial Statements

44 Profit for the year from continuing operations after charging/(crediting):				
	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Profit before tax	179,502,435	136,668,246	53,304,660	18,486,442
Depreciation and Amortization expenses	3,598,659	2,791,901	29,509	26,441
Depreciation of Right-of-use assets	56,759	56,759	56,759	56,759
Employee benefit expenses	11,243,479	9,043,136	1,651,639	823,894
Auditor's remuneration	352,900	287,638	81,179	68,796
Finance expense	18,600,108	18,532,821	7,688,717	8,888,414
Finance income	(1,218,212)	(1,814,739)	(2,970,109)	(2,205,821)
Investment income	(1,690,548)	(2,075,863)	(1,593,223)	(2,075,863)
Impairment Loss	12,805,370	8,925,211	35,623	126,876
(Gain)/loss on disposal of property, plant and equipment	(39,413)	(29,290)	3,428	(27)

45. Securities Trading Policy

The Group's Code of Conduct and the Securities Trading Policy detail activities on security trading. The policies prohibit employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board, Management and Employees are regularly notified of closed periods. There was no insider trading recorded during the year.

46. Events after reporting date

There are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

Notes to the Consolidated and Separate Financial Statements

47. Restatement of prior year balance

In preparing TransAfam Power Limited financial statements of 2024, the Directors have reconsidered and adjusted the accounting for certain matters in the prior period which were not properly reported in the financial statements issued in the year ended 31 December 2021. The elimination of investment in subsidiary for consolidation purposes of N31.5bn which was incorrectly eliminated against trade payables has now been properly adjusted for in other reserves (N24.7bn) and retained earnings (N6.8bn) of the consolidated subsidiary balance (TransAfam)

The company has corrected these prior period errors relating to improper elimination of investment in subsidiary. This error has been corrected retrospectively, and adjustment for the elimination journal for investment in subsidiary for consolidation purposes that was not properly adjusted for has now been corrected.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	Previously reported 31 Dec 2024	Adjustment 31 Dec 2024	As restated 31 Dec 2024	Previously reported 31 Dec 2023	Adjustment 31 Dec 2023	As restated 31 Dec 2023
	N'000	N'000	N'000	N'000	N'000	N'000
Other reserves*	38,850,066	(24,737,893)	14,112,173	34,920,455	(24,737,893)	10,182,562
Retained earnings *	112,317,867	(6,762,107)	105,555,760	68,922,551	(6,762,107)	62,160,444
Trade and other payables*	281,223,806	31,500,000	312,723,806	180,709,999	31,500,000	212,209,999



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OTHER NATIONAL DISCLOSURES



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Consolidated and Separate Statement of Value Added

	Group				Company			
	2025 N'000	%	2024 N'000	%	2025 N'000	%	2024 N'000	%
Revenue	544,140,613		407,915,908		54,766,079		14,409,555	
Other operating income	12,712,381		5,317,189		11,853,046		15,411,690	
	556,852,994		413,233,097		66,619,125		29,821,245	
Bought in materials and services								
Foreign	(66,342,885)		(168,425,853)		-		(1,077,508)	
Local	(232,200,097)		(72,182,509)		(2,926,710)		(461,789)	
Total Value added	225,138,569	100	172,624,735	100	63,692,415	100	28,281,949	100
Applied as follows:								
To pay Employees								
Salaries and other benefits	11,243,479	5	9,043,136	5	1,651,639	3	823,894	3
To pay Providers of Capital								
Finance costs	18,600,108	8	18,532,821	11	7,688,717	13	8,888,414	31
To pay to Government								
Income tax	38,813,725	17	38,918,300	23	4,026,603	6	1,588,795	6
To be retained in the business								
Depreciation of property, plant and equipment	11,736,230	5	9,134,732	5	29,509	-	26,440	-
Depreciation of right-of-use assets	56,759	-	56,759	-	56,759	-	56,759	-
Amortisation of intangible assets	5,812,641	3	48,294	-	-	-	-	-
Deferred tax	2,965,757	1	2,801,942	2	961,131	1	-	-
	20,571,387	9	12,041,727	7	1,047,399	2	83,199	-
Value retained								
Retained profit	85,788,771	38	51,524,914	30	49,278,057	77	16,897,647	60
Non-Controlling interest	50,121,099	23	42,563,837	24	-	-	-	-
	135,909,870	61	94,088,751	54	49,278,057	77	16,897,647	60
	225,138,569	100	172,624,735	100	63,692,415	100	28,281,949	100

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 between employees, shareholders, government and that retained for the future creation of more wealth.



Transnational Corporation Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2025

Consolidated and Separate Five Year Financial Summary

GROUP		(Restated)	(Restated)		
	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	431,119,845	406,153,187	355,679,677	340,833,046	327,740,628
Current assets	571,222,777	345,410,118	171,345,179	101,869,876	88,259,389
Asset Held for Sale	-	-	2,898,863	-	-
Total assets	1,002,342,622	751,563,305	529,923,719	442,702,922	416,000,017
Equity					
Issued capital	5,080,999	5,080,999	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Share reconstruction reserve	15,242,997	15,242,997	-	-	-
Other reserves	20,237,753	14,112,173	10,182,562	26,236,330	26,451,986
Retained earnings	181,182,532	105,555,760	62,160,444	54,577,014	47,602,138
Equity attributable to equity holders of the parent	227,994,152	146,241,800	98,916,873	107,387,211	100,627,991
Non-controlling interests	125,391,254	93,951,248	56,880,827	47,386,526	45,664,290
Total equity	353,385,406	240,193,048	155,797,700	154,773,737	146,292,281
Liabilities					
Non-current liabilities	146,507,136	102,754,752	87,058,334	87,782,001	74,697,140
Current liabilities	502,450,080	408,615,505	286,668,822	200,147,184	195,010,596
Liabilities directly associated with assets classified as held for sale	-	-	398,863	-	-
Total liabilities	648,957,216	511,370,257	374,126,019	287,929,185	269,707,736
Total equity and liabilities	1,002,342,622	751,563,305	529,923,719	442,702,922	416,000,017

*The prior year number was restated. In preparing the TransAfam's 2024 financial statements, the elimination of investment in subsidiary for consolidation purposes of N31.5 billion which was incorrectly eliminated against trade payables has now been properly adjusted for in other reserves and retained earnings for consolidation purposes. Refer to note 47.

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

Revenue	544,140,613	407,915,908	196,989,632	133,718,490	111,219,336
Profit before taxation	179,502,435	136,668,246	58,806,005	30,383,351	27,998,554
Taxation	(43,592,565)	(42,579,495)	(26,169,757)	(13,299,040)	(4,167,102)
Profit after taxation	135,909,870	94,088,751	32,636,248	17,084,311	23,831,452
Earnings per share (kobo)	844	145	40	19	34
Net Assets per share (kobo)	2,244	360	321	264	248
Dividend per share (kobo)	200	100	10	5	2

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.



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

Consolidated and Separate Five Year Financial Summary

COMPANY

	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	104,486,362	84,642,183	75,256,321	57,880,405	53,931,620
Current assets	60,576,376	57,323,498	59,243,140	37,997,923	35,773,274
Total assets	165,062,738	141,965,681	134,499,461	95,878,328	89,704,894
Equity					
Issued capital	5,080,999	5,080,999	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Share reconstruction reserve	15,242,997	15,242,997	-	-	-
Other reserves	18,677,612	14,346,323	10,303,365	1,590,413	1,806,069
Retained earnings	73,630,695	34,514,637	25,746,588	19,727,493	13,324,478
Total equity	118,882,174	75,434,827	62,623,820	47,891,773	41,704,414
Liabilities					
Non-current liabilities	6,524,486	8,577,195	8,711,590	11,958,773	13,659,279
Current liabilities	39,656,078	57,953,659	63,164,051	36,027,782	34,341,201
Total liabilities	46,180,564	66,530,854	71,875,641	47,986,555	48,000,480
Total equity and liabilities	165,062,738	141,965,681	134,499,461	95,878,328	89,704,894
STATEMENT OF PROFIT OR LOSS					
Revenue	54,766,079	14,409,555	10,318,046	5,127,383	2,725,533
Profit before taxation	53,304,660	18,486,442	8,439,745	4,022,153	2,666,403
Taxation	(4,026,603)	(1,588,795)	(1,223,768)	(587,789)	(278,043)
Profit after taxation	49,278,057	16,897,647	7,215,977	3,434,364	2,388,360
Earnings per share (kobo)	485	42	18	8	6
Net Assets per share (kobo)	1,170	186	118	103	96
Dividend per share (kobo)	200	100	10	5	2

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.