

AFRILAND PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

Table of contents	Page
Corporate information	3
Report of the Directors	4
Statement of Directors' responsibilities for the preparation of the financial statements	7
Statutory Audit Committee Report	8
Statement of Certification of the financial statements	9
Assurance Report of Independent Auditor on Management assessment of controls over financial reporting	10
Independent Auditor's report on the audit of the financial statements	13
Statement of Profit or Loss and Other Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Notes to the Financial Statements	22
<i>Other National Disclosures</i>	
Value Added Statement	72
Five-year Financial Summary	73

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Emmanuel Nnorom Mr. Azubike Emodi Mr. Olukayode Odebiyi Dr. (Mrs.) Agatha Obiekwugo Mr. Ayodeji Adigun Mr. Obong Idiong Mr. Olubunmi Akinremi Dr. (Mrs.) Owen Omogiafo, OON Mrs. Uzoamaka Oshogwe	Chairman Managing Director/Chief Executive Officer - Appointed 2nd February 2025 Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director- Appointed 1st February 2025
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SECRETARY Mrs. Omomene Obanor

REGISTERED OFFICE Afriland Towers
97/105 Broad Street
Lagos.

REGISTRATION NUMBER RC 684746

WEBSITE www.afrilandproperties.com

TAX IDENTIFICATION NUMBER (TIN) 10421616 - 0001

AUDITOR Deloitte & Touche
Civic Towers, Plot GA1,
Ozumba Mbadiwe Avenue, Victoria Island, Lagos State

PRINCIPAL BANKER United Bank for Africa Plc

REGISTRAR Africa Prudential Plc
220B, Ikorodu Road
Palmgrove
Lagos.

SOLICITORS Ogbemudje Omezi & Co
M. E Esonanjor & Co

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

REPORT OF THE DIRECTORS

The directors have the pleasure in presenting, to the members of Afriland Properties Plc ("the Company") their report together with the audited financial statements and auditor's report for the year ended 31 December 2025.

LEGAL FORM

Afriland Properties Plc was incorporated under the Companies and Allied Matter Act as a private limited liability company on 14 March 2007 and is headquartered in Lagos, Nigeria with other satellite office locations in Abuja, Port-Harcourt and Benin. The Company began operations on 1 February 2011.

PRINCIPAL ACTIVITY

The principal activity of the Company is real estate investment and development as well as offering of a broad range of real estate products/services to the general public.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs continues to be satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

CHANGE IN REPORTING FRAMEWORK

There was no change in the Company's accounting policies during the year.

RESULTS FOR THE YEAR

	2025	2024
	₦'000	₦'000
Total Revenue	4 066 735	3 753 282
	=====	=====
Profit before taxation	2 599 078	3 695 529
Taxation	(2 263 312)	(1 081 231)
Profit for the year	----- 335 766	----- 2 614 298
	=====	=====

DIVIDEND

The directors have recommended payment of a dividend of 24k per share on the outstanding ordinary shares of 1,373,900,000 in respect of the year ended 31 December 2025 (2024: 63k per share of the outstanding ordinary shares of 1,373,900,000). This is inclusive of the interim dividend of 13k per share paid during the year. The dividend shall become payable upon approval by the shareholders at the Annual General Meeting and subject to deduction of 10% withholding tax.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment (PPE) during the year is shown in Note 12 of the audited financial statements. In the opinion of the Directors the market value of the Company's PPE is not less than the value shown in the audited financial statements.

ACQUISITION OF OWN SHARES

The Company has not purchased any of its own shares during the year under review (2024: Nil).

DIRECTORS

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

<u>Director</u>	<u>Position</u>
Mr. Emmanuel Nnorom	Chairman
Mr. Azubike Emodi	Managing Director/Chief Executive Officer - Appointed 2nd February 2025
Mr. Olukayode Odebiyi	Executive Director
Dr. (Mrs.) Agatha Obiekwugo	Non-Executive Director
Mr. Ayodeji Adigun	Non-Executive Director
Mr. Obong Idiong	Non-Executive Director
Mr. Olubunmi Akinremi	Independent Non-Executive Director
Dr. (Mrs.) Owen Omogiafo, OON	Non-Executive Director
Mrs. Uzoamaka Oshogwe	Non-Executive Director - Appointed 1st February 2025

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

DIRECTORS' INTERESTS IN SHARES

The direct and indirect interests of the Directors in the issued share capital of the Company as recorded in the register of Directors' shareholdings and/or as notified by the Directors for the purpose of Sections 301 and 302 of the Companies and Allied Matters Act, 2020 are as follows;

	31 December 2025		31 December 2024	
	Direct Holding	Indirect Holding	Direct Holding	Indirect Holding
Mr. Emmanuel Nnorom	447 139	66 158	447 139	66 158
Mr. Azubuike Emodi	2 016 311	-	-	-
Mr. Olukayode Odebiyi	-	-	-	-
Mrs. Uzoamaka Oshogwe	836 128	-	836 128	-
Dr. (Mrs.) Agatha Obiekwugo	101 367	-	1 367	-
Mr. Ayodeji Adigun	50 000	-	50 000	-
Mr. Obong Idiong	49 646	-	49 646	-
Mr. Olubunmi Akinremi	23 905	-	23 905	-
Dr. (Mrs.) Owen Omogiafo	17 894	-	17 894	-
	3 542 390	66 158	1 426 079	66 158

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any disclosable interest in contracts in which the Company is involved as at 31 December 2025 (2024: Nil).

ANALYSIS OF SHAREHOLDING

According to the Register of Members, the following shareholder held more than 5% of the ordinary shares of the Company issued as at reporting date.

	2025		2024	
	Numbers of shares	%	Numbers of shares	%
HH Capital Limited	311 815 571	22.70	311 815 571	22.70

RANGE ANALYSIS AS AT 31-12-2025

Range	No. of Holders	Holder %	Holder Cum.	Units	Units %	Units Cum.
1 - 10 000	244 429	87.05%	244 429	50 746 393	3.69%	50 746 393
10 001 - 50 000	27 556	9.81%	271 985	58 995 073	4.29%	109 741 466
50 001 - 100 000	8348	2.97%	280 333	134 998 804	9.83%	244 740 270
100 001 - 500 000	322	0.11%	280 655	62 411 608	4.54%	307 151 878
500 001 - 5 000 000	90	0.03%	280 745	114 587 936	8.34%	421 739 814
5 000 001 - 50 000 000	30	0.01%	280 775	640 344 615	46.61%	1 062 084 429
50 000 001 - 2 000 000 000	1	0.00%	280 776	311 815 571	22.70%	1 373 900 000
Grand Total	280 776	100%		1 373 900 000	100%	

RANGE ANALYSIS AS AT 31-12-2024

Range	No. of Holders	Holder %	Holder Cum.	Units	Units %	Units Cum.
1 - 10 000	276 360	98.44%	276 360	140 858 199	10.25%	140 858 199
10 001 - 50 000	3 494	1.24%	279 854	72 849 278	5.30%	213 707 477
50 001 - 100 000	438	0.16%	280 292	30 788 400	2.24%	244 495 877
100 001 - 500 000	322	0.11%	280 614	62 419 676	4.54%	306 915 553
500 001 - 5 000 000	83	0.03%	280 697	102 336 875	7.45%	409 252 428
5 000 001 - 50 000 000	28	0.01%	280 725	417 188 190	30.37%	826 440 618
50 000 001 - 2 000 000 000	5	0.00%	280 730	547 459 382	39.85%	1 373 900 000
Grand Total	280 730	100%		1 373 900 000	100%	

EMPLOYMENT AND EMPLOYEES

Employment of physically challenged persons

No physically challenged person was employed by the Company during the year ended 31 December 2025. However, it is the Company's policy to consider physically challenged persons for employment, bearing in mind the respective aptitudes and abilities of the applicants concerned.

Health, Safety and Welfare of Employees at Work

The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various forms of insurance policies including group life assurance to adequately secure and protect its employees. The company also has in place a healthcare insurance scheme for employees' and their immediate family members' medical needs.

Employees' Interest and Training

The company places considerable value on the development of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and other forms of communication. The company organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where and when necessary.

CORPORATE SOCIAL RESPONSIBILITY

The Company made payment of N53,229,000 as corporate social responsibility during the year ended 31 December 2025 (2024: N82,173,900).

EVENTS AFTER REPORTING DATE

There were no subsequent events which could have had a material effect on the financial position and performance of the Company as at 31 December 2025 which had not been adequately provided for or disclosed.

FORMAT OF FINANCIAL STATEMENTS


The financial statements have been prepared in accordance with the reporting and presentation requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the provisions of Companies and Allied Matters Act, 2020. The directors consider that the format adopted is that most suitable for the Company.

AUDITOR

Deloitte & Touche have expressed their willingness to continue in office as the Company's auditor in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020.

A resolution will be proposed at the Annual General Meeting authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD


Onifemi Obanor
COMPANY SECRETARY
FRC/2022/PRO/NBA/002/057966
Lagos, Nigeria
20 March
2026

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

Statement of Directors' responsibilities for the preparation of the financial statements

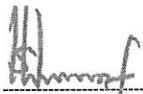
The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigerian (Amendment) Act, 2023.
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

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

The directors are of the opinion that the audited financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2025. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the audited financial statements, as well as adequate systems of internal financial control.

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



Emmanuel Nn̄rom
Chairman
FRC/2014/ICAN/0000007402



Azubike Emodi
Managing Director/ CEO
FRC/2016/CIBN/00000014083

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

CERTIFICATION OF FINANCIAL STATEMENTS

We hereby certify that:

- a) We the undersigned have reviewed the audited financial statements of Afriland Properties Plc ("the Company) for the year ended 31 December 2025.

Based on our knowledge as officers of the Company, the annual report, audited financial statements and other national disclosures do not contain:

(i) any untrue statement of a material fact, or

(ii) omit to state a material fact, which would make the statement misleading in the light of the circumstances under which the statement was made.

- b) Based on our knowledge, the financial statements and other financial information included in the annual report fairly represent in all material respect, the financial conditions and results of operations of the Company as of, and for the year presented in the report.

- c) We, the undersigned:

i. are responsible for establishing and maintaining controls;

ii. have designed such internal controls to ensure that material information relating to the Company is made known to us by others within those entities

particularly during the year in which the periodic reports are being prepared;

iii. have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.;

iv. have presented in the report our conclusions about the effectiveness of their internal controls based on their evaluation as of that date;

- d) We have disclosed to the external auditors of the Company and the audit committee:

i. all significant deficiencies in the design or operation of the internal controls which would adversely affect the Company's ability to record, process,

summarize and report financial data and have identified for the Company's Auditors any material weakness in internal controls, and

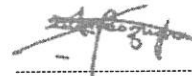
ii. any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

- e) We have identified in the report whether or not there were significant changes in internal controls subsequent to the date of their evaluation, including any

corrective actions with regard to significant deficiencies and material weakness.



Azubike Emodi
Managing Director/ Chief Executive Officer
FRC/2016/CIBN/00000014083



Obiorah Ozugha
Chief Financial Officer
FRC/2013/ICAN/00000004513

AFRILAND PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2025

STATUTORY AUDIT COMMITTEE REPORT

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 hereby report as follows:

- The Statutory Audit Committee met in exercise of its statutory responsibilities in accordance with section 404(7) of CAMA;
- We have examined the auditor's report including the financial statements for the year ended 31 December 2025;
- We have deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors' report for this year is consistent with our review; and
- We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

Members of the Statutory Audit Committee

- 1 Mr. Sunny Nkumah - Chairman
- 2 Alhaji Wahab A. Ajani - Member
- 3 Miss Moyosore Ayanwamide - Member
- 4 Mr. Ayodeji Adigun - Member/Non-Executive Director
- 5 Mr. Olubunmi Akinremi - Member/ Independent Non-Executive Director



Mr. Sunny Nkumah
CHAIRMAN, STATUTORY AUDIT COMMITTEE
FRC/2025/PRO/DIR/003/051439

30th March 2026

AFRILAND PROPERTIES PLC - INTERNAL CONTROL OVER FINANCIAL REPORTING CERTIFICATION

I, **Azubike Emodi**, certify that:

- a) I have reviewed the audited financial statements of Afriland Properties Plc.
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer(s) and I:
 - 1) are responsible for establishing and maintaining internal controls.
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAPs.
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions

about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

- 1 All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
- 2 Any fraud, whether or not material, which involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Azubike Emodi

Designation: Managing Director/CEO

FRC/2016/CIBN/00000014083

Signature: 

Date: 30 March, 2026



**AFRILAND PROPERTIES PLC - INTERNAL CONTROL OVER FINANCIAL
REPORTING CERTIFICATION**

I, **Obiorah Ozugha**, certify that:

- a) I have reviewed the audited financial statements of **Afriland Properties Plc.**
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer(s) and I:
 - 1) are responsible for establishing and maintaining internal controls.
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAPs.
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions

about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, which involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Obiorah Ozugha

Designation: Chief Finance Officer

FRC/2013/1CAN/00000004513



Signature:

Date: 30 March, 2026

MANAGEMENT ASSESSMENT REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

For the year ended 31 December 2025

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

We are responsible for establishing and maintaining internal controls and attest that the company's internal controls were effective as of 31 December 2025.

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

That the Audited Financial Statements does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

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

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

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



Azubike Emodi
Managing Director/CEO
FRC/2016/CIBN/00000014083



Obiorah Ozugha
Chief Finance Officer
FRC/2013/ICAN/00000004513

30 March, 2026

INDEPENDENT AUDITOR'S REPORT
To the Members of Afriland Properties Plc
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Afriland Properties Plc** ('the Company') set out on pages 24 to 72, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of **Afriland Properties Plc** as at 31 December 2025, and its financial performance and statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act2023.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of 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 the matters that, in our professional judgement, are of most significance in our audit of the financial statements of the current year. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	How the matters were addressed in the audit
<p>Valuation of investment properties</p>	
<p>The Company has investment in landed property, which is classified as investment properties in the financial statements and carried at fair value. The determination of fair value involves management's estimate and exercise of significant judgment, which requires key subjective inputs and assumptions. The level of judgment involved in the determination of the fair value, makes Investment Property an area of significance in our audit.</p> <p>Management engaged Messrs. C. J. Oporum of Oporum & Partners, Chartered Estate Surveyor with FRC/2014/NIESV/0000009134 for the valuation of the investment properties as at 31 December 2025. The valuer adopted market data valuation approach in accordance with what is recommended by the International Valuation Standards Committee having considered some assumptions about the properties being valued and the market.</p> <p>Investment property balance forms a significant portion of the Company's Non-current assets at a value of N19.7billion as detailed in note 13 of the financial statements.</p> <p>The audit of investment properties is considered a key audit matter because of the significance of the estimates, judgement and size of the account balance.</p>	<p>Our procedures included the following among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of controls around the valuation process and approval of assumptions and the final valuations. • Evaluated the qualification of the external experts engaged by management to ensure that they were qualified to carry out the valuation. • Assessed the valuation results by the external expert engaged by management by comparing it to relevant independent property price information. • Robustly challenged the assumption and reperformed some of the valuation computation to assess for reasonableness. • As part of our robust challenge of the valuation, we engaged Deloitte & Touche property specialist to review and evaluate the reasonableness of assumptions made for the valuation of the investment properties of the Company. <p>Based on our review, we found that management estimates and assumptions in determining the fair value of the investment properties in the Company's financial statements were reasonable and appropriate in the circumstance. We consider the disclosure of investment properties to be adequate, relevant and useful.</p>

Assessment of goodwill impairment	
<p>As at 31 December 2025, the Company had a balance of N561 million as Goodwill, which principally relates to the acquisition of Heirs Real Estate Limited in 2014. The asset is tested for impairment annually, in line with the provision of IAS 36 – impairment of assets. The balance of goodwill is allocated to cash generating units (CGUs) for the purpose of the impairment testing.</p> <p>To determine the recoverable value of the Goodwill, management has used value- in -use approach, which involves forecasts of future cash flows, the discount rate and the growth rates of revenue and costs . These are estimates with significant judgements.</p> <p>Based on the management assessment, no impairment was recognised against Goodwill in the current financial year.</p> <p>Accordingly, Goodwill impairment test is considered a key audit matter because of the significance of the estimates and judgement involved.</p> <p>Goodwill balance and related disclosures are in Note 16 of the financial statements.</p>	<ul style="list-style-type: none"> • 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. <p>Based on the procedures performed, we believe the goodwill impairment assessment by the Company is reasonable, the balance is not impaired, and details have been appropriately disclosed in the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Afriland Properties Plc Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, Corporate Governance Report, Sustainability report, Board evaluation report, Statement of Directors' Responsibilities, Statutory Audit Committee

Report, Certification of the Financial statements, the Statement of Corporate Responsibility for Financial Statements, Certification of Management's assessment on Internal Control Over Financial Reporting and Other National Disclosures required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Investment and Securities Act CAP S124 LFN 2007 and 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. 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 the Companies and Allied Matters Act, 2020 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 Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we also performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with **FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting** and based on the procedures we have performed, and evidence obtained, we have issued an Unmodified conclusion in our report dated 31 March 2026. That report is included on pages 21 to 23 of the financial statements.


Stella Mba, FCA - FRC/2013/PRO/ICAN/004/00000001348
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2025



Assurance Report of Independent Auditor

To the Shareholders of Afriland Properties 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 Afriland Properties Plc ("the Company") as of 31 December, 2025, in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007 and FRC Guidance on Management report on Internal Control over Financial Reporting. Afriland Properties Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

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

Limited Assurance Conclusion

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

Definition of internal control over financial reporting

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

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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 Company's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Directors' and Management's Responsibilities

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

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

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

Our Independence and Quality Control

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

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

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

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




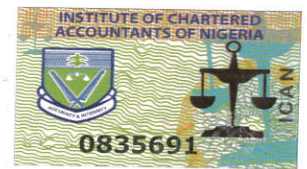
That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

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

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.


Stella Mba, FCA - FRC/2013/PRO/ICAN/004/0000001348
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2026



AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 N'000	2024 N'000
Revenue from contract with customers			
Fees and commission	4	1 930 141	1 800 080
Project management	5	176 077	300 828
Rental income	6	981 206	805 437
Sales of inventory property (Build to sell)	14.2	979 311	846 937
Total revenue		4 066 735	3 753 282
Cost of sales on inventory properties	14.2	(556 275)	(620 577)
Gross profit		3 510 460	3 132 705
Other operating income	7	440 261	1 432 612
Foreign exchange (loss)/gain	7.2	(14 653)	100 098
Expected credit (loss)/write back	7.3	(11 589)	6 803
Administrative expenses	8	(2 586 201)	(1 872 017)
Valuation gains from investment properties	13	915 015	685 516
Operating profit		2 253 293	3 485 717
Interest income	9	345 785	209 812
Profit before taxation		2 599 078	3 695 529
Income tax expense	10	(2 263 312)	(1 081 231)
Profit for the year		335 766	2 614 298
Other comprehensive income net of tax			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Fair value gain on equity instrument measured at fair value through other comprehensive income (net of taxes)	17.1	1 689 949	8 351 782
To be reclassified to profit or loss on subsequent periods		-	-
Total comprehensive income for the year		2 025 715	10 966 080
Earnings per share:			
Basic/ diluted earnings per share (Naira)	11	0.24	1.90

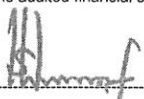
The accompanying notes to the financial statements form an integral part of these audited financial statements.

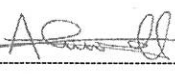
AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2025


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	2025 N'000	2024 N'000
Assets			
Non-current assets			
Property, plant and equipment	12	309 685	154 258
Investment properties	13	19 665 448	19 516 139
Right-of-use assets	15	5 062	-
Goodwill	16	561 182	561 182
Intangible assets	16.1	841	1 040
Equity instrument at fair value through OCI	17	34 676 568	23 496 207
Prepayments	18	-	11 810
		<u>55 218 786</u>	<u>43 740 636</u>
Current Assets			
Inventory properties	14	3 903 238	129 573
Trade and other receivables	19	3 715 567	2 724 527
Other assets	20	97 089	84 950
Prepayments	18	74 167	65 675
Cash and cash equivalents	22	2 008 895	1 812 629
		<u>9 798 956</u>	<u>4 817 354</u>
Total assets		<u>65 017 742</u>	<u>48 557 990</u>
Equity and Liabilities			
Equity			
Share capital	23.1	686 950	686 950
Share premium	23.2	2 944 271	2 944 271
Fair value reserve of financial assets through OCI	17.1	22 014 199	20 324 250
Retained earnings		10 443 873	10 973 664
Total equity		<u>36 089 293</u>	<u>34 929 135</u>
Non-current Liabilities			
Rent received in advance	25	1 289 658	1 368 348
Deferred tax liabilities	26.2	16 427 045	4 996 306
		<u>17 716 703</u>	<u>6 364 654</u>
Current Liabilities			
Trade and other payables	24	5 483 296	6 093 766
Interest-bearing loans and borrowings	27.1	4 454 234	-
Rent received in advance	25	968 372	759 369
Income tax payable	26.1	305 844	411 066
		<u>11 211 746</u>	<u>7 264 201</u>
Total liabilities		<u>28 928 449</u>	<u>13 628 855</u>
Total equity and Liabilities		<u>65 017 742</u>	<u>48 557 990</u>

The audited financial statements were approved by the Board of Directors on 31 March 2026 and signed on behalf their by:


Emmanuel Nnorcm
Chairman
FRC/2014/ICAN/0000007402


Azubike Emodi
Managing Director/ CEO
FRC/2016/CIBN/00000014083


Obiorah Ozugha
Chief Finance Officer
FRC/2013/ICAN/0000004513

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

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital	Share premium	Retained earnings	Fair value reserve of financial assets through OCI	Total equity
		N'000	N'000	N'000	N'000	N'000
At 1 January 2025		686 950	2 944 271	10 973 664	20 324 250	34 929 135
Profit for the year		-	-	335 766	-	335 766
Other comprehensive income for the year, net of tax	17	-	-	-	1 689 949	1 689 949
Total comprehensive income		686 950	2 944 271	11 309 430	22 014 199	36 954 850
Dividend	23.3	-	-	(865 557)	-	(865 557)
At 31 December 2025		686 950	2 944 271	10 443 873	22 014 199	36 089 293
At 1 January 2024		686 950	2 944 271	8 881 448	11 972 468	24 485 137
Profit for the year		-	-	2 614 298	-	2 614 298
Other comprehensive income for the year, net of tax	17	-	-	-	8 351 782	8 351 782
Total comprehensive income		686 950	2 944 271	11 495 746	20 324 250	35 451 217
Dividend	23.3	-	-	(522 082)	-	(522 082)
At 31 December 2024		686 950	2 944 271	10 973 664	20 324 250	34 929 135

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

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 R'000	2024 R'000
Profit before taxation		2 599 078	3 695 529
Adjustments to reconcile profit before tax to net cash flows:			
Amortisation of intangible assets	16	199	560
Depreciation of property, plant and equipment	12	54 350	27 830
Depreciation of right-of-use asset	15	1 688	-
Gain on disposal of investment properties	13.1	(9 849)	(647 664)
Finance income	9	(345 785)	(209 812)
Foreign exchange gains	22.1	(1 142)	(100 098)
Fair value gain on investment properties	13	(915 015)	(685 516)
Working capital adjustments:			
Increase in trade and other receivables	19	(991 041)	(945 557)
Decrease/(Increase) in prepayments	18.1	3 317	(17 199)
Decrease in inventory properties	14.1	556 275	335 637
(Increase)/Decrease in other assets	20	(12 138)	892 743
(Decrease)/Increase in trade and other payables	24	(610 470)	2 478 177
Increase in rent received in advance	25	130 313	275 025
		459 780	5 099 655
Income tax paid	26.1	(131 787)	(66 440)
Income tax paid (Withholding tax)	26.1	(246 420)	(218 158)
Net cash flows generated from operating activities		81 573	4 815 057
Investing activities			
Purchase of property, plant and equipment	12	(209 777)	(134 439)
Purchase of intangible assets	16	-	(1 040)
Purchase of investment properties	13	(3 021 526)	(3 930 422)
Purchase Right of Use-Assets	15	(6 750)	-
Proceeds from disposal of investment properties (net)	13.1	20 643	876 875
Purchase of FOCI investment	17	(50 000)	(5 000)
Interest received	9	345 785	209 812
Net cash flows from/ (used in) investing activities		(2 921 625)	(2 984 214)
Financing activities			
Dividend paid	23.3	(865 557)	(522 082)
Addition to loans and borrowings	27.1	4 300 000	-
Interest on loans and borrowings repayment	27.1	(59 341)	(5 058)
Repayments of loans and borrowings	27.1	(339 927)	(437 002)
Net cash flows (used in)/from financing activities		3 035 175	(964 142)
Net increase in cash and cash equivalents		195 124	866 701
Cash and cash equivalents at 1 January	22	1 812 629	845 830
Impact of foreign exchange	22.1	1 142	100 098
Cash and cash equivalents at 31 December	22	2 008 895	1 812 629

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

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Afriland Properties Plc was incorporated as a private limited liability Company on 14 March 2007 and became a public company in 2011.

Afriland Properties Plc (APP) is a Company domiciled in Nigeria. The address of the Company's registered office is 97/105 Broad Street, Lagos. The company is a property management, investment and development company offering end-to-end services along the real estate value chain, from management to joint venture investments. The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with the resolution of the Directors on 12th March 2026.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Income and cash flow statement

Afriland Properties Plc has elected to present a single statement of comprehensive income and presents its expenses by function.

The Company reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows.

2.3 Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

- Investment properties which are measured at fair value.
- The investment in quoted equity instruments are classified as Fair Value through Other Comprehensive Income.

2.4 Functional and presentation currency

The financial statements are presented in Nigerian Naira (₦), which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands (₦'000).

2.5 Going concern

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

2.6 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

2.6 Significant accounting judgments, estimates and assumptions - Continued

Judgements

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

2.6.1 Goodwill

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred and the amount recognised for non-controlling interests, and the fair value of 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 Company 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 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 Company'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 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.

Goodwill allocated to cash generating units ('CGUs') for the purpose of impairment testing. The goodwill impairment assessment involves judgment and forecast future cash flows associated with the utilization of goodwill, the discount rates, the growth rate of revenue and costs to be applied in determining the value-in-use and future business performance

2.6 Significant accounting judgments, estimates and assumptions

2.6.2 Revenue from contracts with customers

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

Identifying performance obligations in a bundled sale of design and project management services

The Company provides architectural designs that are either sold separately or bundled together with the provision of project management services to a customer. The project management services are a promise to ensure conformity to the approved design which is completed typically within a year or less than 12 months.

The Company determined that both the design and project management services are capable of being distinct. The fact that the Company regularly sells both design and project management services on a stand-alone basis indicates that the customer can benefit from either the product or service on their own. The Company also determined that the promises to transfer the design and to provide project management services are distinct within the context of the contract. The design and project management are not inputs to a combined item in the contract. The Company is not providing a significant integration service because the presence of the design and project management service together in this contract do not result in any additional or combined functionality and neither the design nor the project management service modify or customise the other. In addition, the design and project management service are not highly interdependent or highly interrelated, because the Company would be able to transfer the design even if the customer declined project management service and would be able to provide project management service in relation to products sold by other distributors.

Consequently, the Company allocated a portion of the transaction price to the design and the project management services based on contract price.

Estimates and assumption

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

2.6.3 Investment property

The Company makes use of external valuation experts. All properties are valued by external valuers on an annual basis. The following valuation assumptions are used:

In arriving at the Fair Value of the properties, we have adopted the Investment and Depreciated Current Replacement Cost Methods of Valuation.

According to IFRS 13, "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 concept of Fair Value is in line with that of Market Value as defined by the International Valuation Standards (IVS) which defined Market Value as the most probable price that an item should be bought in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from the seller to the buyer under conditions whereby:

The Investment Method of Valuation entails the estimation of the rental value of the property and there from deducting outgoings necessary to maintain the property in a state to continue to command such rent and capitalizing the residue over the unexpired term of leasehold interest or in perpetuity as the case may be.

The Depreciated Current Replacement Cost Method of Valuation is the current cost of reinstating the existing structures on site with the entire site works in today's market price, depreciated adequately to reflect the physical condition, economic and functional obsolescence onto which is added the market value of the bare site in its existing use.

Further details of fair value of investment properties are disclosed in Note 13.

2.6.4 Other judgements and estimates:

Operating lease contracts –

The Company as lessor

The company has entered into commercial property leases on its investment property portfolio. The company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

The Company as lessee

The company has a lease contract for the rented office building. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Although the lease contract contains an extension option, the Directors are reasonably certain that they will not exercise its option to extend but terminate at the end of the non-cancellable lease term in the contract. Refer to Note 3.18 for details.

Property, plant and equipment

The management's estimate is used in determining the depreciation rates and useful lives of these assets at the end of the period. Further details of property, plant and equipment are disclosed in Note 12.

Impairment of non-financial assets

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 fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less, incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company 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.

2.6 Significant accounting judgments, estimates and assumptions

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3 Summary of material accounting policies

3.1 Current versus non-current classification

The company adopts a classification approach in the Statement of Financial Position which distinguished between current and non-current items. An asset is considered current when it meets any of the criteria below:

It is expected to be realised in the company's normal operating cycle.

It is held primarily for the purpose of trading.

Assets that do not meet the above criteria are classified as non-current.

Similarly, a liability is categorized as current when:

It is discharged within the regular operational cycle.
it is retained for trading objectives.

Obligated to be resolved within twelve months following the end of the reporting period.

There exists no absolute entitlement to postpone the resolution of the liability for a minimum of twelve months beyond the reporting period.

Any remaining liabilities are categorized as non-current.

Moreover, deferred tax assets and liabilities are categorised as non-current assets and liabilities.

3.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The company has determined that its chief operating decision-maker is the Chief Executive Officer (CEO) of the Company. Segment information is presented in respect of the following Company's business segments:

- 1 Facilities Management
- 2 Project Development
- 3 Business Development
- 4 Others *

* Others comprises transactions outside the three revenue streams, such as agency services.

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

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

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

3 Summary of material accounting policies

3.4 Investment property

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The company makes use of internal and external valuation experts. All properties are valued by external valuers on an annual basis. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

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

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

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

Changes in fair values are recognised in the profit or loss. Investment properties are derecognised when they have been disposed. Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the profit or loss within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

i. Freehold land	□	- Nil
ii. Freehold building	□□	- 50 years
iii. Plant and machinery	□	- 5 years
iv. Motor vehicles	□ □	- 4 years
v. Furniture, fittings and equipment	□	- 4 years
vi. Computer equipment	□	- 3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date. Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss for the year.

3.6 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.

Intangible assets with finite lives are amortized 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 the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised. The estimated useful lives for the current year are as follows;

Computer software: 3 years

3.7 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.8 Inventory properties

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV). Cost includes;

- i Freehold and leasehold rights for land
- ii Amounts paid to contractors for construction
- iii Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are accrued for when incurred.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Where an inventory property undergoes a change in use, with a view to hold the property for long-term rental yields or for capital appreciation rather than for sale in the ordinary course of business, the property is transferred to investment properties. A property's deemed cost for subsequent accounting as investment property is its fair value at the date of change in use.

3.9 Share capital and reserves

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies and Allied Matters Act, 2020, a distribution is authorised when it is approved by the shareholders at the Annual General Meetings (AGM). A corresponding amount is recognised directly in equity.

3 Summary of material accounting policies

3.10 Employee benefits

i Post-employment benefits - Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to Pension Fund Administrators on a statutory basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The company operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary.

ii Short-term benefits

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

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

iii Retirement and Termination

The Company has no defined benefit scheme but pays its employees all accrued allowances, bonuses and entitlements upon exit of the Company.

3.11 Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.16) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration 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 Company performs under the contract.

3.12 Revenue recognition

Revenue is recognised under the following categories:

Revenue from contracts with customers:

- Project management and development income
- Sale of inventory properties
- Fees from facilities management services
- Rental income (IFRS 16)

Other income:

- Sale of investment property
- Interest income

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 Afriland expects to be entitled in exchange for those goods or services. The Company considers if it is the Principal or Agent in its revenue arrangements.

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

Project development income

Afriland also provides Project Management services that are either sold separately or bundled together with the sale of Design to a customer. The project management services can be obtained from other providers and do not significantly customize or modify the provision of Design. Project development income consist of two separable deliverables of bundled sales whose prices are determined at 7.5% and 2.5% of contract price for design and project management respectively.

Contracts for Project Design and Project Management service are comprised of two performance obligations because the promise to provide Design and provide Project Management services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on contract price.

The Company recognizes revenue from Project management services at a point in time, because the services only involve ensuring acquiescence with the design provided by the Company and such contracts are completed within a year or less than 12 months. Hence, the Company recognizes revenue generally when the project is completed. The normal credit term for Project development services is 90 to 180 days upon completion. The project management services can be obtained from other providers and do not significantly customize or modify the provision of design.

3 Summary of material accounting policies

Sale of Inventory Property

The sale of inventory property can either be a completed property or property under development.

Sale of completed property

A property is regarded as sold when the control of the real estate has been transferred to the buyer, for unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied. Contracts for sale of completed property are valid contracts and enforceable at inception with a promise to deliver completed property. Revenue from sale of completed property is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of legal title of the property.

Sales of property under development

If, however, the legal terms of the contract are such that the performance obligation represents a transfer of work in progress to the purchaser, revenue will be recognized at a point in time when legal title of the property has been transferred to the customer. Hence when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer, and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer in its incomplete state.

Accordingly, the Company recognises the transaction price in the profit or loss. There are no form of variable consideration availed to the purchaser.

Determining the timing of satisfaction of sales of Inventory Properties

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

- The Company has a present right to payment for the property sold;
- The Customer has legal title to the property;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received;
- The Customer has accepted the asset.

Contract assets

If the Company performs by transferring uncompleted properties to a customer before the customer pays consideration or before payment is due contingent on the condition that the property is completed by the Company, a contract asset is recognised for the earned consideration.

Fees and commission

The Company recognises revenue from facilities management over time as service is being performed. The normal credit term is between 30-60 days.

The entity recognises revenue from project directorate services over time. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

More so, revenue from agency services is recognised at a point in time, where control is transferred, generally when the customer accepts and pays for the property.

Determining the timing of satisfaction of Facilities Management Services

The company concluded that revenue from Facilities Management is to be recognised over time; as service is being performed which automatically transfers control.

Service charges, management charges and other expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in Net rental income gross of the related costs, as the Directors consider that the Company acts as principal in this respect.

Determining the timing of satisfaction of Project Management Services

Project management service involves acceptance of design provided by the company. Afriland concluded that revenue for project management services exist at a point in time.

Determining the timing of satisfaction of Project Directorate Services

Afriland concluded that revenue for percentage project directorate services exist over-time. Project directorate service contracts are enforceable at inception.

3 Summary of material accounting policies

3.12 Revenue recognition - continued

Principal versus agent considerations

The entity sources accommodation, acquires and disposes properties, and negotiates, collects, and pays rent on behalf of its customers. The Company does not control the specified good or service provided by another party before that good or service is transferred to the customer.

When the Company is acting as an agent, the commission rather than gross income is recorded as revenue. Hence, when it satisfies a performance obligation, the entity recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. It records revenue on the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party. It also considers if it is a Principal or Agent in its arrangements with customers.

Therefore, the Company has determined that it is an Agent in these contracts and thus, recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. It records revenue on the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

Determining the timing of satisfaction of Agency Services

The Company concluded that revenue for agency services is to be recognised at a point in time; when the customer obtains control of the product or service. It assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the service;
- The Customer has legal title to the goods;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received;
- The Customer has accepted the asset.

Other income

Sale of Investment property

Income from the sale of investment properties is recognised by the entity when the control have been transferred to the customer, which is considered to occur when title passes to the customer, all managerial responsibilities and control are completely devolved to the customer and where the costs and income on sale can be measured reliably. Control is transferred when the legal title or possession is passed to the customer. The granting of the legal title is an administrative matter that can have significant delays.

Determining the timing of satisfaction of sales of Investment Properties

The Company concluded that revenue for sales of investment properties is to be recognised at a point in time; when the customer obtains control of the property. Afriland assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the property sold;
- The Customer has legal title to the goods;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received; and
- The Customer has accepted the asset

Rental income

The Company is the lessor in operating leases. Rental income arising from operating leases on investment property 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, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

3 Summary of material accounting policies - Continued

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Stand-alone Selling Price is Typically Estimated
Facilities Management Services			
Facility management	The Company recognizes revenue as it renders the management services to its customers (over time).	Within 60 days	Observable in contract document
Project Development & Management			
Project Design	On completion of the design	Within 90 days	Observable in contract document
Project Supervision	When project is completed	Within 90 days	Observable in contract document
Project Directorate	The revenue from the directorate services is recognised overtime as the project is monitored on behalf of its customers.	Within 90 days	Observable in contract document
Agency Services	When customer accepts and pays for the property (point in time)	Upon acceptance of the property	Observable in contract document
Sales of Properties			
Build to sell	When the title, control of the properties are transferred to the customer and this is generally on delivery of the property (point in time).	Payment is due on delivery date	Observable in contract document

3.13 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the exposure method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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.

3 Summary of material accounting policies - Continued

Income tax - Continued

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3.14 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.

3.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 principal or the most advantageous market must be accessible by the Company. 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.

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

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

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

3.16 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are initially measured at fair value plus or less transaction costs.

i. Financial assets

Initial recognition and measurement

The Company financial assets are classified, at initial recognition and subsequently measured at amortised cost and fair value through other comprehensive income (OCI)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, as they initially measure 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 Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 3.12 Revenue from contracts with customers.

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.

3.16 Financial instrument - Continued

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised when the entity commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the company financial assets are classified into these categories:

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

Financial assets at amortised cost

The Company measures all its financial assets at amortised cost when 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 (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 financial assets at amortised cost includes trade and other receivables, staff loans, sundry debtors, cash and short-term deposits.

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

The company upon initial recognition, 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 the statement of profit or loss when the right of payment has been established, except when the entity 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 Company elected to classify irrevocably its listed equity investments under this category primary because they equity instruments and are not for trading.

Derecognition

The company financial asset is primarily derecognised (i.e., removed from the entity's statement of financial position) when:

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

When the entity has transferred its rights to receive cash flows from an asset, 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 Entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the entity 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 entity 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 entity could be required to repay.

Impairment of financial assets

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

ECLs on staff loans and placements with banks 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).

For trade receivables and rent receivables, the Company applies a simplified approach in calculating ECLs. Therefore, it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For short-term deposit, the general approach was adopted in calculating the ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

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

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3 Summary of material accounting policies - Continued

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and 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 financial liabilities include trade and other payables, and interest-bearing loans and borrowings.

ii. Financial liabilities - Continued

Loans and borrowings

This is the category most relevant to Afriland. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) 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 the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

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 entity's statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.17 Impairment of non-financial assets

The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) 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 pre-tax 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation. 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 Company 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.

- 3.17 Goodwill is tested for impairment annually as at reporting date 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.

3.18 Leases

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

i) Company as a lessor

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

ii) Company as a lessee

The Company applies initial recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises right-of-use assets representing the right to use the underlying assets.

3 Summary of material accounting policies - Continued

3.18 Leases - Continued

iii) Right-of-use assets

The Company has lease contracts for rented office building. The lease of rented office building has a lease term of 5 years. Afriland recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• **Office buildings** **5 years**

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

3.19 Standards issued but not yet effective

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

1. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026

2. Annual Improvements to IFRS Accounting Standards – Amendments to:

• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;

• IFRS 10 Consolidated Financial Statements

• IAS 7 Statement of Cash flows, effective January 1, 2026; and

• IFRS 1 First time adoption of international financial reporting standards.

• IFRS 9 Financial Instruments.

3. IFRS 18 Presentation and Disclosure in Financial Statements, effective January 1, 2027

4. IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective January 1, 2027

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

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026

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

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

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

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

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

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

IFRS 18 reshapes how financial results are presented, introducing new mandated subtotals like operating profit, stricter classification of income and expenses, and audited disclosure of management-defined performance measures. It requires more detailed note disclosures and alignment across the profit or loss

and cash flow statements. Although it does not change net profit, it must be applied retrospectively, meaning comparatives must be restated and internal reporting systems, chart of accounts, and controls must be updated to support the new structure

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

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

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

The IASB intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued. Because of the timing of IFRS 19's publication, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May 2024 were included in IFRS 19 without reductions. The IASB issued a 'catch-up' exposure draft in July 2024 to consult on reducing the disclosure requirements for the relevant standards issued in this period, most notably IFRS 18 Presentation and Disclosure in Financial Statements.

3.20 New standards and interpretations effective in the current year

In the current year, the Company has applied a number of 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. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

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

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

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	2025 N'000	2024 N'000
4 Fees and commission		
Facility management	351 507	226 252
Agency fee	295 793	240 372
Project development	991 951	1 203 312
Project directorate	290 890	130 144
Advance Payment Guarantee (APG)		
	<u>1 930 141</u>	<u>1 800 080</u>
Timing of revenue recognition		
Goods and services transferred at a point in time	1 287 744	1 443 684
Goods and services transferred over time	642 397	356 396
	<u>1 930 141</u>	<u>1 800 080</u>

Facility management fee represents fee earned on planned preventive maintenance and property life cycle maintenance for the Company's clients.

Agency fee represents income earned on the management of tenant in our client's properties.

Project Directorate fee represents fee on project advisory and management services to the Company's clients.

Project Development fee represents fee on property design and development services for the Company's clients.

	2025 N'000	2024 N'000
5 Project management	<u>176 077</u>	<u>300 828</u>

Project management income represents revenue derived from the execution of facelift for customers' offices and the supervision of on-going renovation of customers' project. Contracts relating to project development income are recognised at a point in time when control is transferred.

	2025 N'000	2024 N'000
6 Rental income	<u>981 206</u>	<u>805 437</u>

There is no contingent rental income during the year ended 31 December 2025.

6.1 Leases - Company as lessor

The Company has entered into leases on its property portfolio. The commercial property leases have lease terms between 1 and 5 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Future minimum rentals income under non-cancellable operating leases as at 31 December are as follows:

	2025 N'000	2024 N'000
Within 1 year	968 372	759 368
Within 2 years	337 685	245 322
Within 3 years	201 279	223 682
Within 4 years	174 524	191 651
5 years and beyond	576 170	707 694
	<u>2 258 030</u>	<u>2 127 717</u>

7 Other Operating Income

Dividend income	135 720	55 381
Sales of tiles and others	294 692	729 567
Gain on disposal of investment properties (Note 13.1)	9 849	647 664
	<u>440 261</u>	<u>1 432 612</u>

Other operating income was derived from non-core business activities like sales of tiles and Aluminium Composite Panel.

7.1 Foreign exchange (loss)/gain

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

	2025 N'000	2024 N'000
	<u>(14 653)</u>	<u>100 098</u>

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

7.2	Expected Credit Loss/write back - Financial assets		
	Expected credit losses on short-term deposits (Note 22)	(2 765)	(2 397)
	Expected credit losses on rent receivables (Note 32)	-	(12)
	Expected credit losses on trade receivables (Note 32)	(13 333)	(2 100)
	Write back of expected credit loss on trade receivables (Note 32)	2 100	10 871
	Write back of expected credit loss on rent receivables (Note 32)	12	113
	Write back of expected credit loss on short term deposits (Note 22)	2 397	328
		(11 589)	6 803
8	Administrative expenses		
	Staff costs (Note 8.1)	1 332 876	996 465
	Depreciation of property, plant and equipment (Note 12)	54 350	27 830
	Depreciation of Right-of-Use assets (Note 15)	1 688	-
	Amortization of intangibles (Note 16)	199	560
	Other administrative expenses (Note 8.2)	1 197 088	847 162
		2 586 201	1 872 017
		2025	2024
		₦'000	₦'000
8.1	Staff costs		
	Salaries and wages	882 874	707 001
	Staff allowances and other benefits	450 002	289 464
		1 332 876	996 465
8.2	Other administrative expenses		
	Advertising and publicity	81 624	23 097
	Annual General Meeting (AGM)	122 035	82 000
	Audit fees *	22 500	19 000
	Bank charges	3 752	2 727
	Consultancy and professional fees **	175 972	118 272
	Directors emoluments - (note 28)	298 800	84 975
	Corporate Social Responsibility	53 229	82 174
	Entertainment	117 595	90 650
	Information system	149 277	115 701
	Insurance premium	9 651	9 635
	Industrial Training Fund (ITF) levy	10 814	4 517
	Land use charge	19 827	9 439
	Newspapers and periodicals	-	150
	Nigerian Social Insurance Trust Fund (NSITF) levy	9 707	7 119
	Nigerian Housing Fund (NHF) levy	2 986	3 079
	Printing and stationeries	2 990	1 550
	Rent and rates	-	58
	Repairs and maintenance	49 274	113 231
	Office security	33 874	21 847
	Statutory filling	-	45
	Subscriptions to professional bodies	1 648	5 097
	Telephone and communication	2 182	2 288
	Travel and transport	19 261	18 888
	Training and development	10 089	31 623
		1 197 088	847 162

* Audit fees represents fees paid for audit services. The external auditor did not render any non-audit services for the company during the year.

** Consultancy and professional fees comprise fees incurred with respect to tax , legal , board evaluation, strategic advisory services and property valuation amounting to N168.47 million. The remaining N7.5 million relates to assurance service fee on Internal Control over Financial Reporting rendered by the external auditors. The external auditors did not provide any non-assurance services to the company during the year.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

9	Interest Income	2025	2024
		₦'000	₦'000
	Interest income on bank placement	345 757	209 718
	Interest income on staff loan	28	94
		<u>345 785</u>	<u>209 812</u>

The interest income is recognised using the effective interest rate method.

10	Income tax expense		
	Current income tax		
	Company income tax expense	218 951	293 615
	Education tax	53 048	84 170
	Police Trust Fund (PTF) Levy	-	185
	Capital gains tax	986	8 338
	Current year income tax (Note 26.1)	<u>272 985</u>	<u>386 308</u>
	Deferred tax expense (Note 26.2)	1 990 327	694 923
	Total income tax expense reported in profit or loss	<u>2 263 312</u>	<u>1 081 231</u>

10.1	Reconciliation of tax		
	Profit before taxation	<u>2 599 078</u>	<u>3 695 529</u>
	Tax at Nigeria statutory income tax of 30%	779 723	1 108 659
	Impact of disallowed expenses for tax purpose	71 441	13 741
	Impact of non-taxable income	(320 685)	(280 705)
	Impact of Capital Allowance	(353 654)	(561 110)
	Impact of education tax	53 048	84 150
	Impact of capital gains tax	986	8 338
	Impact of balancing charge	3 292	13 050
	Impact of dividend tax over income tax	38 834	-
	Impact of temporary differences	1 990 327	694 923
	Police Trust Fund (PTF) Levy	-	185
		<u>2 263 312</u>	<u>1 081 231</u>

11 Basic/diluted earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings computations.

	2025	2024
	₦'000	₦'000
Profit for the year attributable to ordinary equity holders	<u>335 766</u>	<u>2 614 298</u>
	Number	Number
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	<u>1 373 900</u>	<u>1 373 900</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1 373 900</u>	<u>1 373 900</u>
Basic earnings per share - Naira	<u>0.24</u>	<u>1.90</u>
Diluted earnings per share - Naira	<u>0.24</u>	<u>1.90</u>

There are no dilutive instruments in issue as at reporting date thus diluted and basic earnings per share are same.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

12 Property, plant and equipment

	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Computer equipment	Total
Cost:	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	7 871	169 381	114 696	31 617	323 565
Additions	7 582	19 313	80 000	27 544	134 439
At 31 December 2024	15 453	188 694	194 696	59 161	458 004
At 1 January 2025	15 453	188 694	194 696	59 161	458 004
Additions	4 385	2 454	184 000	18 938	209 777
At 31 December 2025	19 838	191 148	378 696	78 099	667 781
Accumulated depreciation:					
At 1 January 2024	7 871	150 611	91 770	25 664	275 916
Charge for the year	1 264	3 697	13 400	9 469	27 830
At 31 December 2024	9 135	154 308	105 170	35 133	303 746
At 1 January 2025	9 135	154 308	105 170	35 133	303 746
Charge for the year	1 828	5 872	32 067	14 583	54 350
At 31 December 2025	10 963	160 180	137 237	49 716	358 096
Carrying amount:					
At 31 December 2025	8 875	30 968	241 459	28 383	309 685
At 31 December 2024	6 318	34 386	89 526	24 028	154 258

Property, plant and equipment

- There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities;
- The amount of expenditures recognised is the carrying amount of an item of property, plant and equipment in the course of its construction;
- No contractual commitments for the acquisition of property, plant and equipment; and
- No compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.
- No temporarily idle and no impairment recognised on item of property, plant and equipment during the year;
- No property, plant and equipment retired from active use; none was classified as held for sale in accordance with IFRS 5; and no fair value of property.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	2025 N'000	2024 N'000
13 Investment properties		
At 1 January	19 516 139	14 802 200
Additions	3 021 526	3 930 422
Disposals (Note 13.1)	(10 794)	(229 211)
Transfer to inventory property (Note 14)	(4 329 940)	-
Transfer from inventory property (Note 14)	-	322 154
Interest capitalised in property (Note 27.1)	553 502	5 058
Fair value gain	915 015	685 516
At 31 December	<u>19 665 448</u>	<u>19 516 139</u>
13.1 Gain on disposal of investment properties		
Proceeds on disposal	20 643	895 000
Selling expenses	-	(18 125)
Net proceeds from disposal	<u>20 643</u>	<u>876 875</u>
Disposal	<u>(10 794)</u>	<u>(229 211)</u>
Gain on disposal	<u>9 849</u>	<u>647 664</u>

The Company's investment properties consist of several properties across Nigeria. Management determined that the investment properties consist of three classes of assets – office, residential and bare lands – based on the nature, characteristics and risks of each property.

As at 31 December 2025, the fair values of the properties are based on valuations performed by external professional, Oporum & Partners. The Managing Partner is C. J. Oporum FRC/2014/NIESV/00000009134, a member of Chartered Estate Surveyors and an accredited independent valuer, a specialist in valuing these types of investment properties. The market data valuation approach, in accordance with what is recommended by the International Valuation Standards Committee has been applied after making the following assumptions:

- a) That the information which the valuation is based on is correct;
- b) That the title to the property is good and marketable;
- c) That the property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
- d) That the property is free from all onerous charges and restrictions.

The investment properties were valued on the basis of open market; that is the price which an interest in a property or an item of plant and machinery might reasonably be expected to realise in a sale by a private treaty assuming:

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

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

13.1 Investment properties - Continued

	2025	2024
	₦'000	₦'000
Rental income derived from investment properties (Note 6)	981 206	805 437
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in admin expense)	-	(616)
Direct operating expenses that generate rental income (included in admin expense)	(9 672)	-
Profit arising from investment properties carried at fair value	971 534	804 821

Types of Investment properties	Valuation technique	Non-observable inputs
Office properties	The valuation is based on physical inspection of the condition, qualities, features and characteristics of the properties. The value of the office properties was derived using a market data approach.	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N10,000 – N55,000
Residential properties	The depreciated replacement cost of the buildings/structure has been assessed by the contractors test method based on current building/construction cost indices taking into account the condition, age, qualities, features and characteristics of the buildings/structures. The fair value has been adjusted for all forms of obsolescence. (i.e physical deterioration and obsolescence).	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N5,000 – N25,000
Bare land	The value of the landed property was arrived at using market data approach after a thorough analysis of recent sales transaction of similar sites in comparable locations.	The significant observable inputs used are; <ul style="list-style-type: none"> - Area of square meters - Rate of development in the area - Quality of the land - The land are free from all onerous encumbrances and or charges - The lands are not subject to any compulsory acquisition or road widening scheme.

AFRILAND PROPERTIES PLC
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

13.2 Details of the Company's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 2 N'000	Level 3 N'000	Fair value as at 31 Dec. 2025 N'000
Office properties	11 777 959	-	11 777 959
Residential properties	3 362 667	-	3 362 667
Bare land	4 524 822	-	4 524 822
	<u>19 665 448</u>	<u>-</u>	<u>19 665 448</u>

	Level 2 N'000	Level 3 N'000	Fair value as at 31 Dec. 2024 N'000
Office properties	12 824 381	-	12 824 381
Residential properties	4 340 917	-	4 340 917
Bare land	2 350 841	-	2 350 841
	<u>19 516 139</u>	<u>-</u>	<u>19 516 139</u>

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	N'000	N'000
14 Inventory properties		
At 1 January	129 573	787 364
Disposal	(556 275)	(335 637)
Transfer from investment property (Note 13)	4 329 940	-
Transfer to investment property (Note 13)	-	(322 154)
At 31 December	<u>3 903 238</u>	<u>129 573</u>
14.1 Changes in Inventory properties for the purpose of cashflows additions during the year		
Disposal	-	-
At 31 December	<u>(556 275)</u>	<u>(335 637)</u>
14.2 Gain on disposal of inventory properties		
Proceeds on disposal	979 311	888 152
Selling expenses	-	(41 215)
Net proceeds from sale of Inventory Properties (Build to Sell)	<u>979 311</u>	<u>846 937</u>
Cost of sales on inventory properties	<u>(556 275)</u>	<u>(620 577)</u>
	<u>423 036</u>	<u>226 360</u>
14.3 Capitalised borrowing costs		

The Company capitalised borrowing costs for assets under construction. The borrowing cost directly attributable to the construction of the projects that take substantial period of time to get ready for the intended use are capitalized as part of the cost of the assets. At 31 December 2025, the amount capitalized on proprietary project during construction is N553,502,000 (2024: N5,058,449).

The Company develops properties, which it sells in the ordinary course of business. Revenue from sales of inventory property where the contracts are not in substance construction contracts and do not lead to a continuous transfer of work in progress, is recognised when both:

- (i) construction is complete; and
- (ii) either legal title to the property has been transferred or there has been an unconditional exchange of contracts. Construction and other expenditure attributable to such property are included in inventory property until disposal.

15 Right-of-use assets

Company as a lessee

The Company has lease contract for rented office building. The lease of rented office building has a lease term of 5 years. The Company has made full payment for the lease for the 5 year period and therefore have no lease liability regarding the office building.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the year:

	Office Building	
	2025	2024
	N'000	N'000
Cost:		
At 1 January	-	-
Additions	6 750	-
	-----	-----
	6 750	-
Accumulated amortisation		
At 1 January	-	-
Depreciation expense	1 688	-
	-----	-----
At 31 December	1 688	-
Carrying amount	5 062	-
	=====	=====

The following amount was recognised in profit or loss:

	2025	2024
	N'000	N'000
Depreciation expense of right-of-use assets	1 688	-
Total amount recognised in profit or loss	<u>1 688</u>	<u>-</u>
	=====	=====

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

16 Intangible asset - Goodwill

	Goodwill R'000
Costs	
At 1 January 2024	842 471
Additions	-
At 31 December 2024	<u>842 471</u>
At 1 January 2025	842 471
Additions	-
At 31 December 2025	<u>842 471</u>
Impairment	
At 1 January 2024	281 289
Impairment	-
At 31 December 2024	<u>281 289</u>
At 1 January 2025	281 289
Impairment	-
At 31 December 2025	<u>281 289</u>
Carrying Value:	
At 31 December 2025	<u>561 182</u>
At 31 December 2024	<u>561 182</u>

Carrying amount of goodwill allocated to each of the Cash Generating Units (CGU).

Goodwill acquired through business combinations is allocated to the following CGUs, which are operating and reportable segments, for impairment testing; Transactions outside the three revenue stream, such as agency services are treated as others.

Reconciliation of goodwill

	2025 R'000	2024 R'000
At 1 January	561 182	561 182
Impairment	-	-
At 31 December	<u>561 182</u>	<u>561 182</u>

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

Business development	375 992	375 992
Project development	89 789	89 789
Facilities management	67 342	67 342
Others	28 059	28 059
Total Carrying amount of goodwill	<u>561 182</u>	<u>561 182</u>

In assessing goodwill for impairment at 31 December, 2025, the Company 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 Afriland Properties Plc as the recoverable amount exceeded the carrying value.

Business development CGU

The recoverable amount of Business Development CGU, N37.6bn 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 pre-tax discount rate applied to cash flow projections is 33% (2024: 25%) and cash flows beyond the five-year period are extrapolated using a 30% growth rate (2024: 20%) that is the same as the long-term average growth rate for the Real estate industry. It was concluded that the recoverable amount exceeded the carrying amount N37.6m. As a result of this analysis, no impairment charge has been recognised by management.

Project development CGU

The recoverable amount of Project Development CGU, N8.84bn 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 pre-tax discount rate applied to cash flow projections is 33% (2024: 25%) and cash flows beyond the five-year period are extrapolated using a 30% growth rate (2024: 20%) that is the same as the long-term average growth rate for the Real estate industry. It was concluded that the recoverable amount exceeded the carrying amount N89.79m. As a result of this analysis, no impairment charge has been recognised by management.

Facilities management CGU

The recoverable amount of Facilities Management CGU, N3.57bn 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 pre-tax discount rate applied to cash flow projections is 33% (2024: 25%) and cash flows beyond the five-year period are extrapolated using a 30% growth rate (2024: 20%) that is the same as the long-term average growth rate for the Real estate industry. It was concluded that the recoverable amount exceeded the carrying amount N67.34m. As a result of this analysis, no impairment charge has been recognised by management.

Others CGU

The recoverable amount of Others CGU, N2.06bn 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 pre-tax discount rate applied to cash flow projections is 33% (2024: 25%) and cash flows beyond the five-year period are extrapolated using a 30% growth rate (2024: 20%) that is the same as the long-term average growth rate for the Real estate industry. It was concluded that the recoverable amount exceeded the carrying amount N28.06. As a result of this analysis, no impairment charge has been recognised by management.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

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

	Decrease 5% N'000	Base N'000	Increase 5% N'000
Recoverable amount (value in use)	50 379 871	52 097 026	53 991 992
Carrying amount	561 182	561 182	561 182
Headroom	49 818 689	51 535 844	53 430 810
Coverage	8977%	9283%	9621%

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

	Decrease 5% N'000	Base N'000	Increase 5% N'000
Recoverable amount (value in use)	65 777 300	52 097 026	42 418 960
Carrying amount	561 182	561 182	561 182
Headroom	65 216 118	51 535 844	41 857 778
Coverage	11721%	9283%	7559%

16 Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for facilities management, project development, business development and other units is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins - Gross margins are based on average values achieved in the two years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. An increase of 60% per annum was applied for all the CGUs. Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin would result in impairment in the business development, project development, other and facility management segments.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

The WACC takes into account equity. The cost of equity is derived from the expected return on investment by the Company's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the pre-tax discount rate would result in impairment in the business development, project development, other and facility management segments.

Growth rate estimates - Rates are based on published industry research. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts but could yield a reasonably possible alternative to the estimated long-term growth rate of 60% for all the units. A reduction in the long-term growth rate would result in impairment in the project development and facility management segments.

16.1 Intangible assets

Computer software

	N'000
Costs	
At 1 January 2024	21 493
Additions	1 040
At 31 December 2024	22 533
At 1 January 2025	22 533
Additions	-
At 31 December 2025	22 533
Amortisation	
At 1 January 2024	20 933
Amortisation	560
At 31 December 2024	21 493
At 1 January 2025	21 493
Amortisation	199
At 31 December 2025	21 692
Carrying Value:	
At 31 December 2025	841
At 31 December 2024	1 040

17 Equity instrument measured at fair value through other comprehensive income

This represents the Company's investment in equity shares of Transcorp Hotel Plc and United Bank for Africa Plc. The fair value of these quoted equity shares are determined by reference to published price quotations in the Nigerian Exchange Limited (NGX).

2025

2024

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	N'000	N'000
At 1 January	23 496 207	14 211 450
Addition	50 000	5 000
Fair value gain for the year	11 130 361	9 279 757
At 31 December	<u>34 676 568</u>	<u>23 496 207</u>

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

17.1	Fair value reserve of financial assets through OCI		
	At 1 January	N'000	N'000
		20 324 250	11 972 468
	Fair value gain for the year (See above)	11 130 361	9 279 757
	Deferred tax on financial assets through OCI (Note 26.2)	(9 440 412)	(927 975)
	Fair value gain on equity instrument measured at FOCI (net of tax) at 31 December	1 689 949	8 351 782
		<u>22 014 199</u>	<u>20 324 250</u>

18	Prepayments		
	Non-current (Note 18.1)	-	11 810
	Current (Note 21)	74 167	65 675
	Total	<u>74 167</u>	<u>77 485</u>

2025 2024

18.1	Prepayments- non current	N'000	N'000
	Prepaid employee's car allowance	-	11 810

Prepaid employees' car allowance represents employee car allowances to be amortised over two years.

		2025	2024
		N'000	N'000
	At 1 January	77 486	60 286
	Addition during the year	242 179	389 646
		<u>319 665</u>	<u>449 932</u>
	Charged to profit or loss	(245 498)	(372 446)
	At 31 December	<u>74 167</u>	<u>77 485</u>
	Current (Note 21)	74 167	65 675
	Non- current	-	11 810
		<u>74 167</u>	<u>77 485</u>

19	Trade and other Receivables		
	Trade receivables*	2 708 215	2 118 572
	Allowance for receivables (Note 32)	(13 333)	(2 100)
	Net trade receivables	<u>2 694 882</u>	<u>2 116 472</u>
	Other receivables		
	Rent receivables (Note 32)	-	1 791
	Withholding tax recoverable	84 754	198 174
	Sundry debtors**	935 931	408 090
		<u>3 715 567</u>	<u>2 724 527</u>

*Trade receivables are non-interest bearing and are typically due within 90 days. The impairments on the receivables as at year-end based on the estimated credit loss basis with the counter-parties is N13 million (2024: N2.1 million).

**Sundry debtors represent amount paid in advance for the mobilisation of development of property and survey plan.

		2025	2024
		N'000	N'000
20	Other assets		
	Advance to contractors (Note 20.1)	97 089	84 877
	Loan to staff (Note 20.2)	-	73
		<u>97 089</u>	<u>84 950</u>

20.1 This represents payments made to contractors in respect of various ongoing projects in which the company is an agent.

20.2 Loan to staff are non-derivative financial assets carried at amortised cost which generate a fixed interest income of 5% for the Company.

		2025	2024
		N'000	N'000
21	Prepayments (current)		
	Health insurance	31 689	25 626
	Office building insurance	4 543	7 526
	Other Prepayments (Note 21.1)	37 809	32 523
	Employee car allowance	126	-
		<u>74 167</u>	<u>65 675</u>

21.1 **Other prepayments**
This represents software license fees and computer consumables of N37 million.

22	Cash and cash equivalents		
	Cash at bank	353 154	173 226
	Short-term deposits	1 658 506	1 641 800
		<u>2 011 660</u>	<u>1 815 026</u>
	Impairment of short-term deposit	(2 765)	(2 397)
		<u>2 008 895</u>	<u>1 812 629</u>

Movement in impairment of short-term deposit

		2025	2024
	At 1 January	(2 397)	(328)
	Reversal of impairment loss	2 397	328

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
Recognised in the statement of profit or loss

	<u>(2 765)</u>	<u>(2 397)</u>
	<u>(2 765)</u>	<u>(2 397)</u>

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and short-term deposits as included above.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

22.1 Effects of exchange differences on cash and cash equivalents

	2025	2024
	N'000	N'000
Unrealised gains arising from changes in foreign currency exchange rates	1 142	100 098

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period.

23 Share Capital and share premium

23.1 Share Capital

Issued and fully paid

1,373,900,000 (2024: 1,373,900,000) ordinary shares of 50k each

	2025	2024
	N'000	N'000
	686 950	686 950

The ordinary shareholders have the right to one vote for one share and right to dividend when declared.

23 Share Capital and share premium - Continued

23.2 Share premium

Share premium

	2025	2024
	N'000	N'000
	2 944 271	2 944 271

The share premium amount form part of the non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, 2020.

23.3 Dividend distribution made and proposed

Cash dividends on ordinary shares declared and paid:

Final dividend for 2025: 24 kobo per share (2024: 63 kobo per share)

	2025	2024
	N'000	N'000
	865 557	522 082

24 Trade and other payables

Trade payables

Accruals (Note 24.1)

Rentals received on-behalf of third parties

Service charge (Note 24.2)

Withholding Tax

Other payables (Note 24.3)

Project account (Note 24.4)

	109 409	1 963
	559 159	371 990
	2 291 273	1 560 415
	125 358	137 507
	248 809	59 349
	1 483 799	2 229 918
	665 489	1 732 624
	5 483 296	6 093 766

24.1 Accruals

Audit fee

Professional and consultancy fee

Annual General Meeting (AGM)

Other accruals

	2025	2024
	N'000	N'000
	8 080	7 201
	412 242	319 788
	42 470	42 470
	96 367	2 531
	559 159	371 990

Professional and consultancy fee are payments due on projects.

Other accruals represent other committed costs which includes statutory deductions such as pension contributions and PAYE.

24.2 Service charge

Service charge represents deposits received from customers for the purpose of facility management services provided by the Company on their behalf.

24.3 Other payables

Client payable

Sundry creditors

Other payable

	2025	2024
	N'000	N'000
	779 560	879 559
	430 450	452 242
	273 789	898 117
	1 483 799	2 229 918

Other payables represent staff benefits, regularization of statutory building plan, deposit received from clients on proposed development and maintenance properties other payable to client.

24.4 Project account

Project account relates to supply and delivery of mantrap doors, note sorting machines, generator sets, tiles, renovation and other construction projects costs.

25 Rent received in advance consists of deposits received from customers for provision of routine maintenance and deferred revenue, mainly from rental income.

Movements in Rent received in advance for the year ended 31 December are as follows:

	2025	2024
	N'000	N'000
Rent received in advance		
Contracts obtained (current)		
At 1 January	2 127 717	1 852 692
Deferred during the year	1 047 037	1 176 029

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

Released to the statement of profit or loss (Note 6)

Receipt /payment from service charge account

At 31 December

Current

Non-current

	(981 206)	(805 437)
	<u>64 482</u>	<u>(95 567)</u>
	<u>2 258 030</u>	<u>2 127 717</u>
Current	<u>968 372</u>	<u>759 369</u>
Non-current	<u>1 289 658</u>	<u>1 368 348</u>

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
26 Taxation		
26.1 Income tax payable	N'000	N'000
At 1 January	411 066	309 356
Charge for the year (Note 10)	272 985	386 308
Payments during the year	(131 787)	(66 440)
Withholding tax utilized	(246 420)	(218 158)
At 31 December	<u>305 844</u>	<u>411 066</u>
	2025	2024
26.2 Deferred tax liabilities	N'000	N'000
At 1 January	4 996 306	3 373 408
Current year tax provision (Note 10)	1 990 327	694 923
Deferred tax on financial assets through OCI (Note 17.1)	9 440 412	927 975
At 31 December	<u>16 427 045</u>	<u>4 996 306</u>
Deferred tax relating to the following:		
Accelerated depreciation for tax	94 879	46 590
Valuation of financial assets through OCI	11 790 033	2 978 419
Revaluation of investment properties to fair value	4 613 050	2 067 865
Exchange difference	(4 982)	33 032
Impairment of financial assets	(5 473)	(1 488)
Unabsorbed capital allowance	(60 462)	(128 112)
Deferred tax recognised in the statement of financial position	<u>16 427 045</u>	<u>4 996 306</u>

27 Interest-bearing loans and borrowings

Project loan	3 900 732	-
Accrued interests	553 502	-
	<u>4 454 234</u>	<u>-</u>

This represent a 1 year (i.e. 364 days) project loans obtained from United Capital Plc in the current year at interest rates of 27% (and 26% net of taxes) for the purpose of funding assets under construction. The interest on the loan is capitalised and form part of the project cost. The detail movement in the borrowing is as follow:

	2025	2024
27.1 Interest-bearing loans and borrowings	N'000	N'000
At 1 January	-	437 002
Addition during the year	4 300 000	-
Accrued interest (Note 14.3)	553 502	5 058
Interest repayment	(59 341)	(5 058)
Repayment	(339 927)	(437 002)
At 31 December	<u>4 454 234</u>	<u>-</u>

The Company capitalised borrowing costs for assets under construction. The borrowing cost directly attributable to the construction of the projects that take substantial period of time to get ready for the intended use are capitalized as part of the cost of the assets. At 31 December 2025, the amount capitalized on proprietary project during construction is N553,502,000 (2024: N5,058,449).

28 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one party controls both. The definition includes key management personnel of the Company.

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of Afriland Properties Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprised the key management personnel are the Board of Directors as well as certain key management and officers.

Transactions between the Company and its relate parties are disclosed below.

Related party	Relationship	Nature of transaction	Amount N'000	Balance N'000
Director	Non-Executive Director	Supply of products	949	-
United Capital Plc	Common Directors	Loan to Afriland	4 300 000	4 454 234

Compensation of the key management personnel

	2025	2024
	N'000	N'000
Directors fee and other emoluments		
Chairman	52 500	14 000
Other Directors	246 300	70 975
Total	<u>298 800</u>	<u>84 975</u>
Non executive Directors Fee/ emoluments		
Fees	264 500	57 375
Other emoluments	34 300	27 600
	<u>298 800</u>	<u>84 975</u>

	2025	2024
Total number of Directors	Number	Number
	8	8

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

29 Information relating to employees

i. The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	2025	2024
	Number	Number
Executives	3	2
Project management	18	22
Facilities management and projects	6	4
Technical consultancy	3	3
Business development	4	4
Other business support	11	11
	45	46

29 Information relating to employees - Continued

	2025	2024
	N'000	N'000
Salaries and wages including staff bonuses	1 297 711	980 131
Contributions to pension scheme	35 165	16 334
	1 332 876	996 465

In line with Section 238 of CAMA 2020, included in the total salaries and wages above, is the remuneration of Managers in the Company for the year of N449 million (2024 : N413 million)

ii. Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following range:

	2025	2024
	Number	Number
N 900,001 – N 4,000,000	-	-
4,000,001 – 6,000,000	-	-
6,000,001 – 8,000,000	4	3
8,000,001 – 10,000,000	4	5
10,000,001 – 12,000,000	5	7
Above 12,000,001	32	31
	45	46

30 Litigation and claims

As at 31 December 2025, the company in its ordinary course of business is presently involved in 3 cases as a defendant and 2 case as a plaintiff. The total amount claimed in the 2 cases against the Company is estimated at N92.9 million, while the total amount claimed in the 2 cases instituted by the Company is N1.1billion.

The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Company and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

31 Capital commitments

The Company had no capital commitment as at 31 December 2025 (2024: Nil).

32 Financial instrument's risk management objectives and policies

The Company is exposed to market risk (including interest rate risk, price risk and real estate risk), credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. As such, the Company's senior management is supported by the Finance Risk and General Purpose Committee (FRGPC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The FRGPC provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies for risk.

The board of directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair values and/ or cash flows of financial instruments will fluctuate because of changes in market prices thus resulting in loss of earnings and/or capital to the Company. 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 loans and borrowings, fixed deposits and equity instruments at fair value through other comprehensive income.

32 Financial instrument's risk management objectives and policies - Continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The day-to-day management of interest rate risk is done by the Finance and Investment department; this is reviewed by the Board's Finance Risk and General Purpose Committee (FRGPC) on a quarterly basis. The Company is not materially exposed to interest rate risk at the end of the reporting period as the borrowings has a fixed interest rate.

Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value was N34.68 billion (2024: N23.496 billion). A decrease or increase of 5% on the Nigerian Exchange Limited market index could have an impact of approximately N1.73 billion (2024: N1.175 billion) on other comprehensive income.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Afriland is exposed to credit risk from its operating activities (primarily trade receivables and lease receivables) and from its financing activities, including deposits with Entity's and financial institutions, and other financial instruments.

Credit risk is monitored by the entity's Finance and Investment Department. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.

Afriland has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Risk ratings are subject to regular revision.

Trading relationships

The Company's trading relationship and counterparties comprise Banks, Oil & Gas, Manufacturing and Individuals. For these relationships, the Company's Finance and Investment department analyses publicly available information such as financial information and other external data, and assigns the internal rating.

Trade receivables

Customer credit risk is managed by the Finance and Investment department subject to the Company'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.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The loss rates are based on days past due for the Companies 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 below. The Company 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 Company 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.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

32 Financial instrument's risk management objectives and policies - Continued

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Current	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-365 days	Total
31-Dec-25								
Expected credit loss rate	0.111%	0.524%	0.524%	0.523%	0.525%	0%	0.580%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Estimated total gross carrying amount at default	220 978	111 548	2 061 271	99 997	103 691	730	110 000	2 708 215
Expected credit loss	246	584	10 798	523	544	-	638	13 333
31-Dec-24								
Expected credit loss rate	0.095%	0.101%	0.102%	0.101%	0.101%	0.100%	0.101%	N'000
Estimated total gross carrying amount at default	614 168	207 523	77 447	721 286	331 413	15 988	150 747	2 118 572
Expected credit loss	581	210	79	728	334	16	152	2 100

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

In thousands of Naira	2025	2024
	N'000	N'000
At 1 January	2 100	10 871
Charge expected credit loss	13 333	2 100
Write back of expected credit loss	(2 100)	(10 871)
At 31 December	13 333	2 100

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

32 Financial instrument's risk management objectives and policies - Continued

Credit risk - Continued

Set out below is the information about the credit risk exposure on the Company's rent receivables using a provision matrix:

	Current	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-365 days	Total
31-Dec-25								
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Estimated total gross carrying amount at default	0	0	0	0	0	0	0	0
Expected credit loss	0	0	0	0	0	0	0	0
31-Dec-24								
Expected credit loss rate	0.57%	0.57%	0.57%	0.00%	0.00%	0.00%	0.56%	
Estimated total gross carrying amount at default	79	79	79	0	0	0	1 566	1 803
Expected credit loss	0.45	0	0	0	0	0	11	12

	2025 N'000	2024 N'000
Rent receivables	-	1 803
Impairment allowance	-	(12)
At 31 December	-	1 791

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

In thousands of Naira	2025 N'000	2024 N'000
At 1 January	12	113
Write back of expected credit loss	(12)	(113)
Charge of expected credit loss	-	12
At 31 December	-	12

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

32 Financial instrument's risk management objectives and policies - Continued

Credit risk - Continued

Expected credit loss measurement - other receivables

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

For trade receivables and rent receivables, the Company applies a simplified approach in calculating ECLs. Therefore, it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For short-term deposit, the general approach was adopted in calculating the ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

ECLs on staff loans and placements with banks 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 financial assets including information about their impairment allowance are disclosed below respectively.

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

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3.16 Summary of significant accounting policies and in Note 2.6 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within the Finance department verifies the accuracy of inputs to the Company'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 Company'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.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

32 Financial instrument's risk management objectives and policies - Continued

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL						
31 December 2025	Scenario	2022	2023	2024	2025	2026	Subsequent years
GDP growth							
	Upturn	0.35	0.38	0.36	0.35	0.35	0.41
	Base	0.16	0.14	0.16	0.15	0.15	0.15
	Downturn	0.05	0.02	0.04	0.05	0.05	(0.01)
Oil Price %							
	Upturn	25.00	65.00	68.00	56.00	56.00	71.00
	Base	59.09	54.00	56.00	61.00	61.00	57.00
	Downturn	15.91	35.00	32.00	34.00	34.00	29.00
Exchange rate \$/N							
	Upturn	88.00	165.00	160.00	167.00	167.00	155.00
	Base	132.00	230.95	242.49	245.49	245.49	254.62
	Downturn	172.00	237.02	248.87	229.87	229.87	261.32
Inflation rate %							
	Upturn	20.00	20.00	18.00	21.00	21.00	16.00
	Base	55.00	34.00	35.00	36.00	36.00	36.00
	Downturn	25.00	40.00	42.00	44.00	44.00	44.00
31 December 2024	Scenario	2022	2023	2024	2025	2026	Subsequent years
GDP growth							
	Upturn	0.35	0.38	0.36	0.35	0.35	0.41
	Base	0.16	0.14	0.16	0.15	0.15	0.15
	Downturn	0.05	0.02	0.04	0.05	0.05	(0.01)
Oil Price %							
	Upturn	25.00	65.00	68.00	56.00	56.00	71.00
	Base	59.09	54.00	56.00	61.00	61.00	57.00
	Downturn	15.91	35.00	32.00	34.00	34.00	29.00
Exchange rate \$/N							
	Upturn	88.00	165.00	160.00	167.00	167.00	155.00
	Base	132.00	230.95	242.49	245.49	245.49	254.62
	Downturn	172.00	237.02	248.87	229.87	229.87	261.32
Inflation rate %							
	Upturn	20.00	20.00	18.00	21.00	21.00	16.00
	Base	55.00	34.00	35.00	36.00	36.00	36.00
	Downturn	25.00	40.00	42.00	44.00	44.00	44.00

AFRILAND PROPERTIES PLC
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

32 31 December 2025

Cash and bank
 balances

	N'000
Upturn (9%)	249
Base (83%)	2 295
Downturn (8%)	221
Total	<u><u>2 765</u></u>

31 December 2024

Cash and bank
 balances

	N'000
Upturn (9%)	214
Base (83%)	1 990
Downturn (8%)	193
Total	<u><u>2 397</u></u>

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

32 Financial instrument's risk management objectives and policies - Continued

Credit risk - Continued

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

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

Excessive risk concentration

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 Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company'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.

The table below shows the ECL charges / (write back) on financial instruments for the year:

2025	Stage 1 Collective R'000	Simplified model Collective R'000	Total R'000
Debt instruments measured at amortised cost -Staff loans (Note 20)	-	-	-
Debt instruments measured at amortised cost - Short term deposits (Note 22)	(2 765)	2 397	(368)
Debt instruments measured - Trade receivables (Note 19)	2 100	(13 333)	(11 233)
Rent receivables (Note 32)	12	-	12
	<u>(653)</u>	<u>(13 333)</u>	<u>(11 589)</u>

2024	Stage 1 Collective R'000	Simplified model Collective R'000	Total R'000
Debt instruments measured at amortised cost -Staff loans (Note 20)	-	-	-
Debt instruments measured at amortised cost - Short term deposits (Note 22)	(2 397)	328	(2 069)
Debt instruments measured - Trade receivables (Note 32)	10871	(2 100)	8 771
Rent receivables (Note 32)	113	(12)	101
	<u>8 587</u>	<u>(1 784)</u>	<u>6 803</u>

Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow as they fall due. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and possibly loans in the future.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities At 31 December 2025	Carrying amount	Contractual cash flows			
		Total	Within 1 month	Between 2 months and 1 year	Between 1 and 5 years
Trade payables	109 409	109 409	-	109 409	-
Rentals received for third parties	2 291 273	2 291 273	2 291 273	-	-
Service charge payable	125 358	125 358	-	125 358	-
Accruals and other payables	2 708 447	2 708 447	677 112	2 031 335	-
Interest-bearing loans and borrowings	4 454 234	5 000 562	58 602	4 941 960	-
	9 688 721	10 235 049	3 026 987	7 208 062	-

Financial liabilities At 31 December 2024	Carrying amount	Contractual cash flows			
		Total	Within 1 month	Between 2 months and 1 year	Between 1 and 5 years
Trade payables	1 963	1 963	-	1 963	-
Rentals received for third parties	1 560 415	1 560 415	1 560 415	-	-
Service charge payable	137 507	137 507	-	137 507	-
Accruals and other payables	371 990	371 990	-	-	371 990
Interest-bearing loans and borrowings	-	-	-	-	-
	2 071 875	2 071 875	1 560 415	139 470	371 990

AFRILAND PROPERTIES PLC
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

33 Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried at fair value in the financial statements.

At 31 December 2025

	Carrying amount	Fair value
	N'000	N'000
Financial assets		
Equity instrument measured at fair value through OCI	34 676 568	34 676 568
Financial liabilities	-	-

At 31 December 2024

	Carrying amount	Fair value
	N'000	N'000
Financial assets		
Equity instrument measured at fair value through OCI	23 496 207	23 496 207
Financial liabilities	-	-

The management assessed that the carrying amount of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair value due to the short-term maturities of these instruments.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

33 Fair values - continued

Significant increases (decreases) in estimated rental value (ERV) and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the property. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the ERV is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

A quantitative sensitivity analysis is, as shown below:

	Effect on fair value		
	Sensitivity used	Completed investment property	Investment property under development
2025		N'000	N'000
Increase in Estimated Recovery Value (ERV)	50%	42 120	-
Rental growth per annum	21%	175 768	-
Increase in long term vacancy rate	5%	-	-
Increase in discount rate/yield	0.3bps	527	-
Increase in construction cost	N200 per sqm	-	-
Increase in construction period	6 month	-	-
Market required development profit	25%	43 942	-

	Effect on fair value		
	Sensitivity used	Completed investment property	Investment property under development
2024		N'000	N'000
Increase in Estimated Recovery Value (ERV)	40%	39 312	-
Rental growth per annum	8%	59 709	-
Increase in long term vacancy rate	5%	-	-
Increase in discount rate/yield	0.3bps	179	-
Increase in construction cost	N150 per sqm	4 753	-
Increase in construction period	6 month	-	-
Market required development profit	25%	14 927	-

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

34 Capital management

There is a risk that the Company may not have adequate capital in relation to its risk profile and/or to absorb losses when they arise. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. As at the year ended 31 December 2025, the Company had no financial covenants attached to interest bearing loans and borrowings. The policies for managing capital are to increase shareholders' value by maximizing profits and cash.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's net debt is determined by adding interest bearing loans and borrowings (if applicable), trade and other payables, less cash and short-term deposits.

	2025	2024
	N'000	N'000
Interest-bearing loans and borrowings (Note 27)	4 454 234	-
Trade and other payables (Note 24)	5 483 296	6 093 766
Less: cash and short-term deposits (Note 22)	(2 008 895)	(1 812 629)
Net debt	<u>7 928 635</u>	<u>4 281 137</u>
Total equity	<u>36 089 293</u>	<u>34 929 135</u>
Capital and net debt	<u>44 017 928</u>	<u>39 210 272</u>
Net Debt to equity (%)	21.97%	12.26%

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

35 Segment information

The Chief Operating Decision-Maker (CODM) has been identified as the Chief Executive Officer of Afriland Properties Plc. The Board reviews the Company's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The Board considers the business from an industry perspective and has identified four (4) operating segments.

i. Business development

The business development segment focuses on the management of the Company's existing and new property portfolio with the aim of generating regular rental income and optimizing the values of these properties in order to maximize their rental potentials. The segment is equally involved in the acquisition and sales of high quality commercial and residential properties.

ii. Project development

The project development segment performs design and development management services for the Company's clients. These services includes: development of project briefs, preparation of outline business case (OBC), management of procurement process, appointment of consultants and construction firms, contract negotiation and administration, project monitoring and project delivery.

iii. Facility management

Facility management is involved in planned preventive maintenance and property life cycle maintenance. This involves general building maintenance, utilities management, building upgrades and renovations, space planning and furniture fit out.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

35 Segment information - Continued

iv. Other

Other operating segment consists of revenue from
-Advisory services on property portfolio management
-Agency services
-Sales of tiles and other materials

The board monitors the performance based on operating profits for each operating segment. All the information provided to the Board, for each operating segment, is measured in a manner that is consistent with that of the financial statements. Other administrative cost is allocated across the operating segments on the basis of the revenue generated by each segment.

Income:	Facilities management		Project development		Business Development		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	488 008	450 394	650 678	600 525	2 724 712	2 514 699	203 337	187 664	4 066 735	3 753 282
Cost of sales on inventory property	(66 753)	(74 469)	(89 004)	(99 292)	(372 704)	(415 787)	(27 814)	(31 029)	(556 275)	(620 577)
Other operating income	52 831	171 913	70 442	229 218	294 975	959 850	22 013	71 631	440 261	1 432 612
Foreign exchange gain	(1 758)	12 012	(2 345)	16 016	(9 818)	67 066	(733)	5 005	(14 653)	100 098
Expected credit loss	(1 391)	816	(1 854)	1 088	(7 765)	4 558	(579)	340	(11 589)	6 803
Valuation gains from investment properties	109 802	82 262	146 402	109 683	613 060	459 296	45 751	34 276	915 015	685 516
Interest Income	41 494	25 177	55 326	33 570	231 676	140 574	17 289	10 491	345 785	209 812
Net Revenue	622 233	668 105	829 645	890 808	3 474 136	3 730 256	259 265	278 378	5 185 278	5 567 546
Expenses:										
Administrative expenses	(310 344)	(224 642)	(413 792)	(299 523)	(1 732 754)	(1 254 251)	(129 310)	(93 601)	(2 586 201)	(1 872 017)
Total expenses	(310 344)	(224 642)	(413 792)	(299 523)	(1 732 754)	(1 254 251)	(129 310)	(93 601)	(2 586 201)	(1 872 017)
Profit before taxation	311 889	443 463	415 853	591 286	1 741 381	2 476 005	129 955	184 777	2 599 077	3 695 529
Income tax expenses	(271 597)	(129 748)	(362 130)	(172 997)	(1 516 419)	(724 424)	(113 166)	(54 062)	(2 263 312)	(1 081 231)
Profit after taxation	40 291	313 715	53 723	418 289	224 963	1 751 581	16 788	130 715	335 764	2 614 299

AFRILAND PROPERTIES PLC
ANNUAL REPORT
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

35 Segment information - Continued

Income:	Facilities management		Project development		Business Development		Others		Total	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000	2025 N'000	2024 N'000	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Assets and liabilities:										
Non-current	6 626 254	5 248 876	8 835 006	6 998 502	36 996 587	29 306 226	2 760 939	2 187 032	55 218 786	43 740 636
Current	1 175 875	578 082	1 567 833	770 777	6 565 301	3 227 627	489 948	240 868	9 798 956	4 817 354
Total assets	7 802 128	5 826 958	10 402 840	7 769 279	43 561 888	32 533 853	3 250 888	2 427 900	65 017 743	48 557 990
Total liabilities	3 471 414	1 635 463	4 628 552	2 180 617	19 382 061	9 131 333	1 446 422	681 443	28 928 449	13 628 855
Net assets	4 330 714	4 191 495	5 774 287	5 588 661	24 179 827	23 402 520	1 804 465	1 746 457	36 089 294	34 929 135

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

35 Segment information - Continued

	2025 N'000	2024 N'000
Profit or loss		
Profit before taxation for reportable segments	2 599 078	3 695 529
Elimination of inter-segment profit or loss	-	-
Total Company profit or loss	<u>2 599 078</u>	<u>3 695 529</u>
Assets		
Total assets of reportable segment	65 017 742	48 557 990
Elimination of inter-segment assets	-	-
Total Company assets	<u>65 017 742</u>	<u>48 557 990</u>
Liabilities		
Total liabilities of reportable segment	28 928 449	13 628 855
Elimination of inter-segment liabilities	-	-
Total Company liabilities	<u>28 928 449</u>	<u>13 628 855</u>

The Afriland's business activities are concentrated in one geographic region. The primary format for segment reporting is based on operating segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Revenue from external customers in Nigeria

	2025 N'000	2024 N'000
Revenue	<u>4 066 735</u>	<u>3 753 282</u>

The Company does not have any major customer that amount to 10% or more of the revenue.

Non-current operating assets in Nigeria	<u>55 218 786</u>	<u>43 740 636</u>
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Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets, equity instrument at fair value through other comprehensive income and prepayments.

36 Other commitments and contingencies

There are no known other contingencies as at 31 December 2025 (2024: Nil). The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements.

37 Financial Reporting Councils Certification Requirement for professional engaged in financial reporting process.

In line with Financial Reporting Council of Nigeria certification requirement for professionals engaged in the financial reporting process: external auditors, officers of reporting entities and other professional providing assurance to reporting entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the year.

NAME OF PROFESSIONAL	FRC_NUMBER	SERVICES	FEES N'000
IJEWERE & CO.	FRC/2014/ICAN/00000006477	Tax Consultant	4 450 000
OPURUM PARTNERS	FRC/2014/NIESV/00000009134	Property Valuation Specialist	1 700 000
ANGELA ANEKE & CO.	FRC/2013/IODN/00000002473	Board Evaluation Consultant	5 292 000

38 Provision of assurance service on Internal Control over Financial Reporting

Auditor's fees represent fees for the interim and full year audit of the company for the year ended 31 December 2025. Deloitte & Touche rendered an assurance service to the company in relation to the Internal Control over Financial Reporting amounting to N7.5 million.

39 Events after reporting date

There were no subsequent events which could have had a material effect on the financial position and performance of the Company as at 31 December 2025 which had not been adequately provided for or disclosed.

40 Going concern assessment

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

Afriland Properties Plc
Other National Disclosures for the year ended
31 December 2025

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2025

VALUE ADDED STATEMENT

	2025		2024	
	₦'000	%	₦'000	%
Revenue	4 066 735		3 753 282	
Bought in goods and services - local	<u>(1 779 604)</u>		<u>(1 360 838)</u>	
	2 287 131		2 392 444	
Other Operating Income	440 261		1 432 612	
Finance Income	345 785		209 812	
Valuation gains from investment properties	915 015		685 516	
Value Added	<u>3 988 191</u>		<u>4 720 384</u>	

APPLIED AS FOLLOWS:

Employee:				
As salaries and labour related expenses	1 332 876	33%	996 465	21%
Government:				
As Company taxes	272 985	7%	386 308	8%
Retained for Growth & Expansion:				
For assets replacement (depreciation, amortization and Right-of-Use Asset)	56 237	1%	28 390	1%
Deferred taxation	1 990 327	50%	694 923	15%
For expansion - retained profit/ (loss)	335 766	8%	2 614 298	55%
Value Added	<u>3 988 191</u>	100%	<u>4 720 384</u>	100%

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, government and that retained for future creation of wealth.

AFRILAND PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

FIVE-YEAR FINANCIAL SUMMARY

	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Statement of Financial Position					
Assets and liabilities					
Property, plant and equipment	309 685	154 258	47 649	68 235	74 929
Investment properties	19 665 448	19 516 139	14 802 200	12 411 107	12 196 578
Right-of-use asset	5 062	-	-	675	1 575
Goodwill and other intangible assets	561 182	562 222	561 742	562 595	563 120
Equity instrument at fair value through OCI	34 676 568	23 496 207	14 211 450	1 265 625	1 089 450
Prepayment (non-current)	-	11 810	16 244	24 444	20 344
Net current assets/ (liabilities)	(1 412 790)	(2 446 847)	(362 667)	55 582	(2 593 667)
Rent received in advance	(1 289 658)	(1 368 348)	(1 418 073)	(1 453 295)	(6 076)
Deferred tax liabilities	(16 427 045)	(4 996 306)	(3 373 408)	(1 690 533)	(1 326 764)
	36 088 453	34 929 135	24 485 137	11 244 435	10 019 489
Shareholders' fund					
Issued Share capital	686 950	686 950	686 950	686 950	686 950
Share premium	2 944 271	2 944 271	2 944 271	2 944 271	2 944 271
Fair value reserve of financial assets through OCI	22 014 199	20 324 250	11 972 468	321 225	145 050
Retained earnings	10 443 873	10 973 664	8 881 448	7 291 989	6 243 218
	36 089 292	34 929 135	24 485 137	11 244 435	10 019 489
Statement of Profit or Loss:					
Revenue	4 066 735	3 753 282	4 715 778	1 891 421	1 638 658
Profit before taxation	2 599 078	3 695 529	2 411 100	1 797 751	1 603 925
Income tax (expense)/ credit	(2 263 312)	(1 081 231)	(684 251)	(611 590)	(1 648 658)
Profit/ (loss) after taxation	335 766	2 614 298	1 726 849	1 186 161	(44 733)
Basic earnings/ (loss) per share (N)	0.24	1.90	1.26	0.86	(0.03)
Diluted earnings/(loss) per share (N)	0.24	1.90	1.26	0.86	(0.03)