

eTRANZACT INTERNATIONAL PLC

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

eTRANZACT INTERNATIONAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

	Unaudited 31/12/2024 N'000	Unaudited 31/12/2023 N'000	Unaudited Oct - Dec 2024 N'000	Unaudited Oct - Dec 2023 N'000
Continuing operations				
Revenue	29,505,069	33,719,788	7,580,978	7,826,031
Cost of sales	(18,119,512)	(25,312,198)	(3,591,130)	(4,911,745)
Gross profit	11,385,558	8,407,590	3,989,848	2,914,286
Selling and Marketing costs	(424,096)	(268,302)	(177,778)	(118,206)
Administrative expenses	(6,156,032)	(4,736,297)	(1,898,943)	(1,577,961)
Operating profit	4,805,430	3,402,992	1,913,127	1,218,118
Other Income	10,969	2,187	10,969	170
Finance Cost	(29,623)	(24,826)	(9,742)	(5,835)
Investment income	242,920	94,060	57,294	35,508
Profit before tax	5,029,696	3,474,412	1,971,647	1,247,961
Taxation	(1,508,909)	(1,042,324)	(591,494)	(374,388)
Profit for the period	3,520,788	2,432,088	1,380,153	873,573

There is no other comprehensive income for the period, hence the profit for the period is equal to the total comprehensive income.

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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

		Unaudited 31/12/2024	Audited 31/12/2023
	Note	N'000	N'000
Non-current assets			
Property, plant and equipment	1	2,528,374	1,483,676
Investment property	2	136,810	136,810
Intangible assets	3	25,236	51,637
Deposit for shares		456,755	456,755
Total non-current assets		3,147,175	2,128,878
Current assets			
Inventories	6	2,205,911	2,296,714
Trade and other receivables	7	440,931	480,328
Other assets	5	5,439,871	3,601,352
Cash and cash equivalents	8	12,652,482	19,697,267
Total current assets		20,739,195	26,075,660
Total assets		23,886,371	28,204,538
Non-Current liabilities			
Deferred Grant Income	10	73,344	73,344
Long term Loan	10	204,612	272,977
		277,956	346,321
Current liabilities			
Trade and other payables	9	7,002,591	15,267,254
Current tax liabilities	11	1,607,419	1,113,347
Total current liabilities		8,610,009	16,380,600
Total liabilities		8,887,966	16,726,920
Equity			
Share capital	12	4,600,000	4,600,000
Share premium account	13	7,374,272	7,374,272
Retained earnings	15	3,024,133	(496,654)
Total equity attributable to owners of the company		14,998,406	11,477,618
Total equity and Liabilities		23,886,371	28,204,538

The financial statements was approved by the Board of Directors on January 28, 2025 and signed on its behalf by:



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Mr Niyi Toluwalope
Chief Executive Officer
FRC/2013/PRO/ICAN/002/00000002251



.....
Mr Emmanuel Ogunji
Chief Financial Officer
FRC/2014/PRO/ICAN/001/00000007266

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STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

	Share capital N'000	Share premium N'000	Convertible Debenture N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2023	4,600,000	7,374,272	-	(2,698,444)	9,275,828
Profit for the year	-	-	-	2,201,790	2,201,790
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,201,790	2,201,790
Balance at 31 December 2023	4,600,000	7,374,272	-	(496,654)	11,477,618
Balance at 1 January 2024	4,600,000	7,374,272	-	(496,654)	11,477,618
Profit for the period	-	-	-	3,520,788	3,520,788
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	3,520,788	3,520,788
Balance at 31 December 2024	4,600,000	7,374,272	-	3,024,133	14,998,405

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CASHFLOW STATEMENT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

	Note	31/12/2024 N'000	31/12/2023 N'000
Cashflow from operating activities			
Cash receipt from customers		29,525,695	33,689,480
Cash paid to suppliers and employees		(33,978,425)	(24,037,803)
Cash generated from operations		<u>(4,452,730)</u>	<u>9,651,677</u>
Income taxes paid	11	<u>(1,014,836)</u>	<u>(423,723)</u>
Net cash used in operating activities		<u>(5,467,566)</u>	<u>9,227,954</u>
Cashflow from investing activities			
Purchase of property, plant and equipment	1	(1,703,498)	(996,839)
Additions to intangible assets	3	-	-
Interest received and similar income		242,920	94,060
Interest on Loan		(29,623)	(38,416)
Proceeds from sale of Investment Property		-	-
Proceeds from sale of Property, plant and equipment		-	4,312
Net cash used in investing activities		<u>(1,490,201)</u>	<u>(936,883)</u>
Cashflow from financing activities			
Net Proceeds from Debenture Issue		-	-
Issue Cost		-	-
Conversion cost of debenture to ordinary shares		-	-
Repayment of Loan Principal		(71,429)	(71,429)
Repayment of Interest on Loan		(26,558)	(31,513)
Loan obtained	10	-	-
Net cash generated by financing activities		<u>(97,987)</u>	<u>(102,942)</u>
Net increase in cash and cash equivalents		(7,055,755)	8,188,129
Effects of exchange rate on year end bank balances		10,969	6,161
Cash and cash equivalents at beginning of year		<u>19,697,267</u>	<u>11,502,977</u>
Cash and cash equivalents at end of the period	8	<u>12,652,481</u>	<u>19,697,267</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

1.0 Property, plant and equipment

	Motor Vehicle N000	Plant & machinery N000	Furnitures, Fittings and Equipment N000	Computer Equipment & POS N000	Work In Progress N000	TOTAL N000
Cost or Valuation						
As at January 1, 2024	1,177,164	85,904	1,926,597	570,344	-	3,760,009
Additions	436,000	-	390,571	804,261	72,667	1,703,498
Reclassifications	-	-	72,667	-	(72,667)	-
Disposals	(232,952)	(29,441)	(746,850)	(215,628)	-	(1,224,872)
As at 31 December, 2024	1,380,212	56,463	1,642,984	1,158,976	-	4,238,636
Accumulated depreciation and impairment						
As at 1 January	611,304	73,573	1,213,363	378,095	-	2,276,334
Adjustments						
Charge for the period	223,859	4,207	260,691	170,041		658,799
Disposals	(232,952)	(29,441)	(746,850)	(215,628)		(1,224,872)
As at 31 December, 2024	602,211	48,339	727,203	332,508	-	1,710,262
Carrying amount						
As at January 1, 2024	565,861	12,332	713,234	192,249	-	1,483,676
As at 31 December, 2024	778,002	8,124	915,781	826,469	-	2,528,374

1.1 Impairment losses recognised in the Period

There were no impairment losses recognized during the period.

1.2 Contractual commitments

At December 31, 2024 the company had no contractual commitments for the acquisition of property, plant and equipment

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

2 Investment property

	31/12/2024	31/12/2023
	N'000	N'000
Cost		
Land	<u>136,810</u>	<u>136,810</u>
	31/12/2024	31/12/2023
	N'000	N'000
Balance at the beginning of the year	136,810	136,810
Disposal	-	-
Impairment loss	<u>-</u>	<u>-</u>
Balance at the period end	<u>136,810</u>	<u>136,810</u>

The company's investment property is held under freehold interests.

Investment property is recognized at cost in the books and subsequently tested for impairments.

As at December 31, 2024 the fair value of the investment property has been estimated as N258m (2023: N258m). The fair value has been determined by the management of the company by reference to market evidence of transaction prices for similar properties in comparable areas.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

3.0 Intangible assets

This represents the cost incurred in acquiring e-portal and other technologies which form the basis of the Company's e-payment Technology solutions.

	eTranzact enterprise platform N'000	eRemit platform N'000	Other Softwares N'000	TOTAL N'000
Cost				
At 1 January 2024	293,510	105,858	303,949	703,317
Additions	-	-	-	-
Reclassification	-	-	-	-
Disposals	-	-	(249,290)	(249,290)
As at 31 December, 2024	293,510	105,858	54,659	454,027
Amortisation				
At 1 January 2024	277,604	80,754	293,323	651,680
Adjustments	-	-	-	-
Charge for the year	11,740	4,234	10,425	26,400
Disposals	-	-	(249,290)	(249,290)
As at 31 December, 2024	289,345	84,989	54,459	428,791
Carrying amount				
At 1 January 2024	15,906	25,104	10,626	51,637
As at 31 December, 2024	4,165	20,869	201	25,236

3.1 Significant intangible assets

In line with the IFRS reporting and disclosure standards, management has reviewed in detail the intangible assets and is of the opinion that the useful life of the Enterprise software platform and eRemit platform should be 25 years from its original implementation and this has been adjusted accordingly from the year 2012. The carrying amounts of eTranzact enterprise softwares will be fully amortised in 18 years from 2012, the eRemit platform carrying amount will be fully amortised in 22 years and 4 months.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

4.0 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	-	-
Charged to profit or loss	-	-
Charged to other comprehensive income	-	-
Charged directly to equity	-	-
Reclassification from equity to profit or loss	-	-
Acquisitions/disposals	-	-
Others (describe)	-	-
	<hr/>	<hr/>
As at 31 December, 2024	<hr/> <hr/>	<hr/> <hr/>

	31/12/2024 N'000	31/12/2023 N'000
Deferred tax assets	-	-
Deferred tax liabilities	-	-
	<hr/>	<hr/>
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5.0 Other assets

	31/12/2024 N'000	31/12/2023 N'000
Prepayments	544,877	248,583
Advance payments	4,894,993	3,352,768
Other assets (Note 5.1)	84,259	84,259
Fraud assets (Note 5.2)	3,821,102	3,821,102
	<hr/>	<hr/>
Allowance for other assets	(84,259)	(84,259)
Allowance for fraud assets	(3,821,102)	(3,821,102)
	<hr/>	<hr/>
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5.1 Other assets

Other assets balance represents amounts recoverable from the banks on unauthorized withdrawals on the reloadable customers float account in various banks, which were initially refunded by etranzact pending the outcome of investigations into the cases.

5.2 Fraud assets

Fraud assets relates to the balance of the total value of assets that is expected to be recovered from Smart Micro Systems Limited as settlement of the liability to First Bank of Nigeria for fraudulent transactions. The balance of 3.82 billion is highly unlikely to be recovered from Smart Micro Systems Limited, hence the full provision for the fraud asset.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

6.0 Inventories

	31/12/2024	31/12/2023
	N'000	N'000
Airtime Pins	2,205,911	2,173,384
Utility Stock	-	123,330
Point of Sales (POS)	-	-
EMV - (Note 6.1)	-	-
Bulk SMS	-	-
	<u>2,205,911</u>	<u>2,296,714</u>
Provision for obsolete spares and slow moving stock	-	-
	<u>2,205,911</u>	<u>2,296,714</u>

6.1 EMV Cards

	N'000	N'000
EMV in Store	-	-
Stocks in transit	-	-
	<u>-</u>	<u>-</u>

7.0 Trade and other receivables

	31/12/2024	31/12/2023
	N'000	N'000
Trade receivables	557,744	578,369
Allowance for doubtful debts	(466,372)	(466,372)
	<u>91,371</u>	<u>111,997</u>
Other receivables		
Staff debtors (Note 7.1)	96,176	158,312
Other debtors	253,383	210,019
	<u>440,931</u>	<u>480,328</u>

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

7.1 Staff debtors

	31/12/2024	31/12/2023
	N'000	N'000
Staff debtors	153,905	216,041
Allowance for staff debtors	(57,729)	(57,729)
	<u>96,176</u>	<u>158,312</u>

8 Cash and Bank

	31/12/2024	31/12/2023
	N'000	N'000
Cash and bank balances	3,445,378	2,604,720
Restricted Cash	6,823,167	15,104,855
Short term investments	2,383,936	1,987,692
	<u>12,652,482</u>	<u>19,697,267</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

9 Trade and other payables

	31/12/2024	31/12/2023
	N'000	N'000
Trade payable	205,078	158,874
Other payables:		
Accruals and Deferred Income	277,250	398,599
Pension contribution (Note 9.2)	97,622	59,113
Funds held for Pocketmoni and Access Bank Card Scheme	2,071,349	2,204,852
Other Statutory Payables	893,528	638,194
Other Payables	223,348	3,807,012
Fund held in settlement & holding accounts	3,086,422	7,829,555
Other creditors	147,996	171,055
	<u>7,002,591</u>	<u>15,267,254</u>

9.1 Trade creditors and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 6 days. The company has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms.

Included in other statutory payables for the period is an amount which represents VAT payable. This amounts are withheld from proceeds from sales to third parties and commissions earned on switching transactions performed on the platform.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

9.2 Pension Contribution

	31/12/2024	31/12/2023
	N'000	N'000
At 1 January	59,113	70,925
Provisions	277,740	216,558
Payment	(239,230)	(228,370)
	<u>97,622</u>	<u>59,113</u>

10 Long Term Loan

	31/12/2024	31/12/2023
	N'000	N'000
Opening Balance	272,977	320,451
Additions	-	-
Deferred Income on Grant	-	-
Principal Repayment	(71,429)	(71,429)
Interest Repayment	(26,558)	(31,513)
Modification Gain	-	-
Accrued Interest	29,623	55,467
	<u>204,612</u>	<u>272,977</u>

Deferred Income on Grant		
Opening Balance	73,344	90,396
Accrued during the period	-	-
Recognised during the period	-	(17,051)
	<u>73,344</u>	<u>73,344</u>

Total Loan Balance with Accrued Interest	<u>277,956</u>	<u>346,321</u>
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The loan of N500 million represents the first tranche of N150 million, the second tranche of N250 million and the third tranche of N100 million under the CBN's Shared Agent Network Expansion Facility. The loan is to fund the expansion of Shared Agent Networks across Nigeria in order to deepen financial inclusion in Nigeria. The loan was fair valued using the effective interest rate and a deferred grant income was recognised as a result of the actual interest rate on the loan being lower than the effective interest rate. The loan has a tenor of 10 years (inclusive of 2 years principal moratorium and 1 year interest moratorium). The Company did not pledge any of its assets in securing the loan.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2024

11 Current tax liabilities

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	1,113,347	542,387
Charged for the period	1,508,909	994,684
Payments during the year	(1,014,836)	(423,723)
Writeback of excess provision	-	-
	<u>1,607,419</u>	<u>1,113,347</u>

12 Share capital

	31/12/2024 N'000	31/12/2023 N'000
Issued and fully paid:		
9,199,999,816 ordinary shares of 50k each	<u>4,600,000</u>	<u>4,600,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

13 Share premium

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	7,374,272	7,374,272
Premium arising on issue of shares	-	-
Expenses incurred on issue of shares	-	-
Premium arising on conversion	-	-
Expenses incurred on conversion	-	-
As at 31 December, 2024	<u>7,374,272</u>	<u>7,374,272</u>

14 Zero Coupon Irredeemable Convertible Debenture

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	-	-
Issue of 5,772,225 Units at NGN 1,000/unit	-	-
Issue Cost	-	-
Conversion to Ordinary Shares	-	-
	<u>-</u>	<u>-</u>

15 Retained earnings

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	(496,654)	(2,698,444)
Profit attributable to owners of the company	3,520,788	2,201,790
As at 31 December, 2024	<u>3,024,133</u>	<u>(496,654)</u>

16 Statement of Compliance with Securities Trading Policy

In line with the provisions of Rule 17.2 of the Amendment to the Listing Rules and 17.17 of the Rule Book of the Nigerian Exchange Limited which have been incorporated into Sections 4 to 6 of the Company's Securities Trading Policy, No Director, Person discharging managerial responsibility, Adviser(s) of the Company or their connected person was involved in the trading in the Company's shares from January 1, 2025 until 24 hours after the release of the Company's Financial Statements for the period ended December 31, 2024 to the Nigerian Exchange Limited and the general public.