AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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FOR THE YEAR ENDED 31 DECEMBER 2025

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CORPORATE INFORMATION

DIRECTORS

Lazarus A. Angbazo (Ph.D)	Chairman		Resigned on 1st Jan, 2025
Mobolaji O. Osunsanya (Mr)	Chief Executive Officer		Resigned on 1st Jan, 2025
Timothy Ononiwu (Mr)	Chief Executive Officer		Appointed on 21st Feb, 2025
Ogbemi Ofuya (Mr)	Non-Executive Director		Resigned on 21st Feb, 2025
Eyituoyo Ejueyitchie (Mr)	Non-Executive Director		Appointed on 1st Jan, 2025
Jeremy Bending (Mr)	Chairman	British	
Kaat Van Hecke (Ms)	Non-Executive Director	Belgian	

SECRETARY
John Chibueze (Mr)
17a, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

REGISTERED NUMBER
RC1517428

TAX IDENTIFICATION NUMBER
21070307-0001

REGISTERED OFFICE
17a, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

AUDITOR
Ernst & Young
10th & 13th Floors UBA House
57 Marina, Lagos, Nigeria

PRINCIPAL BANKERS
First Bank of Nigeria Limited
35, Marina, Lagos

Ecobank Nigeria Limited
Plot 2, Ajose Adeogun Street
Victoria Island, Lagos

Stanbic IBTC Bank Plc
Walter Carrington Crescent
Victoria Island, Lagos

Rand Merchant Bank Limited
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island, Lagos

SOLICITORS
Aluko & Oyebode
1 Murtala Muhammed Drive
Ikoyi, Lagos

The New Practice
49, Raymond Njoku Street
Ikoyi, Lagos

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CORPORATE GOVERNANCE REPORT

The Company complies with the relevant provisions of the Securities & Exchange Commission (SEC) Code of Corporate Governance of 2011 and the Nigerian Code of Corporate Governance of 2018 by the Financial Reporting Council of Nigeria ("FRC").

Board of Directors

The Board of Directors (the "Board") is made up of the Non-Executive Chairman, Non-Executive Director and Executive Director who oversee the corporate governance of the Company.
Attendance at Board meetings for the year ended 31 December 2025 are as follows:

Directors		Attendance	No. of Meetings
Timothy Ononiwu (Mr)	Chief Executive Officer	3	3
Tuoyo Ejueyitchie (Mr)	Non-Executive Director	3	3
Jeremy Bending (Mr) - British	Non-Executive Director (Chairman)	3	3
Kaat Van Hecke (Ms) - Belgian	Non-Executive Director	3	3

Board Committees

At the Axxela Group level the Board carries out its oversight functions through its various committees each of which has a clearly defined terms of reference and a charter. The Board has three (3) standing committees, namely: Governance and Remuneration Committee, Safety, Audit and Risk Committee and Strategy and Finance Committee. In line with best practice, the Chairman of the Board is not a member of any of the Committees. The composition and responsibilities of the committees are set out below:

The Governance and Remuneration Committee is chaired by Mr. Jeremy Bending, an independent non executive director and supported by two other directors. Ms. Kaat Van Hecke leads the Safety, Audit and Risk Committee alongside two non-executive directors. The Strategy and Finance Committee is led by Mr. Nitin Kaul as chairman and supported by two non-executive directors.

The Board of Directors met three times in the 2025 financial year.

Governance and Remuneration Committee

The Committee acts on behalf of the Board of Directors on all matters relating to the workforce.

Terms of reference

•Develop, review and recommend the remuneration policy to the Board for approval.
•The Committee may engage a remuneration consultant at the expense of the Company for the purpose of carrying out its responsibilities. Where such a consultant is engaged by the Committee, the consultant must be independent.
•To perform any other duties assigned by the Board from time to time.

The members and respective attendance in committee meetings are as follows:

Directors		Attendance	No. of Meetings
Jeremy Bending (Mr)	Chairperson	2	2
Nitin Kaul (Mr)	Member	2	2
Sugiyama Daisuke (Mr)	Member	2	2

CORPORATE GOVERNANCE REPORT - Continued

Safety, Audit and Risk Committee

The Committee is responsible for evaluating and handling issues relating to risk management in the Company.

Terms of reference

•Receive reports on, and review the adequacy and effectiveness of the Company's risk and control processes to support its strategy and objectives.
•Endorse definition of risk and return preferences and target risk portfolio.
•Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile.
•Review the effectiveness of the risk management system on an annual basis.
•To perform any other duties assigned by the Board from time to time.

The members and respective attendance in committee meetings are as follows:

Directors		Attendance	No. of Meetings
Kaat Van Hecke (Ms)	Chairperson	2	2
Jeremy Bending (Mr)	Member	2	2
*Bolaji Osunsanya (Mr)	Member	2	2

Strategy and Finance Committee

The Committee acts on behalf of the Board of Directors on all matters relating to financial management, and reports to the Board for approval/ratification.

Terms of reference

•Establish the Company's financial policies in relation to the operational plan, capital budgets, and the reporting of results.
•Monitor the progress and achievement of the Company's financial targets.
•Review significant corporate financing and liquidity programs and tax plans.
•Review contract awards for significant expenditure above EXCO limit.
•Review significant transactions and new business initiatives for the Board's approval.
•To perform any other duties assigned by the Board from time to time.

The members and respective attendance in committee meetings are as follows:

Directors		Attendance	No. of Meetings
* Nitin Kaul (Mr)	Chairperson	2	2
*Sugiyama Daisuke (Mr)	Member	2	2
*Kaat Van Hecke (Ms)	Member	2	2

* These are members on the Board committee of the Parent Company (Axxela Limited).

CORPORATE GOVERNANCE REPORT - Continued

The Company Secretary

The Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Memorandum and Articles of Association together with other relevant rules and regulations are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flow within the Board and its committees and between Management and Non-Executive Directors. The Company Secretary also facilitates orientation of new Directors and coordinates the professional development of Directors.

The Company Secretary is responsible for designing and implementing a framework for the Company's compliance with the listing rules of the Nigerian Exchange Limited (NGX), including advising Management on prompt disclosure of material information.

The Company Secretary attends and prepares the minutes for all Board meetings. As Secretary for all Board Committees, he assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Sustainability Report

Axxela Funding 1 Plc firmly believes in the importance of contribution to the creation of a thriving society in Nigeria. To this end, the Company is committed to the support of environmentally sustainable initiatives and investments that will impact the lives of our immediate community and the society as a whole. It does this via providing funding to the Axxela entities.

Whistle Blowing Process

The Company is committed to the highest standards of openness, probity and accountability, hence the need for an effective and efficient whistle blowing process as a key element of good corporate governance and risk management.

Whistle blowing process is a mechanism by which suspected breaches of the Company's internal policies, processes, procedures and unethical activities by any stakeholder (staff, customers, suppliers and applicants) are reported for necessary actions.
It ensures a sound, clean and high degree of integrity and transparency in order to achieve efficiency and effectiveness in our operations.

The reputation of the Company is of utmost importance and every staff of the Company has a responsibility to protect the Company from any persons or act that might jeopardize its reputation.
An essential attribute of the process is the guarantee of confidentiality and protection of the whistle blower's identity and rights. It should be noted that the ultimate aim of this policy is to ensure efficient service to the customer, good corporate image and business continuity in an atmosphere compliant with best industry practice.

CORPORATE GOVERNANCE REPORT - Continued

The Company has a Whistle Blowing channel via the Company's website, dedicated telephone hotlines (accessible via https://www.axxelagroup.com/wp-content/uploads/2019/05/Whistle-Blowing-Policy.pdf) and external e-mail address (kpmgethicsline@ng.kpmg.com). Also, the Company's General Counsel and Company Secretary is responsible for monitoring and reporting on whistle blowing.

Process of Board Appointments

The Board Governance & Remuneration Committee has the responsibility for leading the process for Board appointments as either Executive or Non-Executive Directors.

The Committee, in performance of its duties under the Board Charter, shall review the need for appointments and recommend such appointments to the Board for approval. The Committee shall note the specific experience and abilities needed and shall identify, review and recommend to the Board candidates for potential appointment as Directors.

In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefit of diversity on the Board, including gender mix as well as the balance of appropriate skills and experience.

The appointment of Directors by the Board is subject to the approval of the Shareholders.

BY ORDER OF THE BOARD

John Chibueze (Mr)
Company Secretary
FRC/2025/PRO/NBA/002/326356

24 April 2026

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2025.

LEGAL FORM

Axxela Funding 1 Plc (the "Company") was incorporated in Nigeria on the 10th of August, 2018 as a public limited company. The registered office of the Company is at The Wings Office Complex, East Tower, Ozumba Mbadiwe Avenue, Victoria Island, Lagos.

The Company is a wholly owned subsidiary of Axxela Limited and ultimately controlled by Glover Gas & Power BV Netherlands.

PRINCIPAL ACTIVITIES

The Company is a special purpose funding vehicle and wholly owned subsidiary of Axxela Limited ("Axxela") that has been set up for the purpose of raising finance for the business of Axxela and subsidiaries of Axxela (together the "Axxela Group"). The Company was set up in particular to act as the issuer under Axxela's proposed bond programme as there is a requirement for the issuer to be a public limited company.

STATE OF AFFAIRS

In the opinion of the Directors, the state of affairs of the Company is satisfactory and no events have occurred since the reporting date which would affect the financial statements as presented.

RESULTS FOR THE YEAR

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

	2025 ₦'000	2024 ₦'000
Interest income using effective interest rate	5,292,856	3,702,625
Profit before tax	-	-
Income tax expense	-	-
Profit for the year	**-**	**-**

DIRECTORS

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

Lazarus A. Angbazo (Ph.D)	Chairman		Resigned on 1st Jan, 2025
Mobolaji O. Osunsanya (Mr)	Chief Executive Officer		Resigned on 1st Jan, 2025
Timothy Ononiwu (Mr)	Chief Executive Officer		Appointed on 21st Feb, 2025
Ogbemi Ofuya (Mr)	Non-Executive Director		Resigned on 21st Feb, 2025
Eyituoyo Ejueyitchie (Mr)	Non-Executive Director		Appointed on 1st Jan, 2025
Jeremy Bending (Mr)	Chairman	British	
Kaat Van Hecke (Ms)	Non-Executive Director	Belgian	

REPORT OF THE DIRECTORS - Continued

DIRECTORS' INTERESTS IN SHARES

Pursuant to Section 301 and 302 of the Companies and Allied Matter Act, 2020, None of the Directors who held office during the year has any direct or indirect interest in the shares of the Company as at 31 December 2025.

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 direct or indirect interest in contracts or proposed contracts with which the Company is involved as at 31 December 2025.

DONATIONS AND GIFTS

The Company did not give any donation in the year ended 31 December 2025 (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

The Company did not own or acquire any property, plant and equipment during the year ended 31 December 2025 (2024: Nil).

SHAREHOLDING STRUCTURE

The issued share capital of the Company as at 31 December 2025 was beneficially owned as follows:

	2025 Number of shares	%	2024 Number of shares	%
Axxela Limited	1,999,999	100%	1,999,999	100%
Tuoyo Ejueyitchie (Mr)	1	0%	1	0%
	2,000,000	**100%**	**2,000,000**	**100%**

EMPLOYMENT OF DISABLED PERSONS

It is the policy of the Company that there is no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop their knowledge and to qualify for promotion in furtherance of their careers. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

EMPLOYEES' INVOLVEMENT AND TRAINING

The development and training of the Company's staff continues to receive constant attention. Relevant training was provided to employees during the year.

REPORT OF THE DIRECTORS - Continued

HEALTH AND SAFETY

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. Careful attention is given to employees' health through the use of top class clinics. However the Company has one employee (the Chief Executive Officer), who is seconded from the parent company during the year.

PROTECTION OF THE ENVIRONMENT

The Company is committed to protecting the environment within and around its operational areas. In this regard, it has established a framework for complying with all statutory environmental requirements, applying best industry practice and operating in a manner that assumes no harm to the environment.

FORMAT OF FINANCIAL STATEMENTS

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

EVENTS AFTER THE REPORTING DATE

As stated in Note 24 to the financial statements, no events have occurred after the reporting date which have a material effect on the financial statements, or the omission of which will make the financial statements misleading as to the financial position or results of operations.

INDEPENDENT AUDITOR

Ernst & Young served as the independent auditor of the Company for the year ended 31 December 2025. In compliance with the provisions of the Financial Reporting Council of Nigeria's National Code of Corporate Governance and the Securities and Exchange Commission's Code of Corporate Governance, which require periodic rotation of external auditors, the auditor will not be reappointed at the forthcoming Annual General Meeting.

A resolution will be proposed at the Annual General Meeting empowering the Directors to fix the remuneration of the new auditor.

BY ORDER OF THE BOARD

John Chibueze (Mr)
Company Secretary
FRC/2025/PRO/NBA/002/326356

24 April 2026

AXXELA FUNDING 1 PLC
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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO 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 in compliance with the Financial Reporting Council of Nigeria (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 Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act 2023.

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

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.

Timothy Ononiwu (Mr)
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000007632

24 April 2026

Tuoyo Ejueyitchie (Mr)
Director
FRC/2025/PRO/DIR/003/232261

24 April 2026

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020.

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2025 that:

a. We have reviewed the report;
To the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c. We:
- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:
- All significant deficiencies in the design or operation of 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
- 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 or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Timothy Ononiwu (Mr)
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000007632

..... 24 April **2026**

Yetunde Demuren (Mrs)
Chief Financial Officer
FRC/2025/PRO/ANAN/006/106065

..... 24 April **2026**

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 we hereby make the following statements regarding the Internal Controls of Axxela Funding 1 Plc for the year ended 31 December 2025.

I Timothy Ononiwu, certify that:

1 I have reviewed this management assessment on internal control over financial reporting of Axxela Funding 1 Plc.

2 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;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly presenting all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4 The Company's other certifying officer and I:

i) are responsible for establishing and maintaining internal controls;

ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

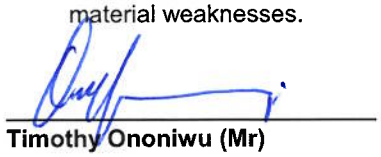
iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

5 The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditor and the audit committee of the Company's board of directors:

i) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

ii) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

6 The company's other certifying officer and I have identified, in the report there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including no corrective actions with regard to significant deficiencies and material weaknesses.



Timothy Ononiwu (Mr)
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000007632
.....24 April..... 2026

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 we hereby make the following statements regarding the Internal Controls of Axxela Funding 1 Plc for the year ended 31 December 2025.

I, Yetunde Titilayo Demuren, certify that:

1 I have reviewed this management assessment on internal control over financial reporting of Axxela Funding 1 Plc.

2 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;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly presenting all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4 The Company's other certifying officer and I:

i) are responsible for establishing and maintaining internal controls;

ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

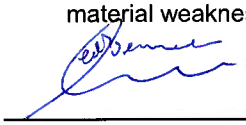
iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

5 The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditor and the audit committee of the Company's board of directors:

i) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

ii) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

6 The company's other certifying officer and I have identified, in the report there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including no corrective actions with regard to significant deficiencies and material weaknesses.



Yetunde Demuren (Mrs)
Chief Financial Officer
FRC/2025/PRO/ANAN/006/106065
.....24.April.... **2026**

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

MANAGEMENT'S ANNUAL ASSESSMENT OF AND REPORT ON THE ENTITY'S INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Axxela Funding 1 Plc for the year ended 31 December 2025:

i Axxela Funding 1 Plc's management is responsible for establishing and maintaining a system of Internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

ii Axxela Funding 1 Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii Axxela Funding 1 Plc's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.

iv Axxela Funding 1 Plc's external auditor Ernst & Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

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

Timothy Ononiwu (Mr)
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000007632

.....24 April..... **2026**

Yetunde Demuren (Mrs)
Chief Financial Officer
FRC/2025/PRO/ANAN/006/106065

.....24 April..... **2026**

Shape the future with confidence

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UBA House, 10th & 13th Floors
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Federal Capital Territory, Abuja, Nigeria
Tel: +234 903 151 6484
Email: services.abuja@ng.ey.com
Web: www.ey.com

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Charis Plaza, Ground Floor
10, Olu-Obasanjo Road
Port Harcourt, Rivers State, Nigeria
Tel: +234 811 209 3248
Email: services@ng.ey.com
Web: www.ey.com

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of AXXELA FUNDING 1 PLC

Scope

We have been engaged by AXXELA FUNDING 1 Plc to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on AXXELA FUNDING 1 Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in AXXELA FUNDING 1 Plc's (the "Company's") Management's Assessment on Internal Control over Financial Reporting as of 31 December 2025 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by AXXELA FUNDING 1 Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), AXXELA FUNDING 1 Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

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Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the members of AXXELA FUNDING 1 PLC - Continued

AXXELA FUNDING 1 Plc's responsibilities

AXXELA FUNDING 1 Plc's Management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying AXXELA FUNDING 1 Plc's Management's assessment of the Internal Control over Financial reporting as of 31 December 2025 in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (including International Independence Standards) (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

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

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.
Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management as contained and assessed in AXXELA FUNDING 1 Plc's Management Assessment on Internal Control over Financial Reporting is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

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Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the members of AXXELA FUNDING 1 PLC - Continued

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2025 of AXXELA FUNDING 1 Plc, and we expressed an unmodified opinion in our Auditor's report dated 24 April 2026 . Our conclusion is not modified in respect of this matter.

Alani Surakat
FRC/2021/PRO/ICAN/004/00000024514

For: Ernst & Young
Lagos, Nigeria

24 April **2026**



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AXXELA FUNDING 1 PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Axxela Funding 1 Plc ('the Company'), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information .

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Axxela Funding 1 Plc as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statement of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AXXELA FUNDING 1 PLC - Continued

The Key Audit Matter(s) applies to the audit of the financial statements.

Key Audit Matter	How the matter was addressed in the audit
Accounting for Issued Bond **Series 1 Bond** In year 2020, the Company issued a public debt (Bond) of N10 billion through its Debt Issuance Programme (DIP) at the coupon rate of 14.3% per annum. The Bond was oversubscribed to the tune of N11.5 billion and the excess subscription of N1.5billion was accepted as the DIP authorizes the Company to raise up to N50 billion debt capital through public offering, private placement, book building process or any other method. The proceeds realized from the bond issue were distributed via Call notes to the following Axxela entities - Axxela Limited, Gaslink Nigeria Limited and Transit Gas Nigeria Limited in the following proportion of 19%, 35% and 46% respectively. The terms of the Call Notes to the related companies mirror the terms of Bond Instruments between Axxela Funding 1 Plc and the Bond Holders. **Series 2 Bond** In April 2024, Axxela Funding 1 PLC issued Series II drew down on a 10-Year 21% Fixed Rate Bonds of N16.4 billion due April 2034 under its ₦50 Billion Medium Term Note Programme. The purpose of the bond was for business expansion. The proceeds realized from the bond issue were distributed via Call notes to the following Axxela entities - Gaslink Nigeria Limited and Transit Gas Nigeria Limited in the following proportion of 81% and 19% respectively. Due to the significance of the issued bond and the complexity surrounding its accounting treatment as a financial instrument with both liability and asset characteristics, significant judgement is required in determining its initial recognition, subsequent measurement and presentation. Accordingly, the relevant accounting policies and credit risk management practices and detailed disclosures relating to the bond instrument are provided in Notes 21 and 22 to the financial statements.	Our procedures included, amongst others, the following: We gained an understanding of the Debt Issuance Programme (DIP) also called the bond agreement, spelling out the terms and conditions of the bond reading through the related documents. We reviewed the Call Notes agreements between the Company and related entities to gain an understanding of the related transaction and the fund applications. . For the bond financial liability carried at amortized cost, we tested the accuracy of the bond amortization by recomputing the bond amortization schedule using the applicable inputs derived from the DIP. For financial assets carried at amortized cost, we tested the accuracy of the loan amortization schedule by recomputing the loan amortization schedule using the applicable inputs derived from the call notes agreement. We obtained confirmation responses from both the Bond issuers and Call notes issuers. We also checked the adequacy of the Company disclosure regarding the financial instruments, fair value analysis and related credit risks.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AXXELA FUNDING 1 PLC - Continued

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Axxela Funding 1 Plc Annual Report and Audited Financial Statement for the year ended 31 December 2025", which includes the Report of the Directors, Statement of Directors' Responsibilities in relation to the preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements, Certification of Management's Assessment on Internal Control over Financial Reporting, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Corporate information and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AXXELA FUNDING 1 PLC - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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

·Identify and assess the risks of material misstatement of the 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 the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AXXELA FUNDING 1 PLC - Continued

Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December, 2025. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 24 April 2026.

Alani Surakat
FRC/2021/PRO/ICAN/004/00000024514

For: Ernst & Young
Lagos, Nigeria
24 April **2026**



AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2025 ₦'000	2024 ₦'000
Interest income using effective interest rate	6	5,292,856	3,702,625
Interest expense using effective interest rate	7	(5,292,856)	(3,702,625)
Net interest income		**-**	**-**
Other operating income	8	98,935	56,321
Net operating income		**98,935**	**56,321**
Administrative expenses	9	(98,935)	(56,321)
Profit before tax		**-**	**-**
Income tax expense	10	-	-
Profit for the year		**-**	**-**
Other comprehensive income		-	-
Total Comprehensive Income for the year, net of tax		**-**	**-**
Earnings per share			
Basic/Diluted earnings per share	11	**-**	**-**

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

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

Assets	Notes	2025 ₦'000	2024 ₦'000
Non-current assets			
Other financial assets	14	17,125,057	15,961,517
		17,125,057	**15,961,517**
Current assets			
Cash and cash equivalents	12	2,377,154	5,271,380
Other receivables	13	107,671	56,091
Other financial assets	14	4,032,625	3,354,346
Fixed deposit (DSRA)	14.2	1,755,483	2,472,706
		8,272,933	**11,154,523**
Total assets		**25,397,990**	**27,116,040**
Equity			
Share capital	15	2,000	2,000
Accumulated losses		(510)	(510)
Total equity		**1,490**	**1,490**
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowing	21	17,288,146	20,379,846
		17,288,146	**20,379,846**
Current liabilities			
Interest-bearing loans and borrowing	21	3,869,536	3,163,055
Other payables	17	585	-
Other financial liabilities	16	4,238,233	3,571,649
		8,108,354	**6,734,704**
Total liabilities		**25,396,500**	**27,114,550**
Total equity and liabilities		**25,397,990**	**27,116,040**

The financial statements were approved and authorised for issue by the Board of Directors on .....24 April..... 2026 and were signed on its behalf by:

Timothy Ononiwu (Mr)	Tuoyo Ejueyitchie (Mr)	Yetunde Demuren (Mrs)
Chief Executive Officer	Director	Chief Financial Officer
FRC/2014/PRO/DIR/003/00000007632	FRC/2025/PRO/DIR/003/232261	FRC/2025/PRO/ANAN/006/106065

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

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Accumulated losses	Total equity
		₦'000	₦'000	₦'000
As at 1 January 2024		2,000	(510)	1,490
Profit for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
As at 31 December 2024		**2,000**	**(510)**	**1,490**
As at 1 January 2025		2,000	(510)	1,490
Profit for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
As at 31 December 2025		**2,000**	**(510)**	**1,490**

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

STATEMENT OF CASH FLOWS

	Notes	2025 ₦'000	2024 ₦'000
Operating activities			
Profit before tax		-	-
Adjustments for non - cash items			
Interest income	6	(5,292,856)	(3,702,625)
Interest expense	7	5,292,856	3,702,625
		-	**-**
Working capital adjustments			
Increase in other receivables		(51,580)	(379,687)
increase in other financial liabilities and other payables		667,171	2,392,171
		615,591	**2,012,484**
Interest received from Co- Obligors	14.1	4,322,668	2,919,160
Net cash flows from operating activities		**4,938,259**	**4,931,644**
Investing activities			
Call notes disbursed	14.1	(4,227,040)	(12,172,960)
Release/(placement) of fixed deposit (DSRA)	14.1	717,223	(2,472,706)
Bond principal received from Co- Obligors	14.1	2,418,070	2,106,127
Net cash flows used in investing activities		**(1,091,747)**	**(12,539,539)**
Financing activities			
Proceed on borrowings	22.1	-	16,400,000
Repayment of borrowings	22.1	(2,418,070)	(2,106,127)
Interest paid	22.1	(4,322,668)	(2,919,160)
Net cash flows (used in)/from financing activities		**(6,740,738)**	**11,374,713**
Net(decrease)/increase in cash and cash equivalents		(2,894,226)	3,766,818
Cash and cash equivalents at 1 January		5,271,380	1,504,562
Cash and cash equivalents at 31 December	12	**2,377,154**	**5,271,380**

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

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Axxela Funding 1 PLC was incorporated on 10 August 2018 as a Public Company Limited by shares. It is a subsidiary of Axxela Limited. The principal activities of the Company are business development and raising of finance for the business of Axxela Limited and its subsidiaries.

Axxela Funding 1 PLC is domiciled in Nigeria and its registered office address is 8th Floor, the Wings Complex, East Tower 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos.

The Company is a wholly owned subsidiary of Axxela Limited and ultimately controlled by Glover Gas & Power BV Netherlands.

2 Accounting policies

2.1 Basis of preparation

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

a. Functional and presentation currency

The financial statements of the Company are presented in Naira. The Company's functional currency is naira. All financial information presented in Naira has been rounded to the nearest thousands unless stated otherwise.

b. 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 continue to be prepared on the going concern basis.

c. Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS- Continued

2.2 Summary of material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

a. Financial instruments

The Company's financial instruments arise entirely from its role as a special-purpose funding vehicle within the Axxela Group. The Company's financial assets consist of call notes receivable from three co-obligors (Gaslink Nigeria Limited, Transit Gas Nigeria Limited and Axxela Limited), a Debt Service Reserve Account ("DSRA") held as a fixed deposit, cash at bank, and receivables from related parties for reimbursable expenses. The Company's financial liabilities consist of the Series 1 Bond (N11.5 billion, 7-year, 14.3% fixed rate, due May 2027) and the Series 2 Bond (N16.4 billion, 10-year, 21% fixed rate, due April 2034), together with accrued interest and amounts held on behalf of co-obligors.

Classification and measurement

All of the Company's financial assets satisfy the conditions for classification at amortised cost under IFRS 9 because:

(i) the call notes and the DSRA are held within a business model whose objective is to collect contractual cash flows (the Company does not trade or sell these instruments); and

(ii) the contractual terms of each instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The call notes mirror the terms of the underlying bond instruments. Each call note's contractual cash flows (coupon payments, principal repayment schedule, moratorium period) replicate the corresponding bond obligation, establishing a direct pass-through of cash flows from co-obligors to bondholders.

The Company's financial liabilities (the Series 1 and Series 2 Bonds) are measured at amortised cost using the effective interest rate method, net of directly attributable transaction costs.

Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value. For instruments not classified at fair value through profit or loss, directly attributable transaction costs are included in (for financial assets) or deducted from (for financial liabilities) the initial carrying amount.

Transaction costs incurred on the Series 1 Bond (N58.4 million at recognition) and the Series 2 Bond (N394.7 million at recognition) include issuing house fees, legal fees and stamp duties. These costs form an integral part of the effective interest rate calculation for each bond and are amortised over the respective bond tenors. Corresponding transaction costs are allocated to co-obligors through the call note structure.

NOTES TO THE FINANCIAL STATEMENTS- Continued

Summary of material accounting policies (continued)

Effective interest rate method

Interest income on call notes and interest expense on the bonds are recognised in profit or loss using the effective interest rate ("EIR") method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

For the Company, the EIR on each bond differs from the stated coupon rate because transaction costs are included in the EIR calculation. The difference between interest computed at the contractual coupon rate and interest computed at the EIR represents the amortisation of transaction costs. This amortisation is not a separate income or expense item but is an integral component of interest income (on call notes) and interest expense (on bonds) recognised using the EIR method.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows expire or when the Company transfers the asset and the transfer qualifies for derecognition. In practice, derecognition of call notes occurs as scheduled principal repayments are received from co-obligors.

The Company derecognises a financial liability when the obligation is discharged, cancelled or expires. Bond principal repayments, which are funded by corresponding call note repayments from co-obligors, result in partial derecognition of both the bond liability and the related call note receivable on each semi-annual repayment date.

b. Impairment of financial assets

The Company recognises expected credit losses ("ECL") on all financial assets measured at amortised cost in accordance with IFRS 9. The Company's ECL assessment covers three categories of financial assets:

Call notes receivable: The Company applies the general approach under IFRS 9.5.5.3. At each reporting date, the Company assesses whether there has been a significant increase in the credit risk of each co-obligor since initial recognition. This assessment considers the co-obligor's payment history against the call note schedule, any changes in its financial position or operating environment, and forward-looking macroeconomic information relevant to the Nigerian gas distribution sector (including gas pricing regulation, pipeline throughput volumes, and customer collection rates).

NOTES TO THE FINANCIAL STATEMENTS- Continued

Summary of material accounting policies (continued)

As at 31 December 2025, all three co-obligors (Gaslink Nigeria Limited, Transit Gas Nigeria Limited and Axxela Limited) have met their contractual payment obligations under the call note agreements. No contractual payments are past due. Accordingly, all call notes are classified as Stage 1 financial assets, and the ECL is measured as 12-month expected credit losses. Based on management's assessment of the co-obligors' financial position and debt service capacity, the 12-month ECL was determined to be immaterial and no loss allowance has been recognised.

Cash and bank balances: The Company holds cash at bank with First Bank of Nigeria Limited, Ecobank Nigeria Limited, Stanbic IBTC Bank Plc and Rand Merchant Bank Limited. Given the short-term nature of these deposits and the credit quality of the counterparty banks (all of which maintain investment-grade national ratings), the ECL was assessed as immaterial.

Other receivables from related parties: These represent reimbursable administrative expenses (audit fees, ICFR attestation fees, trustee fees and listing fees) due from co-obligors under the bond programme. Given the nature of the arrangement and the short settlement period, the ECL was assessed as immaterial.

Where ECL is assessed as immaterial, no loss allowance is recognised. The Company does not hold collateral against any of its financial assets.

Definition of default: The Company defines default as occurring when a co-obligor's contractual payment under a call note is 90 days or more past due. A significant increase in credit risk is presumed when payments are more than 30 days past due.

c. Fair value measurement

The Company does not hold any financial instruments measured at fair value on a recurring basis. Fair value disclosures are provided for the Company's financial assets (call notes) and financial liabilities (bonds) which are carried at amortised cost, as required by IFRS 7.

The fair values of the call notes receivable and the bond liabilities are determined using the discounted cash flow ("DCF") method. The key input is the discount rate applied to the future contractual cash flows of each instrument. The Company uses market yields for comparable Nigerian corporate fixed-rate bonds with similar credit profiles and remaining tenors as the discount rate. Where the market yield at the measurement date differs from the contractual coupon rate, the resulting fair value will differ from the amortised cost carrying amount.

NOTES TO THE FINANCIAL STATEMENTS- Continued

Summary of material accounting policies (continued)

These instruments are classified as Level 2 in the fair value hierarchy because the significant valuation inputs (market yields derived from FMDQ-quoted bonds of comparable issuers) are observable, although the instruments themselves are not traded in an active market with quoted prices (which would be Level 1).

There have been no transfers between levels of the fair value hierarchy during the current or prior year.

Fair value disclosures, including a comparison of carrying amounts and fair values by instrument, are presented in Note 22.

d. Cash and cash equivalents

Cash and cash equivalents comprise bank balances held in Nigerian Naira with the Company's principal bankers. The Company does not hold cash in foreign currencies.

The Debt Service Reserve Account ("DSRA") held as a fixed deposit is excluded from cash and cash equivalents because it is restricted under the terms of the Bond Trust Deed and cannot be used for general corporate purposes. The DSRA is classified as a current financial asset where its maturity is within 12 months of the reporting date, or as a non-current financial asset otherwise.

e. Interest income and interest expense

The Company's sole sources of interest income are:

(i) interest on call notes receivable from the three co-obligors, recognised using the EIR method (which incorporates the amortisation of allocated transaction costs); and

(ii) interest earned on the DSRA fixed deposit, which accrues at the deposit rate and is allocated to co-obligors.

Interest expense comprises interest on the Series 1 and Series 2 Bonds, recognised using the EIR method (which incorporates the amortisation of bond issuance transaction costs), together with the allocation of DSRA interest to co-obligors.

The Company's structure is designed to produce a nil net interest margin: interest income from call notes mirrors interest expense on the bonds, and DSRA interest income is passed through to co-obligors. As a result, the Company reports nil profit before and after tax.

f. Other operating income

Other operating income represents the reimbursement by co-obligors of administrative expenses incurred by the Company in maintaining the bond programme. These include external audit fees, ICFR attestation fees, annual NGX listing fees, legal and consulting fees, and trustee fees. Reimbursements are recognised when the related expense is incurred, as the Company has an unconditional right to reimbursement under the bond programme terms. The corresponding expenses are recognised in administrative expenses, resulting in a nil net impact on profit or loss.

Summary of material accounting policies (continued)

g. Share capital

The Company's issued share capital comprises 2,000,000 ordinary shares of N1 each, of which 1,999,999 shares are held by Axxela Limited and 1 share is held by a nominee director. Ordinary shares are classified as equity. There have been no changes in issued share capital during the current or prior year and no dividends have been declared or paid.

h. Related party transactions

The Company transacts exclusively with entities within the Axxela Group. Related party transactions arise from the Company's role as the Group's bond issuance vehicle and comprise:

(i) the issuance of call notes to co-obligors (Gaslink Nigeria Limited, Transit Gas Nigeria Limited and Axxela Limited) on terms that mirror the underlying bond instruments;

(ii) the reimbursement of administrative expenses by co-obligors; and

(iii) the secondment of the Company's sole employee (the Chief Executive Officer) from the parent company at no cost to the Company.

Related party transactions are conducted on terms equivalent to the underlying bond arrangements. Balances with related parties are disclosed in Note 18.

i. Segment reporting

The Company operates as a single operating segment, being a special-purpose funding vehicle established for the sole purpose of raising finance for the Axxela Group through its N50 Billion Medium Term Note Programme. The Chief Operating Decision Maker (the Board of Directors) reviews the Company's financial performance on an aggregated basis. All of the Company's revenue, expenses, assets and liabilities relate to this single segment and are denominated in Nigerian Naira. The Company's sole source of revenue is interest income from call notes issued to three related entities, all of which are domiciled and operate in Nigeria.

(j) Taxation

Companies Income Tax is provided at the applicable rate of 30% on taxable profits in accordance with the Companies Income Tax Act (CITA). Tertiary Education Tax is provided at 2.5% of assessable profits. The Police Trust Fund levy is computed at 0.005% of net profit before tax.

The Company has consistently reported nil profit before tax since the interest income from call notes is fully offset by interest expense on the bonds, and administrative expenses are fully offset by reimbursements from co-obligors. Accordingly, no provision for Companies Income Tax, Tertiary Education Tax, or Police Trust Fund levy has been recognised in the current or prior year.

The Company's gross turnover for minimum tax purposes is nil, as the Company does not generate revenue from the sale of goods or services. On this basis, no minimum tax liability arises under Section 33 of CITA.

Withholding tax deducted at source on the Company's interest income from the DSRA is recognised as a receivable and is available for offset against future tax liabilities or for reclaim from the Nigeria Revenue Service (NRS).

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations

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

	Impact	dates
· Amendments to IAS 21 : Lack of Exchangeability	None	1-Jan-25

Amendments to IAS 21 : Lack of Exchangeability

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when exchangeability is not. A currency is exchangeable when an entity is able to obtain the currency for either of the relevant purposes (delivery or settlement) through markets or exchange mechanisms that function properly within a time frame that allows for a normal administrative delay. When a currency is not exchangeable, an entity estimates the spot exchange rate using an observable exchange rate without adjusting it or, only if an observable exchange rate is not available, another estimation technique. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods effective from 1 January 2025. Early application is permitted (subject to any endorsement process).

The Company has applied these amendments in its assessment of currency exchangeability. All currencies to which the Company has exposure are exchangeable and therefore the adoption of these amendments did not have any impact on the Company's financial statements.

Standards Issued But Not Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance.

	Effective dates
· Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1-Jan-26
. Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)	1-Jan-26
· Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	postponed indefinitely by IASB
. Annual improvements to IFRS Accounting standards - Volume 11	1-Jan-26
· IFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-27
· IFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-27
· Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21	1-Jan-27

NOTES TO THE FINANCIAL STATEMENTS - Continued

Standards Issued But Not Effective (Continued)

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 - 1 Jan 2026

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

▪ A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date

▪ Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

▪ Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

▪ The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company does not anticipate that the amendments will have a material effect on the Company's financial statements.

Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements)

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

▪ Clarify the application of the 'own-use' requirements for in-scope contracts

▪ Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts

▪ Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

Standards Issued But Not Effective (Continued)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments will have no impact on the Company's financial statements.

Annual Improvements to IFRS Accounting Standards—Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.
The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.
The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.
In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Standards Issued But Not Effective (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements - Continued

The Company has performed a preliminary assessment of the potential impact of IFRS 18 on its financial statements and operational systems. Based on this initial evaluation, management expects that revenue from the Company's core business activities will be presented under operating activities. Income derived from investments in fixed deposits and treasury bills is anticipated to be classified under investing activities, while interest expenses related to borrowings will be reported under financing activities. The Company is continuing its assessment of IFRS 18 and is evaluating the broader implications, including potential changes to the presentation and disclosure requirements in the financial statements.

IFRS 18 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 will apply retrospectively.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The standard will not have an impact on the Company's financial statements.

Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21.

In November 2025, the IASB issued amendments to IAS 21 to clarify how entities should translate financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency.The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

All amounts, including assets, liabilities, equity, income, and comparative figures, must then be translated using the closing rate, with a general price index applied to comparatives where appropriate, and translation differences recognized in other comprehensive income. Enhanced disclosures are also required to explain the method and its impact, promoting consistency and comparability of financial information.

The Company is currently assessing the effect of these amendments and does not expect a material impact, as it does not present its financial statements in a hyperinflationary currency.

3 Significant accounting judgment, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (Note 4)
- Financial risk management objectives and policies (Note 23)

Estimates and assumptions

(i) Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 5 for further disclosures.

(ii) Fair value measurement of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 22 for further disclosures.

NOTES TO THE FINANCIAL STATEMENTS - Continued

4 Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise stakeholder value. The company manages its capital structure in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio between 1% and 99%. The Company computes net debts as borrowings plus other financial liabilities less cash and bank balances.

The gearing ratios as at the reporting dates are as follows:

	2025 ₦'000	2024 ₦'000
Interest-bearing loans and borrowings (Note 21)	21,157,682	23,542,901
Other financial liabilities (Note 16)	4,238,233	3,571,649
Less:		
Cash and cash equivalents (Note 12)	(2,377,154)	(5,271,380)
Net debt	**23,018,761**	**21,843,170**
Total equity	1,490	1,490
Equity plus net debt	**23,020,251**	**21,844,660**
Gearing ratio	**99.99%**	**99.99%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to any interest-bearing loans and borrowings that define capital structure requirements.

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

The company is not subject to externally imposed capital requirements.

4A Segment Information

The Company is a special-purpose funding vehicle established for the sole purpose of raising finance for the Axxela Group through its ₦50 Billion Medium Term Note Programme. The Board of Directors is the Chief Operating Decision Maker ("CODM") and reviews the Company's financial results on an aggregated basis. The CODM assesses performance primarily by reference to net interest margin (which is nil by design), the status of bond covenant compliance, and the adequacy of the Debt Service Reserve Account.

The Company has determined that it operates as a single operating segment, as all of its activities relate to the issuance of bonds and the on-lending of proceeds to co-obligors within the Axxela Group.

	2025 ₦'000	2024 ₦'000
Interest income using effective interest rate	5,292,856	3,702,625
Interest expense using effective interest rate	(5,292,856)	(3,702,625)
Net interest income	**-**	**-**
Other operating income	98,935	56,321
Net operating income	98,935	56,321
Administrative expenses	(98,935)	(56,321)
Segment profit before tax	-	-
Segment assets	25,397,990	27,116,040
Segment liabilities	25,397,990	27,116,040

Entity-wide disclosures:

- Products and services: The Company's sole activity is the issuance of fixed-rate bonds and the deployment of proceeds via call notes to co-obligors. All interest income ₦5,293 million (2024: ₦3,703 million) arises from this single activity, offset by corresponding interest expense of ₦5,293 million (2024: ₦3,703 million) on the underlying bonds.
- Geographical information: All of the Company's assets are located in Nigeria, all co-obligors are domiciled in Nigeria, and all interest income is derived from Nigerian counterparties.
- Major customers: The Company's interest income is derived from three co-obligors: Gaslink Nigeria Limited (71% of call notes outstanding), Transit Gas Nigeria Limited (25%) and Axxela Limited (4%).

5 Fair value measurement

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

Fair value hierarchy for assets not measured at fair value as at 31 December 2025:

Date of valuation		**Fair value measurement using**		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
31 December 2025				
	₦'000	**₦'000**	**₦'000**	**₦'000**
Assets measured at amortised costs				
Call notes	24,671,101	-	24,671,101	-

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

Date of valuation		**Fair value measurement using**		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
31 December 2024				
	₦'000	**₦'000**	**₦'000**	**₦'000**
Assets measured at amortised costs				
Call notes	17,726,021	-	17,726,021	-

Fair value measurement hierarchy for liabilities as at 31 December 2024:

Date of valuation		**Fair value measurement using**		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
31 December 2025				
	₦'000	**₦'000**	**₦'000**	**₦'000**
Liabilities measured at amortised cost				
Borrowings (Note 21)	23,846,942	-	23,846,942	-

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

Date of valuation		**Fair value measurement using**		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
31 December 2024				
	₦'000	**₦'000**	**₦'000**	**₦'000**
Liabilities measured at amortised cost				
Borrowings (Note 21)	20,744,209	-	20,744,209	-

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Interest income using effective interest rate	2025 ₦'000	2024 ₦'000
Interest income on financial assets	4,283,827	3,640,565
*Transaction cost amortisation (EIR)	71,691	62,060
Interest income on DSRA	937,338	-
	5,292,856	3,702,625

*This represents amortisation of transaction cost on bond proceeds receivable from related parties.

7 Interest expense using effective interest rate	2025 ₦'000	2024 ₦'000
Interest on bond	4,283,827	3,640,565
*Transaction cost amortisation (EIR)	71,691	62,060
DSRA interest allocated to Co-Obligor	937,338	-
	5,292,856	3,702,625

*This represents amortisation of transaction cost on the bond proceeds. See Note 21. The actual cash settlement of the interest obligation is done through one of the related entities (Call Note Investor-Gaslink Nigeria Limited).

8 Other operating Income	2025 ₦'000	2024 ₦'000
Other direct charges	98,935	56,321
	98,935	**56,321**

Other direct charges represent reimbursable for administrative expenses at cost which is recognised under other income.

9 Administrative expenses	2025 ₦'000	2024 ₦'000
Audit fee (a)	6,750	5,810
Bank charges	1	-
Travel and accomodation (b)	-	28,132
Legal and consulting fee (c)	92,184	22,379
	98,935	**56,321**

(a) The audit fee relates to audit services carried out by the auditor during the year. Also, the external auditors rendered attestation services on Internal Control over Financial Reporting (ICFR) which is considered a non-audit service.

(b) Travel and accomodation represents travel expenses incurred for the Bonds, Loans & ESG Capital Markets conference in 2024. 2025:Nill

(c) A sum of N6,250,000 (2024: N5,380,000) was accrued and contained in Legal and consulting fee for the Internal Control over Financial Reporting (ICFR) attestation services

NOTES TO THE FINANCIAL STATEMENTS - Continued

10 Income tax

The Company is subject to Companies Income Tax at 30% of taxable profits, Tertiary Education Tax at 2.5% of assessable profits, Police Trust Fund Levy at 0.005% of net profit before tax, and National Information Technology Development Levy at 1% of profit before tax, in accordance with applicable Nigerian tax legislation in force during the year ended 31 December 2025.

The Company reported nil profit before tax in both the current and prior year, as interest income on call notes is fully offset by interest expense on the bonds and administrative expenses are fully reimbursed by co-obligors. Accordingly, no income tax expense or levy has been recognised.

Minimum tax has been assessed under the applicable provisions and is not material given the Company's nil gross turnover and immaterial computation on alternative bases.

No deferred tax asset or liability has been recognised as there are no temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Nigeria Tax Act 2025

On 26 June 2025, the Nigeria Tax Act 2025 was signed into law, effective 1 January 2026. The NTA consolidates existing tax legislation into a single statute and replaces the Tertiary Education Tax and Police Trust Fund levy with a unified 4% Development Levy on assessable profits. Management has concluded that the NTA has no material effect on the Company's financial statements, as the Company has no assessable profits.

11 Earnings per share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as there were no potentially dilutive instruments outstanding during the year.

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

	2025 ₦'000	2024 ₦'000
Net earnings attributable to ordinary equity holders of the company	-	-
Earnings attributable to ordinary equity holders		
Net earnings attributable to ordinary equity holders of the company for basic earnings (₦'000)	**-**	**-**
Weighted average number of ordinary shares for basic earnings per share	2,000	2,000
Basic earnings per share (Naira)	**-**	**-**
Diluted earnings per share (Naira)	**-**	**-**

The minimum issued number of ordinary shares is 2 million (2024: 2 million) with a par value of N1 per share.

12 Cash and cash equivalents	2025	2024
	₦'000	₦'000
Cash at bank	2,377,154	5,271,380
	2,377,154	**5,271,380**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank of ₦2.37 billion (2024: ₦5.27 billion), which is consistent with the balance reported in the statement of financial position. There are no bank overdrafts or restricted cash balances included in, or excluded from, this amount.

The Company assessed ECL on cash and bank balances using 12-month PD rates based on external credit ratings of the counterparty banks. The resulting ECL was immaterial and no allowance was recognised

13 Other receivables	2025	2024
	₦'000	₦'000
Receivables from related parties (Note 13.1 & Note 18.4)	24,606	20,013
WHT receivables	83,065	36,078
	107,671	**56,091**

Expected Credit Losses on receivables from related parties have been assessed in accordance with IFRS 9. Given the short-term nature of these balances, their consistent repayment history, and the Company's role as a pass-through funding vehicle with assured reimbursement from the co-obligors, the ECL was determined to be immaterial and no impairment allowance has been recognised.

13.1 Receivables from related parties (Note 18.4)	2025 ₦'000	2024 ₦'000
Opening	20,013	29,459
Other additions	24,606	20,013
Repayment	(20,013)	(29,459)
Closing	**24,606**	**20,013**

Included in other additions are audit fee (N6.75 million), Internal Control over Financial Reporting (ICFR) fee (N6.25 million) and annual trustee fee which are receivables from the co-obligors.

14 Other financial assets		
Call notes receivable and accrued interest (Note 14.1)	21,157,682	19,315,863
	21,157,682	**19,315,863**
Call notes receivable and accrued interest		
Non-current portion	17,125,057	15,961,517
Current portion	4,032,625	3,354,346
	21,157,682	**19,315,863**

14 Other financial assets - continued

	2025	2024
14.1 Call notes receivable and accrued interest		
Call notes held	19,952,131	13,772,738
Call note held on behalf of Co-Obligor	-	4,227,040
Call notes incurred as transaction cost	381,391	453,083
Accrued interest	824,160	863,002
	21,157,682	**19,315,863**

Call notes receivable represent call note amounts due from Axxela and its subsidiaries, Gaslink Nigeria Limited and Transit Gas Nigeria Limited (jointly called "the Co-Obligors"). Refer to disclosure under Note 18.3 for details.

Expected Credit Losses on call notes receivable and DSRA have been assessed in accordance with IFRS 9 using the general approach. The call notes mirror the terms and conditions of the underlying bond instruments and are structured as back-to-back arrangements with the co-obligors. All scheduled principal and interest payments were received during the year, and no amounts are past due. The co-obligors are operating entities within the Axxela Group with ongoing revenue-generating operations. The call notes are classified as Stage 1, and the resulting 12-month ECL was assessed to be immaterial. No impairment allowance has been recognised.

	2025	2024
14.1 Call notes	**₦'000**	**₦'000**
Opening	19,315,863	8,881,010
Call notes disbursed	4,227,040	12,172,960
Accrued interest	4,283,827	3,640,565
Transaction cost amortisation (EIR)	71,691	62,060
Principal repayment from Co- Obligors	(2,418,070)	(2,106,127)
Interest payment from Co- Obligors	(4,322,668)	(2,919,160)
Additions - transaction cost		(415,446)
Closing	**21,157,682**	**19,315,863**

	2025	2024
14.2 Fixed deposit DSRA	**₦'000**	**₦'000**
Placement of fixed deposit (DSRA)	1,755,483	2,472,706

15 Share capital

	2025	2024
	₦'000	**₦'000**
2,000,000 Ordinary shares, issued and fully paid at ₦1 each	2,000	2,000
	2,000	**2,000**

Ordinary shareholder is entitled to have one vote for each ordinary share. During the year, there was no additional issue of ordinary shares. The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 December 2025 and 31 December 2024 respectively.

	₦'000	₦'000
Opening - Ordinary shares at ₦1 each	2,000	2,000
Closing	**2,000**	**2,000**

16 Other financial liabilities	2025 ₦'000	2024 ₦'000
Call notes held on behalf of Co-obligors	3,219,934	2,325,521
Interest margin on fixed deposit	937,337	1,228,142
Accrued expenses	80,962	17,986
	4,238,233	**3,571,649**

Call notes outstanding represent the Debt Service Reserve Amount maintained on behalf of Axxela Limited, Transit Gas Nigeria Limited and Gaslink Nigeria Limited jointly called “the Co-Obligors” and the "Call Notes Issuers".

Accrued expenses largely represent accrued interest on bond proceeds, audit fees as at 31 December 2025.

For explanations on the Company’s credit risk management processes, refer to Note 23. Refer to Note 18.5 for the terms and conditions of transactions with related party.

17 Other payables	2025 ₦'000	2024 ₦'000
VAT and WHT Payable	585	-
	585	**-**

VAT and WHT is largely due to fees payable to professional parties of the bond issue.

18 Related party disclosures

18.1 The ultimate parent

The ultimate parent of the Company is Glover Gas and Power B.V.

18.2 The Parent Company

During the year, the Company had significant business dealings with companies which are related to Axxela Limited. Note 18.3 and 18.4 details the total amount of transactions that have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31 December 2025 and 2024).

18.3 Nature of transactions with related parties

Transit Gas Nigeria Limited: Transit Gas Nigeria Limited based in Nigeria, is an entity controlled by Axxela Limited. Axxela Funding 1 Plc has a non-trade related party receivable balance of N10.5 million (2024: N8.4 million) and has issued call note of N5.2 billion (2024: N5.9 billion) with N1.02 billion yet to be taken up as at 31 December 2025 (2024: N1.02 billion).

Gaslink Nigeria Limited: Gaslink Nigeria Limited based in Nigeria, is an entity controlled by Axxela Limited. Axxela Funding 1 Plc has a non-trade related party receivable balance of N8.0 mllion (2024: N6.4 million) and has issued call note of N15.1 billion (2024: N12.47 billion) with N1.9 billion yet to be taken up as at 31 December 2025 (2024: N1.9 billion).

Axxela Limited: Axxela Limited based in Nigeria is the Parent company of Axxela Funding 1 Plc. Axxela Funding 1 Plc has a non-trade related party receivable balance of N6.1 million (2024: N5.2 million) and has issued call note of N837 million (2024: N1.31 billion) with N285.5 million yet to be taken up as at 31 December 2025 (2024: N285.5 million).

NOTES TO THE FINANCIAL STATEMENTS - Continued

18 Related party disclosures (continued)

18.4 Transactions & balances with related entities

Receivables (Note 13)	**2025**	**2024**
	₦'000	**₦'000**
Transit Gas Nigeria Limited	10,503	8,397
Gaslink Nigeria Limited	8,001	6,397
Axxela Limited	6,102	5,219
	24,606	**20,013**
Call notes receivable (Note 14.1)		
Transit Gas Nigeria Limited	5,211,995	5,984,429
Gaslink Nigeria Limited	15,107,879	12,469,776
Axxela Limited	837,808	1,314,741
	21,157,682	**19,768,946**
Call notes held on behalf of call issuer (Note 16)		
Transit Gas Nigeria Limited	1,015,940	1,015,940
Gaslink Nigeria Limited	1,918,487	1,918,487
Axxela Limited	285,507	285,507
	3,219,934	**3,219,934**

Terms and conditions of transactions with related party

The Company issued two bonds under its ₦50 Billion Medium Term Note Programme: a ₦11.5 billion Series 1 Seven-Year 14.3% Fixed Rate Bond due 2027 (May 2020) and a ₦16.4 billion Series 2 Ten-Year 21% Fixed Rate Bond due 2034 (April 2024). Bond proceeds were deployed to purchase Call Notes issued by Axxela Limited, Transit Gas Nigeria Limited and Gaslink Nigeria Limited (jointly, the "Co-Obligors"), who applied the funds to refinance existing debts and fund pipeline construction. The Call Notes mirror the terms, conditions and transaction costs of the underlying bonds. Undrawn amounts are maintained in the Debt Service Reserve Account. As at 31 December 2025, total Call Notes issued were ₦19.9 billion (2024: ₦13.7 billion), Call Notes held on behalf of call issuers was nil (2024: ₦4.2 billion), and Call Notes incurred as transaction cost were ₦381.4 million (2024: ₦453.1 million).

The Series 1 Bond carries a fixed coupon of 14.3% payable semi-annually in arrears over a seven-year tenor, with principal repaid half-yearly following a two-year moratorium. It constitutes a senior secured obligation of the Issuer, ranking pari passu with all other senior secured obligations, present and future, except obligations expressly subordinated in right of payment.

The Series 2 Bond carries a fixed coupon of 21% payable semi-annually in arrears over a ten-year tenor, with principal repaid half-yearly following a two-year moratorium. It constitutes a senior unsecured obligation of the Issuer, ranking pari passu with all other senior unsecured and subordinated obligations, present and future, except obligations expressly subordinated in right of payment.

19 Directors and employees

19.1 Directors

The Managing Director is the only Executive Director of the Company and there is no remuneration ascribed to this role during the year (2024: Nil)

19.2 Employees

The Company has one employee (the managing director), who is seconded from the parent company with services rendered at no cost to the company.

20 Capital commitments and contingent liabilities

20.1 Contingent liabilities

There are no contingencies that may have material effect on the financial statements of the Company as at 31 December 2025 (2024: nil).

20.2 Legal claim contingency

There are no contingencies that may have material effect on the financial statements of the Company as at 31 December 2025 (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS - Continued

		2025	2024
21	**Interest-bearing loans and borrowing**	**₦'000**	**₦'000**
	The borrowings are made up as follows:		
	(a) Non-current interest bearing loans and borrowing		
	Series 1 Bond Programme	1,538,697	4,241,639
	Series 2 Bond Programme	15,967,751	16,400,000
		17,506,448	**20,641,639**
	(b) Current interest bearing loans and borrowing		
	Series 1 Bond Programme	2,845,525	2,599,497
	Series 2 Bond Programme	1,187,100	754,849
		4,032,625	**3,354,346**
	Total borrowings	**21,539,073**	**23,995,985**
	Transaction cost - N11.5bn		
	Transaction cost at recognition	58,374	99,697
	Transaction cost amortized	(33,409)	(41,324)
		24,965	**58,373**
	Transaction cost - N16.4bn		
	Transaction cost at recognition	394,710	-
	Additional transaction cost	-	415,446
	Transaction cost amortized	(38,284)	(20,736)
		356,426	**394,710**
	N11.5bn		
	Non-current	4,446	24,965
	Current	20,519	33,408
		24,965	**58,373**
	N16.4bn		
	Non-current	213,856	236,826
	Current	142,570	157,884
		356,426	**394,710**
	Transaction cost amortization (EIR)	**(71,691)**	**(62,060)**
	Total transaction cost (N11.5bn + N16.4bn)	**381,391**	**453,083**
	Total borrowings less transaction cost (N11.5bn)	**4,359,257**	**6,782,762**
	Total borrowings less transaction cost (N16.4bn)	**16,798,425**	**16,760,139**
	Total borrowings less transaction cost (N11.5bn + N16.4bn)	**21,157,682**	**23,542,901**
	Non-current	17,288,146	20,379,846
	Current	3,869,536	3,163,055
		21,157,682	**23,542,901**

NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Interest-bearing loans and borrowing (continued)

	Interest rate %	Maturity	**2025 ₦'000**	**2024 ₦'000**
Current interest-bearing loans and borrowings: Series 1	7-yr 14.3%	2020 - 2027	2,845,525	2,599,497
Current interest-bearing loans and borrowings: Series 2	10-yr 21%	2024 - 2034	1,187,100	754,849
Total current			**4,032,625**	**3,354,346**
Non-current interest-bearing loans and borrowings: Series 1	7-yr 14.3%	2020 - 2027	1,538,697	4,241,639
Non-Current interest-bearing loans and borrowings: Series 2	10-yr 21%	2024 - 2034	15,967,751	16,400,000
Total non-current			**17,506,448**	**20,641,639**
Series 1 Bond Programme			4,384,222	6,841,136
Series 2 Bond Programme			17,154,851	17,154,849
			21,539,073	**23,995,985**

Series 1 Bond

In May 2020, Axxela Funding 1 PLC obtained and drew down on a 7-Year 14.30% Fixed Rate Bonds of N11.5 billion due May 2027. The purpose of the bond was for business expansion as well as refinancing of existing facilities.

Transaction cost represent one-off Bond issue expenses incurred in raising the N11.5 billion Series 1 Bond in 2020. The transaction cost is included in the calculation of the effective interest rate on the Bond in line with the requirement of IFRS 9.

Series 2 Bond

In April 2024, Axxela Funding 1 PLC obtained and drew down on a 10-Year 21% Fixed Rate Bonds of N16.4 billion due April 2034. The purpose of the bond was for business expansion.

Transaction cost represent one-off Bond issue expenses incurred in raising the N16.4 billion Series 2 Bond in 2024. The transaction cost is included in the calculation of the effective interest rate on the Bond in line with the requirement of IFRS 9.

22 Fair values

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

	2025 Carrying amount	2025 Fair value	2024 Carrying amount	2024 Fair value
Financial assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Call notes issued	19,952,131	23,399,650	13,772,738	13,586,898
Call notes held on behalf of call issuers	-	-	4,227,040	2,871,997
Call notes incurred as transaction cost	381,391	447,291	453,083	404,124
Accrued Interest	824,160	824,160	863,002	863,002
	21,157,682	**24,671,101**	**19,315,863**	**17,726,021**
Financial liabilities				
Series 1 Bond Programme	4,384,222	4,250,577	6,841,136	5,692,236
Series 2 Bond Programme	17,154,851	19,596,365	17,154,849	15,051,973
	21,539,073	**23,846,942**	**23,995,985**	**20,744,209**

The fair values of the Company's financial assets (call notes receivable) and financial liabilities (bond obligations) are determined using the discounted cash flow method. Future contractual cash flows (semi-annual coupon payments and scheduled principal repayments) are discounted at market yields for comparable Nigerian corporate fixed-rate bonds with similar credit profiles and remaining tenors, sourced from FMDQ Securities Exchange quotations at or near the reporting date.

At 31 December 2025, the market discount rates applied were 15.92% for instruments with a remaining tenor comparable to the Series 1 Bond (maturing May 2027) and 15.58% for instruments with a remaining tenor comparable to the Series 2 Bond (maturing April 2034). These rates differ from the contractual coupon rates of 14.3% and 21.0% respectively, giving rise to differences between carrying amounts and fair values.

For the Series 1 Bond and corresponding call notes, the market discount rate of 15.92% exceeds the contractual coupon rate of 14.3%, resulting in fair values below the carrying amounts.

Cash and short-term deposits, other receivables and other payables approximate their carrying amounts due to the short-term maturities of these instruments.

These instruments are classified as Level 2 in the fair value hierarchy. The significant inputs (market yields derived from FMDQ-quoted corporate bonds) are observable, although the Company's instruments are not themselves actively traded with quoted prices. There have been no transfers between levels during the current or prior year.

Fair value hierarchy

Fair value hierarchies of the financial instruments were disclosed in Note 5.

22.1 Cash flow movement on financial liabilities

	2025	2024
Financial liabilities	**₦'000**	**₦'000**
At January 1	23,542,901	8,881,008
Proceeds	-	16,400,000
Repayment of borrowings	(2,418,070)	(2,106,127)
Interest paid	(4,322,668)	(2,919,160)
Accrued interest	4,283,828	3,640,565
Transaction cost amortisation (EIR)	71,691	62,060
Additions - transaction cost	-	(415,446)
	21,157,682	**23,542,901**

NOTES TO THE FINANCIAL STATEMENTS - Continued

23 Financial risk management objectives and policies

The Company's principal financial liabilities comprise call notes outstanding, amortized transaction cost, accrued expenses and as applicable, borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations on a continuous basis. The Company has call notes issued, call notes held on behalf of co-obligors, call notes incurred as transaction cost and cash and short-term deposits directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Company finance committee that advises on financial risks and the appropriate financial risk governance in line with the company policies framework. The finance committee provides assurance to the Company's senior management on the Company's financial risk activities which are governed by appropriate policies and procedures. The financial risks are identified, measured and managed in accordance with Company policies framework. This is to ensure that the financial risks affecting the Company operations are maintained at the level of the Company risk appetite. The Company finance committee is a team made up of specialist that has the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. The Company's financial instruments are not affected by market risk.

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. There is no exposure to the risk of changes in market interest rates as the long-term debt obligation is at fixed interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not conduct foreign currency transaction and is not materially exposed to foreign currencies sensitivities at the end of the reporting period.

Commodity price risk

The Company is not affected by the volatility of any commodities. At the reporting date, the Company is not exposed to any amount in commodities and as such, it is not considered exposed to commodity price risk.

Equity price risk

At the reporting date, the Company has no amount in equity investments and as such, it is not considered exposed to equity price risk.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for bond receivables from related companies).

	2025	2024
	₦'000	₦'000
Other financial assets (Note 14)	21,157,682	19,315,863
Cash and bank balances (Note 12)	2,377,154	5,271,380
Other receivables from related parties (Note 13)	24,606	20,013
	23,559,442	**24,607,256**

The Company does not hold collateral or other credit enhancements against any of its financial assets.

Expected credit losses

The Company has assessed ECL on all financial assets measured at amortised cost. The assessment and conclusions are summarised below:

- Call notes receivable: The Company applies the general approach under IFRS 9. All three co-obligors (Gaslink Nigeria Limited, Transit Gas Nigeria Limited and Axxela Limited) have met their contractual payment obligations under the call note agreements. No payments are past due. Accordingly, all call notes are classified as Stage 1 financial assets. Based on management's assessment of each co-obligor's financial position and debt service capacity, the 12-month ECL was determined to be immaterial and no loss allowance has been recognised.
- Cash and bank balances: Held with Ecobank Nigeria and Stanbic IBTC Bank Limited, all of which maintain investment-grade national credit ratings. ECL was assessed as immaterial given the short-term nature and credit quality of the counterparties.
- Other receivables from related parties: These represent reimbursable expenses due from co-obligors under the bond programme, settled within normal credit terms. ECL was assessed as immaterial.

No loss allowance has been recognised on any class of financial asset in the current or prior year.

Related party receivables

Related party credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the related party is assessed based on credit rating scorecard and individual credit limits are defined in accordance with this assessment. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored to ensure debts are easily collected and within the control of the Company.

The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Financial risk management objectives and policies (continued)

Related party receivables from co-obligors are not impaired, as the Company expects to recover 100% of these balances. This is based on the nature of the arrangement, wherein the Company acts as a funding vehicle and is assured of full reimbursement from the co-obligors. Management has performed an assessment of these balances and concluded that no impairment is required, as full recovery is expected.

Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as shown in Note 12.

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 to dilute potential concentration of risks. The Company does not conduct business with entities other than its related parties and is not exposed to excessive risk concentration.

Liquidity risk

The Company monitors its risk to shortage of funds using a liquidity planning strategy. The company's objective is to maintain a consistent strategy of borrowing, advancing / passing through funds to, and receiving funds.

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

Year ended 31-Dec-25	**On demand**	**less than 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Financial Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Call notes - Series 1 Bond	-	3,296,638	4,944,446	-	8,241,084
Call notes - Series 2 Bond	-	3,876,250	21,147,996	15,159,293	40,183,539
Cash and cash equivalents	-	2,377,154	-	-	2,377,154
Fixed deposit (DSRA)	-	1,755,483	-	-	1,755,483
Other receivables	-	24,606	-	-	24,606
	-	11,330,131	26,092,442	15,159,293	52,581,866

Year ended 31-Dec-24	On demand	less than 12 months	1 to 5 years	> 5 years	Total
Financial Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Call notes - Series 1 Bond	-	3,296,739	8,241,185	-	11,537,924
Call notes - Series 2 Bond		3,444,000	21,147,996	15,159,293	39,751,288
Cash & cash equivalents	-	5,271,380	-	-	5,271,380
Fixed deposit (DSRA)	-	2,472,706	-	-	2,472,706
Other receivables	-	20,013	-	-	20,013
	-	14,504,838	29,389,181	15,159,293	59,053,311

Year ended 31-Dec-25	On demand	less than 12 months	1 to 5 years	> 5 years	Total
Financial Liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Series 1 Bond Program	-	3,296,638	4,944,446	-	8,241,084
Series 2 Bond Program	-	3,876,250	21,147,996	15,159,293	40,183,538
Other financial liabilities	-	4,238,233	-	-	4,238,233
Other payables	-	585	-	-	585
	-	11,411,706	26,092,442	15,159,293	52,663,440

Year ended 31-Dec-24	On demand	less than 12 months	1 to 5 years	> 5 years	Total
Financial Liabiities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Series 1 Bond Program	-	3,296,739	8,241,185	-	11,537,924
Series 2 Bond Program	-	3,444,000	21,147,996	15,159,293	39,751,288
Other financial liabilities	-	3,571,649	-	-	3,571,649
Other payables	-	-	-	-	-
	-	10,312,388	29,389,181	15,159,293	54,860,861

24 Events after the reporting date

There are no events after the end of the reporting date which could have had a material effect on the state of affairs of the Company as at 31 December 2025 and the profit for the year ended on that date which have not been adequately accounted for or disclosed.

AXXELA FUNDING 1 PLC

OTHER NATIONAL DISCLOSURES

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

VALUE ADDED STATEMENT

	2025 ₦'000	2025 %	2024 ₦'000	2024 %
Interest income	5,292,856		3,702,625	
Interest expense	(5,292,856)		(3,702,625)	
	-		-	
Other income	98,935		56,321	
	98,935		**56,321**	
Bought in materials and services (All local)	(98,935)		(56,321)	
Value added	**-**	**0%**	**-**	**0%**
Distribution:				
The future:				
Retained profit for the year	-	0%	-	0%
Profit for the year	**-**	**0%**	**-**	**0%**

The Company neither created nor consumed additional wealth in the year (2024: nil)

AXXELA FUNDING 1 PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

FIVE-YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2020 ₦'000
Assets employed:					
Cash and cash equivalents	2,377,154	5,271,380	1,504,563	1,495,369	905,453
Other receivables	107,671	56,091	29,789	3,251	206,330
Fixed deposit (DSRA)	1,755,483	2,472,706	-	-	-
Financial assets	21,157,682	19,315,863	8,980,706	10,844,987	11,500,000
Total assets	**25,397,990**	**27,116,040**	**10,515,058**	**12,343,607**	**12,611,783**
Total equity and liabilities					
Share capital	2,000	2,000	2,000	500	500
Accumulated losses	(510)	(510)	(510)	(210)	(210)
Interest-bearing loans and borrowings	21,157,682	23,542,901	8,881,009	10,705,454	11,310,249
Other financial liabilities	4,238,233	3,571,649	1,630,298	1,637,863	1,301,244
Other payables	585	-	2,262		
	25,397,990	**27,116,040**	**10,515,058**	**12,343,607**	**12,611,783**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Interest income using effective interest rate	5,292,856	3,702,625	1,430,696	1,631,225	1,644,500
Loss before tax	-	-	-	-	-
Income tax expense	-	-	-	-	-
Loss after tax	-	-	-	-	-
Loss per share	-	-	-	-	-
Net assets per share	**0.74**	**0.74**	**0.74**	**0.58**	**0.58**

i) Loss per share are based on loss after taxation and the number of issue and fully paid ordinary shares at the end of each financial year.

ii) Net assets per share are based on net assets and the number of issue and fully paid ordinary shares at the end of each financial year

iii) The 2025 financial information above was for the period ended December 2025.