



SHELF PROSPECTUS

**VERITASI HOMES &
PROPERTIES PLC**

**₹30,000,000,000
BOND PROGRAMME**





VERITASI HOMES & PROPERTIES PLC
(RC 1412813)

(Incorporated as a Public Limited Liability Company in the Federal Republic of Nigeria)

₦30,000,000,000 BILLION MEDIUM TERM BOND PROGRAMME

Under the Medium-Term Bond Programme described in this Prospectus (the "Programme"), **Veritasi Homes & Properties Plc** ("the Issuer" or the "Company") subject to compliance with all relevant laws, regulations and directives, may from time-to-time issue debt securities (the "Bonds"). The aggregate nominal amount of Bonds outstanding will not at any time exceed **₦30,000,000,000** (Thirty Billion Naira)

An application has been made to the Securities & Exchange Commission (the "Commission") to clear and register this Prospectus (also hereinafter referred to as ("Shelf Prospectus"). It is a civil wrong and a criminal offence under the Investments and Securities Act 2025 as amended from time to time ("the Act") to issue a prospectus, which contains false or misleading information. Clearance and registration of this Shelf Prospectus and the securities, which it offers, do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Shelf Prospectus is provided in Sections 113 and 114 of the ISA.

This Shelf Prospectus has been issued in compliance with the Act, the Rules and Regulations of the Commission and the listing requirements of FMDQ Securities Exchange Limited and contains particulars which are compliant with the requirements of the Commission for the purpose of giving information with regard to the Programme. This Shelf Prospectus contains information about the general characteristics of the securities offered on the basis of the Programme, their distribution terms as well as Investor rights and duties related to such securities in addition to information about the Issuer. The list of the documents incorporated by reference into this Shelf Prospectus is presented on page 15. Details of the Final Terms applicable to each Series of Bonds such as the issue price, issue date, maturity date, principal amount, redemption amount, interest rate, tranches (if any) applicable to any Bond and any other relevant provisions of such Bonds, will be specified in a pricing supplement (the "Pricing Supplement") set out in a supplement to this Shelf Prospectus.

Bonds under this Programme will be issued in dematerialised form ("Dematerialised Bonds") as more fully described herein. Bonds issued under the Programme will be rated. Bonds, whether Unsubordinated or Subordinated, will have such rating, as is assigned to them by the relevant rating agency as specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The Final Terms of the relevant Bonds will be determined at the time of the offering of each Series/Tranche based on the prevailing market conditions and will be set out in the relevant Pricing Supplement.

The registration of this Shelf Prospectus and any Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Shelf Prospectus or any Pricing Supplement. No securities will be allotted or issued on the basis of this Prospectus read together with a Pricing Supplement later than five years after the date of the issue of the Shelf Prospectus unless renewed by the Commission.

A DECISION TO INVEST IN THE SECURITIES OFFERED BY THE ISSUER SHOULD BE BASED ON CONSIDERATION BY THE INVESTOR OF THE SHELF PROSPECTUS, THE APPLICABLE PRICING SUPPLEMENT AND THE DOCUMENTS INCORPORATED BY REFERENCE THEREIN AS A WHOLE.

Without prejudice to the provisions of Section 113 (1) (Civil Liability for Misstatements in Prospectus) of the ISA, the Board of Directors on behalf of Issuer accepts full responsibility for the accuracy of the information contained in this Prospectus. The Board of Directors have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirms that, having made all reasonable enquiries, to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue. The Shelf Prospectus, any applicable Pricing Supplement as well as other Offer Documents can be found on www.veritasihomes.com or the Commission's website on www.sec.gov.ng

LEAD ISSUING HOUSE/BOOKRUNNER



JOINT ISSUING HOUSES/BOOKRUNNERS



RC: 73946



RC:685973



RC: 446599



RC: 895590



RC: 499243

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IMPORTANT NOTICE

This Shelf Prospectus is being furnished on behalf of Veritasi Homes & Properties Plc (the “Issuer”) by the Issuing Houses duly registered with the Nigerian Securities and Exchange Commission; and is intended mainly for the purpose of giving information to potential investors in connection with the ₦30,000,000,000 Medium Term Bond Programme (the “Programme”).

This document is important and should be read carefully. If you are in any doubt about its contents or the action to be taken, please consult your Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately. Investing in this offer involves risks. **For information concerning certain risk factors which should be considered by prospective investors, see 'Risk Factors' commencing on Page 73.**

Certain statements made in this Shelf Prospectus may be forward-looking. These statements relate to the Issuer's expectations, beliefs, intentions or strategies regarding the future. The forward-looking statements reflect the Issuer's current views and assumptions with respect to future events and are subject to risks and uncertainties. The forward-looking statements in this document are based upon various assumptions and data available from third parties.

Although the Issuer believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Issuer's control, neither the Issuer nor the Issuing Houses can assure you that the Issuer will achieve or accomplish these expectations or beliefs described in the forward-looking statements contained herein. These statements should therefore, not be relied upon as representation, warranty or undertaking, expressed or implied, as to the future performance of the Issuer as the actual and future results and trends could differ materially from those set forth in such statements.

Some of the information contained in this Shelf Prospectus has been obtained from third parties and has not been independently verified. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Issuing Houses as to the accuracy or completeness of any part of this Shelf Prospectus supplied by or on behalf of the Issuer, whether orally or in writing. The Issuing Houses does, however, confirm that to the best of its knowledge, this Shelf Prospectus constitutes a full and fair disclosure of all material facts about the Issuer and the Programme

The Directors of the Issuer have taken all reasonable care to ensure that the information contained herein, to the best of their knowledge and belief are true and accurate in all material respects. The Directors confirm that to the best of their knowledge and belief, there are no other facts, the omission of which would make misleading any statement of fact or opinion which is contained herein. The Directors of the Issuer individually and collectively accept full responsibility for the accuracy of the information provided in this Shelf Prospectus.

This Shelf Prospectus and the documents specified herein have been delivered to the Commission for clearance. In making an investment decision, the recipient of this Shelf Prospectus must rely on his/her own examination of the Issuer and the terms of the Transaction, including the merits and risks involved.

All inquiries relating to this Shelf Prospectus or the matters addressed herein should be directed to the Issuer or the Issuing Houses. No person other than those described in this Shelf Prospectus have been authorised to disclose or disseminate information about this Prospectus or about the matters addressed in it. If given, such information shall not be relied upon as having been authorised by the Issuer.

GLOSSARY

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

“Account Bank”	means any duly licensed Nigerian bank as may be agreed between the Issuer and the Bond Trustees for each series of Bonds under the Programme where the Debt Service Payment Account is opened and maintained, and through which payments due to the Bondholders shall be paid as and when due;
“Affiliate”	means in relation to a person or an entity, a subsidiary of that person or entity, or a holding company of that person or company or any other subsidiary of that holding company;
“Auditor”	means DoC Advisory (Chartered Accountants) or any successor auditor which may be appointed in the future;
“Board of Directors”	means the Directors of Veritasi Homes & Properties Plc;
“Bonds”	means debt instruments issued by the Issuer from time to time pursuant to the Programme;
“Bondholder”	mean, in relation to any Bond of a Series or Tranche, a person or persons (including the legal, personal representative or successor of such persons) in whose name a Bond is registered in the records of the CSD as the holder of a particular unit of Bonds from time to time;
“Book Runners”	means Pathway Advisors Limited, FirstCap Limited, Renaissance Securities (Nigeria) Limited, Lighthouse Capital Limited, SCM Capital Limited, Wealthbridge Capital Partners Limited and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme or in relation to the Bonds of a particular Series or Tranche or as stated in the applicable Pricing Supplement;
“Business Day”	means a day (other than a Saturday, Sunday or Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Nigeria;
“CBN”	means the Central Bank of Nigeria;
“Conditions”	means in relation to the Bonds, the terms and conditions provided in, the Trust Deeds, having regard to the terms of the Bond as may be agreed amongst the Issuer, the Trustees and the Issuing Houses in accordance with the provisions of the Trust Deeds;
“Coupon”	means the periodic interest payable on Bonds of a Series specified as interest-bearing in the amount and on the dates specified in the applicable Pricing Supplement or Supplemental Shelf Prospectus;
“Coupon Commencement Date”	means in respect of the Bonds, the date from which Coupon on such Bonds will accrue, as specified in the Final Terms;

“Coupon Payment Date”	means the date on which coupon is to be paid to Bondholders as specified in the applicable Pricing Supplement;
“CSCS”	means the Central Securities Clearing System Plc;
“CSD”	means the CSCS, the FMDQ Depository Limited or any recognised central securities depository approved by the Issuer or as may otherwise be specified in the applicable Pricing Supplement or Supplementary Shelf Prospectus;
“Day Count Fraction”	means “30/360” in respect of the calculation of an amount for any period of time (the “Calculation Period”);
“Debt Service Payment Account”	means the account established by the Bond Trustees with the Account Bank in relation to any Series, in the name of and under the exclusive control of the Bond Trustees, for the purpose of receiving all payments from the Issuer and from which payments due on the Bonds shall be made as and when due to the Bondholders; which account shall be funded in such manner as may be specified in or determined in the applicable Series Trust Deed;
“Deed” or “Trust Deed”	means the programme and series trust deeds and the Bond Certificates, the Conditions, all as from time to time modified in accordance with the provisions therein contained;
“Denominations”	means ₦10,000,000 and integral multiples of ₦1,000,000 or such other denominations as may be specified or determined in the Final Terms;
“Events of Default”	means in respect of the Bonds, any of the events stipulated as such in Condition 15 ; of the Terms and Conditions of the Bonds or anyone or more of those events set forth in each relevant agreement as an Event(s) of Default.
“Extraordinary Resolution”	has the meaning defined in the Programme Trust Deed;
“Final Terms”	means the relevant Series Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement specifying the final terms applicable to a Series of Bonds, provided that in the event of inconsistency between the Series Trust Deed, and a Supplementary Shelf Prospectus and/or Pricing Supplement, the relevant term shall have the meaning specified in the applicable Series Trust Deed;
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds
“Floating Rate Bonds”	Bonds in respect of which coupon is to be calculated and paid on a floating rate basis as prescribed in the applicable Pricing Supplement;
“FMDQ”	means the FMDQ Securities Exchange Limited, a securities exchange licensed by the SEC to provide a platform for listing,

quotation, registration and trading of debt securities amongst others;

“Force Majeure”

means any event or circumstance (or combination of events or circumstances) not limited to acts of God, acts of war, revolution, civil commotion, strikes, fires, floods, earthquake, destructive lightning, epidemic, pandemic, government restrictions and orders, change of law or other circumstances which are beyond the reasonable control of the Party affected and which it could not have reasonably foreseen and guarded against and which by the exercise of reasonable care and diligence, it is unable to prevent. Provided that the affected Party shall immediately notify the other Party when it becomes aware of any such circumstances; it being understood that the affected Party shall use reasonable efforts which are consistent with accepted practices to resume performance as soon as practicable under the circumstances;

“High Net-Worth Individuals” or “HNI”

means as defined under the SEC Rules and Regulations;

“ISA”

means the Investments and Securities Act 2025 as may be amended, supplemented or replaced from time to time;

“Issue Date” or “Closing Date”

means in relation to each Series, the date specified in the relevant Final Terms on which the Bonds are issued;

“Issue Price”

means the price of Bonds of a specific series as shall be defined in the Pricing Supplement of the relevant Series;

“Issuer” or the “Company”

means Veritasi Homes & Properties Plc;

“Issuing Houses” or “Book Runners”

means Pathway Advisors Limited, FirstCap Limited, Renaissance Securities (Nigeria) Limited, Lighthouse Capital Limited, SCM Capital Limited, Wealthbridge Capital Partners Limited and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme or in relation to the Bonds of a particular Series or Tranche;

“Maturity Date”

means the final date on or before which time the entirety of principal and accrued coupon on the Bonds must have been fully redeemed as set out in the Prospectus;

“Month”

means a calendar month;

“MPR”

means the Central Bank of Nigeria monetary policy rate (or any re-modification thereof);

“Offer Documents”

means the Programme Trust Deed, the Series Trust Deed in relation to any Series, this Shelf Prospectus (including any Supplemental Shelf Prospectus), a Pricing Supplement in relation to any Series, and any other document entered into by the relevant parties in connection with the Programme;

“Offer” or “Issue”	means an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase the Bonds pursuant to the Offer Documents;
“Offer Period”	means the period for which the Issue will be open as specified in the applicable Pricing Supplement;
“Payment Date”	means in respect of the Bonds, the dates specified as such in the Final Terms upon which coupon and/or principal are due and payable in respect of the Bonds;
“Principal Amount Outstanding”	means, on any day in relation to a Bond, the principal amount of that Bond on issue less the aggregate of all principal payments that have become due and payable in respect of that Bond and have been paid on or prior to that day;
“Prospectus”	means this shelf prospectus covering the Programme and registered with the SEC pursuant to the SEC Rules and Regulations which details the aggregate size and the broad terms and conditions of the Programme;
“Qualified Institutional Investor”	means Qualified Institutional Investors as defined under the SEC Rules and Regulations;
“Rating Agency(ies)”	means Global Credit Rating Nigeria Limited (GCR) and DataPro Limited or any other SEC recognised rating agency, registered or recognised by the SEC, as may be appointed by the Issuer;
“Receiving Bank”	means the bank appointed as such or in replacement of any existing Receiving Banks for each series of the Bond;
“Record Date”	In relation to the Bonds, means the date specified as the record date in the Conditions for the Bonds, being 21 days before the due date for the relevant payment;
“Redemption Amount”	means the amount to be paid by the Issuer in redemption of the Bonds, together with applicable interest at the time of redemption, as may be specified in, or determined in accordance with the provisions of the applicable Final Terms;
“Register”	means with respect to each Series of Bonds, the books kept by the Registrar into which shall be entered the names and addresses of each Bondholder and the particulars of transfers and redemption of the Bonds held by each Bondholder for each Series;
“Registrar”	means Apel Capital Registrar Limited or any other person or entity appointed as registrars or in replacement of any existing registrar pursuant to the provisions of the Trust Deed;
“Securities Exchange”	means a securities exchange registered and recognized by the Commission.
“SEC” or the “Commission”	means the Securities and Exchange Commission established under the Investments and Securities Act;

“SEC Rules & Regulations”	means the rules and regulations of the SEC made pursuant to the ISA and any amendments thereto;
“Series”	means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects except for their respective Issue Dates, Coupon Commencement Dates, and/or Issue Prices and the expressions Bonds of the relevant Series, holders of Bonds of the relevant Series and related expressions shall be construed accordingly;
“Tranche”	means all Bonds which are identical in all respects as to the terms and conditions of their issue);
“Bond Trustees” or “Trustees”	means UTL Trust Management Services Limited and STL Trustee Limited or any other trustee or trustees for the time being appointed under the Trust Deed or in replacement of any existing trustee;
“VAT”	means Value Added Tax pursuant to the Value Added Tax Act, Cap V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act 2007, the Finance Act 2019, 2020, 2021, 2023) and as may be amended from time to time and any other tax of a similar nature;
“Year”	means a calendar year.

DECLARATION BY THE ISSUER



January 9th, 2025

The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesoji Ademulegun
Street Central Business District
Abuja



Dear Sir,

DECLARATION BY THE ISSUER

This Prospectus has been prepared by the Issuing Houses on behalf of Veritasi Homes & Properties Plc (the "Issuer") for the purposes of providing information to prospective investors on relevant aspects of the issuer's business in connection with the establishment of a ₦30,000,000,000 (Thirty Billion Naira) Medium-term Bond Issuance Programme (the "Programme") and the Issuance of up to ₦10,000,000,000 (Ten Billion Naira) Series 1 Medium-term Bond under the Programme (the "Transaction").

On behalf of the Board of directors, we hereby make the following declarations in respect of the Programme:

- The issuer has taken reasonable care to ensure that the information provided in the Shelf prospectus and any supplementary offer Document (such as a Pricing Supplement) is accurate and contains no omissions likely to affect the accuracy of the information contained therein;
- There has been no significant change in the financial condition or material adverse change in the prospectus of the Issuer since the date the Shelf prospectus was issued;
- That the Issuer has not during the twelve (12) calendar months preceding the date of the application for the Issuer since the date the Shelf Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall of such borrowed monies; and
- No prosecution has been commenced against the Issuer or any of its subsidiaries (if any) during the twelve (12) calendar months preceding the date of the application for the Registration and Listing/Quotation of the Shelf Prospectus in respect of any breach or contravention of any securities or companies' laws including but not limited to the Companies and Allied Matters Act, No. 3 of 2020, the Investment and Securities Act 2007 ("ISA") and the SEC Rules made pursuant to the ISA.

Signed for on behalf of:

Veritasi Homes & Properties Plc

Adetola Nola
Managing Director

Yusuff Oluwatobi
Executive Director

DETAIL NOMINEES

Ranti Fajana
For: Detail Nominees Company
Company Secretary

8B, Femi Pedro Street, Parkview Estate, Ikoyi
Customer Happiness: 07026130152, Sales: 08090880033
info@veritashomes.com, www.veritashomes.com



Presentation of Information

The information set forth herein has been obtained from official sources that are believed to be reliable, but the fairness, accuracy, completeness or correctness of the information or opinions contained herein have not been verified. The Issuing Houses and Issuer take responsibility for information contained in the Prospectus; and to the best of their knowledge and honest belief, the information provided is accurate. The information and expressions of opinion herein are subject to change and any proposed changes to the information provided in the Prospectus shall be subject to the Commission's prior review and approval. Neither the delivery of this Shelf Prospectus nor any issue made hereunder or any future use of this Shelf Prospectus shall, under any circumstance, create any impression that there has been no change in the affairs of the Issuer since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus has been provided by the Issuer from its records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Financial Information

The Issuer maintains its books of accounts and prepares its statutory financial statements in Naira in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Unless otherwise indicated, the financial information regarding the Issuer indicated in this Shelf Prospectus has been derived from the Issuer's audited financial statements for the three years ended December 31, 2022, December 31, 2023 and December 31, 2024, respectively.

Rounding

Certain numerical figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Forward-Looking Statements

Certain statements included herein and in any Pricing Supplement may constitute forward-looking statements that involve several risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward looking statements can be identified by the use of words such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminologies. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer's intentions, beliefs or current expectations concerning, amongst other things, the Issuer's operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates, as this may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

The Issuer is not obliged to and does not intend to update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written

or oral forward-looking statements attributed to the Issuer, the Issuing Houses or persons acting on the Issuer's behalf are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor of the Bonds should not place undue reliance on these forward-looking statements.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in the cautionary statements in this Shelf Prospectus and include, among other things, the following:

- a. overall political, economic and business conditions in Nigeria;
- b. economic and political conditions in international markets, including governmental changes;
- c. changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- d. changes in government regulations, especially those pertaining to the Issuer's industry;
- e. competitive factors in the industries in which the Issuer and its customers operate;
- f. the demand for the Issuer's products and services;
- g. interest rate fluctuations and other capital market conditions;
- h. Exchange rate fluctuations;
- i. the timing, impact and other uncertainties of future actions; and
- j. other national emergencies

The sections of this Shelf Prospectus titled "**Risk Factors**", "**Description of Veritasi Homes & Properties Plc**" and "**Statutory and General Information**" contain more detailed discussions of the factors that could affect the Issuer's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

Third Party Information

The Issuer obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian Banking Industry, the Nigerian economy and the Nigerian political landscape in general from certain government and other third-party sources as identified where it appears herein.

There is not necessarily any uniformity of views among such sources as to such information provided. The Issuer has not independently verified the information included in this section. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Issuer has relied on the accuracy of this information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. Neither the Issuer nor the Issuing House have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been reproduced from official publications of, and information supplied by, a number of government agencies and ministries, and other governmental and intergovernmental organisations, including the Central Bank of Nigeria; the International Monetary Fund; the Debt Management Office; the National Bureau of Statistics and the World Bank.

ISSUE OF PRICING SUPPLEMENTS

Following the publication of this Shelf Prospectus, applicable Pricing Supplement(s) shall be prepared by the Issuer and the Issuing House(s) for each series of Bonds issued under the Programme in accordance with the SEC Rules and Regulations.

Statements contained in any such applicable Pricing Supplement(s) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

IN THE EVENT OF ANY SIGNIFICANT NEW MATTER, MATERIAL MISTAKE OR INACCURACY RELATING TO THE INFORMATION INCLUDED IN THIS SHELF PROSPECTUS WHICH IS CAPABLE OF AFFECTING THE ASSESSMENT OF THE BONDS, THE ISSUER WILL PREPARE AN ADDENDUM TO THIS SHELF PROSPECTUS OR PUBLISH A NEW SHELF PROSPECTUS FOR USE IN CONNECTION WITH ANY SUBSEQUENT ISSUANCES OF BONDS

DOCUMENTS TO BE INCORPORATED BY REFERENCE

The following documents have been filed with the Commission and shall be deemed incorporated in, and form part of this Prospectus:

- 1) Declaration by the Issuer of Full Disclosure;
- 2) The Audited Financial Statements of Veritasi Homes & Properties Plc for the period ended December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024.
- 3) Issuer Rating reports from Global Credit Rating Company Limited and Datapro Limited
- 4) Reporting Accountant Report
- 5) Board Resolution authorising the Issue

This Prospectus is accessible, and copies are available free of charge at the offices of the Issuing Houses from 8:00a.m. till 5:30p.m on Business Days during the Offer Period. The document can be accessed via www.veritasihomes.com or the Commission's website on www.sec.gov.ng.

Telephone enquiries should be directed to the Issuing House as follows:

ISSUING HOUSES	CONTACT PERSON	TELEPHONE NUMBER
Pathway Advisors Limited	Adekunle Alade	+234 706 972 1470
FirstCap Limited	Oluseun Olatidoye	+234 706 418 9847
Renaissance Securities (Nigeria) Limited	Samuel Sule	+234 706 406 4488
Lighthouse Capital Limited	Olayinka Sanusi	+234 807 768 2377
WealthBridge Capital Partners Limited	Oreoluwa Anako	+234 902 222 8378
SCM Capital Limited	Theodora Ubabunike	+234 817 679 8770

THE PROGRAMME

A copy of this Shelf Prospectus, together with the documents specified herein, has been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is issued in compliance with the ISA, the Rules and Regulations of the Securities & Exchange Commission (the "SEC") and the listing requirements of FMDQ Securities Exchange Limited ("FMDQ") and contains particulars in compliance with the requirements of the SEC to give information to the public with regards to the ₦30,000,000,000 Bond Issuance Programme established by the Issuer.

The specific terms of each Series of the Bonds in respect of which this Shelf Prospectus is being delivered will be set forth in the Applicable Pricing Supplement and shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Bonds may be purchased, maturity, interest provisions, authorized denominations, Issue Price, any terms of redemption and any other specific terms. If any issue under the Programme is to be listed, an application will be made to FMDQ for the admission of such Bonds to its official list.

The Directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue.

Investors are advised to note that the liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in Sections 113 and 114 of the Investments & Securities Act 2025.

LEAD ISSUING HOUSE/BOOKRUNNER



JOINT ISSUING HOUSES/BOOKRUNNERS



On behalf of



VERITASI HOMES & PROPERTIES PLC
(RC 1412813)

is authorized to issue this Shelf Prospectus

in respect of the

₦30,000,000,000 Bond Issuance Programme

This Shelf Prospectus contains:

1. on page 9, the declaration to the effect that the Issuer did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on page 81, the Reporting Accountants Report prepared by Deloitte & Touche for the years ended December 31, 2022 - 2024 audited financial information by the Issuer for incorporation into this Shelf Prospectus;
3. on pages 77 – 78, an extract of the Rating Report on the Issuer by GCR and GCR for incorporation in this Shelf Prospectus; and
4. on page 142, the legal opinion issued by the Solicitors to the Issue, on the effect of claims and litigation against the Issuer on the Programme.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until December 2028. No Bonds shall be issued on the basis of this Shelf Prospectus read together with any Pricing Supplement issued pursuant hereto later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus. This Shelf Prospectus can be obtained at the office of the Issuer and the Issuing Houses throughout its validity period.

PARTIES TO THE TRANSACTION

<u>THE ISSUER</u>	
Veritasi Homes & Properties Plc 8B, Olufemi Pedro, Parkview Estate, Ikoyi, Lagos 07026130152, 09030160016 hello@veritasihomes.com www.veritasihomes.com	
<u>DIRECTORS OF THE ISSUER</u>	
Mr. Olumide Onakoya – Chairman 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.	
Mr. Nola Rilwan Adetola - Managing Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.	Mr. Yusuf Olanrewaju Oluwatobi – Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.
Dr. Angela Ekwem – Non-Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.	Mr. Korede Lawrence – Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.
Dr. Nkem Iheanachor – Non-Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.	Mr. Isaac Orolugbagbe – Non-Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.
Dr. Yinka Opeke – Non-Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.	Mr. Famuyiwa Quazeem – Executive Director 8B, Olufemi Pedro Street, Parkview Estate, Ikoyi, Lagos.
<u>LEAD ISSUING HOUSE/BOOKRUNNER</u>	
Pathway Advisors Limited 13B, Anthony Etukudo Street, Lekki Phase 1, Lagos.	
<u>JOINT ISSUING HOUSES/BOOKRUNNERS</u>	
FirstCap Limited 16 Keffi Street, Off Awolowo Road, S.W. Ikoyi, Lagos.	Lighthouse Capital Limited 2nd floor, 39 Adeola Odeku Street, Victoria Island, Lagos.
SCM Capital Limited 2 - 4, Customs Street 19th Floor, Nigerian State Marina, Lagos.	WealthBridge Capital Partners Limited 21 Bourdillon Rd, Ikoyi, Lagos.
Renaissance Securities (Nigeria) Limited The Wings Office Complex 6th Floor, Level 11, East Tower 17A Ozumba Mbadiwe Road, Victoria Island, Lagos.	

<p><u>SOLICITOR TO THE ISSUE</u> The New Practice (TNP) 50 Raymond Njoku Street Ikoyi, Lagos, Nigeria.</p> <p><i>Bayo: Babajimi Ayorinde</i></p>	<p><u>SOLICITOR TO THE ISSUER</u> Detail Commercial Solicitors DCS Place, 8 DCS Street, Off Remi Olowude Way, Lekki Phase 1, Lagos.</p> <p><i>AWANMI AWAQE</i></p>
<p align="center"><u>BOND TRUSTEES</u></p>	
<p>UTL Trust Management Services Limited 2nd floor, ED building, 47 Marina. P.O. Box 5543, Marina, Lagos.</p> <p><i>Obide Omoforo</i></p>	<p>STL Trustees Limited Plot 183, Moshood Olugbani Street, Victoria Island, Lagos.</p> <p><i>Akinwumi Olu</i></p>
<p align="center"><u>RATING AGENCIES</u></p>	
<p>Global Credit Rating Company Limited (GCR) Ark Tower (10th floor), Plot 17, Ligali Ayorinde, Victoria Island, Lagos.</p> <p><i>Sulab Oyida-Farayo</i></p>	<p>DataPro Limited Foresight House 163/165 Broad Street Lagos Island, Marina, Lagos.</p> <p><i>Adesun Olubale</i></p>
<p><u>REPORTING ACCOUNTANT</u> Deloitte & Touche Civic Towers Plot GA 1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos</p> <p><i>Akinola Akintobayo</i></p>	<p><u>AUDITOR</u> DoC Advisory 6 Ireti, Street, Sabo-Yaba, Lagos.</p> <p><i>Jule Ang</i></p>
<p align="center"><u>REGISTRAR</u></p> <p>Apel Capital Registrar Limited 8, Alhaji Bashorun Street, Off Norman Williams Crescent, South-West Ikoyi, Lagos.</p> <p><i>M. PETER METOR</i></p>	
<p align="center"><u>RECEIVING BANK</u></p> <p>Providus Bank Plc 114, Adeola Odeku, Eletu Ogabi Street, Victoria Island, Lagos.</p> <p><i>Olajide Babalola</i></p>	

SUMMARY OF THE PROGRAMME

The following information should be read in conjunction with the full text of this Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the Programme, a description of the Issuer and, to the extent applicable, a summary of the terms and conditions of the Bonds. This summary should be read as an introduction to this Shelf Prospectus. It does not purport to be complete and is taken from and qualified in its entirety by the remainder of this Shelf Prospectus as a whole.

Issuer	Veritasi Homes & Properties Plc
Issuing Houses/Book Runners	Pathway Advisors Limited, FirstCap Limited, Renaissance Securities (Nigeria) Limited, Lighthouse Capital Limited, SCM Capital Limited, Wealthbridge Capital Partners Limited and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme or in relation to the Bonds of a particular Series or Tranche;
Bond Trustees	UTL Trust Management Services Limited and STL Trustees Limited or any other trustee or trustees for the time being appointed under the Trust Deeds or in replacement of any existing trustee;
Programme Description	<p>A Medium-Term Bond Programme being undertaken by the Issuer pursuant to which Series of Bonds with varying maturities may be issued, the maximum aggregate Principal Amount outstanding of which shall not exceed the Programme Limit.</p> <p>Bonds to be offered hereunder are accorded a shelf registration with the SEC for a three (3) year period commencing on the date of the issue of this Shelf Prospectus. No Bonds shall be offered on the basis of this Prospectus after the expiration of the Validity Period unless the Validity Period is renewed by the SEC.</p> <p>Under the terms of the Programme, Senior Bonds, Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, Zero Coupon Bonds and any combinations thereof may be issued, all of which shall be denominated in Naira or in such other currency as may be agreed between the Issuer and the Issuing House(s) and specified in the relevant Pricing Supplement.</p> <p>The Bonds shall be constituted by the Programme Trust Deed. A Series Trust Deed will be issued in respect of each Series.</p>
Programme Limit	₦30,000,000,000 (Thirty Billion Naira)
Use of Proceeds	The use of proceeds for the relevant Series of Securities issued under the Programme shall be specified in the applicable Pricing Supplement.
Methods of Issue	Bonds under this Programme may be issued and sold by way of a public offer, private placement, Book Building process, or any other methods permitted by the SEC as specified in each relevant Pricing Supplement
Issuance in Series	The Bonds will be issued in Series and each Series may comprise one or more tranches issued on different dates. The Bonds in each Series will be subject to identical terms, whether as to currency or maturity or

otherwise, except that the Issue Date, the Issue Price, Coupon Commencement Dates may be different. Details applicable to each Series will be specified in the applicable Pricing Supplement

Types of Securities to be issued under the Programme

The following form of Securities may be issued under the Programme as specified in the applicable Pricing Supplement:

Fixed Rate Securities

Where any Series of Securities are fixed-rate Securities, such Securities shall bear interest at a fixed rate and will be payable for each Series in arrears on such date(s) and at such rate(s) as specified in the Conditions and/or the applicable Pricing Supplement.

Floating Rate Securities

Where any Series of Securities are floating rate Securities, the interest rate applicable will be determined in accordance with the Conditions and/or the applicable Pricing Supplement.

Zero Coupon Securities

Where any series of Securities are issued as zero-coupon securities, the Issuer shall not make any coupon payments to investors over the life of such Series. However, investors shall be entitled to a lump sum payment of the applicable face value for such a Series upon maturity.

Maturities

Subject to compliance with the SEC Rules and Regulations, all relevant laws and directives, Series of Securities may be issued in any maturity as may be allowed or required from time to time by the Commission or any laws or regulations applicable. The maturity of each Series of Securities will be specified in the applicable Pricing Supplement and Supplementary Trust Deed.

Redemption

Subject to the applicable Pricing Supplement, the Principal Amount Outstanding of the Securities may be redeemed in instalments on an amortising basis on each Payment Date or redeemed in a single bullet payment at the Maturity Date.

Coupon Rates

Bonds may be interest-bearing or non-interest-bearing. Coupon (if applicable) may be fixed or floating rate as indicated in the relevant Pricing Supplement(s)

Currency

The Bonds shall be denominated in Naira (₦) or any other currency as may be agreed between the Issuer and the Issuing House(s) and specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements

Issue Price

The Bonds may be issued at their Principal Amount or at a premium or discount to their Principal Amount, as specified in the relevant Pricing Supplement(s)

Denominations

The Bonds will be issued in such denominations as may be agreed between the Issuer and the Issuing Houses and as specified in the relevant Pricing Supplement(s), subject to compliance with all applicable legal and regulatory requirements.

Form of Bonds	The Bonds will be dematerialised and held in an electronic book entry form at either the FMDQ Depository or the CSCS Depository.
Transferability	The Securities will be issued in registered form and be transferable subject to the provisions of the Programme Trust Deed and/or applicable Series Trust Deed.
Tenor	The Bonds will have such maturities as may be agreed between the Issuer and the Issuing Houses, subject to such minimum or maximum maturities as may be allowed or required from time to time by the SEC (or equivalent body) or any laws or regulations applicable to the Issuer. The tenor of a particular series of Bonds shall be specified accordingly in the relevant Pricing Supplement
Debt Service Payment Account	Unless otherwise stated in the applicable Pricing Supplement, a Debt Service Payment Account shall be established by the Bond Trustees for each Series of Bond issued under the Programme for the purposes of servicing the Bond repayment obligations under the Programme. The DSPA shall be administered by the Bond Trustees and the Bond Trustees shall, from the DSPA, make payments to Bondholders of Coupon and Principal Amount at the times and in such amounts as are specified in the repayment schedule set out in the relevant Pricing Supplement.
Early Redemption	Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement and then only subject to any applicable legal or regulatory limitations.
Frequency	The frequency of Coupon payment and any other monies due on the Bonds shall be specified in the relevant Pricing Supplement for the Bonds being issued.
Issuer Rating	GCR Rating and DataPro Limited
Issue Ratings	Ratings for each Series under the Programme will be stated in the relevant Pricing Supplement
Day Count Convention	Different day count conventions may be stipulated in the relevant Pricing Supplement.
Status of the Bonds	<p>The Programme allows for the issuance of various types of Bonds that can be classified as Secured and Unsecured Bonds.</p> <p>The Senior Bonds are direct, unconditional, unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, principal and any Coupon thereon shall at all times rank at least equally with all other senior unsecured obligations of the Issuer, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment, amounts and terms of</p>

issue to be published by the Issuer from time to time by way of a Pricing Supplement.

The Subordinated Bonds will rank pari passu without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations. The Senior Bonds will rank in priority of payment to the Subordinated Bonds.

Event of Default

The events of default under this Programme are as specified in the Trust Deeds.

Other Terms and Conditions

Terms applicable to each Series as specified in the Pricing Supplement, other than those specifically contemplated under this Shelf Prospectus, which the Issuer and the Issuing House may agree to issue under the Programme, subject to compliance with all relevant applicable laws and regulations

Taxation

Please refer to the section on Tax Considerations on page 33 for a detailed description of the tax considerations

Listing

Each Series of the Bond will be listed on the FMDQ Exchange or as may be agreed between the Issuer and Issuing House as specified in the relevant Pricing Supplement.

Governing Law

The Bond Issue, the Trust Deed and all related documents (the "Transaction Documents") will be governed by the laws of the Federal Republic of Nigeria.

Statement of Indebtedness

Details of all indebtedness of the Issuer at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement relating to the Series of Bonds to be issued.

Transaction Documents

- Shelf Prospectus
- Applicable Pricing Supplement
- Programme Trust Deed
- Series Trust Deed
- Vending Agreement
- Reporting Accountants Report
- Solicitors' Opinion on Claims and Litigation & Material Contracts
- Rating Reports
- Any other agreement(s) executed in connection with the Bond issuance

TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the general terms and conditions which, subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed (the “**Final Terms**”) and, except for the italicised text, will apply to the Bonds and will be endorsed on the back of each Bond Certificate issued in respect of the Bonds.*

*The provisions of these terms and conditions set out below (the “**Conditions**”), which are applicable to the Bonds issued under the Programme, shall be deemed to be completed by the information contained in the relevant Final Terms. Bonds may be issued in separate tranches, which together with other tranches, may form a series of bonds. Any provision of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

The Bonds are constituted by and under the Programme Trust Deed (“**Trust Deed**”) between Veritasi Homes and Properties Plc (the “**Issuer**”), and STL Trustees Limited, and UTL Trust Management Services Limited (the “**Trustees**”) as supplemented by the relevant Series Trust Deed between the Parties. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Series Trust Deeds applicable to them. Copies of the Trust Deed are available for inspection between the hours of 10:00 am and 4:00 pm on any Business Day at the designated offices of the Trustees and as specified in the Series Trust Deed.

Any Series of Bonds which is to be created and issued pursuant to the Programme Trust Deed shall be constituted by, be subject to and have the benefit of a Series Trust Deed (the “**Series Trust Deed**”) between the Issuer and the Trustees. The Issuer shall execute and deliver such Series Trust Deed to the Trustees containing such provisions (whether or not corresponding to any of the provisions contained in the Programme Trust Deed) as the Trustees may require. Each Series Trust Deed shall set out the form of the Series of Bonds to be so constituted.

These Conditions include summaries of, and are subject to the detailed provisions of, the Programme Trust Deed and the relevant Series Trust Deed.

Words and expressions defined in the Trust Deed (as same may be amended, varied or supplemented from time to time with the consent of the Parties) are expressly and specifically incorporated into and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise required or unless otherwise stated.

1. **Form, Denomination, and Title**

- 1.1 Bonds shall be issued in registered form in denominations specified in the Series Trust Deed relating to the relevant Series. The Bonds issued under the Programme may be Fixed Rate Bonds, Floating Rate Bonds, discounted or a combination of such bonds in denominations as may be specified in the relevant Pricing Supplement
- 1.2. The Bonds will be delivered in dematerialised form and held in separate CSD accounts.
- 1.3. A Series of Bonds may be listed on the relevant exchange, subject to any Applicable

Laws. The applicable Pricing Supplement will specify whether or not a Series or Tranche of Bonds will be listed and on which financial exchange(s) they are to be listed (if applicable).

- 1.4. The title to the Bonds which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

2. **Repayment**

The principal on the Bonds will be repaid on the relevant Maturity Date or on an amortising basis in accordance with the terms of the relevant Series or such date as the Trustees in accordance with the Programme Trust Deed declares the Bonds to have become immediately repayable, together with such premium (if any) agreed in the relevant Series Trust Deed on such Bonds.

Suppose the due date for the payment of any amount in respect of the Bonds is not a Business Day. In that case, the Bondholder shall not be entitled to payment of the amount due until the next Business Day and the Bondholder shall not be entitled to any further Coupon or other payment in respect of any such delay, however, if the next business day falls on a new calendar month, the payment shall instead be paid on the last business day of the current month.

3. **Redemption**

- 3.1 Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds at their Principal amount on such dates as specified in the Series Trust Deed.

3.2 *Redemption by Instalments*

The Bonds may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Bond until fully redeemed at the final Maturity Date.

3.3 *Redemption prior to Maturity*

3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at anytime to redeem the whole or any part of the Bonds upon giving the holders of the Bonds to be redeemed, a minimum of thirty (30) days and maximum of sixty (60) days notice of its intention to do so.

3.3.2 Notwithstanding the provisions of Condition 3.3.1, the Issuer shall only redeem the Bonds on a Coupon Payment Date and not otherwise.

3.3.3 At the expiration of the notice in Condition 3.3.1 above, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given.

3.3.4 Early redemption shall take place on such terms as shall be agreed in the relevant Series Trust Deed.

3.3.5 Not less than seven (7) days before giving the notice referred to in 3.3.1 above, the Issuer shall give notice to the Trustees and the Registrar (which notice shall be irrevocable and shall specify the date fixed for the redemption), for the Redemption to which the notice applies in line with the relevant Series Trust Deed.

3.4 *Redemption for Taxation Reasons*

If so specified in the Pricing Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part, on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders (which notice shall be irrevocable) at their early redemption amount together with the Coupon accrued to the date fixed for redemption, if:

- (a) The Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this Condition 3.4, the Issuer shall deliver to the Trustees, a certificate signed by two directors of the Issuer stating that the requirement referred to in subparagraph (i) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

4. **Purchase of Bond by the Issuer**

The Issuer may at any time and from time to time purchase any part of the Bonds through the relevant Exchange, but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

5. **Status of the Bonds**

Unless otherwise provided in the Final Terms, the Bonds are unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and in respect of Principal and any Coupon on the Bonds shall at all times rank at least equally with all unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

6. **Negative Pledge**

For as long as any of the Bonds are outstanding, the Issuer shall not:

- 6.1. create (without the prior written consent of the Trustees, such consent not to be unreasonably withheld, delayed or conditioned) any Security Interest to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds are secured

equally and rateably with the said obligations or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustees in their absolute discretion shall deem not to be materially less beneficial to the Bondholders or shall be approved by a resolution duly passed by the Majority Bondholders at a duly convened meeting of the Bondholders **PROVIDED THAT** the restrictions in this Condition 6.1 will not apply to Permitted Indebtedness; and

- 6.2. directly or indirectly secure any other Financial Indebtedness represented by bonds or any other debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without the prior consent of the Trustees, **PROVIDED THAT** the restrictions in this Condition 6.2 will not apply to Permitted Indebtedness.

7. Coupon

The Bonds of any Series which bear Coupon shall from the Coupon Commencement Date bear Coupon at the Coupon rate(s) specified in or determined in accordance with the specific Pricing Supplement and such coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Pricing Supplement. The Coupon payable on the Bonds of any Series for a period other than a full Coupon Period shall be determined in accordance with the Pricing Supplement.

7.1. *Fixed Rate Bonds*

7.1.1 The Fixed Rate Bonds (being those Bonds that specify that Coupon is payable at a fixed rate) shall bear Coupon on the Principal Amount Outstanding at the Coupon rate specified in the Final Terms from (and including) the Coupon Commencement Date to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year.

7.1.2 If Coupon is required to be calculated for a period other than a full year, such Coupon shall be calculated on the basis of the actual number of days elapsed divided by three hundred and sixty-five (365) or such other method as described in the Pricing Supplement.

7.2. *Coupon on Floating Rate Bonds*

7.2.1. The Floating Rate Bonds (being those Bonds that specify that coupon is payable at a floating rate) shall bear coupon on its principal amount on such basis as may be described in the Prospectus or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2. Coupon on the Floating Rate Bonds shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the Final Terms.

8 **Cancellation of Bonds**

Any part of the Bonds redeemed or purchased shall be cancelled and the Issuer shall not keep such Bonds valid for the purpose of re-issue. For so long as the Bond is admitted to listing and or trading on the Exchange and the rules of the Exchange require, the Registrar shall promptly inform the Exchange of the cancellation of any Bonds under this Condition 8.

9 **Trusts**

9.1 Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

9.2 The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) or the Principal of such Bond or of any other money payable in respect of the Bond shall be good discharge of the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such Principal, Coupon or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

10 **Freedom from Equities**

Every Bondholder will be recognised by the Issuer as entitled to his Bond, free from any equities, set-off or crossclaim on the part of the Issuer against the original or any intermediate holder of the Bond.

11 **Registration and Transfer of Bonds**

11.1. *Registration of Bonds*

11.1.1. A Register of each Series of Bonds shall be kept by the Registrar at its office for the purpose of registering and exchanging such Bonds in accordance with the provisions of this Agreement, and there shall be entered in such Register:

- (i) The names and addresses of the holders for the time being of the Bonds;
- (ii) The amount of the units of Bonds held by every registered holder;
- (iii) The account number of the Bondholder; and
- (vi) The date at which the names of every registered holder is entered in respect of the Bond standing in his name.
- (vii) The date on which a person ceased to be a Bondholder
- (viii) The transfer or changes in ownership of the Bonds

11.2. *Transfer of Bonds*

11.2.1. The Bond is transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.

11.2.2. Transfers of the Bond shall be by way of book entry in the Securities Account held by the transferor and transferee with the CSD, in accordance with the procedures of the CSD and registration of the name of the transferee in the Register in respect of the Bonds being transferred.

11.2.3. If the Bonds are listed, the Bonds shall be transferred on the FMDQ or other exchange specified in the Final Terms in accordance with the relevant rules.

11.2.4. Every Bond of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

11.2.5. Every Bond of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and (if the Bond of transfer is executed by some other person on his behalf) the authority of that person so to do.

11.2.6. The Issuer and Registrar shall retain all instruments of transfer after registration.

11.2.7. Registration of any Bond transfer shall not be carried out within fifteen (15) days ending on the due date for any payment of principal or Coupon on that Bond, and the Register of Bondholders shall be closed during this period.

12 Transmission

12.1 In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.

12.2 Any person becoming entitled to any Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Bond by operation of law may upon producing such evidence of his title as the Registrar(s) shall think sufficient, be registered as the holder of the Bond or subject to Condition 11 may transfer the Bond without being registered as the holder of such Bond.

13 Method of Payment of Principal Money, Coupon, and Premium

13.1 Payment of the Principal, Coupon and premium (if any) due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders or in case of any eventualities, any other method as the Trustees may determine.

13.2 Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

13.3 The Registrar shall give to the Bondholders not less than one (1) month's notice in writing of the time and mode for repayment of the Bonds to be redeemed, and each such notice shall state the amount of the Bond for redemption.

13.4 At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Registrar evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Trustees acting through the Registrar shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.

13.5 If, on the Maturity Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the moneys payable to such Bondholder shall be paid to the Trustees and the Trustees shall hold the moneys in trust for such Bondholder and Coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Trustees place the moneys so paid to it on deposit at a commercial bank or invests the same in the purchase of securities for the time being authorised by law for the investment of trust funds, the Trustees shall not be responsible for the safe custody of such moneys or for interest on the same, except such interest (if any) as the said money may earn whilst on deposit or investment, less any expenses incurred by the Trustees.

14 **Receipts for Money Paid**

If several persons are entered in the Register as joint holders of any Bond, then the receipt by any such persons for any Coupon or Principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

15 **Events of Default**

15.1 If any of the following events stated in this Condition 15 ("Events of Default") has occurred and is continuing in accordance with the time frame set out below, the Trustees may at their discretion or shall, if so requested in writing by the Majority Bondholders; or if so directed by a Special Resolution of the Bondholders, give written notice to the Issuer (and "**Acceleration Notice**") declaring the Bonds to be immediately repayable. When an Acceleration Notice is given, subject to the applicable Final Terms, the Principal Amount Outstanding on the Bonds together with accrued Coupon shall become immediately due and repayable without further action or formality. The Trustees may, at their discretion and shall upon the request in writing of the Majority Bondholders, or upon being so directed by a Special Resolution and without further notice to the Issuer, institute such proceedings as they may think fit to enforce the repayment of the Bonds and/or to enforce the other obligations of the Issuer under this Deed;

Majority Bondholders means Bondholders representing more than sixty percent (60%) of the Principal Amount Outstanding at any particular time.

15.1.1 *Non-Payment*

If the Issuer fails to pay any sums representing Principal, Coupon and premium (if any) on the Bonds or any fees or other sums on the Payment Date.

15.1.2 *Cross Default*

Unless waived by a majority of the Bondholders, if any Financial Indebtedness of the Issuer raised within the Nigerian Capital Market exceeding fifty percent (50%) of both the Principal Amount Outstanding and Coupon at the relevant time (or its equivalent in any other currency) in aggregate, excluding any amounts being contested in good faith, is not paid when due or within thirty(30) Business Days of: (i) its due date; (ii) the expiration of any applicable grace period, or (iii) the end of any required notice period, whichever is the later, it shall constitute an event of default.

15.1.3 *Insolvency*

If:

- a) the Issuer is unable, for the purposes of CAMA, to pay their debts, or admits inability to pay its debts as they fall due, or suspend making payments on any of its debts (and for this purpose debt shall mean an amount not less than fifty percent (50%) of the Principal Amount Outstanding and Coupon at the relevant time (or its equivalent in any other currency));
- b) a moratorium is declared in respect of any Financial Indebtedness of the Issuer, and such moratorium is not discharged within thirty (30) Business Days after it was declared. Provided that the Issuer is able to show to the satisfaction of the Trustees within ten (10) Business days after such moratorium is declared that it is in good faith negotiating the lift of the moratorium;
- c) any corporate action or legal proceeding is concluded and judgment of the High Court or Federal High Court or if that judgment is appealed, the judgment of the Court of Appeal, or Supreme Court as the case may be is given against the Issuer in relation to:
 - i. a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer other than a solvent liquidation or any reorganisation of the Issuer;
 - ii. the appointment of a liquidator (other than in respect of a solvent liquidation) receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or any of its assets; or
 - iii. any analogous procedure or step is taken in any jurisdiction, and such proceeding is not dismissed or terminated on or before the forty-fifth (45th) Business Day (which would exclude days on which Nigerian courts are on vacation) after the order is made or if any such dismissal or stay ceases to be in effect (or such longer period as the Trustees may permit). Provided that the Issuer has filed in good faith legal proceedings within

ten (10) Business Days in the relevant court for the order to be set aside, dismissed, or stayed.

15.1.4 *Cessation of Business*

If the Issuer ceases to conduct all or substantially all of its business, as it now conducts or the Issuer changes all or substantially all of the nature of its business or merges or consolidates with any other entity during the Programme (the "Cessation")

PROVIDED THAT THIS CLAUSE 15.1.4 SHALL NOT CONSTITUTE AN EVENT OF DEFAULT WHERE THE ISSUER CAN DEMONSTRATE TO REASONABLE SATISFACTION OF THE TRUSTEES WITHIN A REASONABLE TIME AFTER THE CESSATION THAT;

(I) GIVEN THE ASSETS, BUSINESS, FINANCIAL CONDITION AND ANY OTHER RELEVANT CIRCUMSTANCE OF THE CONTINUING ENTITY, THE CESSATION WILL NOT BE PREJUDICIAL TO THE INTEREST OF BONDHOLDERS;

(II) THE CONTINUING ENTITY HAS OBTAINED ALL NECESSARY CONSENTS NECESSARY FOR ITS ASSUMPTION OF LIABILITY AS ISSUER UNDER THIS DEED AND SUCH APPROVAL ARE AT THE TIME OF SUBSTITUTION AND OR ADDITION IN FULL FORCE AND EFFECT;

15.1.5 *Winding-up*

Where an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or where the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its Board of Directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustees or by a Special Resolution of the Bondholders.

15.1.6 If a Material Adverse Effect has occurred;

15.1.7 *Enforcement Proceedings*

If any distress, execution or other process shall be levied or enforced upon or against any material assets and having an aggregate value of fifty percent (50%) of the Principal Amount Outstanding and Coupon at the relevant time of the Issuer and is not discharged, or stayed within forty-five (45) Business Days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an Encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is certified in writing by the Trustees to be in their opinion materially prejudicial to the interests of the Bondholders. Provided

That the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within (10) Business Days of becoming aware of the order or action; or

15.1.8 *Breach of Other Obligations*

If the Issuer defaults in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties, (other than any covenant for the payment of any sum owing on any part of the Bond) binding on them under this Deed and which default will affect the capacity of the Issuer to perform its payment obligations under this Trust Deed, and the Issuer fails to perform fully or make good the breach of such covenant, condition, provision or agreement within fifteen (15) Business Days from receipt of notice in writing by the Trustees.

15.1.9 *Seizure/Compulsory Acquisition of Assets*

If any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer.

16. Notices

- 16.1. Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail or by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for giving of notice to him. In addition to the provisions of this Condition 16.1, notices may also be publicised in any two national newspapers and if so published, shall be deemed given on the date of the publication and where published more than once or on different dates, on the date of the first publication.
- 16.2. In the case of joint registered holders of any Bond, a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders.
- 16.3. Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.
- 16.4. Any notice shall be deemed to have been served on the fifth (5th) day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

16.5. Notices to be given by any Bondholder shall be in writing and given by lodging the same, together with the relevant information, with the Registrar.

17. Prescription

Claims against the Issuer in respect of the Bonds shall be void unless presented for payment as required by Condition 13 within six (6) years from the due date for payment of any amount due on such Bonds.

16 Taxation

All payments of Principal, Coupon and any other sum due in respect of the Bonds shall be made subject to withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority having power to tax. In that event, no additional amounts shall be paid to the Bondholders as a result of such deduction or withholding. Provided however that the Bonds shall enjoy the benefits of the provisions of the Tax Exemptions, and such extension, amendments and modifications the same.

18. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Second Schedule (Provisions for Meetings of Bondholders). Decisions taken at Bondholders meetings may only be exercised by the Trustees in accordance with the Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties as that term is defined in the Programme Trust Deed.

19. Governing Law

The Bonds are governed by and shall be construed in accordance with the laws of the Federal Republic of Nigeria.

TAX CONSIDERATIONS

Please note that this information about the tax-exempt status of bonds and income accruing there from does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in Bonds issued under the Programme and is meant to serve only as a guide and should not be considered as or deemed to be tax advice which can be acted upon by an investor. Investors are advised to seek specific tax advice regarding investment in the Bonds from their professional tax advisers. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of this section.

Under current legislation in Nigeria, the tax consequences of an investment in the Bonds to be issued under the Programme are quite broad and extensive. These include exemption from Companies Income Tax, Value Added Tax and Personal Income Tax, by virtue of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011, the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and the Personal Income Tax (Amendment) Act 2011. The companies income tax and VAT became effective in 2012 and are valid for a period of ten (10) years, while the personal income tax is indefinite.

The Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the "**CITA Order**"), exempted bonds issued by corporate bodies from tax imposed under the CITA for a period of 10 (ten) years from the effective date of the CITA Order being 2 January 2012. Given that the CIT Order expired on 2 January 2022 and was not extended, interest payments to corporate entities who are Bondholders will be subject to withholding tax and as required by applicable law, the Issuer acting through the Trustees and Registrars is required to withhold tax on interest payments for remittance to the relevant tax authority. In view of the above, where any Bonds issued under the Programme continue to remain outstanding beyond 1st January 2022, corporate bondholders will be subject to CIT on all coupon payments received under the Bonds.

Furthermore, by virtue of the PITA, the income earned from bonds issued by corporate entities are exempt from taxation under the PITA. The exemption under the PITA does not currently have any time limitation. The implication of this is that in the hands of an individual investor, the bonds and proceeds of the bonds are tax exempt without any limitation on period.

The proceeds from the disposal of the Bonds are also currently exempt from tax imposed under the Value Added Tax Act by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (the "VAT Order"), for a period of 10 (ten) years which commenced on 2 January 2012. While the VAT Exemption Order expired in 2022, the Finance Act, 2020 now excludes securities from the payment of VAT. As such, the Bonds will not be liable to VAT even after the expiration of the VAT Exemption Order.

Capital gains accruing to a company or an individual from a disposal of the Bonds in Nigeria may be liable to CGT. Any gains made upon the disposal of the Bonds will attract CGT at the rate of 10%.

OVERVIEW

Nigeria is located in the West African sub-region, bordered by the Republic of Niger to the North, the Republic of Chad to the North East, the Republic of Cameroon to the East, the Republic of Benin to the West and the Atlantic Ocean to the South, and occupies a land area of approximately 923,773 sq. km. Nigeria comprises 36 States, a Federal Capital Territory – Abuja which is located in north central Nigeria and 774 Local Government Areas and Area Councils. Nigeria has 3 major ethnic groups (Yoruba, Igbo & Hausa), 250 other ethnic groups, while it adopts English as its official language.

Nigeria has a presidential system of government with the executive powers of the Federal Government vested in the President. The FGN is headed by an elected President and Commander in Chief of the Armed Forces and the legislature consists of a bicameral National Assembly comprising the Senate and the House of Representatives. The legislative powers of the Federal Government are vested in the National Assembly. The President is supported by a Vice President elected along with him and by Ministers appointed by him. The executive powers of the President, subject to the provisions of the Constitution and of any law made by the National Assembly, may be exercised by the President directly or through the Vice- President, the ministers and/or any officer(s) in the public service of the Federal Government.

The executive government of each state is headed by an elected state Governor and the legislature consists of a unicameral House of Assembly. The Governor is supported by a Deputy Governor elected along with him and by Commissioners appointed by him. The Federal Capital Territory is however administered by a designated Minister appointed by the President, while legislative powers for the territory are vested in the National Assembly. The states and the Federal Capital Territory are grouped into six geopolitical zones: North West, North Central, North East, South East, South South and South West. Lagos, which is situated in the South West of Nigeria, is the principal commercial center and has the main sea and airports in the country.

There are currently 774 constitutionally recognised Local Government Areas and Area Councils (LGA) in Nigeria. Each Local Government Area is administered by a Local Government Council consisting of a Chairman who is the Chief Executive of the LGA, and other elected members who are referred to as Councillors. Each of the LGAs is further subdivided into wards with a minimum of ten and a maximum of fifteen for each LGA.

In accordance with the Constitution, judicial authority is vested mainly in the following courts: the Supreme Court of Nigeria; the Court of Appeal; the Federal High Court; the High Court of the FCT; the National Industrial Court; the High Court of each state; the Sharia Court of Appeal and Customary Court of Appeal of the FCT; Sharia Court of Appeal and Customary Court of Appeal of each state; and such other courts as may be authorised by law to exercise jurisdiction over matters with respect to which the National Assembly or a state House of Assembly (as the case may be) may make laws at first instance or on appeal. Nigerian courts are empowered to hear and determine disputes between private parties; disputes between a private party and any of the three tiers of government or their agencies; or disputes between the three tiers of government or their agencies. Thus, the courts have the power to review statutes and executive actions to ensure that they conform to the Constitution and other laws in force in Nigeria.

The Constitution also establishes election tribunals and authorizes the National Assembly to constitute other tribunals as may be required. The more prominent of these special "courts" is the Investments and Securities Tribunal, which handles disputes in relation to capital market activities.

According to the latest data from the National Bureau of Statistics (NBS), Nigeria's population is estimated at 224.5 million in 2024, maintaining its position as the most populous nation in Africa, accounting for a significant proportion of the West African populace.

Nigeria is endowed with several minerals across the country, including gold, iron ore, coal, and limestone. As of 2024, Nigeria holds 36.9 billion barrels of proven oil reserves and 5.7 trillion cubic feet of proven natural gas reserves according to

data from the Organization of the Petroleum Exporting Countries (OPEC As of 2024, Nigeria is the 15th largest producer of petroleum globally, with an average crude oil production of approximately 1.54 million barrels per day. The country holds the 10th largest proven oil reserves worldwide, estimated at around 37 billion barrels. The structure of Nigeria's economy in 2024 shows that the services sector remains the largest, contributing around 57% to the GDP. Agriculture contributes about 25%, while the industrial sector, including oil and gas, contributes around 18%. This distribution highlights the significant role of services and agriculture in Nigeria's economic framework.



POLITICAL CONTEXT

Nigeria became an internationally recognized independent nation in 1960, after a period of colonialism under the British government which spanned about a century beginning with the formal annexation of Lagos in 1861. In October 1963, it became a Federal Republic and in May 1999 returned to democratic rule after thirty-three years of primarily military rule. For four years, between 1979 and 1983, democracy surfaced briefly under the civilian government led by Alhaji Shehu Shagari, until it was ended by a military coup. Chief Olusegun Obasanjo became the first democratically elected President on the platform of the People's Democratic Party ("PDP"). After serving the constitutionally permitted two terms in office, Chief Olusegun Obasanjo handed over power to Alhaji Umaru Musa Yar'Adua on 29th May, 2007. However, President Yar'Adua's tenure was short lived due to his demise on 5th May, 2010; following which Dr Goodluck Ebele Jonathan ("GEJ") was sworn in as President on 6th May, 2010. GEJ contested and won the 2011 presidential election, serving just a single term as he was defeated by Muhammadu Buhari, under the platform of the All Progressives Congress ("APC") during the 2015 general elections.

The most recent presidential election was held on 23rd February, 2023 and resulted, Bola Ahmed Tinubu, also on the platform of APC, as decided by the ruling of the Supreme Court following appeals by major opposition contestants, Peter Gregory Obi of the Labour Party and Alhaji Atiku Abukabar of the PDP.

Beginning in 1963, Nigeria has had four different republics and each republic came with its own constitution. Nigeria is currently running its fourth republic which was inaugurated in May 1999. The present constitution provides for a tripartite structure in which power is divided among the executive, legislative and judicial arms of government to entrench the concept of the separation of powers. It establishes the (a) office of the President, who is Commander-in-Chief of the Armed Forces, and it sets out the powers and functions of the President (executive); (b) National Assembly (legislative) with its powers and functions; and (c) judicial system (judiciary) with its powers and functions. The Constitution also prescribes the qualifications and requirements which individuals must possess to hold any of the offices created by the Constitution.

ECONOMIC OVERVIEW

GROSS DOMESTIC PRODUCT (GDP)

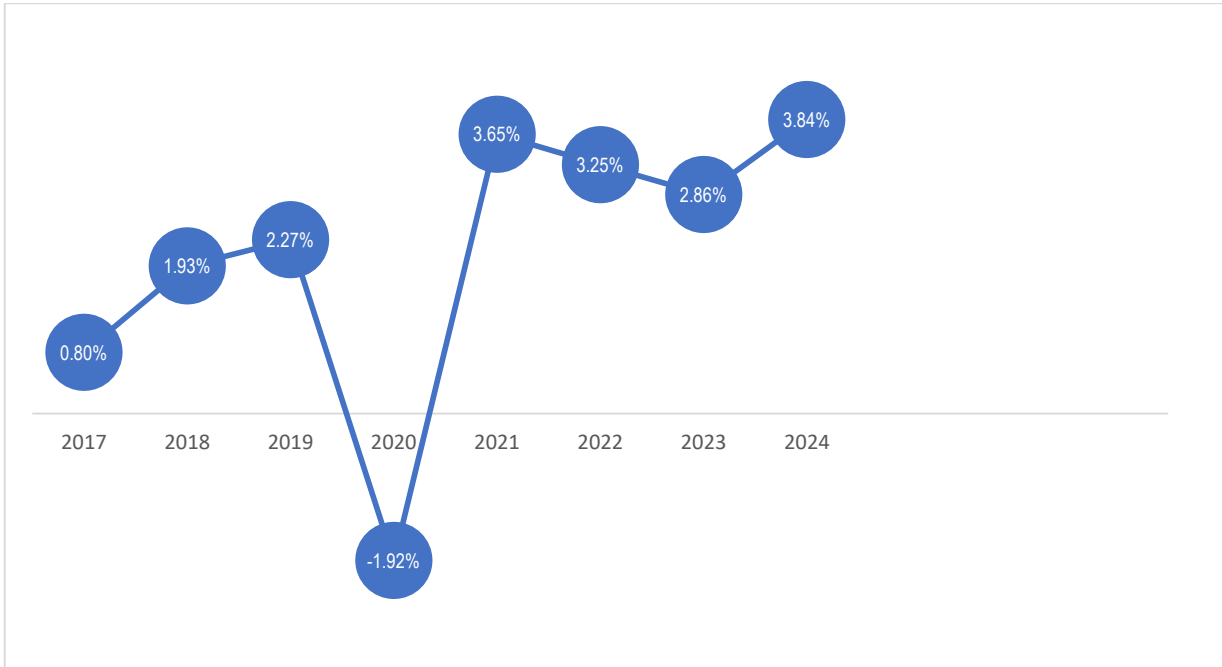
Nigeria's Gross Domestic Product (GDP) grew by 3.84% year-on-year in real terms in Q4 2024. This growth rate is higher than the 3.46% recorded in the fourth quarter of 2023 and the third quarter of 2024 growth rate (approximately 3.46%). The Services sector remained the key driver of this growth, expanding by 5.37% and contributing 57.38% to GDP. The Agriculture sector recorded a growth of 1.76%, recovering from slower performance earlier in the year, while the growth of the industry sector was 2.00%, a decline from 3.86% recorded in the fourth quarter of 2023.

In nominal terms, aggregate GDP stood at ₦78.37 trillion in Q4 2024, up from ₦65.91 trillion in Q4 2023 and ₦20.12 trillion in Q3 2024, reflecting sustained expansion across sectors.

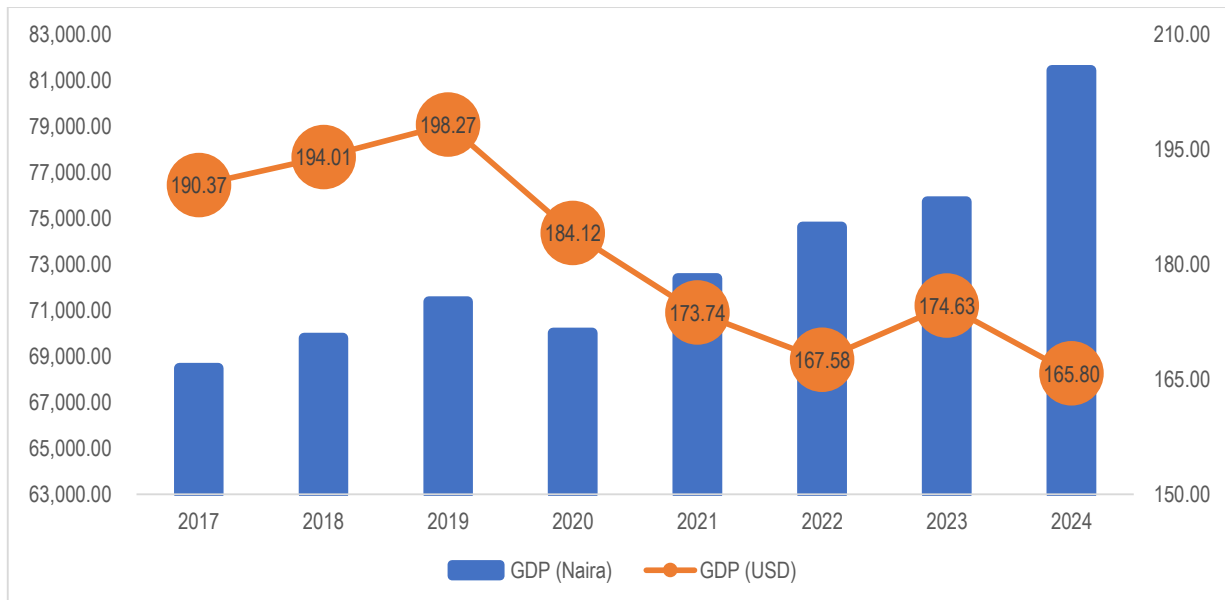
On a real basis, GDP grew by 3.84% YoY in Q4 2024, compared with 3.46% in Q4 2023 and 2.54% in Q3 2024. Full-year 2024 recorded an average real growth of 3.40%, up from 2.74% in 2023.

In current U.S. dollar terms, the economy's size contracted to US\$187.76 billion in 2024, down from US\$375.7 billion in 2017. Looking ahead, the IMF projects Nigeria's GDP to reach US\$188.27 billion by the end of 2025.

FIGURE 1: ANNUAL GDP GROWTH RATE (AT 2010 CONSTANT PRICE)



Source: National Bureau of Statistics, Pathway Research



Source: National Bureau of Statistics, Pathway Research

The Nigerian economy is highly dependent on the oil and gas sector for revenues and export earnings. Before 2016, the oil and gas sector contributed over 70% of government revenue, but this fell to about 51% in subsequent years. This heavy reliance makes the economy vulnerable to oil price fluctuations. The 2015 oil shock led to a sharp slowdown in growth, and by 2016, the economy experienced a recession, officially marked by two consecutive quarters of negative growth. After contracting for five consecutive quarters, the economy returned to growth in the second quarter of 2017.

The COVID-19 pandemic triggered another recession, spanning three quarters starting in Q2 2020. Recent GDP performance has been supported by growth in non-oil sectors, with agriculture, information and telecommunications, manufacturing, and trade being the primary drivers.

As of Q3 2024, Nigeria's GDP growth continued to show resilience, largely driven by the services sector, while the agriculture and industrial sectors also contributed positively to the overall economic performance.

The chart below sets forth the contribution to real GDP and growth rate for the periods indicated (based on 2010 constant basic prices) of the seven largest sectors of the Nigerian economy, which combined to represent 82.57% of real GDP as at 2022:

Table 1: Sectoral Contribution to GDP

Sector Contributions and Growth Rates				
Sector	Share of GDP 2019-2023	CAGR 2019-2023	Share of GDP Q4 2024	Y-o-Y Growth Rate Q4 2024
Agriculture	23.56%	10.80%	25.59%	1.76%
Trade	13.47%	4.02%	15.11%	1.19%
Information Tech	11.24%	14.09%	14.40%	5.90%
Manufacturing	13.99%	16.50%	8.07%	1.79%
Mining & Quarrying	7.00%	3.09%	4.84%	2.23%
Real Estate	5.31%	3.14%	5.88%	0.86%
Construction	9.50%	-	3.44%	2.95%
Others	25.43%	13.35%	9.90%	28.77%

Source: NBS

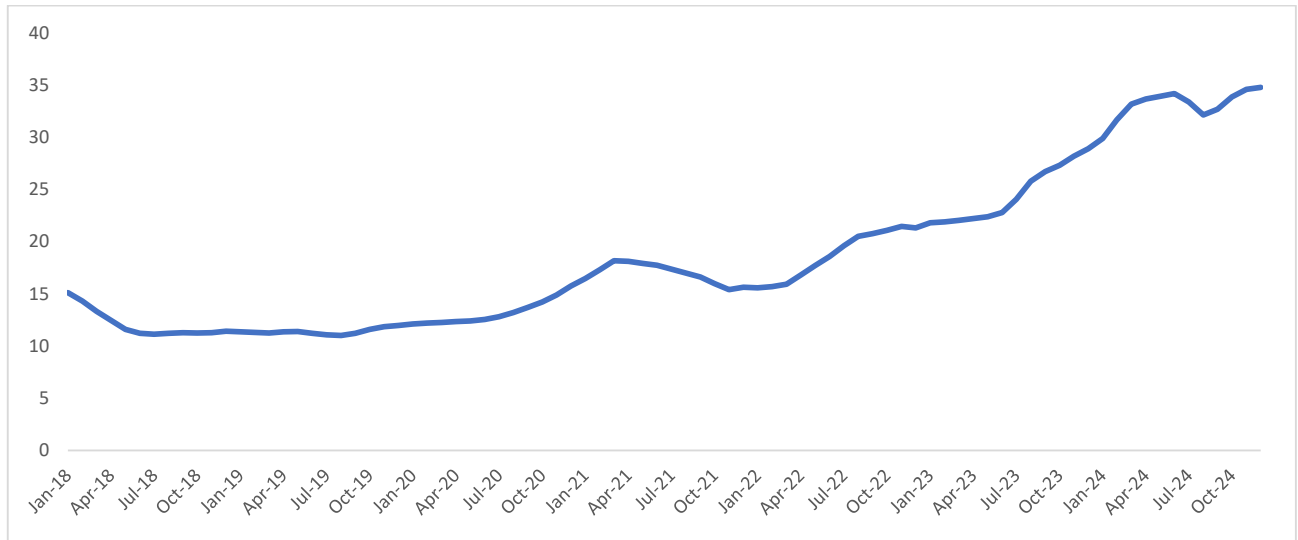
Inflation

Inflation is calculated using the Consumer Price Index (CPI). The CPI measures the average change overtime in prices of goods and services consumed by people for day-to-day living. One of the major factors contributing to inflation in Nigeria is the predominance of imported (household and everyday) goods, including food. Since most goods sold at the commercial market are imported, the prices of these goods are significantly affected by currency movements. In recent times, inflation has been on the ascendancy owing to increasingly negative impact of the apex bank's Naira devaluation on general price levels across various items such as imported goods, transportation and logistics, manufacturing, agriculture, etc. This is apart from the seasonal price changes related to agriculture and the effect of insecurity on economic activities.

According to the National Bureau of Statistics (NBS), Nigeria's headline inflation rate experienced a significant increase between December 2023 and December 2024. In December 2023, the inflation rate was 28.92%, which rose to 34.80% in December 2024. This represents a year-on-year increase of 5.88 percentage points.

Core inflation, which excludes volatile agricultural produce prices, stood at 22.38% year-on-year in December 2024, consistent with the rate recorded in November 2024. This marks the fourth consecutive monthly increase in headline inflation, reaching a near 30-year high, and underscores the persistent inflationary pressures within the Nigerian economy.

Figure 2: Inflation Rate



Source: NBS

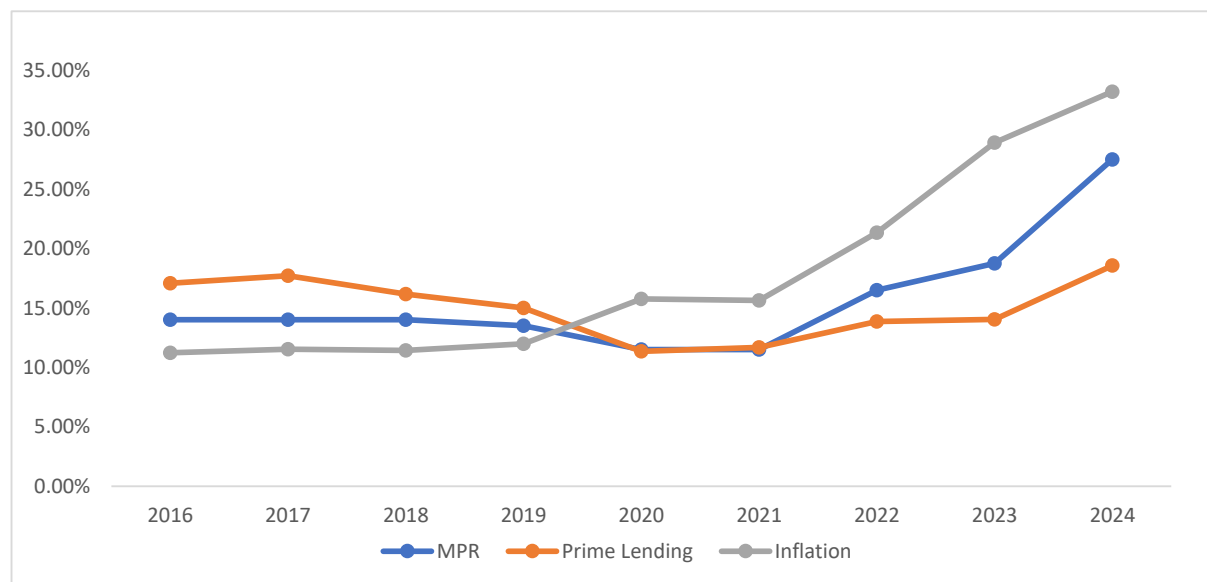
Interest Rate

The Monetary Policy Rate (“MPR”), the benchmark interest rate in the market, is subject to periodic reviews by the CBN’s Monetary Policy Committee (“MPC”) in response to prevailing liquidity conditions. Decisions on interest rate policy are taken by the MPC through a moderation of the MPR to control money supply in the economy and ensure price stability.

Developing a robust framework that accommodates the country’s economic landscape and considers economic indicators, market conditions, and policy adjustments while aiming for sustainable growth will help the CBN set realistic and achievable inflation rate targets. At the last MCP meeting held in May 2025, CBN retained MPR at 27.5%, reflecting the committee’s conservative policy stance.

Cash Reserve Ratios were Cash Reserve Ratio (CRR) was held at 50% for Deposit Money Banks and 16% for Merchant Banks, while the Liquidity ratio was maintained at 30%.

Figure 3: Monetary Policy Rate (MPR), Prime Lending Rate, Inflation Rate



Source: CBN

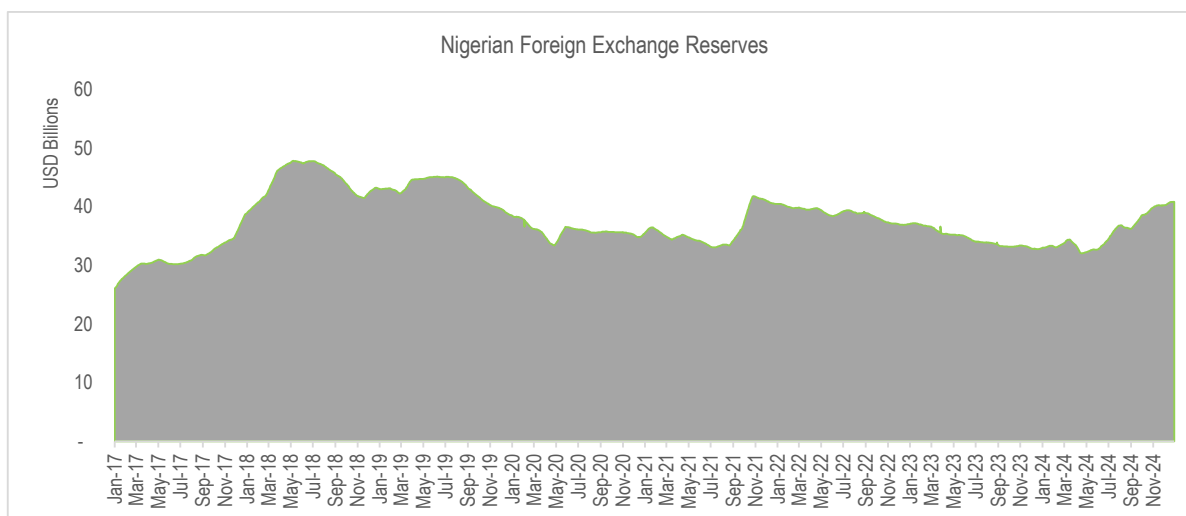
Exchange Rate and External Reserve

In recent years, Nigeria's foreign exchange market has faced significant volatility, exacerbated by increased speculative activities and pressures on foreign exchange reserves due to limited exports. This situation has posed challenges for the Central Bank of Nigeria (CBN) in maintaining price stability.

Prior to the COVID-19 pandemic in March 2020, Nigeria operated a fixed exchange rate regime with the naira pegged at ₦305/US\$. The economic recession induced by the pandemic and the resulting decline in federal earnings and foreign reserves led the CBN to begin unifying exchange rates. This unification process, along with the foreign exchange market harmonization by the Tinubu administration, has caused the naira to depreciate significantly.

At the start of 2020, the naira was valued at ₦307/USD. By June 2023, it had depreciated to an average of ₦720.43/USD at the Investors & Exporters (I&E) Foreign Exchange window. The exchange rate continued to deteriorate, reaching an average of ₦1,554.46/USD in February 2024. According to data from the CBN, as of November 2024, the Naira's depreciation persisted, reaching an all-time high of ₦1,717.50 /USD in November 2024. As of April 4, 2025, Nigeria's official exchange rate crashed to N1,600/\$1 as Trump-era tariffs continued to rattle global markets. This is the weakest level the naira has reached since December 4, 2024, when it closed at N1,608/\$1.

Figure 3: Gross External Reserves (USD'Bn)



Source: CBN, Pathway Research

Capital Importation

The total value of capital importation into Nigeria stood at USD 1.25 billion in Q3 2024, representing a 51.90% decrease compared to USD 2.60 billion in Q2 2024, but a 91.35% increase compared to USD 654.65 million in Q3 2023.

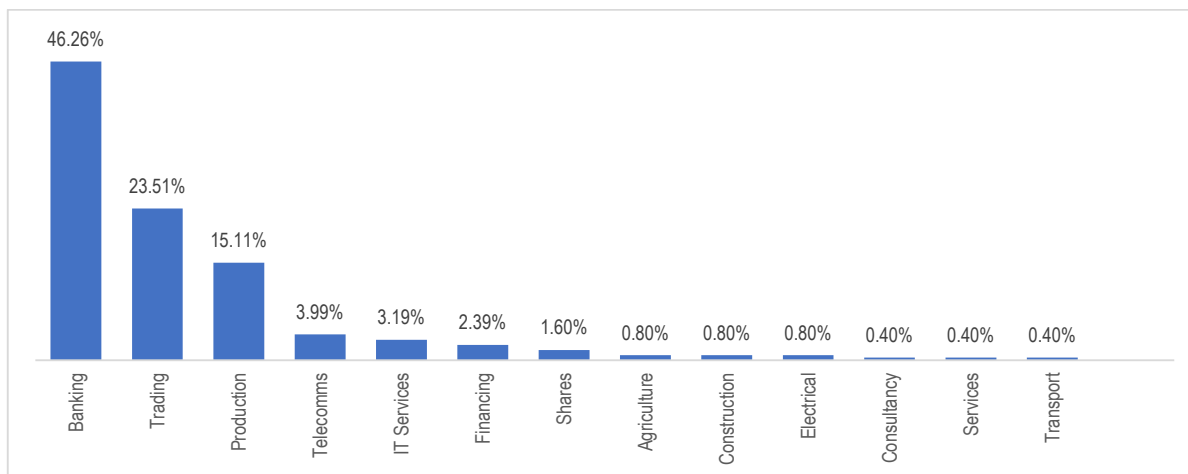
In Q3 2024, Other Investments (including trade credits, loans, and currency deposits) accounted for 19.92% of the total capital imported, amounting to USD 249.53 million. This indicates a notable reduction in its share compared to previous quarters.

Portfolio Investment dominated, contributing 71.79% of the total capital imported, with a value of USD 899.31 million, showing a significant resurgence in this category. Foreign Direct Investment (FDI) made up the remaining 8.29%, valued at USD 103.82 million.

The main drivers of capital flows to and from Nigeria can be broken down into push and pull factors. Push factors, - typically external, - include factors that determine the rate of return on advanced economy assets, such as interest rates, economic growth and degree of risk aversion by foreign investors.

Pull factors include factors that determine the rate of return on domestic assets such as, domestic interest rates, exchange rate expectations, economic growth and other risk factors. Given Nigeria's dependence on oil exports for foreign exchange earnings and government revenue, oil prices are likely to be the key driver of the rate of return on domestic assets, domestic credit risk and foreign exchange risk.

Figure 4: Capital Importation by Sector (Q3, 2024)



Source: CBN, Pathway Research

Tax Reforms

In developed and emerging economies of the world, taxation remains a veritable source of revenue for government to put in place necessary infrastructure and economic development initiatives. However, taxes collected in Nigeria amounted to 10.86% of the GDP in 2021, the highest in seven years, and piling in comparison to 19.98% registered in 2011 according to NBS. The International Monetary Fund recommended an increase of VAT to 7.5% and an expansion of tax base as economic tools to diversify the economy away from oil. On this note, some of the government's efforts at reforming taxation include reviewing the VAT rate from 5% to 7.5% and reviewing the existing National Tax Policy to streamline multiple taxation, tackle tax evasion and provide tax incentives.

On 28 May 2023, former President Muhammadu Buhari signed the Finance Bill, 2023 into law as Finance Act, 2023. The Act, preceded by Finance Acts 2019, 2020 and 2021, introduced changes to the Capital Gains Tax (CGT) Act, Companies Income Tax (CIT) Act, Personal Income Tax (PIT) Act, Customs and Excise Tariff Etc., Value Added Tax (VAT) Act, Petroleum Profits Tax (PPT) Act, Stamp Duties Act (SDA), Corrupt Practices and other Related Offences (CPORO) Act, Tertiary Education Trust Fund (Establishment) Act, Public Procurement Act (PPA) and the Ministry of Finance (Incorporated) MoFI Act.

The Act was signed by President Bola Ahmed Tinubu on 6 July 2023 with a commencement date of these amendments of 1 September 2023. A few of the major changes in the Act include:

Increase in penalties to public officers that flout due process in awarding government contracts.

The Act amends the CPORO Act to the effect that any public officer who awards or signs any contract without budget provision, administrative approvals and procurement plans in discharge of their official duties is liable to:

- (a) An increased fine upon conviction of N10m (as against N100,000 previously)
- (b) Upon conviction, the public officer is liable to either the N10m fine or a 3-year imprisonment term (previously, the official was liable to both the fine and the N100,000 fine upon conviction)

Ministry of Finance (Incorporated) Act

The Act also inserts new provisions into the MoFI Act to establish a Governing Council, an Executive board, and a Management Team for the corporation. The members of these bodies are to be appointed by the President based on recommendations from the Minister of Finance, and these bodies will drive good governance, strategic and operational management of the corporation.

Furthermore, Nigeria's new withholding tax (WHT) regulations, effective July 1, 2024, are part of the ongoing tax reforms. These changes aim to simplify the WHT regime and promote ease of compliance. Key highlights include:

- Reduction of WHT rates for various services, including professional services (from 10% to 5%) and construction payments to residents (from 2.5% to 2%).
- Introduction of new WHT rates for non-resident entertainers and sportspersons (15%) and winnings from lotteries and similar activities (5% for residents and 15% for non-residents).
- Exemptions for small businesses with a turnover of ₦25 million or less, and certain types of transactions, such as insurance premiums and specific types of fuel supplies.

Public Debt

Nigeria's public debt profile since 2005 has experienced a significant transition from predominantly external debt to primarily domestic debt, driven by the settlement of London Club and Paris Club debts and a notable increase in the issuance of Federal Government treasuries in the domestic bond market. Between 2012 and 2015, domestic debt averaged 85% of the total debt, but this proportion decreased to 59.56% by the end of 2022 due to increased external borrowing and the effects of exchange rate depreciation.

As of the end of December 2024, Nigeria's total public debt stock reached approximately ₦91.23 trillion (around \$119.80 billion), reflecting a 3.72% increase from ₦87.96 trillion (or \$115.29 billion) at the end of March 2024. This growth underscores the impact of continued external borrowing and further naira depreciation on the country's debt profile.

The inclusion of the ₦22.71 trillion in securitized Federal Government's Ways and Means Advances remains a significant component of the debt stock. The rise from ₦27.40 trillion (or \$84.05 billion) at the end of December 2019 highlights a sharp trajectory of debt accumulation over five years.

The government's debt management strategy continues to target a 60:40 ratio favoring domestic borrowing, aiming to mitigate debt servicing risks, reduce the crowding out of private sector borrowers, and create a sustainable debt portfolio mix.

OVERVIEW OF THE NIGERIAN REAL ESTATE INDUSTRY

GENERAL OVERVIEW

Nigeria has a total land area of 923,770 square kilometers and a total coastline of 853 kilometers. Agricultural land constitutes about 76% of total land area while forest land comprises 24%. According to worlddata.info, 2% (or 17,196 square kilometers) of Nigeria's land is urban while water areas account for 1% (13,000 square kilometers). With a population size in excess of 200 million, almost evenly split between the two genders, Nigeria is Africa's most populous nation and the sixth most populous in the world. Given a birthrate of about 36%, its population is projected to grow at an average of 2.4% over the long term. The five most populous cities include Lagos (14.23 million), Kano (4.10 million), Ibadan (3.65 million), Abuja (2.75 million), and Benin (1.78 million).

Real Estate Sector

Globally, real estate plays a vital role in economic development, significantly contributing to the growth of developed economies. Nigeria's real estate sector, while growing, remains a developing market constrained by factors such as low income levels and persistent inflation. As of Q4 2024, the sector accounts for approximately 5.88% of Nigeria's real GDP, a modest contribution compared to its potential, given the country's growing housing deficit and expanding population.

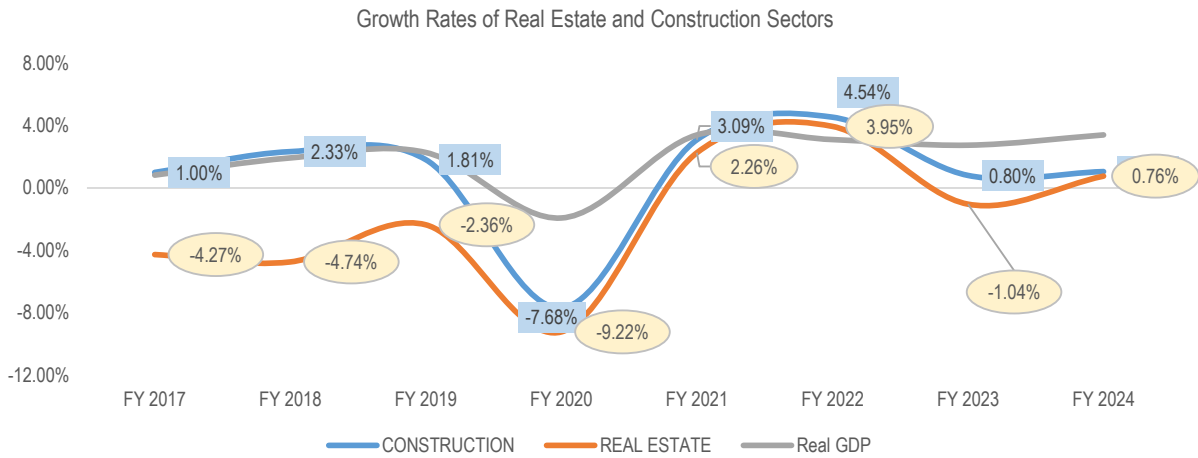
The National Bureau of Statistics (NBS) data indicates that Nigeria's real estate sector holds considerable promise for economic growth, with opportunities to increase its contribution significantly. The Central Bank of Nigeria estimates that the country faces a housing deficit of over 28 million units, with an estimated funding requirement of ₦21 trillion to address the shortfall. This gap presents a major opportunity to attract substantial investment capital, stimulate the construction industry, and generate broader economic activities, further highlighting the sector's potential to drive economic development.

Trend in Nigeria's Housing Deficit [1991-2023]

Year	Housing Deficit	Population	Cause
1991-1993	4 – 7 million	104 million	Mortgage inefficiency
2007	8 – 10 million	145 million	Slum demolition and Urban Migration
2013-2015	16 – 17 million	178 million	Over population urban expansion and increased poverty
2017-2019	18 – 22 million	184 million	Increased poverty, overpopulation and urban migration
2020-2023	~28 million	> 200 million	Increased poverty, overpopulation and urban migration

Source: Central Bank of Nigeria, Pathway Research

The sector is quite cyclical in nature, presenting lucrative investment opportunities in expansionary environments driven by high demand for housing as well as investment property. On the flip side, in times of recession or economic contraction, the real estate sector has tended to experience a slowdown in economic activities. In recent years, this has led to a compounded annual growth rate of negative 2.14% over the past five years, essentially made worse by negative effects of the 2016 global economic crisis as well as the COVID 19 global pandemic.



Source: National Bureau of Statistics, Pathway Research

Part of the challenges faced by the sector include difficulty in accessing affordable financing, very low disposable income and high levels of poverty, arduous bureaucratic process involved in securing good title deeds and weak land ownership rights – a situation which obfuscates and clogs real estate transaction processes –, poor or inadequate infrastructure and low disposable income levels. The situation is exacerbated by the rising inflationary trend ultimately tends to weaken the purchasing power of potential homeowners as the rising cost of inputs become increasingly prohibitive. The real estate sector is also highly dependent on importation of building materials which are often subject to the impact of exchange rate volatility.

Legal Framework

Federal and State laws which govern real estate development in Nigeria include: Land Use Act, Capital Gains Tax Act, Urban Regional Planning and Development Law of Lagos, 2010, Lagos State Property Protection Law, Land Use Charge Law, Tenement Rate Law, Registration of Titles Law, Land Instrument Registration Act, Conveyancing Act, Property and Conveyancing Law, Tenancy Law of Lagos State 2011, and Rent Control and Recovery of Premises Act. Of these, the Land Use Act 1978 is the most consequential law for the regulation of ownership of the real estate in Nigeria.

There have been contestations surrounding the impact of the land use act which is seen by many to have contributed to the subpar performance of the real estate sector. This is because Section 1 of the Land Use Act stipulates that: all land comprised in the territory of each State in the Federation is hereby vested in the Governor of that State, and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Act. Section 22 of the Act further states that: it shall not be lawful for the holder of a statutory right of occupancy granted by the Governor to alienate his right of occupancy or any part thereof by assignment, mortgage, transfer of possession, sub-lease or otherwise howsoever without the consent of the Governor first had and obtained.

Therefore, by law, state governors' consent is required before there transfer of titles between willing buyer and willing seller can be finalized. An attendant undesirable consequence of the Land Use Act is the bureaucratic procedure involved in the administration of land title which has been quite inefficient down the years, leading to backlogs and delays faced by potential land owners in securing their land titles. Where registration of title is incomplete – in the absence of governor's consent or a Certificate of Occupancy – the value of the property could drop drastically, as prospective purchasers are most likely to factor in perfection costs in making their (reduced) offers. This has thus slowed down the pace of real estate development and is also partly responsible for the low level of mortgage financing in Nigeria compared to other regions.

According to Statista.com, the volume of outstanding residential mortgages in Nigeria was 32,260 as of 2022, lower than volumes in fellow African countries such as Guinea (130,000), Ethiopia (247,000), Mauritania (326,260), Central Africa Republic (355,618), Egypt (437,631) and South Africa (1,663,885). This is by no means impressive for a country boasting by far the biggest population size on the continent. Despite having a per capita income of USD2,449, access to finance pales in comparison to Guinea (USD944), Ethiopia (USD857), Mauritania (USD1,650), Central Africa Republic (USD362) which have lower incomes in comparison as well as Egypt (USD4,089) and South Africa (USD6,018).

Recent Developments

There have been various initiatives to make affordable housing available to the lower and middle-income earners, especially in urban areas, through public sector-led home ownership schemes as well as by private sector-driven financing solutions. According to the National Development Plan 2021-2025, the Federal Government of Nigeria completed a significant number of housing units while several other units were at various stages of completion. Through the National Housing Programme, 2,287 housing units were completed while 2,591 units were under construction in 34 States and the FCT. Between 2017 and 2021, the Federal Mortgage Bank issued 5,446 mortgage loans totaling N46.677 billion while 62,061 home renovations loans worth ₦55.198 billion were disbursed. The Bank also funded 4,435 houses to completion under the cooperative housing scheme. Additionally, about 4,100 certificates of occupancy were issued and 2,177 consent to mortgages and deeds of assignments were issued to complete mortgages and sales and purchases of houses.

To further stimulate housing development, the Site and Services Scheme initiative was created by the government to provide support services such as (roads, culverts, external drains, external electrification, and water supply) to encourage allottees to access their plots and build houses of their choice. To that effect, 87 contracts were awarded to provide and maintain streetlights on federal highways across 36 states while eighteen of the thirty-six awarded jobs have completely provided infrastructure (water, road, and electricity) in various states.

In 2022, the Federal Mortgage Bank of Nigeria introduced a zero-interest rent-to-own mortgage loan product to allow beneficiaries to move into FMBN and non-FMBN-funded homes, and pay towards full ownership monthly, quarterly, and annual rentals. Furthermore, where there has been difficulty accessing housing mortgages through traditional financing options due to high commercial bank lending rates, structured financing alternatives from non-bank financing institutions have availed developers of the opportunity to access cheaper credit to finance bespoke housing projects for the growing middle class.

A significant recent development in supporting affordable housing and stimulating the sector is the launch of the Ministry of Finance Incorporated (MOFI) Real Estate Investment Fund (MREIF). Officially launched with its Series 1 (N150 billion fully subscribed by MOFI in late 2024) and subsequently Series 2 (N100 billion successfully raised from private institutional investors by March 2025), MREIF aims to bridge Nigeria's estimated housing deficit by mobilizing significant capital, with a long-term vision of raising up to N1 trillion. This public-private partnership initiative is designed to provide long-term, low-cost mortgage financing, targeting interest rates as low as 11-12% with repayment tenors of up to 20-25 years, significantly below prevailing commercial rates. MREIF acts as a catalyst, providing funding to developers and through Primary Mortgage Banks, thereby making affordable homeownership more accessible and stimulating activity in the real estate and construction industries in line with President Bola Ahmed Tinubu's Renewed Hope Agenda.

Business opportunities in the sector include property development which involves the mobilization of financial and human capital to execute building projects; build to lease which is favoured by the investors who acquire property, furnish and then rent same for either residential or commercial purposes (such as vacationing individuals and/or families as well as shared workspaces); real estate agency and brokerage (connecting property buyers to sellers and landlords to tenants); and facility management (to ensure the property continues to command value).

Investment Opportunities

Real estate as an asset class is particularly favoured among Nigerians who consider it tangible, relatively safe, and a sure way to grow their wealth over time via capital appreciation of the value of their investment properties and also to bequeath the same to future generations. This asset class is increasingly in demand, especially for high-end residential and commercial properties, in affluent parts of Lagos and Abuja, partly due to the fact its ability to act as a hedge against inflation and serve as a store of transgenerational wealth. There is also significant demand from the diaspora who regularly invest in local real estate properties as well as empty plots of land, taking advantage of the high and often volatile Naira/USD exchange rates. In Lagos, for instance, it is not uncommon to see purchases and demolitions of old, often derelict, houses and the reconstruction of new buildings in their place by Nigerians who reside overseas.

Investment in Nigeria's real estate sector is fairly reflective of the roughly dichotomous nature of the country's income demography, basically consisting of relatively few high-income and mid-low-income individuals, with

the former able to afford and own luxuriant residences while the latter, consisting the vast majority, make do with renting apartments in slums and in need of interventions to allow them to own their own homes. Meanwhile, there appears to be a growing middle class who are often the targets of property developers who site their estates around developing areas or areas that are being opened up by the government, providing access to modern facilities.

Today, the Nigerian construction industry is thriving, with a market size estimated at over \$30 billion, according to market research reports from PwC. The sector has been growing at a compound annual growth rate of approximately 9%, driven by increasing urbanization and infrastructure development. Major players in the industry include Julius Berger, China Civil Engineering Construction Corporation (CCECC), and Dantata & Sawoe. These companies have spearheaded numerous high-profile projects, such as the Abuja Light Rail and the Dangote Refinery, significantly enhancing Nigeria's infrastructure landscape.

SEGMENTS

Residential real estate

Residential real estate essentially consists of homes or land that people purchase or rent primarily to live in such as apartments, duplexes, terraces (townhouses), cabins, etc. Residential real estate can be said to be a reflection of the wealth of societies. In Nigeria, the supply of residential real estate is outstripped by demand given the rather slow pace of investment in housing relative to the relatively fast-growing population. Given the increasing rural-urban migration and high level of income inequality in the country, caused by high level of unemployment, the majority of Nigerians are faced with unhealthful living conditions in shabby environments. This sheer demand puts a strain on whatever infrastructure is available in the urban areas which tends to grab the lion's share of public sector infrastructural investments.

Therefore, the situation calls for lasting solutions to tackle the challenges bedeviling the segment. For one, given Nigeria's lopsided income demographic, the provision of social housing could go a long way to impacting the general well-being, financial and otherwise, of society. Also, investment in a robust transportation network could help decongest densely populated areas or cities to make for ease of movement of persons and stimulation of real estate development in neighboring towns and states.

Meanwhile, there is rising demand among the growing middle class for residential spaces, in gated communities, that provide an escape from environmental decadence and estate developers are rising up to the challenge of meeting their needs for adequate basic amenities, infrastructure, and security. Also, subscribers are often granted legroom by being offered flexible payment plans so that payments are made in installments, thus adding to their appeal. This appears to be a growing trend and such well-planned developmental projects tend to improve not only the environmental landscape but also societal wealth in the medium to long term.

According to a research report by Knight Frank, residential real estate investors have developed a preference for small-sized housing units ranging from 1, 2, and 3-bedroom apartments to improve their cash flow and maintain reduced vacancy cycles. Furthermore, the adoption of property technology for monthly rental payment, co-living and management of services and visitor access typically associated with gated communities and multifamily residential developments by private developers and property owners has rapidly increased.

Commercial real estate

Commercial real estate refers to properties designed to accommodate business entities to perform their commercial activities. Such properties include office buildings, restaurants, hotels, grocery stores, shopping complexes, etc. In Nigeria, the nature of the work environment is gradually changing, with respect to office spaces, from one requiring physical to hybrid and, in some cases, completely virtual, necessitating a shift in demand from renting of physical office spaces in favour of remote work.

Similarly, footfall of walk-in customers into physical stores and shopping malls is gradually yielding ground to online clicks on business websites. These have come on the heels of the lockdown measures government put in place during the COVID-19 pandemic which, thanks to the adoption to Information Communication Technology, has led to a behavioral shift as many businesses see the need for more flexibility.

In response to shocks created by the shift in demand, commercial real estate investors now set up coworking spaces on account of demand for shared services which offer some flexibility and cost savings compared to the traditional work. As the market becomes more and more competitive, landlords are open to enter flexible lease agreements with their tenants, against the grain, giving the latter the option to opt out of a long-term lease and even conceding to shorter leases. These tend to create a win-win for investors and businesses in terms of increased yields and profit margins respectively.

Industrial real estate

Industrial real estate comprises properties used primarily for production, manufacturing, distribution, and storage such as warehouses, factories, and the like. Infrastructure is key to the development of this segment as this provides positive externalities to manufacturers, logistics services providers, and other players who are attracted to business-friendly industrial clusters or zones as they are keen on reducing the cost of doing business.

In Lagos for instance, ongoing rehabilitation of the Lekki-Epe expressway and the completion of the Lekki Free Trade Zone, located on 16,500 hectares of land, has been a major attraction to industrialists with investments worth billions of dollars, making it amongst the fastest growing free zones in the world. Similarly, the recent federal government approvals for the construction of the Lekki International Airport and Badagry deep sea port project are expected to attract logistics companies and industrial real estate developers are increasingly investing to provide accommodation for the business.

Raw Land and Landed Properties

Raw land refers to as land that is undeveloped without building structures erected on it. It can be used for building residential or commercial structures or developed for agricultural purposes such as farms, orchards, plantations, and others, or they can be left vacant in their natural state to be developed later in the future. Landed Properties refer to land with improvements such as buildings, structures and services.

In Nigeria, land transactions are one of the common property law transactions, involving conveyancing – the process by which ownership of land is transferred between a seller and a buyer – and often require due diligence on the part of the buyer. Firstly, to ensure that the vendor of the property actually owns the proper title and secondly, to ascertain that there are no third parties who also have legal rights to the land so as to avoid future problems. Time to register titles generally is pretty lengthy and can vary depending on the jurisdiction.

Land that is situated near places that are being open up by government or close to important establishments command higher value compared to land that are haphazardly located. Often times, land transactions are carried out for long term investment purposes as a means of growing wealth, in addition to protection against inflation. Also, development of serviced plots or site and service schemes, plots that are ready to build on giving provision of amenities like utility connections – water, gas, electricity and mains sewage, etc., are in vogue, offering higher value to prospective home owners, who go on to building according to their taste, and better margins to the developer.

INDUSTRY REGULATORS

Federal Ministry of Works & Housing

The Federal Ministry of Works & Housing is the umbrella policy arm of the Federal Government charged with the responsibility of ensuring adequate and sustainable housing delivery as well as maintenance of a conducive living environment that meets the needs and aspirations of Nigerian citizens. The ministry is responsible for establishing a sustainable housing delivery system that will ensure easy access to home ownership and rental schemes by the Nigerian populace in an environment where basic, physical and social amenities are available.

Nigerian Institute of Estate Surveyors and Valuers

The Nigerian Institute of Estate Surveyors and Valuers (NIESV) was founded in 1969 by qualified general practice-chartered surveyors who were trained mainly in the United Kingdom. The Institution was granted Government recognition by the enactment of the Estate Surveyors and Valuers Decree No. 24 of 1975. The Institute is involved in various practices such as valuation of interests in land and buildings for various purposes such as sale, mortgage, insurance, acquisition etc.

Lagos State Real Estate Transaction Department

The Lagos State Real Estate Transaction Department was created by the Lagos State Government under the jurisdiction of Ministry of Housing for the purpose of regulating the activities of estate agents within the State. The department was created to regulate real estate transactions in Lagos State by identifying persons eligible to be licensed as Real Estate

Practitioners and provides for the issuance or renewal of annual permits, as well as collating and registering Real Estate transactions in the State.

Estate Surveyors and Valuers Registration Board of Nigeria

The Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) was established by Estate Surveyors and Valuers Decree No. 24 of 1975 as the regulatory body for controlling and setting standards for real estate and valuation practice in Nigeria. The board regulates and controls practice of estate surveying and valuation including the registration of valuers and surveyors as well as accreditation of institution to practice as estate surveyors.

Real Estate Developers Association of Nigeria

The Real Estate Developers Association of Nigeria (REDAN) is the principal agency and umbrella body of the organized real estate sector (public and private) recognized by the Federal Government of Nigeria since 2002 and saddled with the responsibility of facilitating the delivery of affordable mass housing for Nigerians. REDAN promotes research for the development of building materials and systems, as well as standard setting for the real estate industry.

Nigerian Institute of Town Planners

The Nigerian Institute of Town Planners (NITP) is Nigeria's leading planning body for spatial, sustainable, integrative, and inclusive planning. The NITP exists to advance the science and art of planning for the benefit of the public. It is responsible for developing long and short-term plans to use land for the growth and revitalization of urban, suburban, and rural communities, while helping local officials make decisions concerning social, economic, and environmental problems.

Estate, Rent and Commission Agents Association of Nigeria

The Estate, Rent and Commission Agents Association of Nigeria (ERCAAN) was formed in the year 1990. The Association was formed, registered and incorporated in the interest of practicing in the Nigeria real estate sector. The association educates, informs and trains members on the ethics of the profession of agents.

Estate Regulatory Council of Nigeria (Upcoming)

Meanwhile, the National Assembly is considering a Bill for an Act to Establish Real Estate Regulatory Council of Nigeria which, when passed and signed into law, is expected to prescribe minimum standards for the conduct of the business of real estate development in Nigeria while fostering transparency in the development, sales and lease of plots, apartments, building or any landed property. Specifically, the objectives of the Bill are as follows:

- a. Standardize the business of real estate development in Nigeria by regulating the conduct of transactions in the real estate sector;
- b. Provide enabling environment and transparency in the business of real estate development in Nigeria;
- c. Make the business of real estate development in Nigeria conform to international best practices and safeguard the ultimate interest of all stakeholders in the business;
- d. Curb fraudulent practices in the business of real estate development in Nigeria;

- e. Ensure the real estate business conforms with the National Building Code in Nigeria;
- f. Create an innovative and sustainable environment to promote Nigeria as a real estate investment destination in Africa and the world; and
- g. Ensure the real estate business in Nigeria conforms with the Money Laundering Prohibition Act, 2011 (as amended) and Nigeria Financial Intelligence Unit (NFIU) Act, 2018 in terms of anti-money laundering and counter terrorism financing due diligence compliance.

INFORMATION RELATING TO THE ISSUER

PROFILE OF THE COMPANY

Premises

The Company currently operates from its main office at 8B, Olufemi Pedro, Parkview Estate, Ikoyi, Lagos. Telephone number: +(234)7026130152, email address: hello@veritasihomes.com and website address: www.veritasihomes.com.

Introduction

The principal objects of the Issuer are set out in its Memorandum and Articles of Association and, amongst other things, is to engage in the raising of debt capital through the issuance of bonds, debenture, debenture stock and other securities or perpetual securities and to invest in promissory notes, commercial papers and other securities.

History And Overview

Veritasi Homes & Properties Plc (“Veritasi” or “the Company”) was incorporated on the 11th of May 2017 and commenced business in the year 2018. It was converted to a Public Limited Liability Company in October 2023 and is one of the leading indigenous real estate development companies registered under the laws of the Federal Republic of Nigeria (RC: 1412813) with an office located at No. 8B, Olufemi Pedro, Parkview Estate, Ikoyi, Lagos. The Company has a strong track record and diverse real estate portfolio, with operations spanning across the residential, commercial, and retail sectors of the Nigerian real estate industry.

Veritasi is a real estate development company with a focus on the acquisition, development, sales, and management of high-quality serviced residential properties in the luxury, premium, and classic segments of the real estate market in Nigeria. The Company’s core business is buying large tracts of land and converting them into gated schemes (estates), which are divided into plots of land and developed into units for residential and commercial development. Veritasi is dedicated to creating homes for both low and middle-income earners in Nigeria.

Veritasi has successfully delivered close to 3,000 real estate assets, comprising homes and plots to end-buyers. As a result of its successful business model, the Company’s Total Asset Value has grown to **₦45.98** billion as at 31st **December 2024**, thus making it one of the largest real estate companies in Nigeria.

The Company’s key distinguishing factors include competent and experienced management, deep relationships with key players in the market, and a consistent pipeline of projects. The Company’s strategy is to create value for investors and clients by delivering innovative solutions, intending to position the Company as a dominant player in the Nigerian real estate market.

Veritasi has an authorized, issued, and paid-up share capital of 8,000,000,000 ordinary shares of ₦0.50 each as at 31st December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Issuer involve real estate development, land acquisition, and property sales, focusing on luxury, premium, and affordable homes. They also offer advisory and development services across the real estate value chain. Their operations cover the conceptualization, execution, and management of real estate projects in Nigeria. Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified offices of the Issuer.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorization and issue of the Bonds and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Issuer’s activities are restricted by its Memorandum and Articles of Association, the terms of the Trust Deed, and other related documents.

VERITASI PROJECTS

Project Name	Asset Class	Location	Status	No of Units /Hectares/Plots
Camberwall Court, Phase I	Residential	Abijo, Lagos	Completed	150 units
Camberwall Court, Phase II	Residential	Abijo, Lagos	Completed	100 units
Camberwall Advantage 1	Residential	Ikate, Lagos	Completed	14 Units
Camberwall Advantage 2	Residential	Ikate, Lagos	Completed	41 Units
Camberwall Advantage 3	Residential	Ikate, Lagos	On-going	38 Units
Camberwall Advantage 4	Residential	Lekki Phase 1, Lagos	On-going	78 units
Camberwall Advantage 5	Residential	Lekki Phase 1, Lagos	On-going	40 Units
Itunu Residential	Site & Service (Residential)	Ibeju Lekki, Lagos	On-going	Cluster A & B – 900 Plots
Itunu City	Site & Service (Mixed Used)	Ibeju Lekki, Lagos	On-going	1,200 Plots
Itunu Hills	Site & Service (Mixed Used)	Ibeju Lekki, Lagos	On-going	600 Plots
Imole Developer Scheme	Site & Service	Lekki Epe Express way	Ongoing	146 Hectares
Idera Eleko	Site & Service (Mixed Used)	Ibeju Lekki, Lagos	On-going	1,020 Plots
Tinuola Towers	Mixed Use	Banana Island Ikoyi	Ongoing	5 Units of 5 Bedroom fully Detached
Les Villas Des Pionniers	Mixed Use	Ikoyi, Lagos	Pipeline	14 Units of 5-bedroom fully detached
Tinuola Towers 2 (Eko Atlantic)	Residential	Victoria Island	On-going	2,045 SQM of Land

CAMBERWALL COURT PHASE 1 (Completed)

Camberwall Courts, Abijo is an urban apartment development designed to reflect the magical merge of form and function in its architecture. Its design caters to modern living for residents of the apartment. Located in the heart of Abijo GRA along the Lekki-Epe expressway. This estate currently offers serviced plots, as well as Apartments, Bungalows & Terraces at the fairest price.

At the moment serviced plots at Camberwall Estate are sold out and in less than 8 months after the ground breaking of Camberwall Court, 90% of the buildings were sold.



CAMBERWALL COURT PHASE II (Completed)

Camberwall Courts, Abijo is an urban apartment development designed to reflect the magical merge of form and function in its architecture. Its design caters to modern living for residents of the apartment. Located in the heart of Abijo GRA along the Lekki-Epe expressway, the Estate is a masterpiece. It features a splendid layout, visitor park, smart card access, renewable energy, and surveillance.



CAMBERWALL ADVANTAGE I & II (COMPLETED)

Camberwall Advantage is an upscale real estate development project. Comprising apartments and units of flat, Camberwall Advantage is strategically located at Ikate. The project features unique and elegant designs tailored to meet the need of the modern-day investor as well as appeal to aesthetics. With the existing reputation of Veritasi Homes with Camberwall projects, this project promises homes of a high standard, quality finishings and best value for investment. Camberwall Advantage is set to set a new hallmark for a sophisticated urban living.

Both projects got sold out in six (6) months of introducing them into the market. They are comprised of 2-bedroom apartments, three-bedroom apartments + BQ and a four-bedroom marionette + BQ. In the light of expansion and meeting the needs of creating more upscale developments, we introduce to the market;



CAMBERWALL ADVANTAGE III (ON-GOING)

Camberwall Advantage 3 is a luxury development project. This high-end construction consists of apartments and maisonettes that provide improved functionality, sufficient space, and privacy for residents. It is located at Ikate, Lekki. This project is purposefully equipped with exclusive amenities, smart home automation and a beautiful finish to portray its class. It embodies the implementation of advanced construction technology combined with architectural brilliance to accord maximum comfort, convenience, and security to residents.





CAMBERWALL ADVANTAGE IV (ON-GOING)

Camberwall Advantage IV is the fourth upscale development project of the Camberwall Advantage series. This 5 storey edifice consists of deluxe apartments providing a premium and exclusive lifestyle for its residents. It sits majestically at Lekki Phase 1, off Freedom Way, Lagos

These projects reflects luxury living, as they are purposefully equipped with exclusive amenities, smart home automation, and a beautiful finish to portray its class. It embodies the implementation of advanced construction technology combined with architectural brilliance to accord maximum comfort, convenience, and security to residents.





CAMBERWALL ADVANTAGE V (ON-GOING)

Camberwall Advantage V is the fifty upscale development projects of the Camberwall Advantage series. This 6-storey edifice consists of deluxe apartments providing a premium and exclusive lifestyle for its residents. It sits majestically at Lekki Phase 1, off Freedom Way. This project has a two-bedroom apartment and a three-bedroom apartment+ BQ (Penthouse).

These projects reflects luxury living, as they are purposefully equipped with exclusive amenities, smart home automation, and a beautiful finish to portray its class. It embodies the implementation of advanced construction technology combined with architectural brilliance to accord maximum comfort, convenience, and security to residents.



ÍTUNÚ RESIDENTIAL (SERVICE PLOTS)

Veritasi recently unveiled a new project called ÍTUNÚ Residential, Site and Service. ÍTUNÚ Residential is a carefully designed holiday-type location in Aiyetoro, Ibeju-Lekki, facing the Lekki-Epe Expressway. ÍTUNÚ is a serene and secured environment, perfect for those seeking a tranquil space with a natural ambience to relax and escape the hustle and bustle of Lagos.



ITUNU RESIDENTIAL

ÍTUNÚ Residential is 100% dry, fenced, accessible and has proximity to Alaro City, Lagoon Front, Dangote Refinery etc.

This residential area will have a standard road network, drainage system, water system, underground electricity, green spaces, and a family entertainment center.





ITUNU CITY (RESIDENTIAL & COMMERCIAL)

Itunu city is a beautiful blend of commercial space and a residential community spanning 100 acres. Itunu City is a mega-site and service project, balancing the experience of living in an enabling community with the thrill of recreation and lifestyle.





TINUOLA TOWERS

Tinuola Towers is an ultra-luxurious, 15-floor proposed mixed-use development situated in the most expensive neighbourhood in Nigeria. The island located in the Ikoyi area of Lagos, overlooks the Lagos Lagoon. The mixed-use development will consist of office and residential apartments. The building will come with penthouses.

- ✓ Property target value: \$2M/Apartment | Number of Apartments: 28
- ✓ Land size: 2,570 SQM





IMOLE, BY VERITASI HOMES

This is an upscale site-and-service gated-estate project situated along the Lekki-Epe expressway. With a land area of 15 hectares, this site and service project will be another well designed site and service project by Veritasi Homes. The project will have all the necessary infrastructure in place for all residents.

- ✓ Land size: 215 plots
- ✓ Property Value: N45M/Plot



LES VILLAS DES PIONNIERS (RESIDENTIAL & COMMERCIAL DEVELOPMENT)

This is a 14 units full detached 5-bedroom duplex located at Ikoyi. The land size is 8,743.40 sqm



Tinuola Towers 2 (Eko Atlantic) – (Residential Development)

The Project (“Tinuola Towers 2”) is located at Plot DT - A – 31 Eko Atlantic City, Lagos. Tinuola Towers 2 is an impressive 26-storey high-rise development. Covering a total floor area of 2,045 square meters, it features a mix of 1-bedroom, 2-bedroom, and 3-bedroom apartments designed to meet modern living standards.



VERITASI'S COMPETITIVE EDGE

Loyal Realtor Network

Broker/Realtor Network

- The realtors put Veritasi first, in anticipation of the range of benefits and rewards made available to them when they reach sales milestones.
- Veritasi has a live network of over 45,000 realtors through partner realtor groups and associations. In addition to this, sales are made through independent registered realtors and Veritasi staff.
- They undergo regular training, updates on what Veritasi provides through our in-house realtor managers, and serve as an avenue for us to understand the market and customer expectations and fulfill our customer-centric value.

S/N	Group Names	Realtors Size
1	Billionaire Realtor Group	30,000
2	Real Estate Millionaires	10,000
3	Achievers Business Network	3,000
4	Seso Global	Agency
5	Guven Realtors Network	500
6	Cavier Properties	Agency
7	Relox Real Estate & Property Limited	100

8	Oltron Global Realty	100
9	Plantium Cape Realtor Group	500
10	Peak Performers Realtor Group	500
11	Ultimate Vibrant Realtors	300
Total		45,000

Realtor Retention Strategy

Veritasi partnered with Lagos Business School, Africa's top business school, to deliver real estate - specific courses to high-performing realtors to improve human capital, upskill the realtors.

This, among other rewards, incentivises them to prioritize Veritasi projects during their numerous sales calls. At the end of four successful modules taken, the realtors will receive an Alumnus status from the prestigious University.

Veritasi has trained over 500 realtors, a first of its kind in the industry. Below are the links to the publications on the realtor's conference held in 2022 and 2023.

- [Veritasi Homes, LBS partner to train realtors - Punch Newspapers \(punchng.com\)](https://punchng.com/veritasi-homes-lbs-partner-to-train-realtors/)
- [Veritasi Homes Partners With LBS To Train Realtors - BizWatchNigeria.Ng](https://bizwatchnigeria.ng/veritasi-homes-partners-with-lbs-to-train-realtors/)
- [Veritasi Homes hosts largest realtors conference in Africa | The Guardian Nigeria News - Nigeria and World News — Property — The Guardian Nigeria News – Nigeria and World News](https://www.guardianng.com/news/property/veritasi-homes-hosts-largest-realtors-conference-in-africa/)



	
<p>Reputable Development Partners</p>	<p>Following acquisitions, our technical staff oversees development projects, carefully selecting and recruiting the most suitable partners from our pool of verified vendors, based on several criteria. Most recently, for the Veritasi Towers project, our partner is the ELALAN Construction Company, which has a unique track record of being one of the best in ultra-luxury construction projects in the Island area.</p> <p>Our development team/partners are the best in class. This lowers overall investment and execution risks.</p>
<p>Intense customer research</p>	<p>Before the acquisition of property or the commencement of projects, we are intentional about ensuring the feasibility of embarking on such a project. Our partner researchers and marketing team take time to investigate the potential of such projects, such that, in many cases, we have enjoyed pre-sale levels of up to 30% prior to commencement of the project.</p>

VERITASI'S SALES AND MARKETING PLAN

Marketing Plan

Veritasi Home's marketing is based on both traditional and digital pillars. These pillars are intertwined, with project campaigns running simultaneously across both. Typically, per project, we execute campaigns from pre-construction phase until the last unit is sold. This could span a 3-year period.

A typical campaign is usually scheduled as follows:

<p>Pre-launch briefings</p>	<p>1-2 months pre-launch. This includes sessions intimation our realtor network and partners about expectations of the new project, from pricing to delivery details. It usually involves Q&A sessions where the realtors get all the information they require to put out their best sales efforts. it is usually the platform for reviewing/deploying physical product merchanded and market support materials.</p>
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Launch event/Ground-breaking	Launch day/week. Official commencement of the project. This is especially important for media coverage and proves the authenticity of the project. It allows the media to engage all key stakeholders of the project and deploy information that will be useful for our investment clients. It supports the activities of the realtors.
Media go-live: Physical and digital	1-week post-launch. The project is officially sold across physical channels (e.g., billboards) and on relevant digital channels. It drives awareness and interest among the general real estate procuring public.
Site visits, with a show house where available	This is done periodically. While realtors are independently allowed to take prospects to inspect properties, general inspection programmes are held with the Veritasi team to provide more insight into queries of potential clients.
Trainings & updates for realtors and partners	This is done periodically as refreshers and when details (e.g., pricing or finishing) of units change.
Sustenance campaign	At project completion. Units available are highlighted and promoted with payment plans, seasonal discounts or other competitive plans.
Physical unit allocation campaign	An event. This is done to symbolically hand over house keys to customers. At this point, the new landlords may move in. It is a credibility-building activity.
Close-out campaign	When very few or no units are left, a formal announcement is made. This helps to avoid oversubscription in the realtor network.

Sales Plan

In addition to Veritasi's marketing drive, sales are dependent on its realtor network. We have a live network of over 45,000 realtors through partner realtor groups and associations. In addition to this, sales are made through independent registered realtors and Veritasi staff. To ensure their effectiveness in the market, the realtors undergo regular, rigorous training, covering sales techniques and updates on what we provide through our in-house realtor managers.

Among other rewards and incentives, we partnered with Africa's top business school, Lagos Business School, to deliver real estate-specific courses to high-performing realtors to improve human capital, upskill the realtors. Finally, the realtors serve as an avenue to understand the market and customer expectations, in fulfilment of our customer-centric value.

For each project, we anticipate 20-30% pre-sales (or off-plan sales), 30% at launch and the remaining units spread over the next 18 – 24 months after the project completion, at the worst case.

Beyond this, sales support initiatives are provided for potential customers e.g., payment plans to encourage ease of acquisition, rewards, add-ons, discounts etc. where feasible. Our advisory also provides support in referring mortgage programmes that customers could apply to.

PROFILE OF THE BOARD OF DIRECTORS

Mr. Olumide Onakoya – Chairman

Mr. Olu Onakoya is the Chairman of Veritasi Homes & Properties Plc; he is a distinguished Fellow of the Nigeria Society of Chemical Engineers. Educated at Government College, Ibadan, and the University of Leeds, England, he qualified in 1976. With a career spanning Mobil Oil Nigeria, he achieved milestones as the first Nigerian to win the Mobil Oil Nigeria Chairman's Award in 1992.

His leadership roles included Marketing Director and Chairman/Managing Director of Mobil Oil Nigeria, where he transformed the company into a highly efficient and profitable entity, winning "The Best Company of the Year" award in 2005. In 2004, he became the first Nigerian to head the multinational in its century-long history in Nigeria.

After retiring in 2008, he engaged in strategic business restructuring consulting and actively supports mentoring programs based on shared values of entrepreneurship and integrity. Recognized with awards, he continues to contribute to industry, professional organizations, and the academic community. Married with children and grandchildren, he received accolades such as the Lagos Business School Alumni Association President's Merit Award in 2014 and the Government College Ibadan Old Boys Association National Merit Award in 2015.

Mr. Nola Rilwan Adetola – Managing Director

Adetola Nola is an enterprising and innovative entrepreneur, who has been instrumental in redefining business success in Nigeria. Serving as the Chief Executive Officer of Veritasi Homes and Properties Plc. He is responsible for the strategic management and growth of the Company.

Adetola Nola is a graduate of Chemical engineering from Obafemi Awolowo University. He pursued Real Estate Design, Finance, and Management studies at Harvard Business School in 2022. He furthered his expertise in Project and Infrastructure Finance at London Business School in 2020. Adetola also gained valuable insights into Managerial Finance and Management Techniques through his studies at the London School of Business and Finance in 2019. Additionally, he holds a master's in business administration from the Metropolitan School of Business & Management, acquired between 2019 and 2020. Adetola honed his skills in Strategic Management and Leadership during his time at the Metropolitan School of Business & Management from 2018 to 2019. Lastly, he expanded his knowledge in Strategy and Innovation at Lagos Business School in 2018.

He has well-developed business advisory skills gained from his diverse work experience as an entrepreneur as well as a strong passion for building and mentoring start-up founders. He recently found Nola Business Incubator, one that mentors and funds startup businesses in Nigeria. Adetola Nola was recently featured as a 30 under 30 founder by Forbes Magazine and also, a youth ambassador with ECOWAS.

Through his educational pursuits at these esteemed institutions, Adetola has acquired a strong foundation in business and management principles. This educational background, coupled with his entrepreneurial acumen, has enabled him to excel in his role as an innovative leader, driving growth and creating long-term value for stakeholders within the Nigerian business landscape.

Mr. Yusuf Olanrewaju Oluwatobi – Executive Director

Oluwatobi Yusuff is a director and head of Marketing and Communications at Veritasi Homes and Property Plc. He is a Certified Strategic Manager - Copenhagen Business School and a Shaw Academy Digital Marketing Professional.

He is a member of the Chartered Institute of Marketing (CIM, UK) and has undergone training by the institute and several others including Lagos Business School, Lagos. His personality revolves around solving problems, networking and discovering new opportunities. Oluwatobi has created bespoke media strategies for the brand to stay relevant in a crowded marketplace using simple tactics with a military-style execution. His role as a leader has seen him design and adopt new systems, processes and technology to improve brand equity and market share of the brands he manages.

Driven by a mindset of giving back to society, Oluwatobi is a volunteer with charity organisations, and he is currently a member of the ShoeStoreAfrica team spearheading different shoe giving campaigns across the country. He continually builds his competence in brands and marketing communications, digital marketing innovation and crisis communications to deliver quality.

Mr. Korede Lawrence – Executive Director

Korede Lawrence is a real estate professional with over 18 years real estate experience encompassing the real value chain of residential and commercial spaces.

Over the period he has worked in multiple locations in Nigeria and internationally in reputable companies like Damac UAE, Mixta Africa Nigeria and the William Hill Organization, UK to name a few. An Alumni of the University of Lagos, Nigeria, the De Montfort University Leicester, UK and the Lagos Business School, Nigeria, Korede's educational background is via taught education in the form of Cell Biology and Genetics and Business Administration.

His thirst for continuous improvement has led him to multiple trainings and seminars across the globe. Notable job roles have transverse designations in Marketing, Sales, Business Development, Debt management, and Customer Interaction and Relationship management.

Notable projects under Korede' s watch include but not limited to the Royal Gardens Estate, Ajah, Lagos; Lakowe Lakes Golf & Country Estate, Lagos; Damac Lagoons UAE; Summit Hills Calabar; Sunnyvale Estate Abuja; Damac Nine Elms Bathesea UK; amongst others.

Mr. Famuyiwa Quazeem – Executive Director

Babatunde is an astute accountant with years of experience spanning audit and corporate reporting. He is presently the Chief Operating Officer (COO) of Veritasi Homes and Properties Plc. He spearheads all the day-to-day activities at Veritasi. He manages clients, site operations, consultants, resource management and allocation, realtors, and corporate partners.

He graduated from the Moshood Abiola Polytechnic, Ogun State. He holds several professional certifications in management and corporate administration from reputable institutions worldwide like the Lagos Business School. He attended several training events, conferences, summits and seminars on real estate and leadership in Nigeria, Rwanda, and Dubai, to mention a few. Babatunde is a fellow of the Nigerian Institute of Management (NIM). He has worked in several sectors of the economy, including but not limited to corporate accounting, management, academics, and real estate, among others.

Dr. Angela Ekwem – Independent Non-Executive Director

Dr. Angela is an Independent Non-Executive Director at Veritasi Homes. She has over 34 years of post-call experience, with 25 years spent in active legal practice across commercial, legal, legislative drafting, and dispute resolution sectors. Currently, she is engaged in legal consultancy and family advisory practice. With a Master's Degree in legal and legislative drafting, her work has included collaborating with the Nigerian Army Legal Services, actively participating in the review of the Nigerian Army Act of 1960, and serving in army tribunals and court-martial proceedings. She also served as a resource person on the presidential committee reviewing solid minerals laws and the grant of mining licenses, commissioned by former President Olusegun Obasanjo.

She practiced for four years at the law firm of R.I. Kuku and Co., where she sharpened her skills and expanded her experience. She also ran a successful legal practice at Leo-Libra Associates for seven years before joining E&E Legal as a partner, where she remains. Her services also include advising companies and organizations on legal and regulatory compliance. Additionally, she is a certified family advisor who volunteers as a guidance counsellor and marriage counsellor.

Dr. Nkem Iheanachor – Independent Non-Executive Director

Dr Nkem is a member of the Strategy Group in Lagos Business School (LBS) where he also serves as an Academic Director in the Senior Management Programme as well as a course director in other executive and open-enrolment programs in the school. He holds a Bachelor's degree in Electronic Engineering, a Master of Business Administration degree as well as MPhil and PhD Degrees in Management. He is also a visiting lecturer on the MBA program at the University of Stellenbosch's Business School, Cape Town, South Africa.

He has attended fellowships and faculty development programs in Harvard Business School, Wharton Business School and Robinson College of Business all in the United States of America. He has extensively presented his research in international professional and academic conferences in the United States, Italy, Switzerland, Portugal, South Africa, Ghana, Nigeria, Spain, Kenya, and Rwanda to mention a few. He is currently a member of the worldwide Academy of Management as well as the Academy of Innovation, Entrepreneurship & Knowledge. As a member of the Academy of International Business, he sits on the executive committee as the treasurer of the African chapter. He sits on the editorial boards of the International Journal of Governance and Financial Intermediation and Digital Economics and Innovation ESIC Journal.

He has had prior experience in Banking as a Relationship Manager in the Multilateral, Conglomerates and Private Banking group of Zenith Bank; as an Investment Banker where he was involved in Project Finance, Mergers and Acquisitions and financial advisory engagements and as a consultant where he was involved in business advisory engagements for large multinationals and local corporation.

In the last ten years, he has consulted for well over one hundred private and public sector organizations as well as governments in industries such as banking, insurance, pensions, telecommunications, consumer markets and retail all around Africa. Nkem has extensively consulted in the areas such as growth transformation, strategy execution, corporate restructuring, foreign subsidiary establishment, corporate strategy development, competitive strategy development and blue ocean strategy development.

Nkem is a thought leader and active participant in the Nigerian Financial Inclusion Ecosystem. He leads the Supply-Side workstream of the Sustainable & Inclusive Digital Financial Services Initiative (SIDFS) in LBS aimed at improving financial inclusion in Nigeria through research, capacity building and stakeholder engagement. SIDFS is supported by the Bill & Melinda Gates Foundation (BMGF). He has led different research programs on the adoption of digital financial services (DFS) for financial inclusion. He currently sits on the board of some private sector organizations and also serves as a strategy mentor to several CEOs and top corporations.

Dr. Yinka Opeke – Independent Non-Executive Director

She is a Houston-based International Business Consultant with over 19 years of entrepreneurial experience, establishing and scaling sustainable businesses that impact lives and communities. She is purposeful and dedicated, driven by the resolve to constantly harness her management skills in highly dynamic environments.

She graduated from the University of Ibadan (UI), Nigeria, with a B.Sc. in Geography and M.Sc. in Geographical and Information Systems (GIS). She later proceeded to the United Kingdom to obtain another M.Sc. in Project Management from Queen Mary University of London. In 2018, she bagged a doctorate degree from Walden University, Minnesota, USA, where she specialized in Entrepreneurship and Organizational Leadership. Dr Opeke is PRINCE2 certified and a certified John Maxwell coach, speaker, and trainer. She is privileged to have attended several local and international training & workshops.

Dr. Yinka Opeke is the CEO of Smart Gas, a Nigerian-based tech company operating in the downstream gas sector. Smart Gas is the only technology-driven, app-based platform designed from the ground up for clients to experience a more convenient way to purchase cooking gas, increase transaction efficiency, and optimize user experience from the comfort of their homes. She is also the Founder & CEO of Trade Expo Africa (TEXA). TEXA is a Houston-based company with a focus on promoting Made in Africa products within African countries and the United States. Since its inception in 2017, they have facilitated trade alliances estimated at \$49M between businesses in Africa and the United States. They organize exhibitions, trade shows, and conferences in Houston, availing business owners from different parts of Africa the opportunity to showcase their export-ready products to potential partners in the US.

In June 2022, they launched the first ever eCommerce and warehousing platform in Houston, Texas, to support African business owners with export-ready products in need of access to the US market. They recycle Amazon boxes due to their eco-friendliness, to ship products across the United States.

Mr. Isaac Orolugbagbe – Non-Executive Director

He is a Senior Fellow at the Strategy, Entrepreneurship and SPEB Department of Lagos Business School and an Adjunct Faculty, Strategy & Corporate Governance at Strathmore Business School, Nairobi, Kenya.

His areas of interest include business strategy, innovation and corporate governance. As CEO of Accelstra Limited (a Strategy and Innovation Consulting Company) he advises companies such as Merck KGaA Inland Container Nigeria Limited, SIFAX Group Greenspring's Schools and Courier Plus Services Limited on how to ensure profitable and sustainable growth using innovative principles and techniques and promotion of healthy culture to enable successful execution of business strategies.

For more than 30 years, Isaac has worked successfully at senior levels in diverse industries. These include Audit and Finance, Consulting, Aviation, Air Express Logistics, Freight and Maritime, Oil and Gas, with a keen interest in Entrepreneurship. His indelible footprints can be seen in his roles as Treasury Controller DHL Nigeria, Senior Accountant at Shell Petroleum Development company, Managing Director, Red Star Express Plc, license of Fed Ex Corporation in West Africa (a position he held for 10 years), and CEO Skyway Aviation Handling Company (SAHCO Plc).

Currently, Isaac is Chairman of Boctrust Microfinance Bank Limited, Chairman of Fertilizers Foods and Confectionery Limited, and Board Director for Beta Computers Limited, Park City Homes Limited and IDC Farms Limited. In the past, he served as Director for Thomas Wyatts Plc and Vice-Chairman of Red Star Express Plc. Isaac holds a bachelor's degree from the University of Ife (now OAU) and a Master of Business Leadership from the University of South Africa. He is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants (FCA). He is also a Fellow of the Institute of Directors and a Fellow of the Society for Corporate Governance Nigeria.

Detail Nominee Company – Company Secretary

Detail Nominee Company is the Company Secretarial arm of Detail Commercial Solicitors, a commercial law firm based in Lagos, Nigeria. The firm provides advisory services to Nigerian companies on corporate commercial law, intellectual property, due diligence, regulatory and corporate compliance, corporate secretarial, and fiduciary support. Detail's practice areas are capital markets, finance, corporate & commercial, private equity, infrastructure/public-private partnerships (PPP), energy (power, oil & gas), real estate & construction, technology, intellectual property, media, and entertainment.

Corporate Governance

Veritasi Homes & Properties Plc is firmly committed to effective corporate governance principles and best practices. Veritasi generally operates in line with the principles set out in the SEC's Code of Corporate Governance for Public Companies and the Financial Reporting Council of Nigeria (FRCN) Code of Corporate Governance, to the extent appropriate for the size and nature of its business.

LEADERSHIP TEAM

Veritasi's Board structure comprises four (4) Executive Directors, three (3) Independent Non-Executive Directors, one (1) Non-Executive Director, and the Chairman. In line with best practice, SEC's Code of Corporate Governance for Public Companies and the Financial Reporting Council of Nigeria (FRCN) Code of Corporate Governance, there is a separation of powers between the Chairman of the Board and the Managing Director. The board currently includes four (4) committees, namely;

- Board Strategy and Governance Committee;

- Board Audit and Risk Committee;
- Board Statutory Audit Committee; and
- Board Executive Management Committee.

BOARD MEMBERS COMPOSITION

- **Board Strategy and Governance Committee;**

Name	Designation
Dr Nkem Iheanachor	Chairman
Dr Angela Ekwem	Member
Mr Adetola Nola	Member
Mr Korede Lawrence	Member

- **Board Audit and Risk Committee;**

Name	Designation
Mr Isaac Orolugbagbe	Chairman
Dr Yinka Opeke	Member
Mr Oluwatobi Yusuff	Member

- **Board Statutory Audit Committee;**

Name	Designation
Dr Angela Ekwem	Chairperson
Dr Nkem Iheanachor	Member
Mr Oluwole Kehinde	Member
Mr Egunjobi Daniel	Member
Mr Momoh Sunbomi	Member

- **Board Executive Management Committee;**

Name	Designation
Mr Adetola Nola	Chairperson
Mr Oluwatobi Yusuf	Member
Mr Korede Lawrence	Member
Mr Famuyiwa Quazeem	Member

Responsibilities of the Board

The Board is responsible for ensuring the creation and delivery of sustainable value to the Company's stakeholders by providing strategic direction and oversight for the business. The Board is accountable to the shareholders and is responsible for the management of Veritasi's relationship with its various stakeholders. The matters reserved for the Board include, but are not limited to, defining the Company's business strategy and objectives, formulating risk policies and making decisions on the establishment of foreign subsidiaries. Executive management is accountable to the Board for the development and implementation of these strategies and policies.

Core Duties of Executive and Non-Executive Directors

Both executive and non-executive directors owe fiduciary duties and general duties of skill and care to the Company as a whole. The core duties of the Directors include:

- exercising reasonable skill and care and observing proper standards of market conduct. Directors shall also act in good faith and honesty in carrying out their duties;
- avoiding a conflict of interest between their personal interests and their duties to the Company;

- at all times acting in the Company's best interests and not for any ulterior motive or to benefit themselves or others at the Company's expense;
- having due regard to the interests of the Company's employees;
- ensuring compliance by the Company with all laws and regulations guiding its operations;
- acting with integrity at all times and not engaging in any act that would jeopardize the reputation of the Company; and
- disclosing appropriately any information which requires notification to the statutory authorities.

PROFILE OF THE MANAGEMENT TEAM

Mr. Nola Adetola - Chief Executive Officer /MD (See Board profile above)

Mr. Famuyiwa Quazeem - Executive Director, Operations (See Board profile above)

Mr. Korede Lawrence - Executive Director, Corporate Service (See Board profile above)

Mr. Yusuff Oluwatobi - Executive Director, Marketing & Communication (See Board profile above)

Mr. Saka Babatunde - Chief Finance Officer

Mr. Babatunde is a finance professional with over twenty years of experience, currently serving as the Chief Finance Officer at Veritasi Homes & Properties Plc. He has a strong background in financial reporting and financial reporting analysis.

Prior to joining Veritasi, he was the Chief Finance Officer One17 Capital Limited a Fund/Asset Manager licenced by SEC to provide ethical investments.

He is a graduate of BSc in Accounting, MBA in Finance and Financial Management Services, Associate Chartered Institute of Stockbrokers of Nigeria and a Fellow of the Institute of Chartered Accountant of Nigeria (FCA).

Mr. Isumeh Agwogho – Project Engineer & Manage

Engr. Agwogho Isumeh with a bachelor's degree in Civil Engineering, (B.Eng. Civil) and Master in Project Management (MPM). He is a cooperate member of Nigeria society of Nigeria (MNSE) as well as a registered personal with the Council for the Regulation of Engineering in Nigeria. (COREN).

Engr Ogwogho Isumeh has over 18 years of experience with construction and general civil engineering.

Ms. Yetunde Akintoye – Human Resource Manager

Yetunde is a seasoned professional with extensive expertise spanning management, operations, and human resources. She brings wealth of knowledge and skill to her endeavours. With a cumulative experience of approximately 12 years, she has honed her expertise in human resources and management through hands-on experience and continuous professional development. She has adeptly implemented best practices in talent acquisition, employee engagement, performance management, and organizational development.

Yetunde holds a Higher National Diploma in Office Technology and Management from Yaba College of Technology and is a member of the Chartered Institute of Personnel Management Nigeria (CIPMN), providing her with a strong educational foundation. This academic background, coupled with her extensive practical experience, empowers her with a comprehensive approach to problem-solving and decision-making in the workplace.

Over the course of her career, she has amassed invaluable experience as a Human Resource Manager across a spectrum of industries including events, education, consulting, oil and gas, finance (Capital Market), and is currently the Head, Human Resource at Veritasi Homes and Properties Limited.

Mr. Gabriel Okereke – Head, Legal

Gabriel Okereke is a distinguished legal practitioner with over a decade of professional experience. His career encompasses roles in reputable law firms and as in-house counsel for organizations across various

sectors, including oil and gas, maritime, engineering, procurement and construction, banking, fintech, and securities exchange.

Gabriel has a strong background in advising on high-profile commercial transactions. His expertise extends to contract drafting, negotiation, and providing comprehensive legal advisory services. Known for his keen analytical skills and strategic approach, Gabriel excels in commercial and transactional lawyering.

An astute reader and dedicated professional, Gabriel is a graduate of the University of Nigeria and holds a Master's degree in Law from the University of Ibadan. He is a member of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and the Compliance Institute of Nigeria (CIN). Gabriel is also actively involved in the activities of the Nigerian Bar Association (NBA) Lagos, contributing to the legal community and staying abreast of industry developments.

Gabriel's diverse experience and deep sector knowledge make him a valuable asset to any organization seeking expert legal support. His commitment to excellence and continuous professional development ensures he remains at the forefront of legal practice, ready to deliver successful outcomes for his clients.

Ms. Olamide Bakare – Head, Customer Happiness

Olamide is a dedicated and highly skilled Customer Care Representative, holding a Bachelor's degree in Applied Physics from the Federal University of Technology Akure. Her educational background has endowed her with a solid foundation in problem-solving and analytical skills, which she diligently applies to provide exceptional customer service.

In her role as a Customer Care Representative, Olamide has meticulously refined her verbal and written communication skills to adeptly address customer inquiries and resolve issues with efficiency. She possesses the ability to handle customer interactions with the utmost professionalism, empathy, and a steadfast commitment to a customer-centric approach.

Complementing her customer service expertise, Olamide boasts technical skills that include proficiency in utilizing the Microsoft Office Suite and a keen familiarity with various operating systems, including Windows XP, Vista, WIN7, and MS-DOS. Her dedication to continuous learning is underscored by her certifications in Fundamentals of Digital Marketing from Google and Introduction to Corporate Finance from the Corporate Finance Institute.

Olamide is driven by a deep-seated enthusiasm for delivering top-notch customer service and actively contributing to the success of her organization. Her unique blend of customer-centric skills, technical prowess, and unwavering commitment to ongoing professional development makes her an invaluable asset in the realm of customer care.

Mr. Atilade Ajao – Head, Administrative

Mr Atilade is an Administration/Facility Management Professional with over 20 years working experience and he is currently the Head of Administration for Veritasi Homes and Properties Plc where he oversees Facility Management, Land Bank Security, Compliance and Core Administrative support.

He has led a team of 50 at First World Communities Ltd as Head of Facility Management. Managing 3 Estates for the group, CHOIS Garden Estate with over 320 properties, CHOIS Oasis Estate with 112 apartments and CHOIS City which has over 600 properties, he has also consulted for Maison Managers Limited, an Integrated Facility Management Company with about Eight (8) Estates which has units ranging from 26 apartments to over 100 apartments and was the Facilities and Compliance Manager for Swift Rental Cars Limited, responsibilities included the management of the Commercial Property of the Company. He was also a team member of Corporate Services Department at Trojan Estate Limited, the Department has responsibility for Facility Management and General Services.

He has a solid educational and professional background in project management, contract project and facility management.

Mr. Ifeanyi Justin – Head, Branding and Communications

Justin Ifeanyiichukwu is a dynamic professional in the field of digital communications, known for his creative prowess and strategic thinking. He holds a degree in Microbiology Technology from the prestigious University of Port Harcourt in Nigeria. With a passion for communication and marketing, Justin has carved a niche for himself in the digital realm, making significant contributions to various organizations.

Justin served as the Vice President of Public Relations and Communications for AIESEC Port Harcourt, where he honed his leadership skills and played a pivotal role in enhancing the organization's visibility and reputation. During his time in AIESEC, Justin worked on a variety of projects, gaining valuable experience in public relations and communications.

Justin's commitment to professional development is evident through his certifications in Digital Marketing, Copywriting, Inbound Marketing, and Graphics Design. These certifications have equipped him with a diverse skill set that spans the entire spectrum of digital communication.

As the Head, Branding and Communications at Veritasi Homes, Justin Ifeanyichukwu continues to drive innovation in the field of branding, digital marketing and communications. His passion for storytelling, coupled with his technical expertise, makes him an invaluable asset to the organization.

USE OF PROCEEDS

The Pricing Supplement for each Series or Tranche under the Programme will specify the details of the use of proceeds of that particular Series or Tranche.

RISK FACTORS

Investment in the Bonds involves a certain degree of risk. Accordingly, prospective investors should carefully consider the following risk factors together with all the other information included in this Prospectus before purchasing the Bond. The risks outlined below are by no means exhaustive, and are not the only risks facing the Issuer. Additional risks and uncertainties that are currently considered immaterial may also materially and adversely affect the Issuer in the future, should market conditions significantly deteriorate. Any of the following risks could result in a material adverse effect on the Issuer's financial condition and ability to service its debt obligations, including the Bond.

1. GENERAL RISKS RELATING TO THE BONDS

1.1 Independent Review and Advice:

The Bonds may not be suitable to all investors. Therefore, each prospective investor in the Bonds must determine, based on its independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its investment needs, objectives and condition, that it complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds. A prospective investor may not rely on the Issuer or the Issuing House(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bond or as to the other matters referred to above.

1.2 Change of Law:

The structure as well as the Terms and Conditions of the Bonds are based on Nigerian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Prospectus.

1.3 Modification, waivers, and substitution:

The conditions of the Bonds contain provisions for calling General Meetings of Bondholders to consider matters affecting their general interests. These provisions permit Bondholders holding at least sixty percent (60%) of the aggregate nominal value of the Bonds for the time being outstanding to bind all Bondholders, including Bondholders who did not attend and vote at the relevant General Meeting and Bondholders who voted in a manner contrary to the majority.

1.4 Taxation:

Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek their own tax adviser's advice on their taxation with respect to the acquisition, sale and redemption of the Bonds.

1.5 Credit ratings may not reflect all risks:

The Bonds issued under the Programme will be assigned a rating by the Rating Agency. Independent rating agencies may decide to rate the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.6 The Secondary Market for trading the Securities may not be very liquid:

The Nigerian securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Issuer cannot guarantee that the market for the Bonds will always be active or liquid, for example, the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt

securities among other factors. There is no assurance that the Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

2. RISKS RELATING TO NIGERIA

2.1 Political and regional instability

Oil exportation is the major source of government revenue to Nigeria and Nigeria's major oil-producing area is the Niger Delta region. There has been renewed agitation and militancy in the Niger Delta region, which has substantially affected the country's oil production. Until a lasting solution is found, there will be continued agitation and militant activities in the region, which would continually threaten the oil production and economic activity in the main oil-producing region of Nigeria.

The advent and activities of the insurgent groups introduced a new dimension to armed confrontations with public security forces. Although the Federal Government has recorded tremendous success in eliminating the extremist group and weakening their activities in the Northern region, suicide bombings and indiscriminate attacks on even co-religionists continue to raise serious concerns about the protection of lives and property, sustained attractiveness of Nigeria to foreign investors, and the recovery of the capital market.

Although the political and regional instability has had a material adverse effect on investment and confidence in the performance of the Nigerian economy, the Federal Government has embarked on several initiatives to address the instability and unrest. Parts of these initiatives include frequent engagement with leaders of the South-South region to help in reducing oil pipeline vandalism and oil bunkers and the issuance of a green bond, proceeds of which will be used to revive the region.

In spite of the Federal Government's efforts, continued criminal activity, unrest, and political and religious conflicts in the country may lead, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and impact the Issuer's income.

2.2 Risks related to the economic stability of Nigeria

The current presidential administration has implemented several wide-sweeping political and economic reforms aimed at diversifying Nigeria's economy and increasing macroeconomic stability, whilst promoting a private sector market-driven economy.

Downward pressure on economic stability could develop if reforms stagnate, growth falters, external balance deteriorates from a sharp drop in oil production or prices, and political tensions or violence increase substantially.

2.3 Global prices of oil have a significant impact on the Nigerian economy

As of 2024, Nigeria's crude oil production averages around 1.78 million barrels per day (mbpd), a slight decrease from previous years. The Nigerian National Petroleum Corporation (NNPC) remains optimistic about reaching its target of 2 million barrels per day by year-end. Oil prices continue to be volatile, with the benchmark price for 2024 projected at an average of \$77.96 per barrel. This volatility is largely influenced by global demand, production levels, and geopolitical tensions, particularly in the Middle East and Europe.

While Nigeria remains exempt from certain OPEC production cuts, any significant drop in global oil prices could negatively impact the economy. Despite efforts by the present administration to diversify the economy, oil still accounts for a substantial portion of government revenue. The Nigerian government has continued to peg its budget at a conservative price below the trading average, thereby reducing its exposure to fluctuations in the oil market. However, there are no guarantees that current policies and reforms will successfully mitigate the risks associated with oil price volatility.

2.4 Emerging markets such as Nigeria are subject to greater risks than more developed markets, and financial turmoil in any emerging market could cause the price of the Bonds to decrease:

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the group. Political instability and possible corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems.

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly.

Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Nigeria and adversely affect the Nigerian economy. In addition, during such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Thus, even if the Nigerian economy remains relatively stable, financial turmoil in any emerging market country could adversely affect the Issuer's business, as well as result in a decrease in the price of the Bonds.

3. RISKS RELATING TO THE ISSUER

The Bonds issued by Veritasi Homes & Properties Plc shall be exposed to varied risks that can affect the overall performance of the Bonds. These risks are enumerated below:

3.1 Price Risk

Price risk is the risk of potential losses due to adverse movements in market prices, particularly interest rates. For Veritasi Homes & Properties Plc, fluctuations in market interest rates could impact the value of its bonds. The risk-free rate, determined by the Federal Government, is beyond the control of the Issuer and could increase due to factors like inflation, government borrowing levels, and overall economic conditions. As interest rates rise, the market value of the bonds may decline, potentially affecting their performance and attractiveness to investors. Additionally, the real estate market in Nigeria, influenced by broader macroeconomic factors, can also experience price volatility that may affect the Issuer's operational cash flow and the ability to meet bond obligations.

3.2 Regulatory Risk

Veritasi Homes & Properties Plc is subject to a variety of regulatory frameworks set by the Federal Government and various regulatory agencies, including the Securities and Exchange Commission (SEC), Federal Inland Revenue Service (FIRS), and real estate regulatory bodies. Non-compliance with applicable laws and regulations could lead to sanctions, fines, or penalties that may adversely affect the Company's operations and financial condition.

Additionally, Veritasi's operations are governed by environmental laws and regulations set by regulatory bodies at both the federal and state levels, such as the Federal Ministry of Environment and State Government agencies. These agencies have the authority to halt the Issuer's activities temporarily or permanently if it violates environmental laws or causes environmental damage. This could lead to significant financial penalties or restrictions on the Company's operations.

While the Company prioritizes compliance with environmental, safety, health, and quality standards, there is no assurance of full compliance given the potential for changes in environmental laws, varying interpretations, or the discovery of unforeseen environmental issues. These regulatory risks could result in additional costs, environmental liabilities, and capital expenditures, potentially impacting the Issuer's business operations, profitability, and overall financial performance.

3.3 Interest Rate Risk

Investment in Fixed Rate Bonds carries the risk that fluctuations in market interest rates may adversely impact the value of the Bonds. For holders of fixed-interest securities, such as reset bonds, the uncertainty of interest income due to varying interest rate levels adds another layer of risk.

Any fluctuations in market interest rates could lead to a reduction in net interest income, which would adversely affect the financial condition and operational results of Veritasi Homes & Properties Plc. The Company's financial performance may be further impacted if interest-earning assets and interest-bearing liabilities mature or reprice at different times or amounts.

As interest rates fluctuate, the economic value of the Company's bonds may be compromised. If these risks materialize, they could significantly hinder the Company's financial stability, liquidity, results of operations, and future prospects.

3.4 Foreign Exchange Risk

Foreign exchange risk refers to the exposure of Veritasi Homes & Properties Plc's financial condition to adverse movements in exchange rates. The Company is minimally exposed to the financial risks associated with fluctuations in foreign exchange rates since its revenues and capital expenditures are primarily denominated in Naira (₦), which is both its functional and presentation currency.

A significant change in the exchange rate between the Naira and the US dollar would likely have a negligible impact on the Company's operations, financial position, and cash flows. Currently, Veritasi has not entered into any forward exchange contracts to manage potential currency risk fluctuations. Therefore, while foreign exchange risk exists, it is not deemed to significantly affect the Company's financial performance or operational stability.

3.5 Liquidity Risk

Liquidity Risk is the current or prospective risk to earnings and capital arising from the Company's inability to meet its liabilities when they fall due without incurring unacceptable losses.

Liquidity risk can arise from mismatches between expected inflows from sales and other revenue sources against outflows required for project funding, debt servicing, and repayment obligations. To mitigate this risk, the finance team conducts cash flow forecasting and monitors rolling liquidity forecasts to ensure that the Company has adequate cash to meet operational needs. Additionally, Veritasi ensures compliance with all borrowing limits and covenants related to its financing facilities, safeguarding its financial stability.



RATING ANNOUNCEMENT

GCR affirms Veritasi Homes & Properties Plc's ratings of BBB_(NG)/A3_(NG), Outlook Stable

Rating action

Lagos, 27 June 2025 - GCR Ratings (GCR) has affirmed Veritasi Homes & Properties Plc's national scale long-term and short-term issuer ratings of BBB_(NG) and A3_(NG), respectively, with a Stable Outlook.

Rated entity	Rating class	Rating scale	Rating	Outlook
Veritasi Homes & Properties Plc	Long-term issuer	National	BBB _(NG)	Stable
	Short-term issuer	National	A3 _(NG)	

Rating rationale

The affirmation of Veritasi Homes & Properties Plc's (Veritasi or the company) ratings is supported by its well-established market position within the Nigerian property development sector and diversified income streams which has supported still sound earnings despite recent pressures. Also supportive of the ratings is the company's conservative leverage levels, which although are expected to rise on the back of new projects should remain moderate over the rating horizon as earnings improve. Refinancing risk remains high arising from the persistently high short-term debt which continues to constrain the liquidity position.

Having operated for only seven years, Veritasi has evolved as one of the leading mid-to-large scale property development companies in Nigeria. This is anchored on its diverse product offerings and short cash conversion cycle relative to peers, which have fostered diverse revenue streams and relatively consistent cash flows. The company has delivered over 3,000 housing units (318 units delivered in 2024) since inception. Although this is small relative to peers, a key competitive advantage is that Veritasi has access to a sizeable land bank which provides operating flexibility in terms of monetising land sales or longevity to future projects, or both. The company has a good pipeline of residential building projects, including 232 units with 82 units expected from its proposed EKO Atlantic project, of which 52 units are pre-sold. Over the medium to longer term, Nigeria's huge housing deficit given the growing population and expanding urbanisation, is expected to sustain growth opportunities, while Veritasi may look to also diversify into commercial property via the development of student accommodation in public and private universities across Nigeria to expand its footprint and enhance earnings stability.

The company reported lower, but still sound earnings in financial year 2024, ended 31 December. Revenue declined by 24.6% to NGN20.5 billion (USD13.6 million) in 2024 due to constrained demand for properties, pressurising land sales and construction services. This was attributable to the escalated cost of construction and significant Naira devaluation amid the general inflationary pressures which made property prices more expensive. Similarly, EBITDA fell to NGN2.5 billion, with the margin narrowing to 12.3% in 2024 (2023: 15.8%) due to lower land sales. Nevertheless, earnings compare favourably to peers and Q1 2025 performance indicated a rebound in sales volume, particularly higher margin product. We expect these trends to continue given the broadly more stable economic environment, while cost control initiatives should support a firmer EBITDA margin. Additionally, the company's focus on increasing foreign currency earnings from local off takers and diaspora investments is expected to support earnings stability and mitigate currency risks.

VERITASI HOMES & PROPERTIES PLC

Long-Term Rating:

A⁻

Short Term Rating: A1
Previous Rating: A-
Rating Outlook: Stable
Trend: Even
Currency: Naira
Date Issued: 15 May, 2025
Valid Till: 14 May, 2026

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Turnover	20,522,075	27,228,536	33,022,862	19,488,204	15,006,888
Pre-Tax Profit	2,006,345	3,399,733	11,122,014	2,936,640	1,449,950
Equity	24,439,711	16,806,672	11,454,140	3,791,469	1,793,430
Fixed Asset	16,922,094	21,626,601	568,661	607,768	616,427
Total Asset	45,987,348	44,739,574	22,680,740	9,586,955	6,398,754
Short-term Debt	12,747,822	15,817,236	9,604,705	2,744,617	3,483,824

Rating Explanation

The Short-Term Rating of **A1** indicates *Good Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of **A⁻** indicates *Low Risk*. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has strong ability to meet its ongoing obligations.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors:

- Experienced Management Team
- Strong Liquidity Position
- Good Capital Base
- Diversified Earnings Profile

Negative Rating Factor:

- Concentration Risk

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.



**THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2020**

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTION OF THE BOARD OF DIRECTORS

OF

VERITASI HOMES & PROPERTIES PLC RC1412813

At the meeting of the Board of Directors (the "Board") Of Veritasi Homes & Properties Plc (the "Company") duly convened and held by 12.00PM on 3rd of October 2024 at 8b, Femi Pedro, Parkview Estate, Ikoyi, Lagos the following resolutions were proposed and duly passed:

1. That Veritasi Homes & Properties Plc be and is hereby authorised to register a shelf programme with the Securities and Exchange Commission of an initial size of ₦30,000,000,000 (Thirty Billion Naira) and raise debt capital up to the initial size of ₦30,000,000,000 (Thirty Billion Naira) through the issuance of bonds and/or any other instruments in tranches, series or proportion at such coupon or interest rates, within such maturity periods and on such terms and conditions, by way of book building or such other method determined by the Financial Advisers, subject to obtaining approvals of the relevant authorities;
2. That the executive management be and is hereby authorised to take such further actions and processes necessary to achieving a successful registration of the shelf programme; and
3. That authority be and is hereby given to any of the Directors and Company Secretary to execute all applicable documents, notices, letters or certificates that are, in the opinion of the Issuing House/Financial Adviser, considered necessary for the purpose of registering the shelf programme"

Dated this 3rd day of October 2024

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

**Adetola Nola
MANAGING DIRECTOR**

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

**Yusuff Oluwatobi
DIRECTOR**

Olu Onakoya - Chairman | **Nola Adelola** - Managing Director

Tobi Yusuff - Executive Director | **Korede Lawrence** - Executive Director | **Famuyiwa Quazeem** - Executive Director

Dr Yinka Opeke - Non-Executive Director | **Dr Nkem Iheanachor** - Non-Executive Director | **Mr Isaac Orolugbagbe** - Non-Executive Director
88 Femi Pedro Street, Parkview Estate, Ikoyi, Lagos | +2348079907793 | compliance@veritashomes.com | www.veritashomes.com

House 25, Sunrise Drive,
Fort Royal Estate, Kyari District, Abuja
08109021609 | abuja@docadvisory.com

6B, Ireti Street, Yaba,
P. O. Box 50563, Folorunso, Ikoyi, Lagos.
01-3426673 | info@docadvisory.com



19 August 2025

The Board of Directors
Veritasi Homes & Properties Plc
No 8B, Olufemi Pedro Street
Parkview Estate, Ikoyi
Lagos

and

The Managing Director
Pathway Advisors Limited
13B Anthony Etukudo
Lekki Phase 1
Lagos

Dear Sirs

VERITASI HOMES & PROPERTIES PLC - CONFIRMATION OF GOING CONCERN STATUS

We have audited the financial statements of Veritasi Homes & Properties Plc ("Veritasi") for the year ended 31 December 2024 which were prepared in accordance with International Financial Reporting standards and in the manner required by the Companies and Allied Matters Act (CAMA 2020) and the Financial Reporting Council (FRC) of Nigeria Act, 2011.

Based on our audit of the financial statements of the Company for the year ended 31 December 2024 on which we expressed our opinion on March 2025 and the representation received from the Directors of Veritasi Homes & Properties Plc, nothing has come to our notice that makes us believe that the Company will not continue in operation as a going concern.

Signed

Gospel Chinwe Nwagboso
Engagement Partner
FRC/2020/004/00000021550

For: DoC Advisory. (Chartered Accountants)
August 2025
Lagos Nigeria

21/8/2025
CHIDI OKOROJI
NOTARY PUBLIC
Suite 20B, Entrance 7,
TBS, Lagos.
08037218355
chidiokoroji@gmail.com





21 July 2025

The Managing Director
Veritasi Homes & Properties Plc
8B, Femi Pedro Street,
Parkview Estate,
Ikoyi,
Lagos State.

Dear Sir,

Reporting Accountants' report on the financial statements of Veritasi Homes & Properties Plc (the "Company" or "Veritasi") for the three years ended 31 December 2024 in respect of its NGN30bn proposed bond issuance programme

Report on the financial statements

The financial statements for the year ended 31 December 2022 was audited by Ferdinand Eze & Co, while the financial statements for the two years ended 31 December 2023 and 31 December 2024 were audited by DoC Advisory. These financial statements comprise the statement of financial performance, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, a summary of significant accounting policies, and other explanatory notes.

We have reviewed the audited financial statements for the years ended 31 December 2022, 2023 and 2024 in respect of which the auditors issued unmodified audit opinions and have considered the applicable International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB).

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal controls as the Directors determine necessary to enable the preparation of financial statements that are free from misstatements, whether due to fraud and/or error.

Reporting accountant's responsibility

Our examination of the audited financial statements was conducted in accordance with the "International Standard on Review Engagements (ISRE) 2400 (Revised) – Engagements to Review Historical Financial Statements". This Standard requires that we plan and perform our examination to obtain moderate assurance that the audited financial statements are free from material misstatements. Such moderate assurance provides less assurance than an audit and does not require us to issue an audit opinion. Our examination was based on our review of the auditors' work papers, the evidence obtained, the analytical procedures applied by the auditors in respect of the financial data and Management's representations.

Our conclusion

Based on our review and on the representation letter received from Management of Veritasi Plc for the review period covered, nothing has come to our attention that causes us to believe that the Directors have not presented fairly, in all material respects, the financial statements of Veritasi Homes & Properties Plc including its financial position, financial performance and cash flows for the three years ended 31 December 2024, in accordance with the International Financial Reporting Standards. Where errors were noted, the Directors made reasonable efforts to correct the errors in subsequent years.

Please note that the Directors of Veritasi Homes & Properties are responsible for the contents of the prospectus in which this report is included.

Yours faithfully,

For: Deloitte & Touche

A handwritten signature in blue ink, appearing to read 'Akinola'.

Akinola Akinboboye

Partner

FRC/2017/ICAN/00000016131

Statement of financial position

In millions of Naira	Notes	31 December 2024	31 December 2023	31 December 2022
Non-current assets				
Property and equipment	5	1,300	1,383	556
Long - term investments:				
Land banking	6	11,300	18,191	-
Financial assets	2	4,322	2,053	12
		16,922	21,627	569
Current assets				
Cash and cash equivalents	1	3,038	5,844	3,704
Receivables from clients	3	763	2,734	8,193
Other receivables & prepayment	4	16	39	61
Inventory	7	15,912	14,496	10,154
Work-in-progress	7	9,336	-	-
		29,065	23,113	22,112
Total assets		45,987	44,740	22,681
Current liabilities				
Trade payables	8	5,054	4,419	908
Commercial papers	9	1,642	1,850	4,474
Other liabilities	10	4,345	4,845	664
Tax payable	11	1,707	4,704	3,559
		12,748	15,817	9,605
Equity and long- term liabilities				
Long term liabilities				
Other long-term liabilities	12	7,740	7,740	1,000
Loans	13	1,060	4,375	500
Deposit for shares	14	-	-	122
		8,800	12,115	1,622
Issued & paid-up share capital	14	4,000	2,000	100
Retained earnings	15	15,030	13,665	11,353
Share premium	14	2,000	-	-
Fair value reserve	16	3,410	1,141	1
Total equity		24,440	16,807	11,454
Total liabilities and equity		45,987	44,740	22,681

The summary of accounting policies and the accompanying notes are integral components of these financial statements.

Statement of cash flows

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Cashflow from operating activities			
Profit/(loss) before tax	2,006	3,400	11,122
Add: depreciation and amortisation of non-current assets	90	88	56
	2,096	3,488	11,178
Changes in working capital			
(Increase)/decrease in inventory	(1,416)	(4,342)	(4,627)
(Increase)/decrease in inventory work-in-progress	(2,445)	-	-
(Increase)/decrease in trade receivables and other receivables	1,993	5,481	(5,335)
(Increase)/decrease in trade and other payables	135	7,693	(234)
	363	12,320	982
Tax paid	(141)	(5)	(939)
Net cashflow from operating activities	222	12,315	43
Cashflow from investing activities			
Purchase of fixed assets	(8)	(915)	(6)
Long term investment – financial assets	-	(900)	-
Long term investment – land banking	-	(18,191)	(12)
Net cashflow from investing activities	(8)	(20,006)	(18)
Cashflow from financing activities			
Issue of shares	2,000	1,900	99
Reserves	2,000	(122)	-
Commercial papers issuance	2,352	1,850	10,000
Commercial papers redemption	(2,560)	(4,474)	(5,526)
Loan repayment	(3,316)	(2,262)	(2,029)
Tax savings	(3,497)	-	-
Investment properties	-	2,848	-
Joint venture financing	-	4,893	-
Proceeds from loans	-	5,199	602
Net cashflow from financing activities	(3,021)	9,831	3,146
Net increase in cash/cash equivalent	(2,807)	2,140	3,171
Opening cash and cash equivalent	5,844	3,704	533
Closing cash and cash equivalent	3,038	5,844	3,704
Represented by:			
Cash and cash equivalent	3,038	5,844	3,704

Notes to the financial statements

General Information

Veritasi Homes & Properties Plc ('the Company') is a company incorporated in Nigeria. The Company is involved in the acquisition, development, sales and management of high quality serviced residential properties in the luxury, premium and classic segments of the real estate market in Nigeria. The address of the Company is Plot 8B, Femi Pedro Street Parkview Estate, Ikoyi, Eti-Osa, Lagos.

Management's assessment of internal controls

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

Veritasi Homes & Properties Plc's management assessed the effectiveness of the Company's internal controls within the reporting period. Based on our assessment, we believe that as of 31 December 2024, the Company's internal control is effective. We will continue to work on further strengthening this position.

Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRSIC) interpretations applicable to companies reporting under IFRS as issued by International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, 2020. The financial statements have been prepared under the historical cost convention except for investment properties and equity instruments at fair value through other comprehensive income, which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed. (All amounts are in Naira unless otherwise stated).

Changes in accounting policy 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 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Property, Plant and Equipment: Proceeds before intended use – amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

The amendments to IFRS 16 is not expected to have a significant impact on the financial statements.

Onerous contracts – Costs of fulfilling a contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Constructions Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are “directly related to contract activities”, but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the company.

IAS 41 Agriculture: Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

Classification of liabilities as current or non-current – Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2022.

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Classification of liabilities as current or non-current – Amendments to IAS 1 (cont'd)

The amendments to IAS 1 is not expected to have a significant impact on the financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance contracts

In May 2017, The IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The standard is not applicable to the Company.

Reference to the conceptual framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the conceptual framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of the potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual framework, to determine whether a present obligation exists at the acquisition date.

The amendments of IFRS 3 is not expected to have a significant impact on the financial statements of Veritasi Homes & Properties Plc.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Definition of accounting estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS practice statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

Classification of liabilities as current or non-current: Amendments to IAS 1

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- The meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed. By defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Classification of liabilities as current or non-current: Amendments to IAS 1 (cont'd)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

In July 2021, the Board tentatively decided to defer the effective date of the 2020 amendments to no earlier than 1 January 2024.

The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

Transition

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company.

Except where otherwise stated, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') – Nigerian Naira (NGN). Except otherwise stated, all financial information has been rounded to and presented in millions, resulting in insignificant rounding errors.

Transactions and balances

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

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

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

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

Property, plant and equipment

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

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

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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

The estimated useful lives of the assets are:

Leasehold buildings	Lease terms vary from 5 to 99 years
Plant and machinery	
a) Heavy	5 to 7 years
b) Light	3 to 5 years
Motor vehicles	
a) Commercial	7 to 10 years
b) Passenger	4 to 5 years
Furniture and fittings	3 to 5 years
Computer equipment	3 to 5 years

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

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

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

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

Intangible assets

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)

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

Computer software

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

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

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

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

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

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

Investment properties

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Investment properties (cont'd)

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

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

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

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

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

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

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

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Investment properties (cont'd)

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

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

Impairment of non-financial assets

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that their carrying value may not be recoverable. If such indication exists and where carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Recoverable amounts are determined as the higher of fair value less costs to sell or value in use.

Impairment losses and the reversal of impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Financial instruments – recognition and subsequent measurement

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

Financial assets

Initial recognition

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

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

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Recognition and measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

Derecognition

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

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

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

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Derecognition (cont'd)

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company have retained.

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

Impairment of financial assets

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

- Disclosures for significant assumptions
- Trade receivables and other financial assets Note 20

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

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

Significant increase in credit risk

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Significant increase in credit risk (cont'd)

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased. For receivables from related parties (non-trade), and short-term deposits, the Company apply general approach in calculating ECLs. It is the Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Trade and other payables

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

Derecognition

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

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

Financial guarantee contracts

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

The fair value of a financial guarantee contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument and the net contractual cash flows that would have been required without the guarantee. Cost incurred on financial guarantee contracts is usually expensed and reported in the Statement of Profit or Loss, where no asset is recoverable in the course.

Offsetting financial instruments

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

Borrowings

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Inventories

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

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

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

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

The valuation of the inventories was carried out by an independently appointed asset valuer Deloitte Nigeria, who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of the inventories valued.

Cash, cash equivalents and bank overdrafts

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

Borrowing costs

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

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

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

Provisions

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Provisions (cont'd)

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

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

Share capital

Ordinary shares are classified as equity

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

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

Current and deferred income tax

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

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

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

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Current and deferred income tax (cont'd)

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

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

Employee benefits

(a) Defined contributory schemes

The defined contribution plan the Company has for its employees is a statutory pension scheme.

Pension scheme

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

Short-term benefits

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

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

Termination benefits

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Employee benefits (cont'd)

(b) Profit-sharing and bonus plans

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

Revenue from contracts with customers

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

- Sales of goods - Sale of property stock
- Facilities management services provided to the customer: rendering of services - Management fees and service charge surcharge

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

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

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

Sales of goods - sale of property stock

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

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

Significant financing component

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Revenue from contracts with customers (cont'd)

Contract balances:

Trade receivables

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

Contract liabilities

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

Leases

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

Company as a lessee

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

Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

Short-term leases

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

Notes to the financial statements

Summary of significant accounting policies (cont'd)

Company as a lessor

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

Dividend distribution

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

Financial risk management

Financial risk factors

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

Market risk

Foreign exchange risk

There are no material exposure to recognised assets and liabilities as the Company has no investments in foreign operations.

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

Price risk

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

Interest rate risk

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

Credit risk

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

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

Notes to the financial statements

Financial risk management (cont'd)

Trade receivables

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

Deposits with banks and other financial institutions

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

Impairment losses

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 20, 21 and 26. The Company does not hold collateral as security.

For trade receivables, finance lease receivables and contract assets, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience, based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Notes to the financial statements

Financial risk management (cont'd)

Trade receivable (cont'd)

Other receivable impairment if any:

The directors of the Company always measure the loss allowance of amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts.

Set out below is the information about the credit risk exposure on the Company's trade receivables as at 31 December 2024, 2023 and 2022 using a provision matrix:

	31 December 2024	31 December 2023	31 December 2022
Gross amount			
Past due 0 – 30 days	381,950,073	1,476,354,570	5,419,355,500
Past due 31 – 180 days	152,258,596	593,087,267	1,834,243,400
Past due 181 – 365 days	117,576,747	458,179,004	740,421,700
More than 365 days	-	-	66,749,400
	651,785,416	2,527,620,841	8,060,770,000
	31 December 2024	31 December 2023	31 December 2022
Provisions			
Not past due 0 – 30 days	7,639,001	29,527,091	108,387,110
Past due 31 – 180 days	6,090,344	23,723,491	73,369,736
Past due 181 – 365 days	8,230,372	32,072,530	51,829,519
More than 365 days	-	-	10,012,410
	21,959,718	85,323,112	243,598,775

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss measurement - other financial assets

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

Notes to the financial statements

Financial risk management (cont'd)

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

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

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

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

The Company considers a financial asset in default when contractual payments are 3 months past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

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

Impairment allowance for financial assets under the general approach

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

Notes to the financial statements

Financial risk management (cont'd)

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

Impairment allowance for financial assets under the general approach (cont'd)

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

Liquidity risk

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

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

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

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

Capital risk management

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

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

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

Notes to the financial statements

Financial risk management (cont'd)

Capital risk management (cont'd)

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

No formal debt equity target has been established.

Fair value estimation

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

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

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

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

Significant accounting judgements, estimates and assumptions

Significant estimates

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

Significant judgements

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

Revenue from contracts with customers

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

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

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

Notes to the financial statements

Revenue from contracts with customers (cont'd)

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

Determining the timing of satisfaction of sales of property stock

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

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

Estimates and assumptions

Financial instruments

Provision for expected credit losses of trade receivables

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

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

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

Impairment losses on intercompany receivables and short term deposits

The measurement of impairment losses under IFRS 9 requires estimates are driven by a number of factors, changes which can result in different levels of allowances.

Notes to the financial statements

Significant accounting judgements, estimates and assumptions (cont'd)

Impairment losses on intercompany receivables and short term deposits

The Company's ECL calculations are outputs of general approach used by considering a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, Gross Domestic Products and inflation rate, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Useful lives for property, plant and equipment

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

Segment analysis

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

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at 31 December 2024, Veritasi Homes' operations comprised two main business segments which are Property Development, Sales & Management and Hospitality Services.

Property development, sales & management – Veritasi Homes' main business is the acquisition, development, sales and management of high quality serviced commercial and residential properties in the Highbrow and Middle Income segments of the real estate market in Nigeria. The Company approaches property planning from the customers' perspective to create comfortable living/working environments.

The following measures of performance are reviewed by the Exco:

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

Notes to the financial statements

Significant accounting judgements, estimates and assumptions (cont'd)

	31 December 2024	31 December 2023	31 December 2022
Revenue			
Land	9,047,263,218	11,378,991,250	15,513,809,000
Building	11,204,121,249	14,480,164,250	14,993,600,000
Services	270,690,447	1,369,380,764	2,515,453,953
	20,522,074,913	27,228,536,264	33,022,862,953
Profit before interest & taxes	2,742,263,162	4,454,953,746	12,512,717,919
Profit before tax	2,006,344,705	3,399,733,365	11,122,014,134
Net current asset	16,317,431,419	7,295,737,537	11,607,373,673
Property, plant & equipment	1,300,453,995	1,382,686,586	556,459,489

Notes to the financial statements

1. Cash and cash equivalents

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Cash	0.48	0.64	0.29
Demand deposit	2,926	5,844	1,997
Short term deposits	112	-	224
	3,038	5,844	2,222
Near cash investments	-	-	1,483
Cash & cash equivalent per statement of cash flows	3,038	5,844	3,704

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

Breakdown of bank balances

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Globus	0.35	0.27	0.27
Providus	2,126	5,573	1,773
FCMB	20	33	23
GTB	79	44	198
Zenith	1	4	1
Stanbic	30	0.15	-
Keystone	545	161	0.09
Polaris	3	3	-
Payaza	99	5	-
Parallex Bank	24	20	2
	2,926	5,844	1,997

2. Financial assets

The company's financial holdings include assets classified as fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Available for Sale			
Equity securities – Listed	8	7	6
Equity securities – Unlisted	4,314	2,046	6
	4,322	2,053	12

Notes to the financial statements

2. Financial assets (cont'd)

Equity securities - listed

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Carrying value as at 1 January	7	6	5
Addition	-	-	-
Disposal	-	-	-
Accumulated impairment (loss)/gain	-	-	-
Fair value gain/(loss)	1	1	1
Carrying value 31 December	8	7	6

Equity securities - Unlisted

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Fair value through profit or loss			
Carrying value as at 1 January	2,046	6	6
Additions during the year	-	900	-
Disposal during the year	-	-	-
	2,046	906	6
Fair value gain/(loss)	2,268	1,140	-
Carrying value 31 December	4,314	2,046	6

In the year 2022, Veritasi Homes & Properties Plc acquired 300,000,000 ordinary shares of N0.50k each at N3 each in Providus Bank Limited.

As of 31 December 2023, these shares were carried in the books at their fair value of N6.80 per share, resulting in a total valuation of N2,040,000,000.

As of 31 December 2024, the fair value of these shares has increased to N14.36 per share, bringing the total valuation to N4,308,000,000.

This represents an appreciation in value of N7.56 per share, or an overall increase of N2,268,000,000 in the fair value of the investment.

The fair value of unquoted financial instruments was assessed using fair value through profit and loss methodology conducted by Pathway Advisors Limited.

3. Receivables from client

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Receivables – Third parties	652	2,528	8,061
Receivables – Related parties	48	48	277
	700	2,576	8,337
Impairment – Third parties	(22)	(85)	(244)
Impairment writeback	85	244	99
	763	2,734	8,193

Notes to the financial statements

3. Receivables from client (cont'd)

Receivables distribution as per projects are shown below

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Itunnu Hills	532	-	-
Itunnu City	-	280	2,995
Camberwall Court 1	-	105	236
Camberwall Advantage 3	-	371	538
Camberwall Advantage 4	38	225	1,752
Camberwall Advantage 5	82	328	1,536
Camberwall Advantage 5 annex	-	861	361
Itunu clusters	-	375	919
	652	2,545	8,337

The aging of third parties receivables at the reporting date was:

Impairment

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Gross amount			
Past due 0 – 30 days	382	1,476	5,419
Past due 31 – 180 days	152	593	1,834
Past due 181 – 365 days	118	458	740
More than 365 days	-	-	67
	652	2,528	8,061

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Provisions			
Not past due 0 – 30 days	8	30	108
Past due 31 – 180 days	6	24	73
Past due 181 – 365 days	8	32	52
More than 365 days	-	-	10
	22	85	244

Notes to the financial statements

3. Receivables from client (cont'd)

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Carrying Amount			
Not past due 0 – 30 days	374	1,447	5,311
Past due 31 – 180 days	146	569	1,761
Past due 181 – 365 days	109	426	689
More than 365 days	-	-	57
	630	2,442	7,817

4. Other receivables & prepayment

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Prepaid rent	13	13	13
Prepaid site security salary	3	4	4
Prepaid utility	-	0.09	0.05
Staff debtors	-	22	43
	16	39	61

A trade receivable is written off when there is objective evidence indicating that the debtor is experiencing severe financial distress and recovery is no longer feasible. This includes instances where the debtor has been placed into liquidation, entered bankruptcy proceedings, or when the receivable has been outstanding for more than two years, whichever occurs first.

Notes to the financial statements

5. Property plant & equipment

In millions of Naira	Motor vehicle	Office equipment	Furniture & fittings	Land & buildings	Plant & machinery	Total value
Cost						
As at 1 January, 2022	120	16	38	542	47	762
Additions	-	5	1	-	-	6
Disposal	-	-	-	-	-	-
Balance as at 31 December 2022	120	21	39	542	47	768
Additions	28	27	98	697	64	915
Disposal	-	-	-	-	-	-
Balance as at 31 December 2023	148	48	137	1,239	111	1,683
Additions	-	8	-	-	-	8
Disposal	-	-	-	-	-	-
Balance as at 31 December 2024	148	56	137	1,239	111	1,691

In millions of Naira	Motor vehicle	Office equipment	Furniture & fittings	Land & buildings	Plant & machinery	Total value
Accumulated depreciation						
As at 1 January, 2022	75	10	24	33	12	156
Disposal	-	-	-	-	-	-
Charge for the year	30	4	8	11	5	57
Balance as at 31 December 2022	104	14	32	44	17	212
Disposal	-	-	-	-	-	-
Charge for the year	28	7	21	25	8	89
Balance as at 31 December 2023	132	21	53	69	26	301
Disposal	-	-	-	-	-	-
Charge for the year	15	11	27	25	11	90
Balance as at 31 December 2024	148	32	80	94	37	391

Notes to the financial statements

5. Property plant & equipment (cont'd)

In millions of Naira	Motor vehicle	Office equipment	Furniture & fittings	Land & buildings	Plant & machinery	Total value
Carrying value						
As at 31 December, 2022	15	7	7	498	30	556
As at 31 December, 2023	15	27	85	1,170	86	1,382
As at 31 December, 2024	0	23	57	1,145	75	1,300

6. Long-term investments

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Investment Properties	11,300	18,191	-
	11,300	18,191	-

Schedule of investments

Property name	Acquisition period	Size	Cost
Idera	2022	15 hectares	1,300,000,000
New Land – Veritasi	2021 – 2023	25 hectares	2,500,000,000
Amen state	2023	40 hectares	5,000,000,000
Banana Island projects	2022	2,725.85 square meters	4,800,000,000
Osborne projects	2021	2,917.74 square meters	2,500,000,000
Eko Atlantic projects	2023	2400 square meters	2,091,000,000
			18,191,000,000

Transfer to inventory work-in-progress

Property name	Acquisition period	Size	Cost
Banana Island projects	2022	2,725.85 square meters	(4,800,000,000)
Eko Atlantic projects	2023	2400 square meters	(2,091,000,000)
			11,300,000,000

Notes to the financial statements

7. Inventory

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Lands	9,463	6,844	6,395
Buildings	6,449	7,652	3,759
	15,912	14,496	10,154

All inventory is carried at the lower of cost or net realisable value for all reported periods.

Deferred commissioning cost represents expenses incurred to fulfill contractual sales obligations with customers. These costs include infrastructure development, surveys, beacon installations, design consultancy fees, and statutory charges. They have been reliably estimated and will be periodically reassessed and revalued to reflect prevailing economic conditions.

Inventory schedule

Estates		Unsold Units	Cost/Per Unit	Total Value
	2024			
Itunu city				
	300Sqm	75	7,425,000	556,875,000
	500Sqm	89	13,500,000	1,201,500,000
	1000Sqm	-	-	-
Itunu hills				
	300Sqm	96	6,150,000	590,400,000
	500Sqm	99	9,055,000	896,445,000
	1000Sqm	84	35,000,000	2,940,000,000
Itunu residential				
	300Sqm	44	11,418,000	502,392,000
	500Sqm	140	19,895,000	2,775,352,500
				9,462,964,500
Camberwall advantage 5				
	4-bedroom terrace	16	130,000,000	2,080,000,000
Camberwall advantage 5 annex				
	2-bedroom	47	58,500,000	2,749,500,000
	3-bedroom apartment	-	91,000,000	-
Camberwall advantage 4				
	2-bedroom	25	40,625,000	1,015,625,000
	3-bedroom penthouse	1	53,625,000	53,625,000
Camberwall advantage 3				
	2-bedroom maisonette			
	2-bedroom apartment	2	52,000,000	104,000,000
	3-bedroom maisonette	3	78,000,000	234,000,000
	4-bedroom penthouse			-

Notes to the financial statements

7. Inventory (cont'd)

Inventory schedule (cont'd)

Estates		Unsold Units	Cost/Per Unit	Total Value
Camberwall advantage 2				
	2-bedroom apartment	-	28,600,000	-
	3-bedroom apartment + BQ	-	52,000,000	-
	2-bedroom maisonette			-
	1 bedroom maisonette	2	77,000,000	154,000,000
Camberwall advantage 1				
	2-bedroom apartment	2	29,250,000	58,500,000
	3-bedroom apartment	-	48,750,000	-
				6,449,250,000
	2023			
Itunu city				
	300Sqm	96	7,425,000	712,800,000
	500Sqm	126	13,500,000	1,701,000,000
	1000Sqm	-	-	-
Itunu residential				
	300Sqm	77	11,418,000	879,186,000
	500Sqm	179	19,895,000	3,551,257,500
				6,844,243,500
Camberwall advantage 5				
	4-bedroom terrace	20	130,000,000	2,600,000,000
Camberwall advantage 5 annex				
	2-bedroom	48	58,500,000	2,808,000,000
	3-bedroom apartment	10	91,000,000	910,000,000
Camberwall advantage 4				
	2-bedroom	25	40,625,000	1,015,625,000
	3-bedroom penthouse	1	53,625,000	53,625,000
Camberwall advantage 3				
	2-bedroom maisonette			
	2-bedroom apartment	2	52,000,000	104,000,000
	3-bedroom maisonette	3	78,000,000	234,000,000
	4-bedroom penthouse			
Camberwall advantage 2				
	2-bedroom apartment	(10)	28,600,000	(286,000,000)
	3-bedroom apartment + BQ	-	52,000,000	-
	2-bedroom maisonette			-
	1 bedroom maisonette	2	77,000,000	154,000,000
Camberwall advantage 1				
	2-bedroom apartment	2	29,250,000	58,500,000

Notes to the financial statements

7. Inventory (cont'd)

Inventory schedule (cont'd)

Estates		Unsold Units	Cost/Per Unit	Total Value
	3-bedroom apartment	-	48,750,000	-
				7,651,750,000

Inventory work-in-progress

		2024
Banana Island project		
	Transfer from long-term investment	4,800,000,000
	Pre-construction cost	287,644,000
	Deal Makers Energy - construction	1,120,300,000
	Black Diamonds - construction	200,000,000
	Kodak Construction Company	500,000,000
		6,907,944,000
Eko Atlantic project		
	Transfer from long-term investment	2,091,000,000
	Pre-construction cost	336,888,200
		2,427,888,200
Banana Island project		6,907,944,000
Eko Atlantic project		2,427,888,200
		9,335,832,200

8. Trade Payables

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Payable to vendors (current accounts)	704	3,974	634
Clients' accounts	4,349	445	274
	5,053	4,419	908

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

Clients' accounts constitute deposits made by clients for the purchase of properties. These deposits are not considered sales yet because of one or some of the following reasons:

- The depositor is yet to be identified.
- The client has not met all the requirements for the deposit to be considered as a sale.
- The total deposit by the client has not met the threshold to be considered as a sale.
- A client account is in reconciliation.

Notes to the financial statements

9. Commercial Paper

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Series 1	-	-	2,526
Series 2	-	-	3,000
Series 3	-	1,000	1,000
Series 4A	-	700	700
Series 4B	-	2,774	2,774
Series 5	686	686	-
Series 6A	638	638	-
Series 6B	525	525	-
Series 7	711	-	-
Series 8A	830	-	-
Series 8B	687	-	-
Series 8C	124	-	-
	4,202	6,324	10,000
Redemption of commercial paper			
Series 1	-	-	(2,526)
Series 2	-	-	(3,000)
Series 3	-	(1,000)	-
Series 4A	-	(700)	-
Series 4B	-	(2,774)	-
Series 5	(686)	-	-
Series 6A	(638)	-	-
Series 6B	(525)	-	-
Series 7	(711)	-	-
	(2,560)	(4,474)	(5,526)
	1,642	1,850	4,474

10. Other liabilities

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Audit fees	8	5	5
*Bank overdraft	1,217	1,224	500
Reconciliation account	222	710	85
Investment properties	2,848	2,848	65
Pension payable	-	3	3
PAYE	-	0.04	0.06
Realtor fees	-	26	-
Accrued expenses	51	29	6
	4,345	4,845	664

Notes to the financial statements

10. Other liabilities

***Bank overdraft**

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Keystone (main) OD	(1,217)	(983)	(500)
Globus-1000084779	-	(241)	-
	(1,217)	(1,224)	(500)

The Keystone bank OD facility was secured in March 2023 with an annual interest rate of 23%. The Keystone bank limit is N1bn. The Globus facility is a one-year loan obtained in June 2023, carrying an annual interest rate of 22%. Its purpose is to partially finance the development of the Camberwall Advantage 5 project.

****Investment properties**

Property name	Cost	Amount Paid	Due after more than one year (2025)	Total Due
Idera	1,300,000,000	650,000,000	325,000,000	650,000,000
New Land – Veritasi	2,500,000,000	2,000,000,000	250,000,000	500,000,000
Amen state	5,000,000,000	1,500,000,000	1,750,000,000	3,500,000,000
Eko Atlantic Projects	2,091,000,000	1,045,500,000	522,750,000	1,045,500,000
	10,891,000,000		2,847,750,000	5,695,550,000

11. Tax payable

i. Statement of financial position

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Balance as at 1 January	4,704	3,559	939
Charge for the period	642	1,088	3,559
Additional assessment 2022	-	62	-
Reserves	(3,497)	-	-
Paid during the period	(141)	(5)	(939)
	1,707	4,704	3,559

ii. Income statement

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Provision			
Company income tax	602	1,020	3,337
Education tax	40	68	222
	642	1,088	3,559

Notes to the financial statements

11. Tax payable (cont'd)

Deferred Tax Balance Reclassification

Following the tax audit exercise on the financial statements for the year ended 31 December 2022, which was conducted in 2024, the Company has reassessed the treatment of the deferred tax balance previously recorded in the tax account.

As a result of this reassessment, the Company has determined that the deferred tax balance should be considered as a savings, reflecting its impact on future tax obligations. This reclassification aligns with the Company's financial strategy and recognize the deferred tax balance as a component of retained earnings within equity.

This adjustment does not affect the cash flow position of the Company but enhances the transparency of tax-related balances in the financial statements. The reclassification is in accordance with applicable accounting standards and does not result in any material changes to the previously reported tax expense or liabilities.

Management will continue to review deferred tax positions in line with changes in tax regulations and financial reporting requirements to ensure compliance and accuracy in financial disclosures.

12. Other long-term liabilities

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Working capital introduction	-	1,000	1,000
Investment properties	2,848	2,848	-
*Jurassique Investment Limited	4,893	4,893	-
**Issue of shares	-	(1,000)	-
	7,740	7,740	1000

*These funds represent the capital secured and allocated for the development of the Banana Island project, as outlined in the Joint Venture agreement between Veritasi Homes & Properties Plc and Jurassique Investment Limited.

**After the Board's decision during their general meeting, the Directors opted to acquire 1 billion ordinary shares as repayment for the working capital introduced.

13. Loans

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
S & S Investments	700	1,700	-
Globus Bank	-	-	500
Providus Bank	3,676	4,000	-
	4,375	5,700	500
Loan Repayment	(3,316)	(1,324)	-
	1,060	4,375	500

Notes to the financial statements

13. Loans (cont'd)

The S & S facility is a term loan obtained in July 2023, carrying an annual interest rate of 30%. The funds are to be applied towards the payment of contractors/vendors, salaries and other statutory remittances.

A term loan of 4 billion Niara was secured in February 2023 with an annual interest rate of 22% to fund the construction of Camberwall Advantage 5.

14. Share capital & reserves

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Authorised share capital	4,000	4,000	100

a) Issued & paid up capital

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Balance as at 1 January	2,000	100	1
Issued during the period	2,000	1,900	99
	4,000	2,000	100

b) Reserves

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Deposit for shares	-	122	122
Share premium	2,000	-	-
Issue of shares	-	(122)	-
	2,000	0	122

Following the Board of Directors meeting held on 27 May 2024, Veritasi Homes & Properties Plc approved a share split of its 4 billion ordinary shares of N1 each into shares of N0.50k each. As a result of this corporate action; the total number of shares doubled to 8 billion ordinary shares of N0.50k each. These newly split shares were reissued at a premium of N0.25 per share, making the total reissuance price N0.75 per share.

15. Retained earnings

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Balance as at 1 January	13,665	11,353	3,790
Profit/(loss) during the period	1,364	2,312	7,563
	15,030	13,665	11,353

Notes to the financial statements

16. Fair value reserve

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Balance as at 1 January	1,141	1	-
Gain/(loss) during the period	2,269	1,140	1
	3,410	1,141	1

17. Revenue

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Sales – serviced plots	7,821	10,358	13,403
Sales – building	9,510	7,892	6,238
Sales – deed	766	684	3
Sales – survey	460	337	2,108
Development fees	270	1,369	688
Construction	1,694	6,589	8,756
Sales – others (change of name)	0.33	1	1,828
	20,522	27,229	33,023

The average credit period for sales of goods is 180 days, with no interest charged on outstanding trade receivables. The Company measures the loss allowance for trade receivables based on the lifetime expected credit loss (ECL) model.

Expected credit losses are estimated using a provision matrix, which considers the debtor's historical default patterns, current financial position, industry-specific economic conditions, and both current and forecasted macroeconomic trends.

In line with historical experience indicating low recoverability, the Company has recognised a 100% loss allowance on all receivables that are more than 180 days past due.

Sales distribution per estate and per product

Estates		Units	Sales price	Total Value
2024				
Itunu city				
	300Sqm	34	28,000,000	952,000,000
	500Sqm	47	37,000,000	1,739,000,000
	1000Sqm	-	-	-
Itunu hills				
	300Sqm	59	18,000,000	1,062,000,000
	500Sqm	67	30,000,000	2,010,000,000
Itunu residential				
	300Sqm	33	21,000,000	693,000,000
	500Sqm	39	35,000,000	1,365,000,000
				7,821,000,000

Notes to the financial statements

17. Revenue (cont'd)

Sales distribution per estate and per product (cont'd)

Estates	Units	Sales price	Total Value
Camberwall advantage 5			
4-bedroom terrace	19	290,000,000	5,510,000,000
Camberwall advantage 5 annex			
3-bedroom apartment	20	200,000,000	4,000,000,000
			9,510,000,000

Estates	Units	Sales price	Total Value
2023			
Itunu city			-
	300Sqm	89	21,000,000
	500Sqm	148	32,000,000
	1000Sqm	4	100,000,000
Itunu residential			-
	300Sqm	58	21,000,000
	500Sqm	61	35,000,000
			10,358,000,000
Camberwall advantage 5			
4-bedroom terrace	9	200,000,000	1,800,000,000
Camberwall advantage 5 annex			
3-bedroom apartment	8	140,000,000	1,120,000,000
Camberwall advantage 4			
2-bedroom	11	62,500,000	687,500,000
Camberwall advantage 3			
2-bedroom maisonette			
2-bedroom apartment	8	80,000,000	640,000,000
3-bedroom maisonette	14	120,000,000	1,680,000,000
4-bedroom penthouse			
Camberwall advantage 2			
2 bedroom apartment	6	44,000,000	264,000,000
3-bedroom apartment + BQ	10	80,000,000	800,000,000
2-bedroom maisonette			-
1-Bedroom maisonette			
Camberwall advantage 1			
2-bedroom apartment	5	45,000,000	225,000,000
3-bedroom apartment	9	75,000,000	675,000,000
			7,891,500,000

Notes to the financial statements

18. Cost of sales

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Cost – Land	7,137	9,158	5,237
Cost – Deed	881	1,198	1
Cost – Survey	356	277	1,044
Cost – Direct commission	1,092	2,007	1,972
Cost – Indirect commission	338	642	575
Cost – Realtors events	129	193	1,052
Cost – Discounts	411	294	183
Cost – Building construction	6,283	7,897	9,205
	16,628	21,666	19,270

19. Other income

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Other income	7	9	23
	7	9	23

20. Finance income

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Interest received	231	77	65
Less interest expenses	-	-	-
	231	77	65

21. Finance cost

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Finance charge	382	829	135
Commercial papers - Discount	348	218	1,149
Commercial papers – issue Cost	5	8	106
	736	1,055	1,391

Notes to the financial statements

22. Personnel expenses

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Salaries and wages	493	452	249
Productivity allowances	15	21	22
Staff welfare - HMO	5	5	9
Staff welfare – palliatives	-	-	9
Employer pension			
Contribution	27	28	20
NSITF	5	3	2
ITF	5	3	0
Staff training	26	16	13
	576	527	325
Directors' Emoluments			
Directors' fees	31	15	300
Sitting allowances	10	4	72
	617	547	697

Salaries Breakdown

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Direct labour (wages)	384	353	194
Indirect labour	108	99	55
	493	452	249
Average number of full-time employees	25	27	18
Average number of direct labour	33	29	23
Average total employees	58	56	41
Average cost of full-time employee	4,335,956	3,683,279	3,038,238
Average cost of direct labour	11,646,162	12,158,284	8,430,210
Average cost of labour	8,495,211	8,072,121	6,063,003

The schedule below displays the count of employees (excluding directors) whose monthly earnings are within the specified range:

N150,000 – N300,000	8	11	9
N301,000 – N450,000	15	13	9
N451,000 – N650,000	21	19	11
N651,000 – Above	14	13	6
	58	56	35

Notes to the financial statements

23. Depreciation

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Motor vehicles	15	28	30
Office equipment	11	7	3
Furniture and fittings	27	21	8
Building	25	25	11
Plant and machinery	11	8	5
	90	89	56

24. Other operating expenses

In millions of Naira	31 December 2024	31 December 2023	31 December 2022
Audit fees	8	5	5
Motor vehicle & running expenses	88	53	8
Rent and rates	7	7	19
Printing and stationery	18	14	11
Advertisement and marketing	125	171	109
Impairment	22	85	244
Impairment writeback	(85)	(244)	(99)
Generator, electricity & water	99	79	17
Entertainment	41	40	14
Insurance premium	5	7	3
Professional fees	35	26	8
General staff expenses	8	7	14
Transport and traveling	65	57	39
Research and development	10	6	16
Subscription	3	3	4
Bank charges and commission	10	7	9
Postages and telephone	22	17	9
General office expenses	68	89	65
Gift and donations	-	5	-
Internet fees	16	16	5
Legal fee	29	33	14
Repairs and maintenance	30	21	21
Welfare expenses	7	4	1
Public / business relations	55	48	41
	683	558	575

25. Retained earnings

Retained earnings represent net accumulated result over the years.

FINANCIAL INFORMATION OF THE ISSUER

Income Statement as of 31st December:

Income Statement	2020	2021	2022	2023	2024
Revenue	15,006,888,200	19,488,204,657	33,022,862,953	27,228,536,264	20,522,074,913
Cost of Sales	(12,212,814,448)	(15,351,922,924)	(19,269,990,270)	(21,665,725,652)	(16,627,783,629)
Gross Profit	2,794,073,752	4,136,281,733	13,752,872,683	5,562,810,612	3,894,291,284
Other income	50,000	976,715	23,102,660	8,644,709	6,974,415
Personnel expenses	(414,461,561)	(386,882,630)	(324,723,354)	(546,812,965)	(616,605,808)
Other operating expenses	(834,003,182)	(727,150,321)	(938,951,646)	(557,702,822)	(683,496,226)
EBITDA	1,545,659,009	3,023,225,497	12,512,300,343	4,466,939,534	2,601,163,665
Depreciation	(45,944,384)	(56,173,134)	(57,389,134)	(88,592,253)	(90,032,591)
EBIT	1,499,714,625	2,967,052,363	12,454,911,209	4,378,347,281	2,511,131,074
Finance Income	15,728,416	30,329,105	64,549,433	76,606,464	231,132,087
Finance Cost	(65,493,486)	(60,741,279)	(1,390,703,785)	(1,055,220,381)	(735,918,456)
Profit before Tax	1,449,949,555	2,936,640,189	11,128,756,857	3,399,733,364	2,006,344,705
Income tax expense	(463,064,970)	(938,601,398)	(3,560,054,412)	(1,087,914,677)	(642,030,306)
Profit for the Year	986,884,585	1,998,038,791	7,568,702,446	2,311,818,687	1,364,314,399

Statement of Financial Position as of 31st December

Financial Position	2020	2021	2022	2023	2024
Non- Current Assets					
Property and equipment	616,426,756	607,768,623	556,459,489	1,382,686,586	1,300,453,995
Long term Assets			12,201,198	20,243,914,289	15,621,639,755
Total NCA	616,426,756	607,768,623	568,660,687	21,626,600,875	16,922,093,750
Current Assets					
Cash and cash equivalents	195,367,314	533,425,917	3,704,393,106	5,844,311,882	3,037,729,894
Financial Assets	9,319,370	11,500,272	-	-	-
Trade Receivables	2,408,522,625	2,849,651,610	8,192,769,858	2,733,814,576	763,066,883
Other Receivables & Prepayment	52,527,504	57,445,414	60,616,250	38,853,625	16,410,300
Work-in-progress	-	-	-	-	9,335,832,200
Inventory	3,116,590,889	5,527,163,592	10,154,300,000	14,495,993,500	15,912,214,500
Total CA	5,782,327,702	8,979,186,804	22,112,079,214	23,112,973,583	29,065,253,777
Total Assets	6,398,754,458	9,586,955,426	22,680,739,901	44,739,574,458	45,987,347,527
Current Liabilities					
Payable to clients & vendors	2,037,412,128	1,276,065,502	907,799,178	4,418,912,433	5,053,519,903
Commercial Paper			4,474,000,000	1,849,500,000	1,641,512,000
Other liabilities	983,346,960	529,950,143	663,861,840	4,845,264,951	4,345,474,993
Tax payable	463,064,970	938,601,398	3,559,044,523	4,703,558,661	1,707,315,462
Total Current Liabilities	3,483,824,058	2,744,617,042	9,604,705,541	15,817,236,045	12,747,822,358
Equity & Long Term Liabilities					
Long Term Liabilities					
Long Term Liabilities	1,000,000,000	2,929,369,193	1,000,000,000	7,740,250,000	7,740,250,000
Loans			500,394,632	4,375,416,905	1,059,563,795
Deposit For Shares	121,500,000	121,500,000	121,500,000	-	-
Total Liabilities	1,121,500,000	3,050,869,193	1,621,894,632	12,115,666,905	8,799,813,795
Equity					
Issued & Paid-Up Share Capital	1,000,000	1,000,000	100,000,000	2,000,000,000	4,000,000,000
Retained Earnings	1,792,430,400	3,790,469,191	11,353,438,802	13,665,257,490	15,029,571,890
Share Premium	-	-	-	-	2,000,000,000
Fair Value Reserve			700,927	1,141,414,017	3,410,139,483
Total Equity	1,793,430,400	3,791,469,191	11,454,139,729	16,806,671,507	24,439,711,373
Total Liabilities and Equity	6,398,754,458	9,586,955,426	22,680,739,902	44,739,574,457	45,987,347,526

Statement of Cash Flow as of 31st December

Cash Flow Statement	2020	2021	2022	2023	2024
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax	1,449,949,555	2,936,640,189	11,122,014,134	3,399,733,364	2,006,344,705
Add: Depreciation & Amortisation of Non Current Assets & Imp	45,944,384	57,389,134	56,173,134	88,592,253	90,032,591
	1,495,893,939	2,994,029,323	11,178,187,268	3,488,325,617	2,096,377,296
CHANGES IN WORKING CAPITAL					
(Increase)/Decrease in Inventory	(231,177,881)	(2,410,572,703)	(4,627,136,408)	(4,341,693,500)	(1,416,221,000)
(Increase)/Decrease in Trade Receivables & Other Receivable	(1,781,651,187)	(448,227,796)	(5,334,788,813)	5,480,717,907	1,993,191,018
(Increase)/Decrease in Inventory WIP		-	-	-	(2,444,832,200)
Increase/(Decrease) in Trade and Other Payables	345,972,417	(1,214,743,444)	(234,354,627)	7,692,516,366	134,817,512
	(170,962,712)	(1,079,514,619)	981,907,420	12,319,866,390	363,332,626
Taxation	(236,295,911)	(463,064,970)	(938,601,398)	(5,278,316)	(141,106,760)
Net Cash flow from operating activities	(407,258,623)	(1,542,579,590)	43,306,022	12,314,588,074	222,225,866
CASHFLOW FROM INVESTING ACTIVITIES					
Acquisition of Non Current Assets	-	(48,731,000)	(6,080,000)	-914,819,350	(7,800,000)
Other Investment	-	-	-	-	-
Long Term Investment - Financial Assets				-900,000,000	-
Long Term Investment - Land Banking	-	-	(12,201,198)	-18,191,000,000	-
Net Cash flow From investing activities	-	(48,731,000)	(18,281,198)	(20,005,819,350)	(7,800,000)
CASHFLOW FROM FINANCING ACTIVITIES					
Issue of Shares	-	-	99,000,000	1,900,000,000	2,000,000,000
Reserve				-121,500,001	2,000,000,000
Commercial Paper Issuance	-	-	10,000,000,000	1,849,500,000	2,352,448,000
Redemption of Commercial Paper	-	-	(5,526,000,000)	-4,474,000,000	(2,560,436,000)
Proceeds from Loans			602,311,558	5,199,338,031	-
Tax savings	-	-	-	-	(3,497,166,745)
Investment Properties				2,847,750,000	-
Joint Ventures Financing			-	4,892,500,000	-
Term Loan Repayment	501,336,817	1,929,369,193	(2,029,369,193)	(2,262,437,979)	(3,315,853,110)
Net Cash flow From financing activities	501,336,817	1,929,369,193	3,145,942,365	9,831,150,051	(3,021,007,855)
Net increase in cash/cash equivalent	94,078,194	338,058,603	3,170,967,189	2,139,918,775	(2,806,581,989)
Opening Cash & Cash Equivalent	101,289,120	195,367,314	533,425,917	3,704,393,106	5,844,311,881
Closing Cash & Cash equivalent	195,367,314	533,425,917	3,704,393,106	5,844,311,881	3,037,729,892

STATUTORY AND GENERAL INFORMATION

Corporate Information

Veritasi Homes & Properties Plc
No. 8B, Olufemi Pedro Street
Parkview Estate
Ikoyi, Lagos.
+234 807 089 1144
www.veritasihomes.com

Authorisation of the Programme

At the meetings held on 3rd October 2024, the board of directors of the Issuer passed resolutions approving the establishment of the proposed ₦30,000,000,000 Medium Term Note Programme.

Incorporation and Share Capital History

Legal Form

Veritasi Homes & Properties Plc (“The Company”), formerly known as Veritasi Homes & Properties Limited, was incorporated on the 11th of May, 2017 and commenced business in the year 2018. It was converted to a Public Limited Liability Company in October, 2023.

Principal Activity

Veritasi Homes & Properties Plc specializes in real estate development, land acquisition, and property sales, focusing on luxury, premium, and affordable homes. They also offer advisory and development services across the real estate value chain. Their operations cover the conceptualization, execution, and management of real estate projects in Nigeria.

Share Capital

As at 31st December 2024, Veritasi Homes and Properties Plc has an authorised share capital of ₦4,000,000,000.00 divided into 8,000,000,000 ordinary shares of ₦0.50 each which has been issued and fully paid.

Shareholding Structure

The share capital of the Issuer is ₦4,000,000,000 divided into 8,000,000,000 ordinary shares of ₦0.50 each, all of which have been issued at par and paid.

Shareholders	No of shares held	% Shareholding
Adetola Nola	5,600,000,000	70%
Oluwatobi Yusuff	800,000,000	10%
Asteric Asset Management Limited	799,972,778	9.9%
S&S Investment Advisory Limited	400,000,000	5%
FundBox Financial Services Limited	400,000,000	5%
Others	27,222	0.0003%
Total	8,000,000,000	100%

Directors' Beneficial Interests

The Directors who held office during the period ended 31 December 2024, together with their interests in the issued share capital of the Company as recorded in the Register of Members, are as follows:

Directors	No of shares held	% Shareholding
Adetola Nola	5,600,000,000	70
Oluwatobi Yusuff	800,000,000	10
Olumide Onakoya	Nil	Nil
Famuyiwa Quazeem	Nil	Nil
Angela Ekwem	Nil	Nil
Korede Lawrence	Nil	Nil
Nkem Iheanachor	Nil	Nil
Isaac Orolugbagbe	Nil	Nil
Yinka Opeke	Nil	Nil
Total	6,400,000,000	80%

Subsidiaries

The Issuer has no subsidiary as of 31st December 2024.

Related Party Transaction / Conflicts of Interest

No related party transactions/conflicts of interest were recorded by the Issuer.

Summary of the Capital Structure of the Issuer

The table below sets out a summary of the capital structure as at 31 December 2024:

S/N	Items	₦'m
i)	Cash and cash equivalents	3,0379.7
ii)	Short-term debt	1,641.5
iii)	Long-term debt	2,847.8
iv)	Total shareholders' equity	24,439.7

Extracts from the Memorandum and Articles of Association

Memorandum of Association

The following are the relevant extracts from Veritasi' Memorandum and Articles of Association.

1. The objects for which the company is hereby incorporated shall be the following:

- a) To carry on the business of Real estate financial management and Real estate financial technology, to acquire, purchase for investment or resale any landed property or house or other property of any tenure and any interest therein and to create, sell and deal on the property in all its ramifications including the purchase and statutory rights of occupancy household property or any interest therein and generally to deal by way of sale lease, exchange or otherwise with land or house property.
- b) To carry on the business of land developers, general contractors and managers, construction and renovation, to purchase, take on lease or in exchange, hire, and otherwise acquire any real and personal property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business, and in particular any land, easements, machinery, plant, and stock-in-trade.
- c) To carry on the business of real estate agency, housing estate, sale of properties, leasing/letting of landed properties, commission agent, repairs, maintenance and finishing, flooring, dealers and suppliers of cement, interlocking stones, concrete, marbles, tiles, wooden plant, carpets, household utensils, curtains, sales of building materials and other related businesses.
- d) To carry on the business of general contractors, general merchandise, general supply, general trading, importers, exporters, distributors. and suppliers of general goods, (commission agents, manufacturers, manufacturers' representatives, buyers, sellers, marketing, wholesale and retail, distributors of goods, commodities and production, supplying of commodities, various goods and articles and contract of all kinds.
- e) To carry on the business of department stores, supermarkets, general distribution, wholesale and retailing of all types of goods, including general merchandise, industrial beverages and provision items of any kinds.
- f) To carry on the business of all or any road transport, owners and charters of road vehicles, carrier of goods and passengers by road and commission agency services, assembling and marketing of cars, motors, trucks, lorries, trailers, motorcycles, auto bicycles, forklifts, caterpillars, bulldozers and all kinds of motor and their respective spare parts.
- g) To carry on the business of agricultural produce, food farming, poultry farming, fruit farming, animal production, fish farming, cereal products and agro-allied services, to produce fertilizers for crops, to sell, breed, import, export, improve, prepare, deal and trade in farming services, pigs, cattle, live and dead stock of every description, eggs, pork-pies, sausages, brawn, paste meat, table delicacies and any other commodities and related services to agriculture business.
- h) To carry on the business of oil & gas, energy & solid mineral, trade, petroleum oil production, petrochemical, natural gas plants, oil refinery, to serve as agents of NNPC for the distribution of fuel, exploration, importation and exportation of oil and gas, crude oil, oil field supplies and allied products, filling station, serving as agents to overseas and local counterparts and representatives, mining, oil drilling equipment, spares parts and lubricating oil units.
- i) To borrow or raise money in such manner the Company shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of the loan borrowed.
- j) To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them.

2. The Company is a Public Company.

3. The liability of the members is limited by shares.
4. The Issued Capital of the Company is ₦4,000,000,000 (Four Billion Naira) divided into 8,000,000,000 of ₦0.5 each.

Articles of Association

Preferential and other special rights

1. Without prejudice to any special rights previously conferred on the holders of any existing shares or classes of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise of the Company may from time to time by Ordinary Resolution determine ad all rights or restrictions attached to each particular class of shares shall be specified in the terms of issue and may at any time be varied in accordance with the provisions of Section 141 of the Act..
2. Subject to the provisions of the Act, the Company may accept such consideration, whether cash or other valuable consideration, or partly cash and partly valuable consideration other than cash in exchange for the issuance of its shares.
3. If any class of shares shall have any preferential rights to dividend or return of capital, the conferring upon other shares of rights to either dividends or return of capital ranking on points of priority either before or pari passu with that class shall (unless otherwise and expressly provided by the terms of issue of that class) be deemed a variation of the rights of the holders of that class of shares.
4. If at any time the share capital of a Company is divided into different classes of shares under Section 143 of the Act, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing, of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to the general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons holding or representing by proxy one third of the issued shares of the class.
5. The Company may exercise the power of paying commission conferred by section 156 of the Act provided that the rate per cent, or the amount to be paid shall be disclosed in the manner required by the said section and that the commission shall not exceed the rate of 10 percent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 percent of such price, as the case may be. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in oneway and partly in the other. The Company may on any issued shares pay such brokerage as may be lawful.
6. Except as required by law, no person shall be recognized by the Company as holding any shares upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or (except as provided by these Articles) any interest in any fraction, part

of a share or any other rights in respect of any share except an absolute right to the entirety, in the registered holder.

7. Except as permitted by section 296 of the Act no part of the funds of the Company shall be employed directly or indirectly in the purchase of or in loans upon the security of the Company's shares.

Alteration of Capital

8. The Directors may with the sanction of ordinary resolution in a General Meeting of the Company increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
9. If determined by the Company by the resolution sanctioning the increase of the share capital, new shares may, before issue, be offered to such persons as at the date of the offer are entitled to receive notice from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer of share shall be made by notice specifying the number of shares offered and limiting a time within the offer if not accepted, will be deemed to be declined and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company
10. The Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot in the opinion the Directors be conveniently offered under the Articles.
11. Except insofar as it is otherwise provided by these Articles or by the conditions of issue, any capital raised by the creation of new shares shall be subject to the same provisions contained in these Articles with reference to the payment of calls, lien, transmission, forfeiture, capital and otherwise as the shares in the original ordinary share capital.
12. (1) The Company may by Ordinary Resolution in General Meeting:
 - a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - b) Subdivide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum so however that in the subdivision the proportion unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - c) Cancel any shares which, at the date of the passing of the resolution, have not been taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled.
- (2) The Company may by Special Resolution in General Meeting:
 - a. Reduce its share capital in any manner authorized by law, but with and subject to any incident authorised or consent required by law.

General Meetings

13. A General Meeting to be known as the Annual General Meeting shall be held in every year in accordance with Section 237 of the Act at such times not being more than fifteen months after the holding of the last preceding General Meeting and place as the Directors shall appoint in Nigeria.
14. All General Meetings other than Annual General Meetings shall be called by Extraordinary General Meetings and shall be held in accordance with Section 239 of the Act.
15. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened by such requisitions as provided by section 239 of the Act.
16. If at such time there are not within Nigeria sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director or any two members.
17. All general meetings of the Company shall be called by twenty-one (21) days' notice in writing at the least. The foregoing notwithstanding where any provision contained in the Act, special notice is required of a resolution, the meeting whereat the resolution is to be moved, shall be convened by twenty-eight days' notice in writing.
18. The notice shall be exclusive of the day on which it is served or deemed to be served and on the day for which it is given and shall specify the place. The day and the hour of meeting and in case of special business, the general nature of that business shall be given, in manner if any, as may be prescribed by the Company in General Meeting to such persons as are, under regulations of the Company entitled to receive such notices from the Company;
19. Provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed:
 - d) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
 - e) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right..
20. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting unless the Company responsible for the error acted in bad faith or failed to exercise due care and diligence.

Votes of Members

21. Subject to any rights or restriction attached to any voting class of share on a show of hands every member present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
22. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of members.

23. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or curator bonis appointed by the court, and any such committee, or curator bonis, or other person may, on a poll, vote by proxy.
24. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
25. A proxy need not be a member, but a member may act as a proxy, although he is not entitled on his own behalf to attend and vote at the meeting at which he acts as proxy.
26. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal or in some manner approved by the directors.
27. Any corporation which is a member may, by resolution of its directors or writing under the hand of any one of its Directors, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorized shall be entitled to exercise it as if he were an individual member. The production at the meeting of a copy of such resolution duly signed by one director of such corporation and certified by him, as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of the appointment of the representative of such corporation.
28. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within Nigeria as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time of holding the meeting at which the person named in the instrument proposes to vote or in the case of poll, not less than 48 hours before the time appointed for the taking of the poll.
29. An instrument appointing a proxy may be in the following form or in any other form which the Directors shall approve:

Directors

30. Unless and until otherwise determined by a General Meeting the number of Directors shall not be less than seven (7) and not more than thirteen (13) and the composition of the Board shall reflect the ownership structure of the Company.
31. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting, such remuneration shall be deemed to accrue from day to day.
32. It shall not be necessary for any Director to acquire or hold any share qualification.
33. A Director who is in any way, whether directly interested in a contract or proposed contract with the Company shall declare the nature of his/her interest at a meeting of the Directors of the Company.
34. A Director shall not vote in respect of any contract or arrangement in which he/she is interested, and if he/she shall so do his/her vote shall not be counted. But neither these prohibitions shall apply to any contract in which a Director is interested only as officer or holder

of shares or other securities of such company.

35. A Director may hold any other office or place under the Company (other than the office of the Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit, or as vendor, purchaser or otherwise. No such contract or no contract or arrangement entered into by or on behalf of the Company, in which any Director is in anyway interested, shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized from any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established; a Director notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other director is appointed to hold any office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement of the terms thereof.
36. A Director of the Company may be or become director or other officer of or otherwise in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or by reason of such office or from his interest in such other company unless the Directors otherwise direct. The Director may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the Directors or officers of such other company, and any director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be or about to become director or officer of such other company, be interested or exercise such voting rights in the manner aforesaid.
37. Any Director may act by himself or his firm in professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorize a Director or his firm to act as Auditor to the Company.

Seal

38. The seal shall not be affixed to any instrument except by the authority of a resolution of the Directors or of a committee of Directors authorised by the Directors in that behalf and in the presence of at least one Director and of the Secretary or such other Secretary or other person as the Directors may appoint for the purpose; and this Director and Secretary or other person as aforesaid shall sign every instrument to which the seal is so affixed in their presence.

Borrowing Powers

39. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.

Claims and Litigations

The opinion of the Solicitors to the Issue, in the letter dated 18th July 2025, in connection with the issuance of the Bonds by the Issuer is set out below:

The Issuer, in the ordinary course of business, is presently involved in two (2) pending lawsuits.

The total contingent liability arising from both cases, as advised by the Issuer's Counsel, is estimated at ₦184,480,000.00 (One Hundred and Eighty-Four Million, Four Hundred and Eighty Thousand Naira only).

Below is a summary of the pending matters:

- Suit No: YSD/15994NW/2024 – Mrs. Titilayo Ajao v. Veritasi Homes and Properties Plc
This case, pending before the Lagos State High Court, is a claim for breach of contract seeking specific performance or, alternatively, damages for non-performance. According to the Issuer's Counsel, the likelihood of the Issuer succeeding in this matter is approximately 50%. If the outcome is unfavourable, the contingent liability will be the sum of N38,000,000.00 (Thirty-Eight Million Naira).
- Suit No: LD/7125GCM/2023 – Mr. Alituro Abbey v. Veritasi Homes and Properties Plc & Ors
The Claimant alleges breach of contract regarding a property transaction involving two apartments, having received allocation for only one. The Claimant declined an alternative unit offered by the Issuer and is seeking payment of the current market value of the property and general damages. The Claimant also filed an application for a Mareva Injunction to restrict the transfer of funds in the Issuer's bank accounts, pending the suit's resolution. The liability that the Issuer may be exposed to upon an unfavourable decision is the sum of N146,480,000.00 (One Hundred and Forty-Six Million, Four Hundred and Eighty Thousand Naira).

Based on the Solicitors' review of the information provided to them in respect of the cases by the Issuer, it is their opinion that the aforementioned claims and litigations will not adversely affect the proposed ₦30,000,000,000 Medium-Term Bond Issuance Programme.

Material Contracts

The following agreement(s) have been entered into by the parties and are considered material to the Transaction:

- Programme Trust Deed dated December 12, 2025, executed between Veritasi Homes & Properties Plc (the Issuer) and STL Trustees Limited and UTL Trust Management Services Limited (Bond Trustees).
- Series I Trust Deed dated December 12, 2025, executed between Veritasi Homes & Properties Plc (the Issuer) and STL Trustees Limited and UTL Trust Management Services Limited (Bond Trustees).
- Vending Agreement dated December 12, 2025, executed between Veritasi Homes & Properties Plc (the Issuer) and Pathway Advisors Limited, FirstCap Limited, Lighthouse Capital Limited, SCM Capital Limited, WealthBridge Capital Partners Limited, and Renaissance Securities (Nigeria) Limited (Issuing Houses)

- Offtake Agreement dated 20th July, 2025, executed between Veritasi Homes & Properties Plc (the Issuer) and The Shell Staff Cooperative Investment and Thrift Society (COOPLAG) (Offtaker)

Indebtedness

As of 30 November, 2025, Veritasi Homes & Properties Plc had an outstanding indebtedness of ₦4.307 billion, comprising the following:

(a) Commercial Paper Issuances

- A ₦6.134 billion Commercial Paper (Series 1) issued on 21 July 2025 at a fixed interest rate of 22.51%.

(b) Term Loan Facilities

- ₦1.63 billion outstanding of the ₦3.00 billion loan facility obtained on 13 March 2024. The facility has a 3-year tenor.

(c) Overdraft Facilities

- An outstanding of ₦1,095 billion overdraft facilities

Mergers and Takeovers

As at the date of this Shelf Prospectus, the Directors were not aware of:

- a. a merger or takeover offer by third parties in respect of the Issuer's securities; and
- b. a merger or takeover offer by the Company in respect of another company's securities, during the current financial year

Declarations

The Issuer hereby declares that:

- a. None of its Directors is under any bankruptcy or insolvency proceedings in any court of law;
- b. None of its Directors has been convicted in any criminal proceedings;
- c. None of its Directors is subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty; and
- d. The Issuer has not, during the twelve calendar months immediately preceding the date of application to the Commission for registration of this Pricing Supplement and during the effective period of the Shelf Prospectus and Pricing Supplement, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies.

Relationship between the Issuer and its Advisers

As at the date of this Prospectus, there is no relationship between the Issuer and any of its advisers except in the ordinary course of business.

Consents

The following have given and not withdrawn their written consents to the issue of this Series 1 Bonds with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer	Olumide Onakoya Adetola Nola Oluwatobi Yusuff Korede Lawrence Famuyiwa Quazeem Dr Nkem Iheanachor Dr Yinka Opeke Isaac Orolugbagbe Dr Angela Ekwem
Company Secretary	Detail Nominee Company
Auditor	DOC Advisory
Lead Issuing House/Bookrunner	Pathway Advisors Limited
Joint Issuing House/Bookrunner	FirstCap Limited Renaissance Securities (Nigeria) Limited Lighthouse Capital Limited SCM Capital Limited WealthBridge Capital Partners Limited
Bond Trustees	UTL Trust Management Services Limited STL Trustees Limited
Solicitor to the Issue	The New Practice (TNP)
Solicitor to the Issuer	Detail Commercial Solicitors
Rating Agencies	GCR Rating DataPro Limited
Reporting Accountant	Deloitte and Touche
Registrar	Apel Capital Registrar Limited

Documents available for Inspection

Copies of the following documents will be available for inspection at the offices of Pathway Advisors Limited, at 13B, Anthony Etukudo Street, Lekki Phase 1, Lagos between the hours of 8.00am and 5.30pm Nigerian time:

- (i) The Certificate of Incorporation of the Issuer, duly certified by the CAC;
- (ii) The Memorandum and Articles of Association of the Issuer, duly certified by the CAC;
- (iii) This Shelf Prospectus dated December 12, 2025;
- (iv) Board Resolution approving the establishment of the Programme dated December 12, 2025;
- (v) The audited financial statement of Veritasi Homes & Properties Plc for the period ended 31st December 2021, 31st December 2022, and 31st December 2023;
- (vi) The material contracts referred to on page 143;

- (vii) The written Consents of each of the parties referred to above;
- (viii) The Issuer's rating reports by GCR Rating Limited and DataPro Limited;
- (ix) The letter of approval from the Securities and Exchange Commission with respect to this Medium-Term Notes Programme;

FORM OF PRICING SUPPLEMENT

Set out below is the form of the Pricing Supplement which will be completed by the Issuer for each Series of Bonds issued under the Programme:

**PRICING SUPPLEMENT
TO THE SHELF PROSPECTUS DATED [•]**



VERITASI HOMES & PROPERTIES PLC
(RC 1412813)

(Incorporated as a Public Limited Liability Company in the Federal Republic of Nigeria)

OFFER FOR SUBSCRIPTION OF [.] [.]% SERIES [.] FIXED RATE BONDS DUE [.] 20XX

UNDER THE ₦30,000,000,000 MEDIUM TERM BOND PROGRAMME

ISSUE PRICE: ₦1,000.00 PER UNIT
Payable in full on Application

Opening Date:	[.]
Closing Date:	[.]

This Pricing Supplement has been prepared pursuant to Rule 279(3)(5)(i) of the Rules and Regulation of the Securities and Exchange Commission (the "Commission" or "SEC") in connection with the ₦10,000,000,000 [•%] Series 1 Fixed Rate Bonds (the "Securities" or "Bonds") under the ₦30,000,000,000 Medium Term Note Programme established by Veritasi Homes & Properties Plc ("the Issuer" or "Veritasi"). This Pricing Supplement is Supplementary to, and should be read in conjunction with, the Shelf Prospectus dated [•] ("Shelf Prospectus") and any other supplement to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. This Pricing Supplement is directed solely at Qualified Institutional Investors and High Networth Investors as described in the amendment to the SEC Rules and Regulations 2013.

This Pricing Supplement and the Securities, which it offers, have been registered with the Securities and Exchange Commission. The ISA provides for civil and criminal liabilities for the issue of a prospectus, which contains false or misleading information. The registration of this Pricing Supplement and the Securities, which it offers, does not relieve the parties of any liability arising under the Act for false or misleading statements or for any omission of a material fact in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than five (5) years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement and the documents specified herein have been delivered to the SEC for clearance. This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder. An application will be made to FMDQ for the admission of the Bonds to the Daily Quotations List of FMDQ as well as for the dealing of the securities. The Bonds now being issued will upon admission to the FMDQ platform qualify as a security in which Trustees may invest under the Trustee Investment Act, (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. It is a civil wrong and a criminal offence under the ISA to issue a Prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 113 and 114 of the ISA.

This Pricing Supplement will be available on the following websites:

www.sec.gov.ng, www.fmdqgroup.com

Investors may confirm the clearance of the Pricing Supplement and registration of the securities with the Securities and Exchange Commission by contacting the Commission via sec@sec.gov.ng or +234 (0) 946 21100; +234 (0) 946 21168

LEAD ISSUING HOUSE/BOOK RUNNER



JOINT ISSUING HOUSE/BOOK RUNNER



RC: 73946



RC:685973



RC: 446599



RC: 895590



RC: 499243

Final Terms of Series 1 Bonds

	Issuer:	
	Series Number:	
	Aggregate Principal Amount of Series:	
	Issue Price: Net Proceeds:	
	Denomination(s):	
	Issue Date: Coupon Commencement Date (if different from Issue Date):	
	Maturity Date:	
	Coupon Basis:	
	Redemption/Payment Basis:	
	Status:	
	Security:	
	Listing(s):	
	Method of Distribution:	
	Offer Period:	
	Provisions Relating to Coupon (if any) Payable	
	Fixed Rate Bond Provisions Coupon Rate(s): Coupon Payment Date(s): Coupon Amount(s): Day Count Fraction: Business Day:	

	Other terms relating to method of calculating interest for Fixed Rate Bonds:	
	Floating Rate Bond Provisions Coupon Rate: Benchmark: Spread to Benchmark: Minimum Rate of Interest: Maximum Rate of Interest: Coupon Payment Date(s): First Coupon Payment Date: Party responsible for calculating interest rate and interest amount(s): Coupon Reset Date: Coupon Determination Date(s): Day Count Fraction: Business Day:	Not Applicable <i>(if not delete the remaining sub-paragraphs of this paragraph)</i> [•] [•] [•] [•%] [•%] [•] [•] [•] [•] [•] [•] [•] [•]
	Provisions relating to Redemption	
	Optional Early Redemption (Call Option):	[Applicable/Not Applicable]
	Optional Early Redemption (Put Option):	[Applicable/Not Applicable]
	Scheduled Redemption/Amortisation:	
	Redemption Amount(s):	
	Scheduled Redemption Dates:	
	Final Redemption Amount:	
	General provisions applicable to the Bonds	
	Form of Bonds: Form of Dematerialised Bonds: Registrar:	
	Bond Trustee(s):	
	Record Date:	
	Other terms or special conditions:	
	Distribution, Clearing and Settlement Provisions	
	Book-building:	
	Underwriting:	
	Clearing System:	

	General	
	Issue Rating:	
	Taxation:	
	Governing Law:	
	Appendices	
	Appendices:	[List and Attach Appendices if applicable]

Use of Proceeds

[specify use of proceeds]

Material Adverse Change Statement

Except as disclosed in this document and in the Shelf Prospectus dated December 12, 2025, there has been no significant change in the financial or trading position of the Issuer since September 30, 2025 and no material adverse change in the financial position or prospects of the Issuer since December 31, 2024.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

Signed on behalf of the Issuer:

Name:
Capacity: Director

Name:
Capacity: Director



VERITASI
HOMES