

# eTRANZACT INTERNATIONAL PLC

## UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

## eTRANZACT INTERNATIONAL PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

	Unaudited 6/30/2024 N'000	Unaudited 6/30/2023 N'000	Unaudited Q4 2024 (April - June) N'000	Unaudited Q4 2023 (April - June) N'000
<b>Continuing operations</b>				
Revenue	14,040,879	17,377,139	6,995,007	7,091,348
Cost of sales	(9,424,731)	(14,028,076)	(4,366,752)	(5,298,279)
<b>Gross profit</b>	<b>4,616,148</b>	<b>3,349,063</b>	<b>2,628,256</b>	<b>1,793,069</b>
Selling and Marketing costs	(171,281)	(82,805)	(107,701)	(20,336)
Administrative expenses	(2,723,888)	(1,905,535)	(1,505,637)	(1,070,014)
<b>Operating profit</b>	<b>1,720,980</b>	<b>1,360,724</b>	<b>1,014,917</b>	<b>702,719</b>
Other Income	-	1,242	-	1,242
Finance Cost	(13,767)	(12,928)	(8,331)	(6,307)
Investment income	118,712	148,476	64,846	99,009
<b>Profit before tax</b>	<b>1,825,925</b>	<b>1,497,514</b>	<b>1,071,432</b>	<b>796,662</b>
Taxation	(547,777)	(479,204)	(321,429)	(254,932)
<b>Profit for the period</b>	<b>1,278,148</b>	<b>1,018,309</b>	<b>750,002</b>	<b>541,730</b>

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

# eTRANZACT INTERNATIONAL PLC

## STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

		Unaudited 6/30/2024 N'000	Audited 12/31/2023 N'000
<b>Non-current assets</b>			
Property, plant and equipment	1	1,368,508	1,483,676
Investment property	2	136,810	136,810
Intangible assets	3	36,183	51,637
Deposit for shares		456,755	456,755
<b>Total non-current assets</b>		<b>1,998,258</b>	<b>2,128,878</b>
<b>Current assets</b>			
Inventories	6	2,031,281	2,296,714
Trade and other receivables	7	263,286	480,328
Other assets	5	5,884,108	3,601,352
Cash and cash equivalents	8	21,712,966	19,697,267
<b>Total current assets</b>		<b>29,891,642</b>	<b>26,075,660</b>
<b>Total assets</b>		<b>31,889,900</b>	<b>28,204,538</b>
<b>Non-Current liabilities</b>			
Deferred Grant Income	10	73,344	73,344
Long term Loan	10	236,848	272,977
		<b>310,192</b>	<b>346,321</b>
<b>Current liabilities</b>			
Trade and other payables	9	18,177,656	15,267,254
Current tax liabilities	11	646,288	1,113,347
<b>Total current liabilities</b>		<b>18,823,943</b>	<b>16,380,600</b>
<b>Total liabilities</b>		<b>19,134,135</b>	<b>16,726,920</b>
<b>Equity</b>			
Share capital	12	4,600,000	4,600,000
Share premium account	13	7,374,272	7,374,272
Retained earnings	15	781,494	(496,654)
<b>Total equity attributable to owners of the company</b>		<b>12,755,766</b>	<b>11,477,618</b>
<b>Total equity and Liabilities</b>		<b>31,889,900</b>	<b>28,204,538</b>

The financial statements was approved by the Board of Directors on July 25, 2024 and signed on its behalf by:



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



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

## eTRANZACT INTERNATIONAL PLC

### STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

	Share capital N'000	Share premium N'000	Convertible Debenture N'000	Retained earnings N'000	Total N'000
<b>Balance at 1 January 2023</b>	<b>4,600,000</b>	<b>7,374,272</b>	-	<b>(2,698,444)</b>	<b>9,275,828</b>
Profit for the year	-	-	-	2,201,790	2,201,790
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,201,790</b>	<b>2,201,790</b>
<b>Balance at 31 December 2023</b>	<b>4,600,000</b>	<b>7,374,272</b>	-	<b>(496,654)</b>	<b>11,477,618</b>
<b>Balance at 1 January 2024</b>	<b>4,600,000</b>	<b>7,374,272</b>	-	<b>(496,654)</b>	<b>11,477,618</b>
Profit for the period	-	-	-	1,278,148	1,278,148
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,278,148</b>	<b>1,278,148</b>
<b>Balance at 30 June 2024</b>	<b>4,600,000</b>	<b>7,374,272</b>	-	<b>781,494</b>	<b>12,755,766</b>

# eTRANZACT INTERNATIONAL PLC

## CASHFLOW STATEMENT FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

	Note	6/30/2024 N'000	12/31/2023 N'000
<b>Cashflow from operating activities</b>			
Cash receipt from customers		14,224,815	33,689,480
Cash paid to suppliers and employees		(11,083,037)	(24,037,803)
Cash generated from operations		<u>3,141,779</u>	<u>9,651,677</u>
Income taxes paid	11	<u>(1,014,836)</u>	<u>(423,723)</u>
<b>Net cash used in operating activities</b>		<b><u>2,126,942</u></b>	<b><u>9,227,954</u></b>
<b>Cashflow from investing activities</b>			
Purchase of property, plant and equipment	1	(166,292)	(996,839)
Additions to intangible assets	3	-	-
Interest received and similar income		118,712	94,060
Interest on Loan		(13,767)	(38,416)
Proceeds from sale of Investment Property		-	-
Proceeds from sale of Property, plant and equipment		<u>-</u>	<u>4,312</u>
<b>Net cash used in investing activities</b>		<b><u>(61,347)</u></b>	<b><u>(936,883)</u></b>
<b>Cashflow from financing activities</b>			
Net Proceeds from Debenture Issue		-	-
Issue Cost		-	-
Conversion cost of debenture to ordinary shares		-	-
Repayment of Loan Principal		(35,714)	(71,429)
Repayment of Interest on Loan		(14,181)	(31,513)
Loan obtained	10	<u>-</u>	<u>-</u>
<b>Net cash generated by financing activities</b>		<b><u>(49,895)</u></b>	<b><u>(102,942)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>2,015,699</b>	<b>8,188,129</b>
Effects of exchange rate on year end bank balances		-	6,161
Cash and cash equivalents at beginning of year		<u>19,697,267</u>	<u>11,502,977</u>
<b>Cash and cash equivalents at end of the period</b>	<b>8</b>	<b><u>21,712,966</u></b>	<b><u>19,697,267</u></b>

## eTRANZACT INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

#### 1.0 Property, plant and equipment

	Motor Vehicle N000	Plant & machinery N000	Furnitures, Fittings and Equipment N000	Computer Equipment N000	Work In Progress N000	TOTAL N000
<b>Cost or Valuation</b>						
As at January 1, 2024	1,177,164	85,904	1,926,597	570,344	-	3,760,009
Additions	-	-	50,808	115,484	-	166,292
Reclassifications	-	-	-	-	-	-
Disposals	(344,702)	(64,868)	(746,850)	(215,628)	-	(1,372,048)
<b>As at 30 June, 2024</b>	<b>832,463</b>	<b>21,036</b>	<b>1,230,555</b>	<b>470,200</b>	<b>-</b>	<b>2,554,253</b>
<b>Accumulated depreciation and impairment</b>						
As at 1 January	611,304	73,573	1,213,363	378,095	-	2,276,334
Adjustments						
Charge for the period	93,513	2,104	116,471	69,371	-	281,459
Disposals	(344,702)	(64,868)	(746,850)	(215,628)	-	(1,372,048)
<b>As at 30 June, 2024</b>	<b>360,115</b>	<b>10,808</b>	<b>582,983</b>	<b>231,837</b>	<b>-</b>	<b>1,185,745</b>
<b>Carrying amount</b>						
As at January 1, 2024	565,861	12,332	713,234	192,249	-	1,483,676
<b>As at 30 June, 2024</b>	<b>472,348</b>	<b>10,228</b>	<b>647,571</b>	<b>238,363</b>	<b>-</b>	<b>1,368,508</b>

#### 1.1 Impairment losses recognised in the Period

There were no impairment losses recognized during the period.

#### 1.2 Contractual commitments

At June 30, 2024 the company had no contractual commitments for the acquisition of property, plant and equipment

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 2 Investment property

	6/30/2024 N'000	31/12/2023 N'000
<b>Cost</b>		
Land	<u>136,810</u>	<u>136,810</u>
	<b>6/30/2024 N'000</b>	<b>31/12/2023 N'000</b>
Balance at the beginning of the year	136,810	136,810
Disposal	-	-
Impairment loss	<u>-</u>	<u>-</u>
<b>Balance at the period end</b>	<u><b>136,810</b></u>	<u><b>136,810</b></u>

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

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

As at June 30, 2024 the fair value of the investment property has been estimated as N258m (2023: N258m). The fair value has been determined by the management of the company by reference to market evidence of transaction prices for similar properties in comparable areas.

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 3.0 Intangible assets

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

	eTranzact enterprise platform N'000	eRemit platform N'000	Other Softwares N'000	TOTAL N'000
<b>Cost</b>				
At 1 January 2024	293,510	105,858	303,949	703,317
Additions	-	-	-	-
Reclassification	-	-	-	-
<b>As at 30 June, 2024</b>	<b>293,510</b>	<b>105,858</b>	<b>303,949</b>	<b>703,317</b>
<b>Amortisation</b>				
At 1 January 2024	277,604	80,754	293,323	651,680
Adjustments	-	-	-	-
Charge for the year	5,870	2,117	7,465	15,453
<b>As at 30 June, 2024</b>	<b>283,475</b>	<b>82,871</b>	<b>300,789</b>	<b>667,134</b>
<b>Carrying amount</b>				
At 1 January 2024	<b>15,906</b>	<b>25,104</b>	<b>10,626</b>	<b>51,637</b>
<b>As at 30 June, 2024</b>	<b>10,035</b>	<b>22,987</b>	<b>3,160</b>	<b>36,183</b>

### 3.1 Significant intangible assets

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



# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 4.0 Deferred taxation

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

	<b>6/30/2024</b>	<b>12/31/2023</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	-	-
Charged to profit or loss	-	-
Charged to other comprehensive income	-	-
Charged directly to equity	-	-
Reclassification from equity to profit or loss	-	-
Acquisitions/disposals	-	-
Others (describe)	-	-
	<u>-</u>	<u>-</u>
<b>As at 30 June, 2024</b>	<u><u>-</u></u>	<u><u>-</u></u>

	<b>6/30/2024</b>	<b>12/31/2023</b>
	<b>N'000</b>	<b>N'000</b>
Deferred tax assets	-	-
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

### 5.0 Other assets

	<b>6/30/2024</b>	<b>12/31/2023</b>
	<b>N'000</b>	<b>N'000</b>
Prepayments	665,180	248,583
Advance payments	5,218,928	3,352,768
Other assets (Note 5.1)	84,259	84,259
Fraud assets (Note 5.2)	3,821,102	3,821,102
	<u>9,789,469</u>	<u>7,506,712</u>
Allowance for other assets	(84,259)	(84,259)
Allowance for fraud assets	(3,821,102)	(3,821,102)
	<u><u>5,884,108</u></u>	<u><u>3,601,352</u></u>

### 5.1 Other assets

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

### 5.2 Fraud assets

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

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 6.0 Inventories

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
Airtime Pins	1,940,126	2,173,384
Utility Stock	91,155	123,330
Point of Sales (POS)	-	-
EMV - (Note 6.1)	-	-
Bulk SMS	-	-
	<u>2,031,281</u>	<u>2,296,714</u>
Provision for obsolete spares and slow moving stock	-	-
	<b><u>2,031,281</u></b>	<b><u>2,296,714</u></b>

### 6.1 EMV Cards

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

### 7.0 Trade and other receivables

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
Trade receivables	394,433	578,369
Allowance for doubtful debts	(466,372)	(466,372)
	<u>(71,939)</u>	<u>111,997</u>
<b>Other receivables</b>		
Staff debtors (Note 7.1)	156,791	158,312
Other debtors	178,433	210,019
	<u>263,286</u>	<u>480,328</u>

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

### 7.1 Staff debtors

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
Staff debtors	214,520	216,041
Allowance for staff debtors	(57,729)	(57,729)
	<u>156,791</u>	<u>158,312</u>

### 8 Cash and Bank

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
Cash and bank balances	2,280,439	2,604,720
Restricted Cash	17,337,834	15,104,855
Short term investments	2,094,693	1,987,692
	<u>21,712,966</u>	<u>19,697,267</u>

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 9 Trade and other payables

	<b>6/30/2024</b>	<b>12/31/2023</b>
	<b>N'000</b>	<b>N'000</b>
Trade payable	128,441	158,874
<b>Other payables:</b>		
Accruals and Deferred Income	341,558	398,599
Pension contribution (Note 9.2)	65,447	59,113
Funds held for Pocketmoni and Access Bank Card Scheme	980,302	2,204,852
Other Statutory Payables	786,698	638,194
Other Payables	5,165,740	3,807,012
Fund held in settlement & holding accounts	10,620,745	7,829,555
Other creditors	88,727	171,055
	<b><u>18,177,656</u></b>	<b><u>15,267,254</u></b>

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

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

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

### 9.2 Pension Contribution

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	59,113	70,925
Provisions	129,823	216,558
Payment	(123,490)	(228,370)
	<b><u>65,447</u></b>	<b><u>59,113</u></b>

### 10 Long Term Loan

	<b>6/30/2024</b>	<b>31/12/2023</b>
	<b>N'000</b>	<b>N'000</b>
Opengng Balance	272,977	320,451
Additions	-	-
Deferred Income on Grant	-	-
Principal Repayment	(35,714)	(71,429)
Interest Repayment	(14,181)	(31,513)
Modification Gain	-	-
Accrued Interest	13,767	55,467
	<b><u>236,848</u></b>	<b><u>272,977</u></b>
Deferred Income on Grant		
Opening Balance	73,344	90,396
Accrued during the period	-	-
Recognised during the period	-	(17,051)
	<b><u>73,344</u></b>	<b><u>73,344</u></b>
Total Loan Balance with Accrued Interest	<b><u>310,192</u></b>	<b><u>346,321</u></b>

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

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

### 11 Current tax liabilities

	6/30/2024 N'000	31/12/2023 N'000
At 1 January	1,113,347	542,387
Charged for the period	547,777	994,684
Payments during the year	(1,014,836)	(423,723)
Writeback of excess provision	-	-
	<u>646,288</u>	<u>1,113,347</u>

### 12 Share capital

	5/31/2024 N'000	31/12/2023 N'000
<b>Issued and fully paid:</b>		
9,199,999,816 ordinary shares of 50k each	<u>4,600,000</u>	<u>4,600,000</u>

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

### 13 Share premium

	6/30/2024 N'000	31/12/2023 N'000
At 1 January	7,374,272	7,374,272
Premium arising on issue of shares	-	-
Expenses incurred on issue of shares	-	-
Premium arising on conversion	-	-
Expenses incurred on conversion	-	-
<b>As at 30 June, 2024</b>	<u>7,374,272</u>	<u>7,374,272</u>

### 14 Zero Coupon Irredeemable Convertible Debenture

	6/30/2024 N'000	31/12/2023 N'000
At 1 January	-	-
Issue of 5,772,225 Units at NGN 1,000/unit	-	-
Issue Cost	-	-
Conversion to Ordinary Shares	-	-
	<u>-</u>	<u>-</u>

### 15 Retained earnings

	6/30/2024 N'000	31/12/2023 N'000
At 1 January	(496,654)	(2,698,444)
Profit attributable to owners of the company	1,278,148	2,201,790
<b>As at 30 June, 2024</b>	<u>781,494</u>	<u>(496,654)</u>

### 16 Statement of Compliance with Securities Trading Policy

In line with the provisions of Rule 17.2 of the Amendment to the Listing Rules and 17.17 of the Rule Book of the Nigerian Exchange Limited which have been incorporated into Sections 4 to 6 of the Company's Securities Trading Policy, No Director, Person discharging managerial responsibility, Adviser(s) of the Company or their connected person was involved in the trading in the Company's shares from July 1, 2024 until 24 hours after the release of the Company's Financial Statements for the second quarter ended June 30, 2024 to the Nigerian Exchange Limited and the general public.