

# eTRANZACT INTERNATIONAL PLC

## UNAUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

## eTRANZACT INTERNATIONAL PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2021

	Unaudited 31/12/2021 N'000	Unaudited 31/12/2020 N'000	Unaudited Q4 2021 N'000	Unaudited Q4 2020 N'000
<b>Continuing operations</b>				
Revenue	23,466,118	22,545,169	6,002,952	5,434,040
Cost of sales	(20,559,843)	(21,406,458)	(4,967,036)	(5,081,427)
<b>Gross profit</b>	<b>2,906,275</b>	<b>1,138,711</b>	<b>1,035,916</b>	<b>352,614</b>
Selling and Marketing costs	(118,397)	(68,398)	(74,751)	(31,048)
Administrative expenses	(2,368,334)	(1,861,681)	(708,801)	(577,250)
Other expenses	-	(1,047,978)	-	(1,047,978)
<b>Operating profit/(loss)</b>	<b>419,544</b>	<b>(1,839,346)</b>	<b>252,364</b>	<b>(1,303,662)</b>
Other Income	137,973	206,346	113,664	75,909
Finance Cost	(23,605)	(20,042)	(5,918)	(5,029)
Investment income	73,585	155,389	9,715	20,391
<b>Profit/(loss) before tax</b>	<b>607,497</b>	<b>(1,497,652)</b>	<b>369,824</b>	<b>(1,212,391)</b>
Taxation	(194,399)	-	(118,344)	-
<b>Profit/(loss) for the period</b>	<b>413,098</b>	<b>(1,497,652)</b>	<b>251,480</b>	<b>(1,212,391)</b>

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

# eTRANZACT INTERNATIONAL PLC

## STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

		Unaudited 31/12/2021 N'000	Audited 12/31/2020 N'000
<b>Non-current assets</b>			
Property, plant and equipment	1	778,940	673,505
Investment property	2	136,811	302,226
Intangible assets	3	149,281	163,752
Deposit for shares		456,755	456,755
<b>Total non-current assets</b>		<b>1,521,787</b>	<b>1,596,238</b>
<b>Current assets</b>			
Inventories	6	1,278,610	575,477
Trade and other receivables	7	953,882	702,520
Other assets	5	1,250,523	262,820
Cash and cash equivalents	8	5,967,522	3,638,710
<b>Total current assets</b>		<b>9,450,536</b>	<b>5,179,527</b>
<b>Total assets</b>		<b>10,972,323</b>	<b>6,775,765</b>
<b>Non-Current liabilities</b>			
Deferred tax liability	4	-	-
Deferred Grant Income	10	98,055	107,291
Long term Loan	10	367,574	293,586
		<b>465,629</b>	<b>400,877</b>
<b>Current liabilities</b>			
Trade and other payables	9	7,802,484	7,807,698
Current tax liabilities	11	333,170	149,480
<b>Total current liabilities</b>		<b>8,135,654</b>	<b>7,957,178</b>
<b>Total liabilities</b>		<b>8,601,283</b>	<b>8,358,055</b>
<b>Equity</b>			
Share capital	12	3,317,283	2,100,000
Share premium account	13	2,969,824	646,875
Retained earnings	14	(3,916,067)	(4,329,165)
<b>Total equity attributable to owners of the company</b>		<b>2,371,040</b>	<b>(1,582,290)</b>
<b>Total equity and Liabilities</b>		<b>10,972,323</b>	<b>6,775,765</b>

The financial statements was approved by the Board of Directors on January 28, 2022 and signed on its behalf by:



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



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

# eTRANZACT INTERNATIONAL PLC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
<b>Balance at 1 January 2020</b>	<b>2,100,000</b>	<b>646,875</b>	<b>(2,440,173)</b>	<b>306,702</b>
Loss for the year	-	-	(1,888,992)	(1,888,992)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,888,992)</b>	<b>(1,888,992)</b>
<b>Balance at 31 December 2020</b>	<b>2,100,000</b>	<b>646,875</b>	<b>(4,329,165)</b>	<b>(1,582,290)</b>
<b>Balance at 1 January 2021</b>	<b>2,100,000</b>	<b>646,875</b>	<b>(4,329,165)</b>	<b>(1,582,290)</b>
Additions through right issue	1,217,283	2,322,949	-	3,540,232
Profit for the period	-	-	413,098	413,098
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income</b>	<b>1,217,283</b>	<b>2,322,949</b>	<b>413,098</b>	<b>3,953,330</b>
<b>Balance at 31 December 2021</b>	<b>3,317,283</b>	<b>2,969,824</b>	<b>(3,916,067)</b>	<b>2,371,040</b>

# eTRANZACT INTERNATIONAL PLC

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	31/12/2021 N'000	12/31/2020 N'000
<b>Cashflow from operating activities</b>			
Cash receipt from customers		23,328,804	22,613,666
Cash paid to suppliers and employees		(24,511,492)	(22,204,024)
Cash generated from operations		(1,182,688)	409,642
Income taxes paid	11	(10,709)	(106,890)
<b>Net cash generated by operating activities</b>		<b>(1,193,397)</b>	<b>302,752</b>
<b>Cashflow from investing activities</b>			
Purchase of property, plant and equipment	1	(388,274)	(369,452)
Additions to intangible assets	3	(47,404)	(33,832)
Interest received and similar income		73,585	155,389
Interest on Loan		(23,605)	(17,487)
Proceeds from sale of Investment Property		290,775	315,295
Proceeds from sale of Property, plant and equipment		-	762
<b>Net cash (used in)/generated by investing activities</b>		<b>(94,924)</b>	<b>50,675</b>
<b>Cashflow from financing activities</b>			
Net Proceeds from Rights Issue		3,540,232	-
Repayment of Loan Principal		(35,714)	-
Loan obtained	10	100,000	-
<b>Net cash generated by financing activities</b>		<b>3,604,518</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,316,198</b>	<b>353,427</b>
Effects of exchange rate on year end bank balances		12,614	7,617
Cash and cash equivalents at beginning of year		3,638,710	3,277,666
<b>Cash and cash equivalents at end of year</b>	8	<b>5,967,522</b>	<b>3,638,710</b>

## eTRANZACT INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

#### 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, 2021	581,702	77,062	994,445	216,951	-	1,870,160
Additions	-	3,000	316,049	69,225	-	388,274
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at 31 December, 2021</b>	<b>581,702</b>	<b>80,062</b>	<b>1,310,494</b>	<b>286,176</b>	<b>-</b>	<b>2,258,434</b>
<b>Accumulated depreciation and impairment</b>						
As at 1 January	283,289	66,618	696,162	150,586	-	1,196,655
Adjustments						
Charge for the period	88,102	5,527	141,401	47,809		282,839
Disposals	-	-	-	-		-
<b>As at 31 December, 2021</b>	<b>371,391</b>	<b>72,145</b>	<b>837,563</b>	<b>198,395</b>	<b>-</b>	<b>1,479,494</b>
<b>Carrying amount</b>						
As at January 1, 2021	298,413	10,444	298,283	66,365	-	673,505
<b>As at 31 December, 2021</b>	<b>210,311</b>	<b>7,917</b>	<b>472,931</b>	<b>87,781</b>	<b>-</b>	<b>778,940</b>

#### 1.1 Impairment losses recognised in the Period

There were no impairment losses recognized during the year.

#### 1.2 Contractual commitments

At December 31, 2021 the company had no contractual commitments for the acquisition of property, plant and equipment

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

### 2 Investment property

	31/12/2021 N'000	31/12/2020 N'000
<b>Cost</b>		
Land	<u>136,811</u>	<u>302,226</u>
	<b>31/12/2021 N'000</b>	<b>31/12/2020 N'000</b>
Balance at the beginning of the year	302,226	645,917
Disposal	(165,415)	(187,117)
Impairment loss	<u>-</u>	<u>(156,574)</u>
<b>Balance at the year end</b>	<u><b>136,811</b></u>	<u><b>302,226</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 December 31, 2021 the fair value of the investment property has been estimated as N136.8m (2020, N302m). 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 YEAR ENDED 31ST DECEMBER 2021

### 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 2021	293,510	105,858	249,289	648,657
Additions	-	-	47,404	47,404
Reclassification	-	-	-	-
<b>As at 31 December, 2021</b>	<b>293,510</b>	<b>105,858</b>	<b>296,693</b>	<b>696,061</b>
<b>Amortisation</b>				
At 1 January 2021	241,013	68,051	175,841	484,905
Adjustments	-	-	-	-
Charge for the year	11,740	4,234	45,900	61,875
<b>As at 31 December, 2021</b>	<b>252,753</b>	<b>72,286</b>	<b>221,741</b>	<b>546,780</b>
<b>Carrying amount</b>				
At 1 January 2021	<b>52,497</b>	<b>37,807</b>	<b>73,448</b>	<b>163,752</b>
<b>As at 31 December, 2021</b>	<b>40,757</b>	<b>33,572</b>	<b>74,952</b>	<b>149,281</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 YEAR ENDED 31ST DECEMBER 2021

### 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>31/12/2021</b>	<b>12/31/2020</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	-	39,052
Charged to profit or loss	-	(39,052)
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 31 December, 2021</b>	<u><u>-</u></u>	<u><u>-</u></u>

	<b>31/12/2021</b>	<b>12/31/2020</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>31/12/2021</b>	<b>12/31/2020</b>
	<b>N'000</b>	<b>N'000</b>
Prepayments	92,963	34,744
Advance payments	1,145,217	215,733
Other assets (Note 5.1)	84,259	84,259
Fraud assets (Note 5.2)	3,821,102	3,821,102
	<u>5,143,541</u>	<u>4,155,838</u>
Allowance for other assets	(71,916)	(71,916)
Allowance for fraud assets	(3,821,102)	(3,821,102)
	<u><u>1,250,523</u></u>	<u><u>262,820</u></u>

### 5.1 Other assets

N71million out of the total 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

### 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 YEAR ENDED 31ST DECEMBER 2021

### 6.0 Inventories

	31/12/2021	31/12/2020
	N'000	N'000
Airtime Pins	1,276,306	570,759
SMS Printers Stock	-	-
Point of Sales (POS)	-	-
EMV - (Note 6.1)	2,304	2,304
Bulk SMS	-	2,415
	<u>1,278,610</u>	<u>575,477</u>
Provision for obsolete spares and slow moving stock	-	-
	<u><b>1,278,610</b></u>	<u><b>575,477</b></u>

### 6.1 EMV Cards

	N'000	N'000
EMV in Store	-	-
Stocks in transit	2,304	2,304
	<u><b>2,304</b></u>	<u><b>2,304</b></u>

### 7.0 Trade and other receivables

	31/12/2021	31/12/2020
	N'000	N'000
Trade receivables	717,648	580,334
Allowance for doubtful debts	(303,748)	(303,748)
	413,900	276,586
<b>Other receivables</b>		
Staff debtors (Note 7.1)	75,646	95,161
Other debtors	464,336	330,773
Due from related parties	-	-
	<u><b>953,882</b></u>	<u><b>702,520</b></u>

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

### 7.1 Staff debtors

	31/12/2021	31/12/2020
	N'000	N'000
Staff debtors	80,790	100,305
Allowance for staff debtors	(5,144)	(5,144)
	<u><b>75,646</b></u>	<u><b>95,161</b></u>

### 8 Cash and Bank

	31/12/2021	31/12/2020
	N'000	N'000
Cash and bank balances	759,367	774,160
Restricted Cash	3,281,354	974,111
Short term investments	1,926,801	1,890,439
	<u><b>5,967,522</b></u>	<u><b>3,638,710</b></u>

# eTRANZACT INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

### 9 Trade and other payables

	31/12/2021	12/31/2020
	N'000	N'000
Trade payable	78,500	133,212
<b>Other payables:</b>		
Accruals and Deferred Income	438,970	596,460
Pension contribution (Note 9.2)	33,798	37,070
Funds held for Pocketmoni and Babcock Card Scheme	928,168	458,011
Other Statutory Payables	283,198	376,937
Other Payables	5,784,383	2,413,521
Payables to First Bank of Nigeria (Note 9.1)	37,606	3,641,102
Other creditors	217,862	151,385
	<b><u>7,802,484</u></b>	<b><u>7,807,698</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.

Payables to First Bank of Nigeria represent the balance due to First Bank of Nigeria as a result of the fraudulent transactions by Smart Micro Systems Limited. eTranzact's portion of the recovered assets from Smart Micro Systems Limited was transferred to First Bank of Nigeria Plc, to reduce the balance payable to First Bank.

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

### 9.2 Pension Contribution

	31/12/2021	31/12/2020
	N'000	N'000
At 1 January	37,070	30,400
Provisions	143,313	101,129
Payment	(146,585)	(94,459)
	<b><u>33,798</u></b>	<b><u>37,070</u></b>

### 10 Long Term Loan

	31/12/2021	31/12/2020
	N'000	N'000
Openng Balance	293,586	283,827
Additions	100,000	-
Deferred Income on Grant	-	-
Principal Repayment	(35,714)	-
Interest Repayment	(23,060)	-
Modification Gain	-	(12,812)
Accrued Interest	32,763	22,571
	<b><u>367,574</u></b>	<b><u>293,586</u></b>

Deferred Income on Grant		
Opening Balance	107,291	119,605
Accrued during the year	-	-
Recognised during the year	(9,236)	(12,314)
	<b><u>98,055</u></b>	<b><u>107,291</u></b>

Total Loan Balance with Accrued Interest	<b><u>465,629</u></b>	<b><u>400,877</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 YEAR ENDED 31ST DECEMBER 2021

### 11 Current tax liabilities

	31/12/2021	31/12/2020
	N'000	N'000
At 1 January	149,480	198,660
Charged for the year	194,399	57,710
Payments during the year	(10,709)	(106,890)
Writeback of excess provision	-	-
	<u>333,170</u>	<u>149,480</u>

### 12 Share capital

	31/12/2021	31/12/2020
	N'000	N'000
<b>Issued and fully paid:</b>		
6,634,566,483 ordinary shares of 50k each	3,317,283	2,100,000
(4,200,000,000 ordinary shares - 2020)		
	<u>3,317,283</u>	<u>2,100,000</u>

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

### 13 Share premium

	31/12/2021	31/12/2020
	N'000	N'000
At 1 January	646,875	646,875
Premium arising on issue of shares	2,434,566	-
Expenses incurred on issue of shares	(111,617)	-
	<u>2,969,824</u>	<u>646,875</u>
<b>As at 31 December, 2021</b>	<u>2,969,824</u>	<u>646,875</u>

### 14 Retained earnings

	31/12/2021	31/12/2020
	N'000	N'000
At 1 January	(4,329,165)	(2,440,173)
Profit attributable to owners of the company	413,098	(1,888,992)
	<u>(3,916,067)</u>	<u>(4,329,165)</u>
<b>As at 31 December, 2021</b>	<u>(3,916,067)</u>	<u>(4,329,165)</u>

### 15 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 Stock Exchange which have been incorporated into Sections 4 to 6 of the Company's Securities Trading Policy, No Director, Person discharging managerial responsibility, Adviser(s) of the Company or their connected person was involved in the trading in the Company's shares from January 11, 2022 until 24 hours after the release of the Company's Financial Statements for the period ended December 31, 2021 to the Nigerian Exchange Limited and the general public.