ANNUAL PERFORMANCE AND FORWARD OUTLOOK 2025

INTRODUCTION

This report presents a summary of the financial performance, position, and key financial activities of FOAN Group for the financial year ended **31st December 2025.** It has been prepared to provide a clear overview of expenditure, assets, liabilities, and overall financial health during the period under review.

OVERVIEW OF FINANCIAL PERFORMANCE

The 2025 financial year represented a decisive execution phase for FOAN Group and its flagship venture, C54News. It was not an operating year. C54News remained pre-operational throughout the period and did not commence revenue generating activities. Accordingly, performance for the year was assessed against build delivery, asset formation, and operational readiness, with Management's primary objective being to enter the market on schedule with the capacity to sustain operations from inception.
C54News is scheduled to launch on **22 May 2026,** and by the close of the reporting period, the platform had progressed beyond the conceptual stage into late-phase buildout, evidenced by tangible advancements across infrastructure readiness, technology deployment, content development, production workflows, and regional structuring. Management maintained a disciplined execution approach throughout the year, ensuring that all capital deployed translated into clearly identifiable capabilities, with defined ownership of milestones, risks, and delivery sequencing.

CAPITAL DEPLOYMENT AND BALANCE SHEET POSTURE

As at the financial year end, cumulative funding deployed into the C54News build programme totaled **₦3,165,070,000** (Three Billion, One Hundred and Sixty-Five Million, Seventy Thousand Naira). This deployment covered facility build-out works, technical systems, platform development, content production activities, legal structuring, and organizational capacity development.

Total outstanding debt as at year end stood at **₦230,000,000** (Two Hundred and Thirty Million Naira). This level of leverage was maintained within controlled parameters and aligned with delivery requirements, with a deliberate focus on avoiding balance sheet strain while the business remains pre-operational.

Throughout the year, Management prioritized valuation protection over accelerated fundraising. Capital constraints experienced during 2025 were therefore the result of strategic sequencing rather than a lack of market interest. Where proposed capital terms did not adequately reflect the platform's forward value, Management elected to defer such transactions and continue execution through enhanced cost discipline and staged delivery. This approach preserved negotiating leverage and positioned the business favourably heading into the launch year.

READINESS REVIEW AND LAUNCH TIMING

Management conducted a structured readiness assessment across infrastructure, technology platforms, content depth, production systems, and market positioning. Based on the outcome of this assessment, management has confirmed the launch date of **22 May 2026.** The timeline is driven by operational alignment rather than timetable pressure and reflects a clear commitment to enter the market with systems that are complete, stable, and scalable.

DELIVERY PROGRESS AND FUNDING ALIGNMENT

As at the close of the reporting period, C54News had achieved approximately **65%** completion against its core build programme milestones. From a funding governance perspective, management also tracked capital release and deployment against the approved internal programme schedule. Under this programme release view, approximately **52%** of scheduled funds had been released and deployed by year end.

Based on the current forecast for launch readiness, Management estimates that an additional **₦2,700,706,000** (Two Billion, Seven Hundred Million, Seven Hundred and Six Thousand Naira) is required to complete final delivery, commissioning, and launch execution. On this basis, the implied total forecast capital requirement to reach launch readiness is **₦5,871,070,000** (Five Billion, Eight Hundred and Seventy-One Million, Seventy Thousand Naira), of which

₦3,165,070,000 (Three Billion, One Hundred and Sixty-Five Million, Seventy Thousand Naira) has been deployed to date.
The remaining delivery phase is expected to be more capital-intensive, reflecting the cost profile of system integration, equipment commissioning, final production capability build-out, distribution scale-up, and controlled go-to-market mobilization.

ASSET FORMATION AND EXECUTION ACHIEVED IN 2025

Progress during the year was not incremental activity; it represented deliberate capability formation.

a. Operational structuring advanced through the formal establishment of operations in East Africa, including incorporation in Kenya. This strengthened regional access and provided a functional legal platform for partnerships and on-the-ground execution aligned with launch objectives.

b. Technology delivery progressed to completion of the C54News mobile application and OTT platform, establishing a direct-to-consumer distribution foundation ahead of launch. This materially reduces time to market and provides a deployable channel for early audience acquisition, testing, and distribution validation.

c. Content development was treated as a long-term asset class rather than a pre-launch marketing activity. As at year end, management estimates the aggregate value of the content asset base at **₦4,500,000,000** (Four Billion, Five Hundred Million Naira), reflecting both produced content and advanced development projects structured for future monetization. Documentary production commenced during the period, validating internal workflows and demonstrating repeatable delivery capability.

d. Infrastructure execution accelerated in the latter part of the year, particularly within the C54News Streaming Dome. The Streaming Dome is a rented facility, and management's approach has been to configure and fit out the space to launch standard while preserving flexibility and avoiding unnecessary fixed asset

burden at the pre-operational stage. This choice reflects cost discipline and speed to readiness, without compromising delivery intent.

e. Strategic distribution engagement also advanced during the period, including discussions with GlobeCast, supporting the platform's international distribution pathway and reinforcing the ambition to serve both African and international audiences with credible news and premium documentary storytelling.

POSITION ENTERING THE LAUNCH YEAR

As at year end, C54News is in transition from build-out to operational launch. While the platform is not yet live, key delivery risks have been materially reduced through the completion of core platform elements, the establishment of production workflows, the expansion of content assets, and the definition of infrastructure and distribution pathways. The 2026 execution cycle is therefore focused on final completion, commissioning, controlled scale-up, and launch operations.

Management enters the launch year with confidence grounded in execution delivered. Capital has been deployed into identifiable assets and systems; capability has been built and tested; and the remaining scope is clearly defined, costed, and sequenced. This is the basis on which management is engaging partners and strategic stakeholders, with a clear focus on disciplined completion and a launch that reflects the standards with which C54News has been constructed.

In conclusion, the 2025 financial year demonstrates FOAN Group's capacity to execute a complex media build programme under constrained conditions while maintaining financial discipline, governance control, and delivery clarity.

For partners and stakeholders, the year provides a firm basis for confidence: capital has been deployed deliberately, operational readiness has advanced measurably, and the platform is approaching launch from a position of credibility, control, and strategic intent.



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