CEO's Statement

First Half 2026 — July 2026

Macroeconomic Context

Nigeria's macroeconomic environment in the first half of 2026 was characterised by a transition from stabilisation to consolidation. The major reforms implemented over the past two years – including fuel subsidy removal, exchange rate liberalisation, tighter monetary policy, banking sector recapitalisation, and fiscal reforms – are beginning to produce more stable macroeconomic indicators.

Although inflation remains elevated by historical standards, it has moderated significantly from the peaks recorded in 2024 and 2025, as the Central Bank's policy focus remains on preserving these gains and anchoring inflation expectations. The conflict in the Middle East has also influenced the domestic economy through higher oil revenues, which have supported external reserves, while simultaneously contributing to inflationary pressures through increased transportation and production costs.

Nigeria's capital markets maintained positive momentum, supported by improving corporate earnings, increased domestic participation and renewed investor confidence. Ongoing reforms in the foreign exchange market, improved market transparency and sustained policy initiatives aimed at strengthening the investment climate continued to create opportunities across the financial services sector.

Group Performance

Against this backdrop, AVA Capital Plc delivered an outstanding first-half performance, reflecting the strength of our diversified business model, disciplined execution and the confidence our clients continue to place in us. Our performance demonstrates the resilience of our strategy and reinforces our ability to create sustainable value.

The Company recorded exceptional revenue growth, with total income increasing more than four times the level achieved in H1 2025. This performance was primarily driven by a 402.3% increase in fees and commission income, reflecting higher transaction activity and the continued strength of its advisory business. Enhanced operating leverage was evident in the expansion of the PBT margin from 33.6% to 71.3% and the improvement in the cost-to-income ratio from 66.4% to 28.7%.

The Group continued to record steady progress against its long-term strategic priorities during the period, strengthening its market position across key performance indicators. Our customer base has expanded to more than 4,700, underscoring the continued growth in customer acquisition and engagement. Profitability at the group level remained resilient, with a net profit margin of 29.6%, reflecting the efficiency, resilience, and sustainability of our business model

We currently manage four investment funds and are actively developing additional offerings to achieve our target of ten funds by 2030. We are also witnessing a steady increase in transaction volumes across our advisory business, reflecting growing client confidence and an expanding deal pipeline. We remain focused on sustaining our position as the third-largest Transaction Sponsor in the FMDQ Private Markets Noting Transaction Sponsor League Table (Inception – December 2025) while strengthening our leadership in transaction execution and expanding our presence within Nigeria's capital market.

Our physical expansion strategy remains a key pillar of long-term growth. We currently operate three branches and are on track to expand our network to four branches by 2027 and ten branches by 2030, extending our market reach and enhancing client engagement.

In asset management, we are currently ranked 33rd by Funds Under Management (FUM) from rank 40 by the first quarter of 2026. This is based on the Net Asset Value (NAV) of Nigerian Collective Investment Schemes published by the Securities and Exchange Commission (SEC) weekly. We remain committed to climbing into and sustaining a Top 10 industry ranking by 2030 through continued growth in assets under management, product innovation, and disciplined execution.

Outlook

Our priorities for the second half of 2026 are clear. We believe AVA Capital Plc is well positioned to benefit from increasing activity within Nigeria's capital markets, continued evolution of the country's financial services landscape and the growing investor demand for professional wealth management solutions. We intend to continue operating with the utmost degree of excellence needed to capture these opportunities.

We are focused on strengthening our recurring income bases and fully leveraging the benefits of our integrated financial services platform. This entails enhancing our advisory capabilities through continued investment in talent, technology and processes. We intend to broaden our investment offerings, optimise the deployment of our assets and reinforce operational excellence across the Group to ensure that we deliver greater consistency in earnings while sustaining long-term value for all our stakeholders.

We will continue to deepen client relationships, strengthen recurring earnings, optimise capital deployment, enhance operational efficiency and pursue sustainable growth across all our businesses. We remain focused on delivering superior returns, maintaining strong governance standards and creating lasting value for all our stakeholders.

While near-term macroeconomic conditions may continue to evolve, we remain optimistic about the outlook for Nigeria's financial markets. The ongoing impact of structural reforms, increasing market sophistication, and a growing demand for professional financial services continue to create meaningful opportunities. AVA Capital Plc is well-positioned to capitalise on these opportunities, and we remain committed to consistent execution, sustainable growth, and the delivery of long-term value to our stakeholders.

I would like to thank our clients for their continued trust, our shareholders for their unwavering support, our Board for its guidance, and our employees for their dedication and commitment to excellence. I also extend my sincere appreciation to our regulators, business partners, and all other stakeholders for their continued confidence in AVA Capital and their support for our growth journey.

Kayode Fadahunsi
Managing Director/Chief Executive Officer
AVA Capital Plc
July 2026