



**FTN COCOA PROCESSORS PLC**

**REPORTS AND UNAUDITED INTERIM FINANCIAL STATEMENTS FOR  
THE NINE MONTHS ENDED 30 SEPTEMBER 2025**

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## FTN COCOA PROCESSORS PLC CORPORATE INFORMATION

- Directors:** High Chief (Sir) Simeon Olusola Oguntimehin, OON - (*Chairman*)  
Pastor Akin Laoye- *Managing Director*  
Otunba' Wale Jubril  
Nathaniel Durant Jr.  
Titilayo Ayoka Aderonmu
- Company Secretaries:** Alpha-Genasec Limited, Kresta Laurel Complex, 376, Ikorodu Road, Maryland, Lagos.  
Tel. 234-7035051231  
E-mail: [alphagenasec@bakertillynigeria.com](mailto:alphagenasec@bakertillynigeria.com)
- Registered Office:** 21, Emmanuel Keshi Street, Oladipo Sessi Close, Magodo, GRA, Lagos.  
Tel. 234-1-7409651  
Website: [www.ftncocoa.com.ng](http://www.ftncocoa.com.ng)  
E-mail: [info@ftncocoa.com.ng](mailto:info@ftncocoa.com.ng)
- Registration Number:** RC. 172292
- Factory Address:** Km 9, Monatan- Iwo Road, Opposite Arcedem, Wofun Olodo, Ibadan, Oyo State.  
Tel. 234-2-7404744
- Independent Auditors:** Bakertilly Nigeria, (Chartered Accountants),  
Kresta Laurel Complex (4th Floor), 376, Ikorodu Road, Maryland, Lagos.  
Tel. 234-9031613983  
E-mail: [btnlag@bakertillynigeria.com](mailto:btnlag@bakertillynigeria.com)
- Registrars:** Meristem Registrars,  
213, Herbert Macaulay Street, Yaba, Lagos.  
Tel.: 234-1-8920491, 234-1-8920492  
E-mail: [info@meristemregistrars.com](mailto:info@meristemregistrars.com)
- Bankers:** Ecobank Nigeria Limited  
Guaranty Trust Bank Limited  
Zenith Bank Plc  
United Bank for Africa Plc  
Premium Trust Bank

### FTN COCOA PROCESSORS PLC RESULTS AT A GLANCE

| For the period       | 9 Months<br>Sept-2025<br>₦'000 | 9 Months<br>Sept-2024<br>₦'000 | Change<br>₦'000 | Percentage<br>Change (%) |
|----------------------|--------------------------------|--------------------------------|-----------------|--------------------------|
| Revenue              | 2,186,350                      | 637,510                        | 1,548,840       | 243                      |
| Loss before Taxation | (693,285)                      | (12,580,791)                   | 11,887,506      | 94                       |
| Taxation             | -                              | -                              | -               | -                        |
| Loss after Taxation  | (693,285)                      | (12,580,791)                   | 11,887,506      | 94                       |
| Loss per Share       | (₦0.18k)                       | (₦3.23k)                       | ₦3.10           | 94                       |

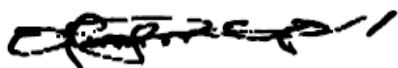
| For the period                | Sept-2025<br>₦'000 | Dec-2024<br>₦'000 | Change<br>₦'000 | Percentage<br>Change (%) |
|-------------------------------|--------------------|-------------------|-----------------|--------------------------|
| Property, Plant and Equipment | 15,693,070         | 16,255,664        | (562,594)       | (3)                      |
| Total Assets                  | 21,560,097         | 21,094,314        | 465,783         | 2                        |
| Total Liabilities             | 21,668,419         | 17,649,416        | 4,019,003       | 23                       |
| Share Capital                 | 1,950,000          | 1,950,000         | -               | -                        |
| Revaluation Reserve           | 14,266,309         | 14,266,309        | -               | -                        |
| Equity                        | (108,322)          | 3,444,898         | (3,553,219)     | (103)                    |

|                     | Number | Number |   |   |
|---------------------|--------|--------|---|---|
| Number of Employees | 38     | 39     | - | - |

**FTN COCOA PROCESSORS PLC**  
**CERTIFICATION PURSUANT TO SECTION 60(2) OF**  
**INVESTMENT AND SECURITIES ACT NO. 29 OF 2007**

We, the undersigned, hereby certify the following with regards to our unaudited reports and financial statements for the year ended 30 September, 2025 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
  - (i) any untrue statement of a material fact, or
  - (ii) omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report;
- (d) We:
  - (i) are responsible for establishing and maintaining internal controls;
  - (ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities, particularly during the period in which the periodic reports are being prepared;
  - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
  - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
  - (i) all significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls; and
  - (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



.....  
**Mr. Mayowa Jimoh**  
**FRC/2022/PRO/ICAN/001/00000024076**  
**Chief Finance Officer**

**21 October, 2025**



.....  
**Pastor Akin Laoye**  
**FRC/2021/003/00000023888**  
**Chief Executive Office**

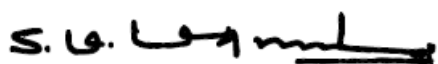
**21 October, 2025**

## FTN COCOA PROCESSORS PLC

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

|                                      | Note | Sept-2025<br>₦'000  | Dec-2024<br>₦'000   |
|--------------------------------------|------|---------------------|---------------------|
| <b>Non-Current Assets</b>            |      |                     |                     |
| Property, Plant and Equipment        | 5    | 15,693,070          | 16,255,664          |
| Available for Sale Financial Assets  | 6    | 300                 | 300                 |
| Other Receivables                    | 7.2  | <u>1,106,115</u>    | <u>1,106,115</u>    |
| <b>Total Non-Current Assets</b>      |      | <b>16,799,485</b>   | <b>17,362,079</b>   |
| <b>Current Assets</b>                |      |                     |                     |
| Trade and Other Receivables          | 7.1  | 252,993             | 2,178,377           |
| Inventories                          | 8    | 1,445,137           | 329,114             |
| Deferred Tax                         | 13   | 1,148,353           | 1,148,353           |
| Cash and Cash Equivalents            | 9    | <u>1,914,129</u>    | <u>76,391</u>       |
| <b>Total Current Assets</b>          |      | <b>4,760,612</b>    | <b>3,732,235</b>    |
| <b>Total Assets</b>                  |      | <b>21,560,097</b>   | <b>21,094,314</b>   |
| <b>Non-Current Liabilities</b>       |      |                     |                     |
| Borrowings                           | 10.1 | <u>19,269,142</u>   | <u>17,152,770</u>   |
| <b>Total Non-Current Liabilities</b> |      | <b>19,269,142</b>   | <b>17,152,770</b>   |
| <b>Current Liabilities</b>           |      |                     |                     |
| Borrowings                           | 10.2 | 1,900,000           | -                   |
| Trade and Other Payables             | 11   | 407,526             | 393,264             |
| Current Taxation                     | 12.2 | <u>91,752</u>       | <u>103,382</u>      |
| <b>Total Current Liabilities</b>     |      | <b>2,399,298</b>    | <b>496,646</b>      |
| <b>Total Liabilities</b>             |      | <b>21,668,419</b>   | <b>17,649,416</b>   |
| <b>Equity:</b>                       |      |                     |                     |
| Share Capital                        | 14   | 1,950,000           | 1,950,000           |
| Share Premium                        | 15   | 1,045,577           | 1,045,577           |
| Revaluation Reserve                  | 16   | 14,266,309          | 14,266,309          |
| Capital Reserve (Hybrid Capital)     | 17   | 9,927,873           | 12,542,142          |
| Revenue Reserve                      | 17.1 | <u>(27,298,081)</u> | <u>(26,359,130)</u> |
| <b>Total Equity</b>                  |      | <b>(108,322)</b>    | <b>3,444,898</b>    |
| <b>Total Liabilities and Equity</b>  |      | <b>21,560,097</b>   | <b>21,094,314</b>   |

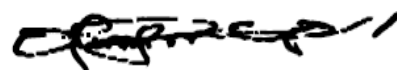
The financial statements were approved by the Board of Directors on 21 October, 2025, and signed on its behalf by:



High Chief (Sir) Simeon O. Oguntimehin OON  
Chairman  
FRC/2013/ICAN/00000003428



Pastor Akin Laoye  
Managing Director  
FRC/2021/003/00000023888



Olumayowa P Jimoh  
Chief Finance Officer  
FRC/2022/PRO/ICAN/001/00000024076

## FTN COCOA PROCESSORS PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2025

|  | Note | Sept-2025<br>₦'000 | Sept-2024<br>₦'000         |
|--|------|--------------------|----------------------------|
| Revenue  | 18   | 2,186,350          | 637,510                    |
| Cost of Sales  | 19.1 | <u>(2,703,005)</u> | <u>(220,374)</u>           |
| <b>Gross Loss</b>  |      | <b>(516,655)</b>   | <b>417,136</b>             |
| Selling and Distribution cost                                  | 19.2 | (8,644)            | (5,407)                    |
| Operating Expenses   | 19.3 | (630,455)          | (276,525)                  |
| Allowance for Impairment Loss                                  | 19.5 | -                  | -                          |
| Other Operating Income   | 20   | 17,757             | 942,758                    |
| Exchange Gain/(Loss)   |      | <u>809,817</u>     | <u>(13,398,977)</u>        |
| <b>Operating Loss</b>  |      | <b>(328,180)</b>   | <b>(12,321,015)</b>        |
| Finance Cost   | 20.1 | <b>(365,105)</b>   | <b>(259,776)</b>           |
| <b>Loss Before Taxation</b>                                    | 22   | <b>(693,285)</b>   | <b><u>(12,580,791)</u></b> |
| Current Taxation   | 12.1 | =                  |                            |
| Deferred Taxation  |      | -----              | -----                      |
| Loss after Taxation transferred to Revenue Reserve             |      | <u>(693,285)</u>   | <u>(12,580,791)</u>        |
| <b><i>Other Comprehensive Income</i></b>                       |      |                    |                            |
| Net appreciation on Revaluation of Property, Plant & Equipment | 16   | -                  | -                          |
|  |      | <u>(693,285)</u>   | <u>(12,580,791)</u>        |
| Loss per Share   |      | (₦0.18k)           | (₦3.23k)                   |

**FTN COCOA PROCESSORS PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2025**

|  | Issued share<br>Capital<br>N'000 | Share<br>Premium<br>N'000 | Fair value<br>Reserve<br>N'000 | Hybrid<br>Capital<br>N'000 | Retained<br>Earnings<br>N'000 | Total<br>Equity<br>N'000 |
|--|----------------------------------|---------------------------|--------------------------------|----------------------------|-------------------------------|--------------------------|
| <b>Fund as at January 2025</b>             | <b>1,950,000</b>                 | <b>1,045,577</b>          | <b>14,266,309</b>              | <b>12,542,142</b>          | <b>(26,359,130)</b>           | <b>3,444,898</b>         |
| Revaluation Surplus                        | -                                | -                         | -                              | -                          | -                             | -                        |
| Increase in Share Capital                  | -                                | -                         | -                              | -                          | -                             | -                        |
| Prior Year Adjustment                      | -                                | -                         | -                              | -                          | (245,666)                     | (245,666)                |
| Restatement of Foreign Loan                | -                                | -                         | -                              | (2,614,269)                | -                             | (2,614,269)              |
| Total Comprehensive Income                 | <u>-</u>                         | <u>-</u>                  | <u>-</u>                       | <u>-</u>                   | <u>(693,285)</u>              | <u>(693,285)</u>         |
| <b>Balance as at 30 Sept. 2025</b>         | <b>1,950,000</b>                 | <b>1,045,577</b>          | <b>14,266,309</b>              | <b>9,927,873</b>           | <b>(27,298,081)</b>           | <b>(108,322)</b>         |
| <b>Fund as at January 2024</b>             | <b>1,950,000</b>                 | <b>1,045,577</b>          | <b>8,748,602</b>               | <b>8,460,912</b>           | <b>(16,909,274)</b>           | <b>3,203,773</b>         |
| Revaluation Surplus                        | -                                | -                         | 5,517,707                      | -                          | -                             | 5,517,707                |
| Increase in Share Capital                  | -                                | -                         | -                              | -                          | -                             | -                        |
| Equity Statement of Convertible<br>Loan    | -                                | -                         | -                              | 4,173,028                  | -                             | 4,173,028                |
| Total Comprehensive Income<br>for the Year | <u>-</u>                         | <u>-</u>                  | <u>-</u>                       | <u>-</u>                   | <u>(9,449,856)</u>            | <u>(9,449,856)</u>       |
| <b>Balance as at 31 Dec. 2024</b>          | <b>1,950,000</b>                 | <b>1,045,577</b>          | <b>14,266,309</b>              | <b>12,542,142</b>          | <b>(26,359,130)</b>           | <b>3,444,898</b>         |

## FTN COCOA PROCESSORS PLC

## STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2025

|   | Note | Sept-2025<br>₦'000 | Sept-2024<br>₦'000 |
|---|------|--------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>               |      |                    |                    |
| Operating Loss before Working Capital Changes             | 22   | 275,893            | 1,182,303          |
| Income Tax Paid   |      | -                  | -                  |
| Working Capital Changes                                   | 23   | 2,711,993          | (3,467,730)        |
|   |      | <u>2,987,886</u>   | <u>(2,285,427)</u> |
| <b>Cash flows from Investing Activities</b>               |      |                    |                    |
| Purchase of Property, Plant and Equipment                 |      | (41,479)           | (203,028)          |
| Interest Received   |      | (365,105)          | (259,776)          |
| Revaluation Surplus                                       |      | -                  | -                  |
| Proceeds from Disposal                                    |      | <u>-</u>           | <u>-</u>           |
| <b>Net cash (utilized)/generated Investing Activities</b> |      | <b>(406,585)</b>   | <b>(462,804)</b>   |
| <b>Cash flows from Financing Activities</b>               |      |                    |                    |
| Borrowing   |      | 2,116,372          | 10,530,345         |
| Share Increase  |      | -                  | -                  |
| Capital Reserve   | 22.1 | (2,859,935)        | (8,606,906)        |
| <b>Net Cash generated from Financing Activities</b>       |      | <b>(743,563)</b>   | <b>1,923,439</b>   |
| <b>Net decrease in Cash and Cash Equivalents</b>          |      | <b>1,837,738</b>   | <b>(824,794)</b>   |
| Cash and Cash Equivalents at beginning of year            |      | <u>76,391</u>      | <u>874,830</u>     |
| Cash and Cash Equivalents at end of year                  | 9    | <u>1,914,129</u>   | <u>50,036</u>      |

The accounting policies and notes on pages 8 to 30 form an integral part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2025****1. General Information**

FTN Cocoa Processors Plc was incorporated on 26 August 1991 in Nigeria as a private company limited by shares under the name Fantastic Abiola Nigeria Limited, which later became Fantastic Traders Nigeria Limited on 26 August 1998. The company became a public limited liability company on 29 February, 2008, and got listed on the Nigeria Stock Exchange. The principal activities of the Company are the processing of cocoa beans and palm kernels into cocoa cake, liquor, butter, palm kernel oil and palm kernel cake for export and sales to local manufacturing companies.

**2. Statement of Compliance**

The financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) with the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

**3. Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the company's financial statements are set out below.

**3.1 Basis of preparation of the financial statements*****i.* Basis of Measurement**

The accounts have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value.

These financial statements are presented in Nigerian Naira (₦), which is the company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless otherwise stated.

***ii.* Use of Estimates and Judgements**

The preparation of financial statements requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## 3.2 Foreign Currency

### *i. Foreign Currency Translation*

The company's transactions in foreign currency are translated to its functional currency for inclusion in the financial statements. Functional currency is the currency of the primary economic environment in which the entity operates. For FTN Cocoa Processors Plc the functional currency is the Nigerian Naira which is also its presentation currency.

### *ii. Foreign Currency Transactions*

- Foreign currency transactions are recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
- Foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### *iii. Exchange Differences*

- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss within 'finance income or cost', except where translation reserve is required; it is then recognized in other comprehensive income.

## 3.3 Property, plant and equipment

The Company uses the cost model for property, plant and equipment. All property, plant and equipment are stated at cost less accumulated depreciation and impairments.

### **Cost includes**

- The purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs associated with site preparation.

### **Subsequent costs**

- The costs of replacing part of an item of property, plant and equipment are recognized in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.
- All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

## **ii. Depreciation**

Depreciation on property, plant and equipment is calculated on the straight-line basis to write-off the costs of components that have homogenous useful lives to their residual values over their estimated useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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.

|                        |     |          |
|------------------------|-----|----------|
| Buildings              | 2%  | 50 years |
| Office Equipment       | 10% | 10 years |
| Plant and machinery    | 5%  | 20 years |
| Motor vehicles         | 20% | 5 years  |
| Furniture and fittings | 10% | 10 years |

The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## **iii. De-recognition**

An item of property, plant and equipment is derecognized on disposal or when no future economic benefit is expected to flow to the company from its continuing use. Any gain or loss arising from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognized in the income statement in the year the asset is derecognised.

## **3.4 Intangible Assets**

### **i. Acquired Computer Software**

Software acquired by the company is stated at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the computer software, the estimated useful life and amortization are reviewed at the end of each reporting period, with the effect of any changes being accounted for on a prospective basis. Acquired computer software is amortized over a three (3) year period.

Acquired computer software is derecognized when no future economic benefit is expected from its use.

### 3.5 Inventories

These are measured at the lower of cost and net realizable value. The net realizable value is the amount the inventories are expected to realize less the estimated costs of completion and selling expenses. The estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize.

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined using the weighted average cost formula. Any write-downs or reversals are recognized in the profit or loss account.

#### *i Raw materials*

These are measured using the weighted average cost formula. It comprises of the purchase price and all other cost incurred that are necessary to bring it to its present location and condition. Raw materials are sourced locally and internationally.

#### *ii. Spare parts*

These are stated at their purchase price and are generally expensed. However, where they are used specifically for the enhancement of an equipment or machinery it is capitalized.

#### *iii. Finished Goods and Work-in-progress*

These are measured at production cost based on weighted average cost taking into account the stage of production. It includes an apportionment of the factory production overheads incurred based on the normal operating capacity.

### 3.6 Revenue

Revenue represents amounts received and receivable from third parties for goods supplied to customers. It is recognized in the profit and loss account when the amount of revenue can be measured reliably, the significant risk and rewards are transferred to the buyer, recovery of the consideration is probable and the associated cost and possible return of products can be reliably estimated and there is no management involvement in the product. Revenue is derived from export and local sales of cocoa cake, liquor, cocoa powder, palm kernel oil, butter and palm kernel cake.

#### *i. Export Sales*

Revenue is recognized on exported goods in the income statement when the significant risk and rewards of ownership of the goods has been transferred to the buyer and this is mainly upon shipment. This is also when the final invoice and bill of lading is raised. Export sales are measured at the agreed price based on current market situation.

#### *ii. Local Sales*

Revenue on local sales is recognized in the income statement upon delivery of the goods to

the buyer's warehouse. This is when the significant risk and rewards of ownership on the goods are transferred to the buyer. It is measured at the fair value of consideration received or receivable net of VAT, excise duties, returns, customer discounts and other sales related discounts.

### **iii. Other Income**

Other income comprises grants on export (Export expansion grant receivable from the Federal Government as a rebate on export costs), interest income, dividend received, bad debt recovered, exchange gain and others.

#### ➤ **Export Expansion Grant**

Export expansion grants are grants receivable from the Federal Government of Nigeria through the Nigerian Export Promotion Council. The grant is backed by the Export (Incentives and Miscellaneous Provisions) Act to encourage companies engaged in the exportation of locally manufactured products by reducing the cost borne by local producers/non-oil exporters through giving a rebate of 30% on goods exported. It is recognized as an income in the period in which the export is made. The export grant is not given in monetary value but as a certificate known as the Export Credit Certificate(ECC).

A company is entitled to receive the export expansion grant only if it has fulfilled the relevant conditions and has made the necessary application to the Nigerian Export Promotion Council. The certificate on average is issued on submission of necessary export documents.

Export expansion grants are initially recognized at fair value and subsequently discounted at the point of sale.

#### ➤ **Dividend and Interest Income**

Dividend income from investments is recognized only when shareholders right to receive payment has been established and the amount of income can be reliably measured. Interest income from a financial asset is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be reliably measured. Interest income is accrued on a time basis with reference to the principal outstanding and the effective interest rates applicable.

### **3.7 Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Other borrowing costs are recognized as an expense. Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

### 3.8 Income Tax Expense

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount differs from the tax base of the assets. Deferred taxes are recognized using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets and liability). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.9 Provisions, Contingent Liabilities and Contingent Assets

#### *i. Provisions*

Provisions are recognized when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The Company reviews provisions existing at the end of each reporting period and makes appropriate adjustment to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

#### *ii. Contingent Liability*

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Where the Company is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognizes a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

### **iii. Contingent Assets**

Contingent assets arising from unplanned or other unexpected events giving rise to the possibility of an inflow of economic benefits are disclosed in the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

## **3.10 Financial Assets**

### **Financial Assets and Liabilities Recognition**

#### **Recognition**

Financial assets are initially recognized at their fair value plus, in the case of financial asset not carried at fair value through profit or loss, directly attributable costs to their acquisition. All other financial assets and liabilities are initially recognized on the trade date at which the company becomes a party to the contractual provisions of the instrument.

#### **Classification and Measurement**

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Financial assets are classified into one of the following measurement categories:

- Amortized cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets
- Equity Instruments

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

#### **a) Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. Loans measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

#### **b) Financial Assets measured at FVOCI**

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets. Subsequent to initial

recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI). Upon de-recognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Statement of Income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Income using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

**c) Financial Assets measured at FVTPL**

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely for business transaction. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of Income as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Statement of Income.

**d) Equity Instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the Statement of Income.

The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer-term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Income. Dividends received are recorded in other income in the Statement of Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Income on sale of the security. Transaction costs on disposal of equity instruments are recognized as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- Amortized cost
- Fair Value through Profit or Loss (FVTPL)

**e) Financial Liabilities at Amortized Cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost using the effective interest rate method. Financial liabilities measured at Amortized cost are loans and other borrowed funds

**f) Financial Liabilities at fair value through profit or loss**

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Gains and losses arising from changes in fair value of financial liabilities classified as held

for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'. Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise, or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Statement of Income, except for changes in fair value arising from changes in the Company's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Company's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Statement of Income upon de-recognition/extinguishment of the liabilities.

### 3.11 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. A change in the Company's business model will occur only when the Company either begins or ceases to perform an activity that is significant to its operations such as significant internal restructuring and any other reason that might warrant a change in the Company's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Company with different business models. When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the company decides to shut down the corporate mortgage business segment, the reclassification date is the first day of the next reporting period.

### 3.12 Impairment of Financial Assets

In line with IFRS 9, the Company assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTL are not subjected to impairment under the standard.

#### Expected Credit Loss Impairment Model

The Company's allowance for credit losses calculations are outputs of models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. The Company adopts a three-stage approach for impairment assessment.

**Stage 1** – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months.

**Stage 2** – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

**Stage 3** – Financial instruments that are considered to be in default are included in this stage. Like Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

### **Measurement of Expected Credit Losses**

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

**Probability of Default** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

- **12-month PDs** – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Company obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.
- **Lifetime PDs** – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum period of exposure required by IFRS 9. Variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

**Exposure at Default** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

**Loss Given Default** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time.

### **Forward-looking information**

IFRS 9 specifies that ECLs should include a forward-looking element which translates into an allowance for changes in macro-economic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macro- economic environment on ECLs, so that an appropriate level of provisions can be raised. The most acceptable way of allowing for macro-economic conditions is to build a regression model that aims to explain and predict the impact of macro-economic indicators on default rates. Such regression models are usually built on a history of default rates and macro-economic variables covering at least one economic cycle, but preferable more. Information gathering is based on historical Nigerian macro-economic indicators from a host of reliable sources, including the International Monetary Fund. The following steps were followed in quantifying the impact of macro-economic scenarios on ECLs.

**Step 1**

Using the statistical methodology of multiple Regression, estimate the relationship between collected historical non-performing loans and on a list of macro-economic indicators.

**Step 2**

Identify variables that are statistically significant (that is variables that have the most significant predictive power)

**Step 3**

Forecast macroeconomic forward-looking information for periods over which lifetime PD will be determined

**Step 4**

Using the equation derived in step one, the significant coefficient obtained in step 2, as well as forecast macroeconomic forward-looking information in step 3, predict the default probability for relevant periods.

**Step 5**

Determine scalars for the relevant period. In order to remove the impact of any historical trends included in the data, the scalar denominator is adjusted based on the estimation period used to derive the PDs.

**Step 6**

Apply the scalars calculated in Step 5 to the lifetime PDs as derived. A scalar factor of one means that the probability of default for the forecast year is expected to be in line with historical average probability of default. A scalar factor less than one means that the probability of default for the forecast year is expected to be less than the historical average probability of default. A scalar factor greater than one means that the probability of default for the forecast year is expected to be greater than the historical average probability of default.

**Presentation of Allowance for ECL in the Statement of Financial Position**

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

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

**Write-off**

The Company writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- Where all possible avenues for recoveries have been explored and it is evident that the financial capacity of the borrower makes it impossible to recover part or the whole amount of indebtedness.

All impaired financial asset write-offs shall require endorsement at the appropriate level, as stated in the Company Policy. write-off approval shall be documented in writing and properly initialed by the

approving authority. A write-off constitutes a de-recognition event.

### **3.13 Offsetting financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **3.14 Prepayments**

Prepayments and accrued income comprise payments made in advance relating to the following year.

### **3.15 Cash and Cash Equivalent**

Cash and cash equivalents comprise balances with not more than three months' maturity from the reporting date, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

### **3.16 Earnings per share**

The Company presents its basic earnings per share (EPS) and diluted earnings on the statement of comprehensive income. Basic EPS is calculated by dividing profit or loss attributable to ordinary equity holders of the entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

### **3.17 Dividend Distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders. Dividends for the year that are declared after the date of the financial position are dealt with in the subsequent events note.

### **3.18 Retirement Benefit Scheme**

#### ***Defined Contribution Scheme***

In line with the provisions of the Nigerian Pension Reform Act 2004, FTN Cocoa Processors Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Company at the rate of 8% by employees and 10% by the Company of basic salary, transport and housing allowances invested outside the Company through Pension Fund Administrators (PFAs) preferred by employees.

The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by the Company to the relevant PFAs are recognized as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. The contributions are recognized as employee benefit expense when they become due.

### 3.19 Share Capital and Reserves

#### *Share issue costs*

Incremental costs directly attributable to the issue of an equity instrument are shown in equity as a deduction.

#### 4. *Fair Value Estimation*

The investments are carried at fair value by valuation method, the different levels have been defined as follow:

**Level 1** – Fair value measurements are those derived from quoted prices (unadjusted) in activemarts for identical liabilities using the last bid price;

**Level 2** – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly i.e. derived from prices; and

**Level 3** – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                     | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---------------------|----------------|----------------|----------------|--------------|
| Sovereign Insurance | 300            | -              | -              | 300          |

#### 5. **Property, Plant and Equipment**

| Cost                     | Plant & Machinery              |                             |                               |                            |                                  |                              | Total<br>N'000    |
|--------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------|----------------------------------|------------------------------|-------------------|
|                          | Under<br>construction<br>N'000 | Land &<br>Building<br>N'000 | Plant &<br>Machinery<br>N'000 | Motor<br>Vehicles<br>N'000 | Furniture &<br>Fittings<br>N'000 | Office<br>Equipment<br>N'000 |                   |
| At 1 Jan., 2025          | 1,211,534                      | 3,456,356                   | 14,424,091                    | 16,255                     | 31,496                           | 96,731                       | 19,236,461        |
| Additions                | -                              | 964                         | 30,646                        | -                          | 5,845                            | 4,024                        | 41,479            |
| Revaluation              | -                              | -                           | -                             | -                          | -                                | -                            | -                 |
| <b>At 30 Sept., 2025</b> | <b>1,211,534</b>               | <b>3,457,320</b>            | <b>14,454,737</b>             | <b>16,255</b>              | <b>37,341</b>                    | <b>100,754</b>               | <b>19,277,940</b> |
| At 1 Jan., 2024          | 7 53,423                       | 3,080,569                   | 9,571,142                     | 16,255                     | 26,114                           | 64,222                       | 13,511,725        |
| Additions                | -                              | 24,494                      | 154,876                       | -                          | 3,888                            | 23,771                       | 2 07,029          |
| Revaluation              | 458,111                        | 351,293                     | 4,698,073                     | -                          | 1,494                            | 8,737                        | 5,517,707         |
| <b>At 31 Dec., 2024</b>  | <b>1,211,534</b>               | <b>3,456,356</b>            | <b>14,424,091</b>             | <b>16,255</b>              | <b>31,496</b>                    | <b>96,730</b>                | <b>19,236,461</b> |
| <b>Depreciation</b>      |                                |                             |                               |                            |                                  |                              |                   |
| At 1 Jan., 2025          | -                              | 484,354                     | 2,412,373                     | 16,255                     | 25,660                           | 42,154                       | 2,980,798         |
| For the year             | -                              | 51,854                      | 542,120                       | -                          | 2,651                            | 7,448                        | 604,073           |
| Disposals                | -                              | -                           | -                             | -                          | -                                | -                            | -                 |
| <b>At 30 Sept., 2025</b> | <b>-</b>                       | <b>536,208</b>              | <b>2,954,493</b>              | <b>16,255</b>              | <b>28,311</b>                    | <b>49,602</b>                | <b>3,584,869</b>  |
| At 1 Jan., 2024          | -                              | 445,569                     | 2,108,879                     | 16,255                     | 23,824                           | 37,018                       | 2,631,544         |
| For the year             | -                              | 38,786                      | 303,494                       | -                          | 1,836                            | 5,136                        | 349,252           |
| Disposals                | -                              | -                           | -                             | -                          | -                                | -                            | -                 |
| <b>At 31 Dec., 2024</b>  | <b>-</b>                       | <b>484,354</b>              | <b>2,412,373</b>              | <b>16,255</b>              | <b>25,660</b>                    | <b>42,154</b>                | <b>2,980,796</b>  |

| Cost                  | Plant & Machinery Under construction<br>N'000 | Land & building<br>N'000 | Plant & Machinery<br>N'000 | Motor Vehicles<br>N'000 | Furniture & Fittings<br>N'000 | Office Equipment<br>N'000 | Total<br>N'000 |
|-----------------------|---|--------------------------|----------------------------|-------------------------|-------------------------------|---------------------------|----------------|
| <b>Carrying value</b> |   |                          |                            |                         |                               |                           |                |
| At 30 Sept. 2025      | 1,211,533                                     | 2,921,113                | 11,500,244                 | -                       | 9,029                         | 51,152                    | 15,693,070     |
| At 31 Dec., 2024      | 1,211,533                                     | 2,972,002                | 12,011,718                 | -                       | 5,836                         | 54,576                    | 16,255,665     |

5.1 **Depreciation has been charged to profit and loss as follows:**

|  | Sept-2025<br>N'000 | Sept-2024<br>N'000 |
|--|--------------------|--------------------|
| Cost of sales  | 593,972            | 102,475            |
| Operating expenses                                     | <u>10,100</u>      | <u>1,866</u>       |
|  | <u>604,072</u>     | <u>104,341</u>     |
| <b>6. Available for sale Financial Assets</b>          |                    |                    |
| Quoted securities ( <i>Sovereign Trust Insurance</i> ) |                    |                    |
| Cost   | 300                | 300                |
| Appreciation in quoted securities                      | <u>300</u>         | <u>300</u>         |
|  | <u>300</u>         | <u>300</u>         |
| <b>7. Trade and other Receivables</b>                  |                    |                    |
| Trade receivables                                      | 236,954            | 637,510            |
| Allowance for impairment                               | <u>-</u>           | <u>-</u>           |
|  | <u>236,954</u>     | <u>637,510</u>     |
| <b>Other Receivables:</b>                              |                    |                    |
| Cocoa Value Addition                                   | -                  | 906,795            |
| Export Expansion Grant                                 | 1,106,115          | 1,131,948          |
| Other Debtors  | <u>4,540</u>       | <u>4,090</u>       |
|  | <u>1,110,654</u>   | <u>2,042,833</u>   |
| <b>7.1 Current</b>                                     |                    |                    |
| Trade Receivables                                      | 236,954            | 637,510            |
| Cocoa Value Addition                                   |                    | 906,795            |
| <b>Other Receivables:</b>                              |                    |                    |
| Export expansion grant (NDDC)                          | -                  | 25,834             |
| Prepayment   | 11,498             | 23,430             |
| Other debtors  | <u>4,540</u>       | <u>4,090</u>       |
|  | <u>252,993</u>     | <u>1,597,659</u>   |
| <b>7.2 Non-Current</b>                                 |                    |                    |
| <b>Other Receivables</b>                               |                    |                    |
| Export expansion grant                                 | <u>1,106,115</u>   | <u>1,106,115</u>   |

### Export Expansion Grant

The export expansion grant (EEG) is a policy tool used by the Federal Republic of Nigeria to facilitate export-orientated activities that will stimulate the growth of the non-oil export sector of the economy. The grant is being backed by the Export (Incentive and Miscellaneous Provision) Act Cap 118 LFN 1990 and the Cap Act Cap E19 LFN 2020. Application for grants by companies is assessed through the weighted eligibility criteria using the documents supplied by individual companies as a baseline for calculation of the export expansion grant. It is calculated at 30% of total exported goods.

Export Credit Certificate (ECC): This is an instrument of the government for settling of the EEG receivable. The NDCC is used for the payment of import and excise duties in lieu of cash. In the last two years, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

|                                    | Sept-2025        | Dec-2024       |
|------------------------------------|------------------|----------------|
| <b>8. Inventories</b>              | <b>₦'000</b>     | <b>₦'000</b>   |
| Finished goods                     | 390,850          | 62,076         |
| Raw materials                      | 804              | 302            |
| Spare parts                        | 231,341          | 154,806        |
| Work in progress                   | 780,019          | 68,075         |
| Consumables                        | <u>42,123</u>    | <u>43,855</u>  |
|                                    | <u>1,445,137</u> | <u>329,114</u> |
|                                    | =====            | =====          |
| <b>9. Cash and Cash Equivalent</b> |                  |                |
| Cash                               | 2,709            | 2,355          |
| Cash held with Nigerian banks      | <u>1,911,420</u> | <u>74,036</u>  |
|                                    | 1,914,129        | 76,391         |
| Impairment loss allowance          | <u>-</u>         | <u>-</u>       |
|                                    | <u>1,914,129</u> | <u>76,391</u>  |
|                                    | =====            | =====          |

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, cash at bank and net of bank overdraft. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

#### 9.1 Movement in impairment allowance on Cash and Cash Equivalent

|                                       |          |          |
|---------------------------------------|----------|----------|
| Balance as at 1 <sup>st</sup> January | -        | -        |
| IFRS translation adjustment           | <u>-</u> | <u>-</u> |
|                                       | -        | -        |
|                                       | =====    | =====    |

| 10. Borrowings                                       | Sept-2025         | Dec-2024          |
|--|-------------------|-------------------|
|  | ₹'000             | ₹'000             |
| 10.1 <b>Non-current Borrowings</b>                   |                   |                   |
| Corporate Bond                                       | 4,660,562         | 4,272,753         |
| OH Ecosystem LLC                                     | 8,826,564         | 2,921,725         |
| O H Origin Global Commodity Inc.                     | <u>5,782,017</u>  | <u>9,958,292</u>  |
|  | <u>19,269,142</u> | <u>17,152,770</u> |
|  | -----             | -----             |
| 10.2 <b>Current borrowings</b>                       |                   |                   |
| OH Ecosystem LLC                                     | -                 | -                 |
| OH Origin Global Commodity Inc.                      | -                 | -                 |
| Index Investment Advisor Ltd                         | -                 | -                 |
| Working capital loan/payables                        | <u>1,900,000</u>  | <u>-</u>          |
| <b>Total Borrowings</b>                              | <u>21,169,142</u> | <u>17,152,770</u> |
|  | =====             | =====             |
| 10.3 <b>The borrowings are repayable as follows:</b> |                   |                   |
| Within one year                                      | 6,560,562         | -                 |
| Between one and two years                            | 9,934,764         | -                 |
| More than three years                                | <u>4,673,816</u>  | <u>17,152,770</u> |
|  | <u>21,169,142</u> | <u>17,152,770</u> |

### **Deep Discount Bond**

FTN Cocoa Processors Plc issued an 18-year JPY 500 million 0% coupon bond in 2008 due in 2026 to Daewoo Securities (Europe) without any option to convert the bond into ordinary shares of FTN Cocoa Processors Plc at maturity.

The proceeds from the bond issue received in 2009 were used for the initial expansion of the company. The bond is a direct, unsubordinated and unsecured obligation of the company.

The bond has a 4.375% yield to maturity. The deep discount bond of JPY 500 million has been booked rightly in the original currency before conversion into Naira at the ruling exchange rate of ₦10.3103/1¥ on 30 September, 2025. It is expected to be partly or fully repaid in August 2026.

Details of the Company's obligation on the corporate bond as at year end is as follows: -

|  | <b>Sept-2025</b> | <b>Dec-2024</b>  |
|--|------------------|------------------|
|  | <b>₦'000</b>     | <b>₦'000</b>     |
| Liability element of deep discount bond at 1 January | 4,272,753        | 2,797,779        |
| Opening balance adjustment                           | -                | -                |
| Interest charge for the year (note 21)               | <u>285,642</u>   | 222,530          |
|  | 4,558,365        |                  |
| Loss on translating monetary items                   | <u>102,166</u>   | <u>1,252,444</u> |
|  | 4,660,561        | 4,272,753        |
| Equity element of convertible loan (note 15)         | <u>-</u>         | <u>-</u>         |
|  | <u>4,660,561</u> | <u>4,272,753</u> |

The Naira value has been arrived at using the exchange rate of US\$1 to ₦1,474.85 however, by the terms of agreement between FTN Cocoa Processors Plc and OH Origins Global Commodities, Inc. (lender), the convertible loan of US\$16,636,606.60 will be converted at the spot rate exchange as defined in the convertible loan agreement. The company's management and board, with the approval of shareholders of the company, planned to increase its share capital to accommodate foreign investors in its bid to resume operation at the optimum capacity and maximize the available opportunities in Nigeria's agricultural sector. The table below shows the components of the convertible bond from OH Origin Commodity Global and OH Ecosystems, LLC:

| <b>OH ECOSYSTEMS, LLC</b> | <b>\$</b>           | <b>₦</b>                 |
|---------------------------|---------------------|--------------------------|
| Non-Current Liability     | 5,984,731           | 8,826,545,363.49         |
| Current Liability         |                     |                          |
| Equity                    | 3,322,417.95        | 4,900,059,142.22         |
| <b>Total</b>              | <b>9,307,148.95</b> | <b>13,726,623,505.71</b> |

| <b>OH ORIGINS GLOBALCOMMODITIES, Inc</b> | <b>\$</b>           | <b>₦</b>                 |
|--|---------------------|--------------------------|
| Non-Current Liability                    | 3,920,417.12        | 5,782,016,604.07         |
| Current Liability                        |                     |                          |
| Equity                                   | 3,409,010.53        | 5,027,814,219.21         |
| <b>Total</b>                             | <b>7,329,457.65</b> | <b>10,809,830,823.28</b> |

#### 11. Trade and other Payables

|   |                |                |
|---|----------------|----------------|
| Advance against sales                   | -              | -              |
| Trade payable – amount due to suppliers | 92,580         | 91,476         |
| Other payables                          | 127,157        | 110,639        |
| Accrued expenses                        | <u>187,518</u> | <u>191,150</u> |
|   | <u>407,526</u> | <u>393,264</u> |

11.1 Trade and other payables principally comprise amounts outstanding for trade purchases and advance against future sales.

|   | <b>Sept-2025</b>   | <b>Dec-2024</b>    |
|---|--------------------|--------------------|
|   | <b>₦'000</b>       | <b>₦'000</b>       |
| <b>12. Taxation</b>                             |                    |                    |
| <b>12.1 Profit and loss account</b>             |                    |                    |
| Company tax                                     | -                  | -                  |
| Education tax                                   | 51,489             | 51,489             |
| Minimum tax                                     | <u>40,262</u>      | <u>6,932</u>       |
|   | <u>91,752</u>      | <u>58,421</u>      |
|   | =====              | =====              |
| <b>12.2 Balance Sheet</b>                       |                    |                    |
| At 1 January                                    | 103,382            | 65,928             |
| Charge for the year                             | -                  | 58,421             |
| Payment during the year                         | <u>(11,630)</u>    | <u>(20,967)</u>    |
| At 30 September                                 | <u>91,752</u>      | <u>103,382</u>     |
|   | =====              | =====              |
| <b>13. Deferred Taxation</b>                    |                    |                    |
| At 1 January                                    | (1,148,353)        | -                  |
| For the year                                    | <u>---</u>         | <u>(1,148,353)</u> |
| At 30 September                                 | <u>(1,148,353)</u> | <u>(1,148,353)</u> |
|   | =====              | =====              |
| <b>14. Share Capital</b>                        |                    |                    |
| <b>Authorized Share Capital</b>                 |                    |                    |
| 5,000,000,000 ordinary shares of 50k            | 2,500,000          | 2,500,000          |
| Increase in share                               |                    |                    |
| 5,000,000,000 ordinary shares of 50k            | 2,500,000          | 2,500,000          |
| <b>Issued and fully paid share capital</b>      | =====              | =====              |
| 3,900,000 ordinary shares of 50k                | 1,950,000          | 1,950,000          |
| Increase in share capital                       | <u>-</u>           | <u>-</u>           |
| 3,900,000 ordinary shares of 50k                | <u>1,950,000</u>   | <u>1,950,000</u>   |
|   | =====              | =====              |
| <b>15. Share Premium</b>                        |                    |                    |
| Share premium                                   | 1,045,577          | 1,045,577          |
| Equity Element of Loan                          |                    | -                  |
| Increase in Share Capital Expenses              | <u>-</u>           | <u>-</u>           |
|   | <u>1,045,577</u>   | <u>1,045,577</u>   |
|   | =====              | =====              |
| <b>16. Revaluation Reserve</b>                  |                    |                    |
| At 1 January                                    | 14,266,309         | 8,748,602          |
| Statement of Comprehensive income (Revaluation) | <u>-</u>           | <u>5,517,707</u>   |
|   | <u>14,266,309</u>  | <u>14,266,309</u>  |
|   | =====              | =====              |

|   | <b>Sept-2025</b>        | <b>Dec-2024</b>       |
|---|-------------------------|-----------------------|
|   | <b>₦'000</b>            | <b>₦'000</b>          |
| <b>17 Revenue Reserve (Hybrid Capital)</b>                |                         |                       |
| At 1 January  | 12,542,142              | (8,460,912)           |
| Restatement OH Origins Global Commodities, Inc            | (872,891)               | 857,993               |
| OH Ecosystems, LLC  | <u>(1,741,378)</u>      | <u>3,315,035</u>      |
|   | <u>9,927,873</u>        | <u>12,542,142</u>     |
| <br>  |                         |                       |
|   | <b>Sept-2025</b>        | <b>Dec-2024</b>       |
|   | <b>₦'000</b>            | <b>₦'000</b>          |
| <b>17.1 Revenue Reserve</b>                               |                         |                       |
| At 1 January  | (26,359,130)            | (16,830,025)          |
| Stock Adjustment  | -                       | -                     |
| Restatement of Corporate bond                             | -                       | -                     |
| Retained Earnings Adjustment                              | (245,666)               | 985                   |
| Statement of Comprehensive Income                         | <u>(693,285)</u>        | <u>(9,530,090)</u>    |
|   | <u>(27,298,081)</u>     | <u>(26,359,130)</u>   |
| <br>  |                         |                       |
| <b>18 Revenue</b>   |                         |                       |
| <i>Export sales:</i>                                      |                         |                       |
| Cocoa Butter  | 1,536,836               | 637,510               |
| Cocoa Cake  | -                       | -                     |
|   | <u>1,536,836</u>        | <u>637,510</u>        |
| <br>  |                         |                       |
| <i>Local sales:</i>                                       |                         |                       |
| Cocoa Cake  |                         |                       |
| Cocoa Butter  |                         |                       |
| Cocoa Powder  | 649,514                 | -                     |
| Cocoa Liquor  |                         |                       |
|   | -----                   | -----                 |
|   | <u>2,186,350</u>        | <u>637,510</u>        |
|   | =====                   | =====                 |
| <br>  |                         |                       |
| <b>19. Expenses by Nature</b>                             |                         |                       |
| <br>  |                         |                       |
| <b>19.1 Cost of sales</b>                                 | <b>Sept-2025</b>        | <b>Sept-2024</b>      |
| <i>Included in cost of sales are as follows: -</i>        | <b>₦'000</b>            | <b>₦'000</b>          |
| Change in inventories of finished goods                   |                         |                       |
| Raw materials   | 1,932,909               | 77,132                |
| Other prime cost  | -                       | -                     |
| Personnel expenses  | 39,458                  | 2,405                 |
| Industrial training funds expenses                        | -                       | -                     |
| Depreciation of PPE (5)                                   | 593,972                 | 102,475               |
| Repairs & maintenance-factory building & PM               | 22,930                  | 2,599                 |
| Stock adjustment  | -                       | -                     |
| Other direct cost   | <u>113,737</u>          | <u>36,123</u>         |
|   | <u><b>2,703,006</b></u> | <u><b>220,374</b></u> |
| <br>  |                         |                       |
| <b>19.2 Selling and Distribution Costs</b>                | <b>Sept-2025</b>        | <b>Sept-2024</b>      |
| Included in selling and distribution cost are as follows: | <u><b>8,644</b></u>     | <u><b>6,313</b></u>   |

| <b>19.3 Operating Expenses</b>                          | <b>Sept-2025</b> | <b>Sept-2024</b> |
|---|------------------|------------------|
| <i>Included in operating expenses are as follows: -</i> | <b>₦'000</b>     | <b>₦'000</b>     |
| Bank and other charges                                  | 214,092          | 747              |
| Director's remuneration                                 | 21,444           | 22,830           |
| Employee benefit expenses (note 19.4)                   | 85,277           | 99,016           |
| Professional fee  | 40,354           | 45,061           |
| Depreciation (note 5.1)                                 | 10,100           | 1,866            |
| Travelling expenses                                     | 4,935            | 9,563            |
| Office and general expenses                             | 50,246           | 41,391           |
| Insurance   | 11,719           | 6,667            |
| AGM expenses  | 7,487            | -                |
| Directors fee   | 10,500           | 5,850            |
| Fuel and oil  | 2,525            | 2,036            |
| Telephone, telex and postages                           | 3,709            | 3,765            |
| Entertainment   | 22,325           | 2,008            |
| Subscription & Donations                                | 6,561            | 6,887            |
| Security expenses                                       | 175              | 1,597            |
| Audit & Accountancy fee                                 | 500              | 370              |
| Rent and rates and taxes                                | 16,108           | 14,468           |
| Admin Repairs and maintenance                           | 2,166            | 5,095            |
| Industrial Training Fund                                | 196              | 437              |
| Printing stationery                                     | 697              | 694              |
| Computer expenses/supplies                              | 4,516            | 4,615            |
| Electricity power and water                             | 94,768           | 1,562            |
| Allowance for impairment                                | <u>20,056</u>    | <u>-</u>         |
|   | <u>630,455</u>   | <u>276,525</u>   |
|   | =====            | =====            |
| <b>19.4 Employee Benefit Expenses</b>                   |                  |                  |
| Staff salaries and allowances                           | 20,682           | 47,002           |
| Staff welfare and medical expenses                      | 56,207           | 26,452           |
| Pension employers' contribution                         | <u>8,388</u>     | <u>25,562</u>    |
|   | <u>85,277</u>    | <u>99,016</u>    |
|   | =====            | =====            |
| <b>19.5 Expected Credit Loss</b>                        |                  |                  |
| Cash and cash equivalent                                | -                | -                |
| Trade receivables                                       | =                | =                |
|   | -                | -                |
|   | =====            | =====            |

19.6 The average number of persons employed by the Company, including Directors, during theyear was as follows:

|            |           |           |
|------------|-----------|-----------|
| Management | 5         | 6         |
| Senior     | 14        | 14        |
| Junior     | 11        | 11        |
| Contract   | <u>8</u>  | <u>8</u>  |
|            | <u>38</u> | <u>39</u> |
|            | =====     | =====     |

|  | <b>Sept-2025</b> | <b>Sept-2024</b>    |
|--|------------------|---------------------|
|  | <b>Number</b>    | <b>Number</b>       |
| 19.7 Employee range of remuneration is as follows: -   |                  |                     |
| <del>Below</del> – ₦150,000  | -                | -                   |
| ₦150,001 – ₦240,000  | -                | -                   |
| ₦240,001 – ₦480,000  | 9                | 6                   |
| ₦480,001 – ₦720,000  | 10               | 11                  |
| ₦720,001 – ₦960,000  | 3                | 5                   |
| ₦960,001 – ₦1,200,000  | 6                | 7                   |
| ₦1,200,001 and above   | <u>10</u>        | <u>10</u>           |
|  | 38               | 39                  |
|  | =====            | =====               |
| 20. <b>Other Operating Income</b>  |                  |                     |
| Export Expansion Grant   | -                |                     |
| Other sundry income  | 17,757           | 35,963              |
| Exchange Gain  | -                | -                   |
| Cocoa Value Addition   |                  | 906,795             |
| Interest income  |                  | <u>-</u>            |
|  | <u>17,757</u>    | <u>942,758</u>      |
|  | =====            | =====               |
| 20.1 <b>Finance cost</b>   |                  |                     |
| <i>Interest Expenses:</i>  |                  |                     |
| Local Borrowing  | 40,443           | -                   |
| Interest on Liability of Deep Discount Bond  | <u>324,663</u>   | <u>259,776</u>      |
| 21.  | 365,106          | 259,776             |
|  | =====            | =====               |
| <b>Loss before Taxation</b>  |                  |                     |
| <i>This is arrived at after charging/ (crediting):</i>   |                  |                     |
| Depreciation on PPE (note 5.1)   | 604,072          | 340,920             |
| Interest expenses  |                  |                     |
| Audit fee  | 500              | 370                 |
| Non - Audit fee  | -                | -                   |
|  | =====            | =====               |
| 22. <b>Reconciliation of profit after taxation to net cash provided by operating activities:</b> |                  |                     |
| Loss before taxation   | (693,285)        | (12,580,791)        |
| <b>Adjustment for non-cash operating items:</b>  |                  |                     |
| Depreciation   | 604,073          | 104,341             |
| Interest expense   | 365,105          | 259,776             |
| Exchange loss  | <u>-</u>         | <u>3,398,977</u>    |
|  | 275,893          | 1,182,303           |
|  | =====            | =====               |
| 22.1 <b>Revenue Reserve Movement</b>   |                  |                     |
| OH Origin Global Commodity   | 872,891          | (2,896,584)         |
| OH Ecosystems, LLC   | 1,741,378        | 7,688,655           |
| Retained Earnings  | 245,666          | -                   |
| Foreign Exchange Gain/(loss)   | <u>-</u>         | <u>(13,398,977)</u> |
|  | 2,859,935        | (8,606,906)         |
|  | =====            | =====               |

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|  | <b>Sept-2025</b> | <b>Sept-2024</b>   |
|--|------------------|--------------------|
|  | <b>₹'000</b>     | <b>₹'000</b>       |
| <b>23. Working Capital Changes</b>             |                  |                    |
| (Increase)/decrease in inventories             | (1,116,023)      | (44,900)           |
| Decrease/ (Increase) in receivables            | 1,925,384        | (1,545,636)        |
| Increase/(decrease) in trade and other payable | 14,262           | (121,453)          |
| Increase/(decrease) in tax expense             | (11,630)         | (19,856)           |
| Increase/(decrease) in short term borrowings   | <u>1,900,000</u> | <u>(1,735,887)</u> |
|  | <u>2,711,993</u> | <u>(3,467,732)</u> |
|  | =====            | =====              |

**Shareholding Structure/Free Float Status**

| Description   | 30-Sept-25               |               | 31-Dec-24                |               |
|---|--------------------------|---------------|--------------------------|---------------|
|   | Unit                     | %             | Unit                     | %             |
| Issued Share Capital  | 3,900,000,000            | 100%          | 3,900,000,000            | 100%          |
| <b>Substantial Shareholdings (5% and above)</b>   |                          |               |                          |               |
| <b>OH Origins Commodity Group LLC</b>   | 1,700,000,000            | 43.59%        | 1,700,000,000            | 43.59%        |
| Aderonmu Abiola Ademola   | 480,000,000              | 12.31%        | 480,000,000              | 12.31%        |
| Nathaniel Durant  | 349,182,953              | 8.95%         | 349,182,953              | 8.95%         |
| <b>Total Substantial Shareholdings</b>  | <b>2,529,182,953</b>     | <b>64.85%</b> | <b>2,529,182,953</b>     | <b>64.85%</b> |
| <b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>   |                          |               |                          |               |
| High Chief (Sir) Simeon O. Oguntimehin, OON   | 100,000.00               | 0.00%         | 100,000                  | 0.00%         |
| Akin Laoye  | 166,000,000              | 4.26%         | 166,000,000              | 4.26%         |
| Otunba Wale Jubril  | 5,200,000                | 0.13%         | 5,200,000                | 0.13%         |
| <b>Total Directors' Shareholdings</b>   | <b>520,482,953</b>       | <b>13.35%</b> | <b>520,482,953</b>       | <b>13.35%</b> |
| <b>Other Influential Shareholdings</b>  |                          |               |                          |               |
| Kurious Co. Nig Ltd   | 99,000,000               | 2.54%         | 108,000,000              | 2.77%         |
| Afolayan Samuel Olajide   | 55,058,968               | 1.41%         | 134,448,829              | 3.45%         |
| <b>Total Other Influential Shareholdings</b>  | <b>154,058,968</b>       | <b>3.95%</b>  | <b>242,448,829</b>       | <b>6.22%</b>  |
| <b>Free Float in Units and Percentage</b>   | <b>1,199,517,047</b>     | <b>30.76%</b> | <b>1,199,517,047</b>     | <b>30.76</b>  |
| <b>Free Float in Value</b>  | <b>₦6,957,198,872.60</b> |               | <b>₦2,183,121,025.54</b> |               |
| <b>Declaration:</b>   |                          |               |                          |               |
| (A) FTN Cocoa Processors Plc with a free float percentage of 30.76% as at September 30, 2025, this is above the 20% free float percentage for companies listed on the Main Board.                                 |                          |               |                          |               |
| (B) FTN Cocoa Processors Plc with a free float value of ₦6,957,198,872.60 at a market value of ₦5.80 per share as at September 30 2025, is above the 20% free float value for companies listed on the Main Board. |                          |               |                          |               |