



Audited Consolidated and Separate Financial Statements
For the year ended 31 December 2025

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Oando PLC**Directors and Professional Advisers
For the year ended 31 December 2025**

Directors	Mr. Ademola Akinrele, SAN Mr. Jubril Adewale Tinubu, CON Mr. Omamofe Boyo Mr. Adeola Ogunsemi Dr. Ainoje Alex Irune Ms. Ayotola Jagun Mr. Ike Osakwe Mrs. Ronke Sokefun Mrs. Fatima Mede, OON Mr. Bashir Bello Mr. Ken Igbokwe Mr. Cosmas Iwueze	(Chairman, Non-Executive Director) (Group Chief Executive) (Deputy Group Chief Executive) (Group Chief Financial Officer) (Group Executive Director) (Group Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
Company RC:	6474	
Company Secretary and Chief Compliance Officer	Mrs. Ibadapo-Obe Folasade	Appointed August 8, 2025
Registrars	First Registrars and Investor Services Limited	
Registered Office	The Wings Complex, 17a Ozumba Mbadiwe Avenue Victoria Island, Lagos, Nigeria	
Auditors	BDO Professional Services (Chartered Accountants) ADOL House 15 CIPM Avenue, Central Business District, Alausa, Ikeja, Lagos, Nigeria.	
Company Solicitors	The New Practice (TNP) (formerly known as WTS ADEBIYI) - 50, Raymond Njoku Street, Ikoyi, Lagos. Akin Delano Legal Practitioners - 21, Military Street, Onikan, Lagos O. Edodo, Thorpe & Associates - 1st Floor, Lamlat House 270 Ikorodu Road, Obanikoro, Lagos Aluko & Oyebode - 1, Murtala Muhammed Drive Ikoyi Lagos Fortress Solicitors - 14 Royal Palm Drive, Osborne Foreshore Estate Phase II, Ikoyi, Lagos State K.O Tinubu & Co.- 9A, Samuel Manuwa Street Victoria Island Lagos. Headwaters Legal - Right Wing, 4th Floor, Elder Dempster (ED) Building, Central Business District,47, Marina, Lagos Ikeyi Shittu & Co - 1st Floor, 21, Boyle Street, Lagos Island, Onikan, Lagos, Lagos. Tokunbo Orimobi LP - 1963B Buraimoh Kenku Street, Off Oyin Jolayemi Paul Usoro & Co. Legal Practitioners - 7th Floor, 999C Danmole Street, P.O.Box 71605, Victoria Island, Lagos. G. Ifeanyi Elenwoke & Company Legal (Formerly Ben O. Ajoku & Associates Legal Practitioners) - Plot 6 Isaiah Odolu Close, off Elelenwo Street, GRA Phase II, Port Harcourt, Rivers State. Zacks Garuba & Co - Plot 722C, K-Close, Off 1st Avenue, Gwarinpa, Abuja. Union Attorneys - Plot 14B, Amechi Onuoha Crescent, Off Goshen Estate, Ikate, Lekki Scheme 1, Lagos Babalakin & Co - 4 River Benue Street, Maitama, Abuja, FCT	
Bankers	Access Bank PLC Access Bank UK African Export-Import Bank (Afrexim) Citi Bank PLC Ecobank Nigeria Ltd Ecobank Sao Tome e Principe Emirates NBD Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited (FCMB) Globus Bank Limited Guaranty Trust Holding Company Keystone Bank Limited Mauritius Commercial Bank Limited Mashreq Bank Optimus Bank Polaris Bank Limited Providus Bank PLC SBM Bank (Mauritius Ltd) Stanbic IBTC Holdings PLC Sterling Bank PLC Suntrust Bank Nigeria Limited Tajbank Limited Union Bank of Nigeria PLC United Bank for Africa PLC United Bank for Africa, New York Wema Bank PLC Zenith Bank PLC	
Tax Identification Number	01061331-0001	

Oando PLC

Directors' report For the year ended 31 December 2025

The directors submit their Report together with the audited consolidated and separate financial statements for the year ended 31 December 2025, which disclose the state of affairs of the Group and Company.

1 Principal Activity

The principal activity of Oando PLC ("the Company") locally and internationally is to have strategic investments in energy companies in addition to supply of oil and gas products to customers. The Group was involved in the following business activities during the year reviewed:

- Exploration and production (E & P) - Subsidiaries of Oando Energy Resources Inc Canada; Oando Petroleum and Natural Gas Limited and Oando Energy Resources Nigeria Limited engaged in production operations and other E & P companies operating within the Gulf of Guinea; and
- Supply and trading of petroleum products - Oando Trading DMCC, Oando Supply & Trading DMCC, Oando Gazelle.
- Mining & infrastructure development - Bitumen Resources Limited, Road Bit Limited, Trans-Africa Mining Resources Limited, Bit Mines Resources Limited, Fast Energy Investments Limited, Carmine Energy Investments Limited etc.

The Company's registered address is The Wings Office Complex, 17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria.

2 Results

The Group's net profit for the year of N204.8 billion and Company's net profit of N468.6 billion for the year attributable to owners of equity have been transferred to retained earnings.

	Group		Company	
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Revenue	3,180,090,462	4,086,650,996	-	343,861,081
Profit before income tax from operations	135,759,960	383,820,117	474,425,189	122,291,080
Income tax credit/(expense)	69,048,613	(163,700,064)	(5,837,734)	(10,484,456)
Profit for the year from operations	204,808,573	220,120,053	468,587,455	111,806,624
Profit attributable to owners of the parent	204,010,628	224,856,266	468,587,455	111,806,624

3 Review of Business and Significant Transactions

During the year, the Company undertook a series of transactions involving its own equity instruments, which the Directors consider significant for an understanding of the Group's financial position and equity structure.

Settlement of shareholder loan

As disclosed in the financial statements, the Company had an outstanding loan receivable from a significant shareholder. During the year, this loan was settled through the transfer of ordinary shares of the Company by the shareholder to the Company. The transaction resulted in the derecognition of the loan receivable and the recognition of the transferred shares as treasury shares, in accordance with International Financial Reporting Standards (IFRS).

Pro rata distribution of treasury shares

Subsequent to the settlement, the Company implemented a pro rata distribution of part of the treasury shares to existing shareholders, on the basis of their respective shareholdings.

The distribution was effected entirely through the use of treasury shares already held by the Company. No new shares were issued, no cash consideration was paid, and retained earnings were not reduced.

The Directors note that, under IFRS, both the acquisition and subsequent redistribution of the Company's own shares constitute transactions in own equity instruments and are accounted for entirely within equity.

Legal and Regulatory Considerations

Following the execution of the above transactions, questions were raised regarding compliance with certain provisions of the Companies and Allied Matters Act, 2020 (CAMA), including provisions relating to capital maintenance and share transactions.

The Directors have carefully considered these matters, including obtaining professional advice, and note the following:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which govern the recognition, measurement, presentation and disclosure of transactions involving an entity's own equity instruments.
- At the reporting date, there was no court order, regulatory directive, or enforceable obligation requiring the Company to reverse, unwind, or otherwise amend the transactions executed.
- In the absence of such an obligation, IFRS requires that the transactions be accounted for strictly within equity, with no recognition of gains, losses, or distributions of profit.

The Directors have made full disclosures of the treasury shares and partial distribution of shares in this audited consolidated and separate financial statements.

4 Dividend

The directors do not propose dividend for the year ended 31 December 2025 (2024: nil).

5 Directors

i. The names of the present directors and those that served on the board of the Company during the year are listed on page 3.

ii. According to the Register of Directors' Shareholding, the interests of directors in the issued share capital of the Company for the purposes of section 301 part 1 of schedule 5 of the Companies and Allied Matters Act, 2020, are as follows:

	2025		2024	
	Direct	Indirect	Direct	Indirect
HRM. Oba A. Gbadebo, CFR			437,500	Nil
Mr. Ademola Akinrele	104,552	Nil	96,510	Nil
Mr. Jubril Adewale Tinubu*	Nil	1,866,163,290	Nil	3,670,995
Mr. Omamofe Boyo*	Nil	928,134,363	Nil	2,354,713
Mr. Adeola Ogunsemi	Nil	179,227	Nil	105,941
Dr. Ainojie Alex Iruone	Nil	Nil	Nil	Nil
Fatima Nana Mede	3,350	Nil	3,093	Nil
Ronke Sokefun	Nil	611,875	Nil	564,826
Mr. Ike Osakwe	150,954	Nil	139,343	Nil
Mr. Bashir Bello	Nil	Nil	Nil	Nil
Mr. Ken Igbokwe	Nil	Nil	Nil	Nil
Mr. Cosmas Iwueze	Nil	Nil	Nil	Nil
Ayotola Jagun	2,773	Nil	-	-

*Additional shares: Ocean and Oil Investments Limited (OOIL) owns approximately 81,814,574 (0.66% of total number of shares) shares in the Company. Mr. Jubril Adewale Tinubu and Mr. Omamofe Boyo own 0.36% and 0.14% respectively in the Company through OOIL.

*Ocean and Oil Development Partners Limited (OODP) owns 2,731,709,504 shares (representing 21.97% of the total number of shares) in the Company. OODP is ultimately owned 66.67% by the Group Chief Executive and 33.33% by the Deputy Chief Executive of the Company at year end.

6 Contracts

In accordance with section 303 of the Companies and Allied Matters Act, 2020 and Article 115 of the Company's Articles of Association, directors who had interest in contracts during the year had notified and declared their interest to the Company to the effect that they were members or held shareholding of companies which could be regarded as having an interest in the contract. Such directors' interests are noted in the respective minutes of board meetings.

7 Directors' Responsibilities

The directors are responsible for the preparation of annual consolidated financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. In doing so, the directors have the responsibilities as described on page 8 of these consolidated financial statements.

8 Shareholdings

As of 31 December 2025, the range of shareholdings of the Company was as follows:

Range of Shareholding	No of Shareholders Within Range	% of Holders	No of shares Within Range	% of Shareholding
1 - 1,000	191,619	63.41	67,574,512	0.54
1,001 - 5,000	76,928	25.46	163,537,835	1.32
5,001 - 10,000	12,748	4.22	88,812,526	0.71
10,001 - 50,000	14,865	4.92	308,845,178	2.48
50,001 - 100,000	2,507	0.83	172,505,957	1.39
100,001 - 500,000	2,681	0.89	551,844,184	4.44
500,001 - 1,000,000	370	0.12	254,682,856	2.05
1,000,001 - 5,000,000	371	0.12	719,182,629	5.79
5,000,001 - 10,000,000	42	0.01	295,939,631	2.38
10,000,001 - 50,000,000	28	0.01	540,253,098	4.35
50,000,001 - 100,000,000	5	0.00	334,535,076	2.69
100,000,001 - 12,431,412,481	5	0.00	8,933,698,999	71.86
	302,169	100.00	12,431,412,481	100.00

9 Property, Plant and Equipment

Changes in the value of property, plant and equipment (PPE) were mainly due to additions, depreciation, disposals and exchange differences as shown in Note 15 to these consolidated and separate financial statements. In the opinion of the directors, the market value of the Group's PPE is not lower than the value shown in these consolidated financial statements.

10 Charitable Contributions

The Company through its subsidiary, Oando Foundation, implemented the following programmes:

Description	Amount N
Oando Foundation Programmes:	
I LEARNOVATE – Foundational Learning Improvement Programme	335,870,630
II LEARNOVATE-SEED (Supporting Early-childhood Education and Development) project	102,957,449
III Supported 9 university scholarship beneficiaries, 1 Ebola Education Trust Fund beneficiary, and 1 Trustees' Scholarship Award beneficiary at the tertiary level.	8,942,641
IV Infrastructural upgrade at Family Support Programme (FSP) Nursery and Primary Schools, Katsina and Daura, Katsina State.	49,586,488
V In partnership with Sumitomo Chemical, deployed the fifth phase of the Clean Our World (COW) project, strengthening environmental education and sustainable practices in 50 schools across 37 communities in Delta, Abuja, Plateau, and Lagos States, reaching 119,350+ students.	96,539,710
VI Co-sponsorship of the 2025 edition of the Nigerian Education Innovation Summit (NEDIS) 2025	2,000,000
VII Partnered with K2U Puzzles to commemorate Children's Day at the Abagana IDP Camp in Benue State.	7,200,000
VIII Employee Volunteer Activities: A mentorship and empowerment session led by humans of Oando.	9,048,133
IX "2025 World Environment Day" event in partnership with the Federal Ministry of Environment and Oxfam	5,913,200
X Co-sponsorship of the 2025 Africa Social Impact Summit (ASIS)	5,000,000
XI Green Youth Upskilling Program (GYUP) pilot.	39,241,618
XII Teach for Nigeria's 2025 Incubation Hub Program.	3,500,000
XIII Co-sponsorship of the maiden edition of the Nigeria Education Forum (NEF) 2025.	5,000,000
XIV School Steam Project, strengthening the capacity of 300 educators in basic sciences, the establishment of an innovation lab, and the delivery of young student innovators' competition across 30 public primary schools in Rivers State.	67,631,179
XV Refurbishment of the ICT Centre at Archbishop Taylor Memorial Primary School, enhancing access to digital learning resources for pupils and teachers.	4,824,000
XVI Advocacy on stakeholder engagement, awareness activities, and logistics.	4,846,848
XVII Clean Our World (COW V) project across states in Nigeria.	22,995,810
XVIII Decoration of an ECCD classroom for COW IV prize winner.	1,600,000
XIX Supply and distribution of 5,214 Mu Karanta teacher learning Materials.	31,284,000

Description (cont.)	Amount N
Other CSR Initiatives by the Group:	
XX Afrexim INTRA-AFRICAN TRADE FAIR 2025 and the 2025 Annual General Meeting	2,633,572,652
XXI Gold sponsorship of the Lagos E1 GP competition	1,504,898,658
XXII Sponsorship of Alake @ 82 Golf tournament	68,493,205
XXIII Emerald Invitational Gold sponsorship for the 2025 Golf tournament.	102,390,671
XXIV Platinum sponsorship of the 9th OPEC International Seminar	228,360,997
XXV Sponsorship for the S&P Global 2025 executive group conference	79,007,180
XXVI Sponsorship for the 2025 International Conference on sustainable urban mobility	10,005,975
XXVII Associate Sponsorship partnership for the 2025 Annual Directors Conference	10,000,000
XXVIII Donation towards the 20th Coronation Anniversary Activities of Obi Gbadebo	50,000,000
XXIX Sponsorship to the Association of Corporate Treasurers Ltd/GTE for the Treasury 360 event	5,000,000
XXX Sponsorship of Motorsport	50,201,342
	<u>5,545,912,386</u>

11 Employment and Employees**Equal Employment Opportunity**

The Company pursues an equal employment opportunity policy. It does not discriminate against any person on the ground of race, religion, colour, or physical disability.

Employment of Physically Challenged Persons

The Company maintains a policy of giving fair consideration to applications from persons with disabilities, bearing in mind their respective aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. The Group currently has no physically challenged persons.

Industrial/Employees Relation

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through management's open door policy and improved communication channels. These channels include the e-mail and intranet, the revised in-house magazine, the entrenchment of regular departmental meetings and town hall meetings. Regular dialogue takes place at informal and formal levels.

Training and Development

The Company places great emphasis on the training and development of its staff and believes that its people are its greatest assets. Training courses are geared towards the development needs of staff and the improvement in their skill sets to face the increasing challenges in the industry. The Company will continue to invest in its human capital to ensure that the employees are well motivated and positioned to compete in the industry.

12 Audit Committee

In accordance with section 404(3) of the Companies and Allied Matters Act, 2020 the following shareholders and directors were members of the Audit Committee during the year ended 31 December 2025:

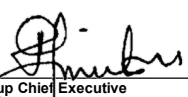
a)	Mr. Ike Osakwe	Non-Executive Director (Chairman)
b)	Mr. Ken Igbokwe	Non-Executive Director
c)	Mr. Segun Oguntoye	Shareholder, Resigned August 11, 2025
d)	Dr. Anthony Omojola	Shareholder
e)	Mrs. Faith E. George	Shareholder, Deceased September 16, 2025
f)	Mr. Kolawole Kalejaiye	Shareholder, Appointed August 11, 2025

13 Auditors


The Company's auditors, BDO Professional Services were re-appointed on 11 August 2025 at the 46th Annual General Meeting and have indicated their willingness to continue in office in accordance with section 401(1) of the Companies and Allied Matters Act, 2020.

Dated this 26th May 2026

By Order of the Board



Group Chief Executive
Mr. Jubril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348

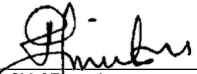


Group Chief Financial Officer
Mr. Adeola Ogunsemi
FRC/2016/PRO/ICAN/001/00000014639


Certification Pursuant to Section 405 of CAMA 2020

We the undersigned have reviewed the audited consolidated and separate financial statements for the year ended 31 December 2025 and based on our knowledge we confirm that:

- a) the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.
- b) the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the company as of and for, the periods covered by the audited consolidated and separate financial statements.
- c) we are responsible for establishing and maintaining internal controls and we have designed such internal controls to ensure that material information relating to the company and its subsidiaries (hereinafter referred to as the "Group") is made known to us by other officers of the companies, particularly during the period in which these audited consolidated and separate financial statements are being prepared.
- d) we have evaluated the effectiveness of the Group's internal controls within ninety days prior to the date of their audited financial statements and we certify that the internal controls are effective as of that date.
- e) we have disclosed all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report as of the financial date to the auditors. We have also identified for the Group's auditors any material weaknesses in internal controls and disclosed whether or not there is any fraud that involves management or other employees who have a significant role in the Group.
- f) we have indicated in these consolidated and separate financial statements, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Group Chief Executive
Mr. Jubril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348



Group Chief Financial Officer
Mr. Adeola Ogunsemi
FRC/2016/PRO/ICAN/001/00000014639

Statement of Directors' responsibilities
For the year ended 31 December 2025

i. Responsibilities in respect of financial statements

The Companies and Allied Matters Act, 2020 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company and its subsidiaries at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and its subsidiaries and comply with the requirements of International Financial Reporting Standards (IFRS), Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, 2020.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and their profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal controls over financial reporting.

Nothing has come to the attention of the directors to indicate that the Company will not continue as a going concern for at least twelve months from the date of this statement.

ii. Responsibilities in respect of Corporate Governance

The Company is committed to the principles and implementation of good corporate governance. The Company recognises the valuable contribution that it makes to long term business prosperity and to ensuring accountability to its shareholders. The Company is managed in a way that maximises long term shareholder value and takes into account the interests of all of its stakeholders.

The Company believes that full disclosure and transparency in its operations are in the interests of good governance. As indicated in the statement of responsibilities of directors and notes to the accounts, the business adopts standard accounting practices and ensures sound internal controls to facilitate the reliability of the financial statements.

The Board of Directors

The Board is responsible for setting the Company's strategic direction, for leading and controlling the Company and for monitoring activities of the executive management. The Board presents a balanced and understandable assessment of the Company's progress and prospects.

During the year under review, the Chairman, five executive directors and six non-executive directors served on the board of the Company. The non-executive directors have experience and knowledge of the industry, markets, financial and/or other business information to make valuable contributions to the Company's progress. The Group Chief Executive is a separate individual from the Chairman and he implements the management strategies and policies approved by the Board. The Board meets at least four times a year.

The Audit Committee

The Audit Committee (the "Committee") is made up of five members - two non-executive directors and three shareholders in compliance with section 404(3) of the Companies and Allied Matters Act, 2020. The Committee members meet at least four times a year. We note an unfortunate incident that claimed the life of one of the Audit Committee members, Mrs. Faith George, in September 2025, leading to a reduction in the shareholder representation on the Committee which will be remediated at the next general meeting of the Company.

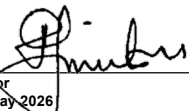
The Committee's duties include keeping under review the scope and results of the external audit, as well as the independence and objectivity of the auditors. The Committee also keeps under review the risk and controls over financial reporting, compliance with laws and regulations and the safeguarding of assets. In addition, the Committee reviews the adequacy of the internal audit plan and implementation status of internal audit recommendations.

Systems of Internal Control


The Company has well-established internal control system for identifying, managing and monitoring risks. The Risk and Controls and Internal Audit functions have reporting responsibilities to the Risk, Environmental, Social and Governance Committee and Audit Committee respectively. Both functions have appropriately trained personnel and undergo training on current business and best practices.

Code of Business Ethics

Management has communicated the principles of business ethics in the Company's Code of Business Conduct and Ethics to all employees in the discharge of their duties. This Code sets the professionalism and integrity required for business operations which covers compliance with laws, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles so as to eliminate the potential for illegal practices.



Director
26th May 2026
Mr. Jubril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348



Director
26th May 2026
Mr. Adeola Ogunsemi
FRC/2016/PRO/ICAN/001/00000014639

**Report of the Audit Committee
For the year ended 31 December 2025**

We have exercised our statutory functions in compliance with Section 404 (7) of the Companies and Allied Matters Act, 2020 and we the members of the Oando PLC Audit Committee have, on the documents and information made available to us;

- a) ascertained whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) reviewed the scope and planning of audit requirements;
- c) reviewed findings on management matters in conjunction with the external auditor and management responses thereon;
- d) keep under review the effectiveness of the Company's system of accounting and internal control;
- e) make recommendations to the board with regard to the appointment, removal and remuneration of the external auditors of the Company; and
- f) authorise the internal auditor to carry out investigation into any activities of the Company which may be of interest or concern to the committee

We ascertain that the accounting and reporting policies of the Company for the year ended December 31, 2025 are in accordance with legal requirements and agreed ethical practices. We also ascertain review of audit plan, effectiveness of internal controls and system of accounting and made appropriate recommendations to the board as they relate to our functions.

Dated this 26th May 2026



Ike Osakwe
FRC/2017/PP/O/DIR/003/00000016455

Members of the Audit Committee are:

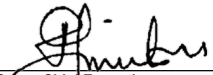
Mr. Ike Osakwe
Mr. Ken Igbokwe
Mr. Segun Oguntoye
Dr. Anthony Omojola
Mrs. Faith E. George
Mr. Kolawole Kalejaiye

Non-Executive Director (Chairman)
Non-Executive Director
Shareholder, Resigned August 11, 2025
Shareholder
Shareholder, Deceased September 16, 2025
Shareholder, Appointed August 11, 2025

**Management's Certification on Internal Control over Financial Reporting
For the year ended 31 December 2025**

We, Mr. Jubril Adewale Tinubu and Mr. Adeola Ogunsemi, certify that:

- a) We have reviewed this management assessment on internal control over financial reporting of Oando Plc;
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) We, the Company's certifying officers:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Group Chief Executive
26th May 2026
Mr. Jubril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348



Group Chief Financial Officer
26th May 2026
Mr. Adeola Ogunsemi
FRC/2016/PRO/CAN/001/00000014639

**Assurance Report of Independent Auditor
To the Shareholders of Oando Plc
Assurance Report on Management's Assessment of Controls over Financial Reporting**

We have performed a limited assurance engagement on Oando Plc ("the Company") and its subsidiaries (together "the Group") internal control over financial reporting as of 31 December 2025, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting and Securities and Exchange Commission (SEC) Guidance on Management Report on Internal Control Over Financial Reporting. Oando Plc's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management are not adequate as of the specified date, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting/SEC Guidance on Management Report on Internal Control Over Financial Reporting.

We have complied with independence and other ethical requirements of the Code of Ethics for professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies the International Standard on Quality Management 1, Quality Management for firms that perform audit or review of financial statements, or other assurance or related services engagement which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We conducted our Assurance engagement in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of the Group, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and our report dated 6 July 2026 expressed an unmodified opinion.



BDO Professional Services - FRC/2024/COY/398515
Henry B. Omodigbo - FRC/2013/PRO/ICAN/004/0000003977
For: BDO Professional Services
Chartered Accountants
Lagos, Nigeria
6 July 2026



INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Oando Plc (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, as well as the accompanying notes, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 December 2025, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the provisions of the Companies and Allied Matters Act, 2020 (CAMA), and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011 (As amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes 42(x) and 33 to the financial statements, which describe certain transactions undertaken during the year that have implications under the Companies and Allied Matters Act, 2020 (“CAMA”). While the accounting treatment of these transactions is in accordance with International Financial Reporting Standards (IFRS), aspects of the transactions are not compliant with relevant provisions of CAMA. Our opinion is not modified in respect of these matters.

(a) Intra-group Debt Forgiveness in Contravention of Companies and Allied matters Act, 2020

As disclosed in Note 42(x), and as part of arrangements leading to the shareholder settlement described in our Key Audit Matter section, on 3 January 2025, Oando Oil Limited (“OOL”) and Oando Servco Nigeria Limited (“OSNL”) novated to Oando Plc receivables of USD 218.7m and USD 34.8m respectively, previously owed to them by Whitmore Asset Management Limited (“Whitmore”). Following the novation, Oando Plc recognised receivables from Whitmore and corresponding payables to OOL and OSNL.

On the same date, OOL and OSNL together executed a Deed of Release forgiving Oando Plc of the debt. The debt forgiveness was recognised by both subsidiaries directly in equity as distributions to Oando Plc. At the date of the release, OOL and OSNL had accumulated losses of ₦257.1 billion and ₦536.5 billion respectively, as reported in their 2024 audited financial statements. In the absence of distributable profits, these transactions had the effect of distributions out of capital rather than distributions out of realised profits and were therefore in contravention of Sections 426-427 of the Companies and Allied Matters Act, 2020 (“CAMA”).

Furthermore, during the year, the Board of Directors of Oando Servco Nigeria Limited (“OSNL”) authorized additional debt forgiveness in favour of Oando Plc amounting to N447.9 billion (including a receivable of N86.0 billion), despite OSNL’s aforementioned accumulated losses position.

While these transactions are inconsistent with the provisions of CAMA, their accounting treatment in the financial statements is in accordance with IFRS and the effects have been appropriately presented and disclosed.

(b) Treasury Share Transactions and Related Regulatory Non-compliance

As disclosed in Note 33, the Company undertook some transactions involving the settlement of a shareholder loan through the acquisition of the Company's own shares, followed by a pro rata distribution of a portion of those treasury shares to existing shareholders. These transactions were accounted for as equity transactions in accordance with applicable International Financial Reporting Standards, with no impact on profit or loss or retained earnings.

While the accounting treatment is consistent with IFRS, the acquisition and subsequent redistribution of the Company's own shares were not undertaken in compliance with the requirements of Sections 184-187, 189, 426 and 427 of the Companies and Allied Matters Act, 2020, and accordingly represent impermissible returns of capital.

These matters have implications for compliance with statutory provisions relating to capital maintenance and equity distributions. Notwithstanding this, the transactions have been appropriately recognised and disclosed in the financial statements in accordance with International Financial Reporting Standards.

Material Uncertainty Related to Going Concern

We draw attention to Note 49 in the financial statements which indicate that the Group and the Company have incurred recurring negative retained earnings over the past five financial years and, as at 31 December 2025, reported negative working capital and net liabilities. In addition, certain loan covenants including project reserve account balance and restricted cash balance were contravened. Furthermore, certain loan obligations were not settled as and when due.

As disclosed in Note 49, management has prepared cash flows forecast which assumes continued operations and the successful execution of funding plans, supported by a letter of guarantee provided by Directors of the Company, who are also Directors of Ocean and Oil Development Partners Limited (OODP), with significant shareholdings in Oando Plc.

This condition and those set out in Note 49 indicate that a material uncertainty exists that may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern and Emphasis of Matters sections, we have determined the matters described below to be the key audit matters to be communicated in our report, and for those matters, our description of how our audit addressed them is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters apply only to the audit of the consolidated financial statements.

Key Audit Matter - Group	How the matter was addressed in the audit
<p>Risk 1: Carrying value of exploration and evaluation assets</p> <p>We identified and assessed the value of exploration and evaluation assets as one of the significant risks of material misstatement due to error.</p> <p>The carrying value of exploration and evaluation (“E&E”) assets as at 31 December 2025 is ₦2.9 trillion (2024: ₦3.1 trillion). This is in respect of some projects where the Group is currently in the exploration phase. These costs are being capitalized. Management has to consider the specific recognition criteria under IFRS 6: Exploration and Evaluation for Mineral Resources for which costs can be capitalized and management judgement is required to determine which costs fall under the IFRS 6 capitalization criteria. The E&E assets have been accumulating over several years and the projects are not yet in the production phase. As a result, there is the risk that carrying value of assets may not be recoverable and impairment may be required.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - considering management’s assessment of any indicators of impairment as outlined in IFRS 6: Exploration and Evaluation of Mineral Resources and their assertion that none are applicable, including the status and expiration dates of the various licenses; - challenging management on the CGUs and the key assumptions used in the impairment assessment of E&E assets; by independently verifying the forecast crude, Natural gas and NGL prices and the discount rate applied on the cash flows; - assessing the accuracy and relevance of management’s forecasts, judgements including Competent Person Report challenging the recognition of the assets; and - performing substantive testing on a sample of additions to E&E assets during the year to assess if these were in line with capitalization criteria per IFRS 6.
<p>Relevant disclosures in the Consolidated and separate 2025 Financial statements:</p> <p>Note 16(a), Exploration and evaluation assets impairment losses.</p>	<p>Outcome of our audit procedures:</p> <p>The assessment above resulted in nil impairment loss in 2025 (2024: nil).</p>
<p>Risk 2: Oil and gas revenue recognition</p> <p>We identified manual adjustments to oil and gas revenue recognition as one of the most significant assessed risks of material misstatement due to fraud.</p> <p>OML 56, OML 13 and OML 60-63 are currently the crude oil and gas producing assets, while Oando Plc engages in supply and trading of crude, refined and unrefined petroleum products. These entities account for 100% of Group revenue recognized being ₦3.2 trillion, for the year ended 31 December 2025 (2024: ₦4.1 trillion).</p> <p>IFRS 15: Revenue from Contracts with customers was applicable to the above noted entities, there is a risk around the appropriate recognition of revenue in the current year due to contract modification which could result in manual adjustments to revenue.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - agreeing the inputs within the calculation of revenue and contract liability to the underlying contracts for the contractual values; - performing substantive testing of inputs for the calculation to relevant third-party evidence including Bill of Lading or Gas Consumption Certificates; - assessing management’s application of IFRS 15 requirements and challenged them on their assessment of the contract modification; and - assessing the appropriateness of the manual journals that were recorded in revenue against the results of the substantive work performed.

<p>Relevant disclosures in the Consolidated and separate financial statements: Note 5b, Other material accounting policies; and Note 8a, Revenue from contracts with customers.</p>	<p>Outcome of our audit procedures:</p> <p>The substantive test performed did not identify any material misstatements in the occurrence of revenue. We did not identify any inappropriate contract modification; hence no adjustment was processed.</p>
<p>Risk 3: Accuracy of the decommissioning provision We identified the accuracy of the decommissioning provision as one of the most significant assessed risks of material misstatement due to error.</p> <p>The decommissioning provisions balance as of 31 December 2025 is ₱417.4 billion (2024: ₱698.3 billion) with the movement being an adjustment due to change in assumptions and revision of estimates. The change in assumptions was management judgement which caused a material change to the provision calculation. The estimate is sensitive to changes in assumptions due to the time period the assessment was performed.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - considering the expert report commissioned by management on the determination of the basis of the provision for decommissioning including challenging underlying assumptions; - assessing the competence of management expert and the report prepared by management to inform our work in particular around industry expectations; - substantive testing of the inputs to the provision calculation, re-performance of calculations and management’s judgements were carried out; and - ensuring appropriate correction of material misstatement identified in our reperformance of the calculations.
<p>Relevant disclosures in the Consolidated and separate financial statements: Note 35, Decommissioning provisions</p>	<p>Outcome of our audit procedures:</p> <p>As a result of the work performed above there were no material misstatements in the accuracy of the decommissioning provisions in the financial statements.</p>
<p>Risk 4: Going Concern</p> <p>The Group and Company have going concern indicators as described in the Material Uncertainty Relating to Going Concern section of our report.</p> <p>Management’s going concern assessment required significant judgement, particularly in relation to the feasibility of projected cash flows and the successful execution of funding plans supported by the letter of guarantee provided by Directors with significant shareholding.</p> <p>Given the fundamental importance of going concern to the preparation of the consolidated and separate financial statements, and the judgement involved in assessing the availability of sufficient funding, we considered this matter to be of most significance in our audit.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - obtaining management’s going concern assessment and evaluating whether it covered at least twelve months from the date of approval of the consolidated and separate financial statements; - assessing the methodology used in preparing forecast cash flows and testing the accuracy of the underlying data used in those forecasts; - challenging the key assumptions applied in the forecasts; - performing sensitivity analyses on key assumptions; - assessing whether management’s funding plans were supported by sufficient, independently verifiable audit evidence.
<p>Relevant disclosures in the Consolidated and separate financial statements: Note 49, Going Concern</p>	<p>Outcome of our audit procedures:</p> <p>As described in the Material Uncertainty Related to Going Concern section of our report, the Group and the Company are dependent on financial support arrangements, including support indicated by shareholders. The conditions outlined in Note 49, together with other relevant factors, indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.</p> <p>Our opinion is not modified in respect of this matter.</p>

<p>Risk 5: Accounting for Measurement Period Adjustments Relating to NAOC Acquisition</p> <p>The Group completed the acquisition of Nigerian Agip Oil Company Limited (“NAOC”) in August 2024 and recognised a significant gain on bargain purchase of ₦784.8 billion arising from the excess of the fair value of identifiable net assets over the consideration transferred.</p> <p>At 31 December 2024, certain identifiable assets and liabilities were recognised on a provisional basis, pending finalisation of valuation inputs and assumptions.</p> <p>In accordance with IFRS 3, management is required, within the measurement period (up to 12 months), to:</p> <ul style="list-style-type: none"> - obtain new information about facts and circumstances that existed at the acquisition date, and - adjust provisional amounts retrospectively where appropriate. <p>During the current period, management performed a reassessment of the provisional fair values; however, uncertainty remains as to whether additional information may emerge before the end of the measurement period that could result in further adjustments, including potential impacts on the previously recognised gain on bargain purchase.</p> <p>This matter required significant auditor attention due to:</p> <ul style="list-style-type: none"> - the size and sensitivity of the bargain purchase gain; - the complex valuation assumptions (including reserves, future cash flows, and decommissioning obligations); and - the judgement involved in determining whether subsequent information relates to conditions existing at the acquisition date or post-acquisition events. 	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> ▪ Evaluating management’s process for identifying and assessing potential measurement period adjustments, including reviewing whether appropriate procedures were performed to identify relevant acquisition-date information; ▪ Assessing the reasonableness of provisional fair values, including: <ul style="list-style-type: none"> - reviewing valuation reports prepared by management experts; - involving internal valuation specialists where necessary; - challenging key assumptions such as reserve estimates, discount rates, and cost projections; ▪ Reviewing post-acquisition information, including operational performance, cost trends and other events, to determine whether such information: <ul style="list-style-type: none"> - provided evidence of conditions existing at the acquisition date (requiring adjustment), or - related to post-acquisition developments; ▪ Assessing whether the absence of further adjustments is reasonable based on the procedures performed and evidence obtained; ▪ Evaluating the appropriateness of disclosures, including the description of: <ul style="list-style-type: none"> - provisional amounts; - measurement period uncertainty; and - sensitivity of the gain on bargain purchase
<p>Relevant disclosures in the Consolidated and separate financial statements:</p> <p>Note 9a, Business Combination-Gain on Bargain purchase</p>	<p>Outcome of our audit procedures:</p> <p>Based on the audit procedures performed, we found that:</p> <ul style="list-style-type: none"> - management has applied the requirements of IFRS 3 in accounting for the business combination; and - the current recognition of provisional amounts and the absence of material measurement period adjustments to date are consistent with the evidence available at the reporting date. <p>We also conclude that the related disclosures appropriately reflect:</p> <ul style="list-style-type: none"> - the use of provisional amounts, and - the inherent uncertainty associated with completion of the measurement period assessment
<p>Risk 6: Settlement of Shareholder Loan Through Equity Instruments and Subsequent Share Distribution</p> <p>During the year, a major shareholder settled an outstanding loan owed to the Company by relinquishing part of his equity interest. The transaction was accounted for as an acquisition of the Company’s own shares (treasury shares), resulting in derecognition of the loan receivable and an adjustment to equity.</p> <p>Subsequently, the Company undertook a pro-rata distribution of one ordinary share for every twelve ordinary shares held, which was satisfied through the transfer of treasury shares to shareholders.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - obtaining and reviewing the contractual arrangements relating to the settlement of the shareholder loan and the subsequent share distribution; - evaluating management’s accounting treatment of the acquisition of own shares against the requirements of IAS 32, including whether treasury shares meet the definition of assets under IFRS; - assessing whether the pro-rata distribution represented a distribution to owners and whether it constituted a permissible form of distribution under IFRS; - considering the applicability or otherwise of IFRIC 17 <i>Distributions of Non-cash Assets to Owners</i> to the transactions;

<p>The accounting and presentation of these transactions involved significant judgement, particularly in assessing their substance, the appropriate treatment of treasury shares under IAS 32 <i>Financial Instruments: Presentation</i>, and compliance with the requirements of the Companies and Allied Matters Act, 2020 relating to the acquisition of own shares and distributions to shareholders.</p> <p>Given the significance of the amounts involved and the legal and regulatory implications, we considered this matter to be of most significance in our audit.</p>	<ul style="list-style-type: none"> - assessing compliance with relevant provisions of the Companies and Allied Matters Act, 2020; and - evaluating the adequacy of related disclosures in the consolidated and separate financial statements.
<p>Relevant disclosures in the Consolidated and separate financial statements:</p> <p>Note 32, Share Distribution; Note 33, Treasury Shares and Capital distribution reserve; and Note 42x, Project Restore-Related Party Transactions; Note 44j and Note 44(n).</p>	<p>Outcome of our audit procedures:</p> <p>Based on the audit procedures performed, we noted that the accounting treatment and presentation of the acquisition and subsequent pro rata distribution of treasury shares, while recognised and disclosed in accordance with IFRS, give rise to matters relating to compliance with applicable company law. These matters are highlighted in the Emphasis of Matter section of our report. Our opinion is not modified in respect of this matter.</p>
<p>Risk 7: Expiration of the Okpai (Kwale) IPP PPA and Transition from Finance Lease to Property, Plant and Equipment</p> <p>As disclosed in Notes 22i and 44i, the Power Purchase Agreement (PPA) relating to the Okpai (Kwale) Independent Power Plant (IPP) with Nigeria Bulk Electricity Trading Plc (NBET) expired in December 2025. NBET did not exercise its contractual options to extend the PPA or purchase the plant.</p> <p>Consequently, the finance lease arrangement under which the Group previously recognised its proportionate share of finance lease receivables ceased. As the Okpai IPP qualifies as a joint operation under IFRS 11, the Group recognised its share of the underlying power plant as property, plant and equipment at fair value in accordance with IAS 16, based on an independent valuation of USD 381 million at the transition date, and derecognised its share of finance lease receivables in accordance with IFRS 9.</p> <p>The Group’s consolidated financial statements also include significant receivable balances from NBET arising from a multiyear reconciliation exercise completed pursuant to a Ministerial Directive issued in December 2025.</p> <p>This matter was significant to our audit due to the magnitude of the balances involved, the complexity of the contractual and regulatory arrangements, and the significant judgments applied in valuing the power plant and adjusting NBET receivables.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - Reviewing the PPA, Joint Venture Agreements and the Interim Energy Sales Agreement to confirm the expiry of the PPA and the resulting accounting implications; - Assessing the appropriateness of derecognising the Group’s share of finance lease receivables in accordance with IFRS 9. - Evaluating the recognition of the Group’s proportionate share of the Okpai IPP as property, plant and equipment under IAS 16 within a joint operation. - Involving our valuation specialists to assess the external valuation and key assumptions, including capacity utilisation, tariff assumptions, discount rate (WACC) and estimated useful life. - Testing the reconciliation journals arising from the NBET reconciliation process and assessing the classification and completeness of receivable balances. - Assessing the adequacy of related disclosures in the consolidated financial statements.

<p>Relevant disclosures in the Consolidated and separate financial statements: Note 15, Property Plant and Equipment; Note 22(i), Expiration of the Okpai (Kwale) IPP PPA; and Note 44(i), Transition from Finance Lease to Property, Plant and Equipment</p>	<p>Outcome of our audit procedures: Based on the audit procedures performed, we found management’s accounting treatment of the PPA expiry, derecognition of finance lease receivables, recognition of the Group’s proportionate share of the Okpai IPP, and the related disclosures to be consistent with the requirements of the applicable financial reporting framework.</p>
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Other Information

The Directors are responsible for the other information. The other information comprises the Directors’ Report, Statement of Directors’ Responsibilities, Report of the Audit Committee, and other national disclosures, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria, Act 2006 (As amended), and for such internal controls as the Directors determine are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and or the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting processes.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and /or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about matters or when, in extremely rare circumstances, we determine that matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the **Fifth Schedule of the Companies and Allied Matters Act, 2020**, we report that:

- i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account have been kept by the Group and the Company, so far as appears from our examination of those books;
- iii. In our opinion, the consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account
- iv. **Specific Non-Compliance:**
As disclosed in the Emphasis of Matter paragraph, Oando Plc did not comply with Sections 184-187, 189, 426, and 427 of the Companies and Allied Matters Act, 2020, in relation to the acquisition and subsequent distribution of its own shares during the year.

Report on Assurance Engagement on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria (“FRC”) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, we performed a limited assurance engagement on management’s assessment of the Company’s internal control over financial reporting as at 31 December 2025.

Our work was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting.

Based on the procedures performed, we issued an unmodified conclusion on 6 July 2026. The report is included on page 11 of the financial statements.

Lagos, Nigeria
6 July 2026



BDO Professional Services - FRC/2024/COY/398515
Henry B. Omodigbo - FRC/2013/PRO/ICAN/004/00000003977
For: BDO Professional Services
Chartered Accountants



Oando PLC
Annual Consolidated and Separate Financial Statements
Statement of profit or loss
For the year ended 31 December 2025

	Notes	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Continuing operations					
Revenue from contracts with customers	8c	3,180,090,462	4,086,650,996	-	343,861,081
Cost of sales	10a	(3,182,852,287)	(3,993,312,826)	-	(343,607,965)
Gross (loss)/profit		(2,761,825)	93,338,170	-	253,116
Other operating income	9	203,792,110	1,100,879,352	537,355,401	836,911,482
(Impairment)/reversal on impairment on non-financial assets	10d	(2,295,800)	-	(99,196)	50,970,378
Reversal of impairment/(impairment) on financial assets, net	10d	441,482,557	(76,227,627)	(12,867,095)	(195,258,431)
Administrative expenses	10c	(399,253,106)	(548,308,754)	(27,365,069)	(521,781,435)
Operating profit		240,963,936	569,681,141	497,024,041	171,095,110
Finance costs	12a	(394,689,242)	(235,835,820)	(24,664,433)	(52,865,038)
Finance income	12b	288,032,431	47,197,353	2,065,581	4,061,008
Finance costs- net		(106,656,811)	(188,638,467)	(22,598,852)	(48,804,030)
Share of profit of associate	19	1,452,835	2,777,443	-	-
Profit before income tax		135,759,960	383,820,117	474,425,189	122,291,080
Income tax credit/(expense)	13a	69,048,613	(163,700,064)	(5,837,734)	(10,484,456)
Profit for the year		204,808,573	220,120,053	468,587,455	111,806,624
Profit attributable to:					
Equity holders of the parent		204,010,628	224,856,266	468,587,455	111,806,624
Non-controlling interest		797,945	(4,736,213)	-	-
		204,808,573	220,120,053	468,587,455	111,806,624
Profit per share attributable to ordinary equity holders of the parent during the year (expressed in Naira per share):					
Basic and diluted profit per share					
From profit for the year	14	23	18	54	9

The statement of material accounting policies and notes on pages 28 to 109 and other national disclosures on pages 110 to 113 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Consolidated and Separate Financial Statements
Statement of other comprehensive income
For the year ended 31 December 2025

	Notes	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Profit for the year		204,808,573	220,120,053	468,587,455	111,806,624
Other comprehensive income:					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		46,435,791	(307,486,704)	-	-
Share of associate's foreign currency translation reserve	33c	(578,344)	3,603,776	-	-
		45,857,447	(303,882,928)	-	-
Items that may not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain on defined benefit plan	33,37c	83,547	721,730	-	-
Other comprehensive profit/(loss) for the year		45,940,994	(303,161,198)	-	-
Total comprehensive profit/(loss) for the year		250,749,567	(83,041,145)	468,587,455	111,806,624
Attributable to:					
- Equity holders of the parent		252,377,116	(66,027,051)	468,587,455	111,806,624
- Non-controlling interests		(1,627,549)	(17,014,094)	-	-
Total comprehensive profit/(loss) for the year		250,749,567	(83,041,145)	468,587,455	111,806,624

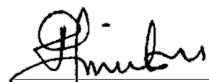
Exchange differences on translation of foreign operations relate to exchange differences arising on a monetary item that forms part of the net investment in a foreign operation and translation of foreign subsidiaries.


The statement of material accounting policies and notes on pages 28 to 109 and other national disclosures on pages 110 to 113 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Consolidated Financial Statements
Consolidated statement of financial position
As at 31 December 2025 and 31 December 2024

	Notes	Group 2025 N'000	Group 2024 N'000
Assets			
Non-current assets			
Property, plant and equipment	15	2,934,015,302	3,166,414,760
Intangible assets	16	989,434,897	1,031,074,278
Right-of-use assets	17	1,487,796	26,904,265
Investment properties	18	21,725,000	15,195,950
Investment in associates	19	5,946,163	7,842,436
Deferred income tax assets	20	120,662,760	60,515,346
Derivative financial assets	21	3,071,888	7,708,825
Finance lease receivables	22	-	463,975,857
Non-current receivables	23	483,594,729	495,590,553
Prepayments	27	6,719,263	4,815,723
Restricted cash	31(b)	37,431,198	54,243,431
		<u>4,604,088,996</u>	<u>5,334,281,424</u>
Current assets			
Inventories	24	46,087,435	46,847,250
Finance lease receivables	22	-	9,289,527
Derivative financial assets	21	9,213,449	-
Trade, other receivables and contract assets	25	2,186,524,980	750,257,945
Prepayments	27	129,222,284	68,467,292
Financial assets at fair value through profit or loss	28	1,089,032	442,671
Short-term investments	30	29,575,865	2,797,958
Cash and cash equivalents	31(a)	439,882,748	221,775,277
		<u>2,841,595,793</u>	<u>1,099,877,920</u>
Total assets		7,445,684,789	6,434,159,344
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Share capital	32	6,215,706	6,215,706
Share premium	32	176,588,527	176,588,527
Retained profit/(loss)		(88,487,223)	(292,497,851)
Treasury shares	33(a)	(378,785,999)	-
Capital distribution reserve	33(b)	(77,956,558)	-
Other reserves	33(c)	(167,511,438)	(215,877,926)
		<u>(529,936,985)</u>	<u>(325,571,544)</u>
Non controlling interest		(37,035,382)	(35,407,833)
Total equity		(566,972,367)	(360,979,377)
Liabilities			
Non-current liabilities			
Borrowings	34(a)	616,518,033	1,458,388,478
Deferred income tax liabilities	20	170,345,455	81,011,280
Decommissioning provisions	35	417,397,418	672,710,465
Lease liabilities	36	218,846	23,363,480
Other long term payables	38(a)	111,961,593	139,005,774
Retirement benefit obligations	37	92,689,538	2,114,213
		<u>1,409,130,883</u>	<u>2,376,593,689</u>
Current liabilities			
Trade and other payables	38(b)	4,075,658,239	2,547,443,382
Borrowings	34(d)	2,078,852,065	1,313,495,410
Lease liabilities	36	825,751	8,043,281
Current income tax liabilities	13b	446,539,941	522,302,869
Decommissioning provisions	35	-	25,609,812
Dividend payable	39	1,650,277	1,650,277
		<u>6,603,526,273</u>	<u>4,418,545,031</u>
Total liabilities		8,012,657,156	6,795,138,721
Total equity and liabilities		7,445,684,789	6,434,159,344

The financial statements and notes on pages 21 to 113 were approved and authorised for issue by the Board of Directors on 26th May 2026 and were signed on its behalf by:


Group Chief Executive
Mr. Jubril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348

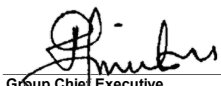

Group Chief Financial Officer
Mr. Adeola Ogunsemi
FRC/2016/PRO/ICAN/001/00000014639


The statement of significant accounting policies and notes on pages 28 to 109 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Separate Financial Statements
Statement of financial position
As at 31 December 2025 and 31 December 2024

	Notes	Company 2025 N'000	Company 2024 N'000
Assets			
Non-current assets			
Property, plant and equipment	15	6,049,299	1,641,670
Intangible assets	16	522,365	-
Right-of-use assets	17	189,625	1,493,090
Investment properties	18	21,725,000	15,195,950
Finance lease receivables	22	-	14,133,109
Investment in subsidiaries	29	54,619,740	54,645,763
		<u>83,106,029</u>	<u>87,109,582</u>
Current assets			
Finance lease receivables	22	39,194,457	36,706,936
Trade, other receivables and contract assets	25	12,700,088	21,727,248
Prepayments	27	181,839	214,372
Financial assets at fair value through profit or loss	28	339,029	422,562
Short-term investments	30	2,671,203	2,797,958
Cash and cash equivalents (excluding bank overdrafts)	31(a)	2,899,294	4,410,854
		<u>57,985,910</u>	<u>66,279,930</u>
Total assets		141,091,939	153,389,512
Equity and Liabilities			
Equity attributable to equity holders			
Share capital	32	6,215,706	6,215,706
Share premium	32	176,588,527	176,588,527
Retained earnings		(62,483,450)	(531,070,905)
Treasury shares	33(a)	(378,785,999)	-
Capital distribution reserve	33(b)	(41,577,089)	-
Total Equity		<u>(300,042,305)</u>	<u>(348,266,672)</u>
Liabilities			
Non-current liabilities			
Borrowings	34(a)	6,969,337	10,525,847
Decommissioning provisions	35	282,418	241,474
Lease liabilities	36	100,745	14,118,480
		<u>7,352,500</u>	<u>24,885,801</u>
Current liabilities			
Trade and other payables	38(b)	255,505,813	286,752,088
Borrowings	34(d)	99,692,001	113,615,915
Current income tax liabilities	13b	36,790,560	30,952,825
Lease liabilities	36	40,143,093	43,799,278
Dividend payable	39	1,650,277	1,650,277
		<u>433,781,744</u>	<u>476,770,383</u>
Total liabilities		<u>441,134,244</u>	<u>501,656,184</u>
Total equity and liabilities		141,091,939	153,389,512

The financial statements and notes on pages 21 to 113 were approved and authorised for issue by the Board of Directors on 26th May 2026 and were signed on its behalf by:


Group Chief Executive
Mr. Jibril Adewale Tinubu
FRC/2013/PRO/DIR/003/00000003348


Group Chief Financial Officer
Mr. Adeola Ogunsemi
FRC/2016/PRO/ICAN/001/00000014639

The statement of significant accounting policies and notes on pages 28 to 109 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Consolidated Financial Statements
Consolidated statement of changes in equity
For the year ended 31 December 2025

Group	Share capital & Share premium ¹	Capital distribution reserves ² N'000	Other reserves ³ N'000	Treasury shares ⁴ N'000	Retained earnings N'000	Equity holders of parent N'000	Non controlling interest N'000	Total equity N'000
Balance as at 1 January 2024	182,804,233	-	74,012,855	-	(506,007,516)	(249,190,428)	(17,988,293)	(267,178,721)
Profit/(loss) for the year	-	-	-	-	224,856,266	224,856,266	(4,736,213)	220,120,053
Other comprehensive loss for the year	-	-	(290,883,317)	-	-	(290,883,317)	(12,277,881)	(303,161,198)
Change in ownership interests in subsidiaries that do not result in a loss of control (Note 46c)	-	-	992,536	-	(11,346,601)	(10,354,065)	(405,446)	(10,759,511)
Balance as at 31 December 2024	182,804,233	-	(215,877,926)	-	(292,497,851)	(325,571,544)	(35,407,833)	(360,979,377)
Balance as at 1 January 2025	182,804,233	-	(215,877,926)	-	(292,497,851)	(325,571,544)	(35,407,833)	(360,979,377)
Profit/(loss) for the year	-	-	-	-	204,010,628	204,010,628	797,945	204,808,573
Other comprehensive Profit/(loss) for the year (Note 33c)	-	-	48,366,488	-	-	48,366,488	(2,425,494)	45,940,994
Treasury shares	-	-	-	(378,785,999)	-	(378,785,999)	-	(378,785,999)
Capital distribution reserve	-	(77,956,558)	-	-	-	(77,956,558)	-	(77,956,558)
Balance as at 31 December 2025	182,804,233	(77,956,558)	(167,511,438)	(378,785,999)	(88,487,223)	(529,936,985)	(37,035,382)	(566,972,367)

¹ Share capital includes Ordinary Shares and share premium (Note 32)

² Capital distribution reserves (Note 33b)

³ Other reserves include remeasurement gain/(loss) on defined benefit plan, currency translation reserves and share based payment reserves (SBPR). See Note 33(c).

⁴ Treasury shares (Note 33a)

The statement of significant accounting policies and notes on pages 28 to 109 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Financial Statements
Separate statement of changes in equity
For the year ended 31 December 2025

Company	Share capital & Share premium ¹ N'000	Treasury shares ³ N'000	Capital distribution reserves ²	Retained earnings N'000	Equity holders of parent/ Total equity N'000
Balance as at 1 January 2024	182,804,233	-	-	(642,877,529)	(460,073,296)
Profit for the year	-	-	-	111,806,624	111,806,624
Balance as at 31 December 2024	<u>182,804,233</u>	<u>-</u>	<u>-</u>	<u>(531,070,905)</u>	<u>(348,266,672)</u>
Balance as at 1 January 2025	182,804,233	-	-	(531,070,905)	(348,266,672)
Profit for the year	-	-	-	468,587,455	468,587,455
Treasury shares	-	(378,785,999)	-	-	(378,785,999)
Capital distribution reserve	-	-	(41,577,089)	-	(41,577,089)
Balance as at 31 December 2025	<u>182,804,233</u>	<u>(378,785,999)</u>	<u>(41,577,089)</u>	<u>(62,483,450)</u>	<u>(300,042,305)</u>

¹ Share capital includes Ordinary Shares and share premium (Note 32)

² Capital distribution reserves (Note 33b)

³ Treasury shares (Note 33a)

The statement of significant accounting policies and notes on pages 28 to 109 form an integral part of these consolidated and separate financial statements.

Oando PLC
Annual Consolidated and Separate Financial Statements
Consolidated and Separate Statement of Cash flows
For the year ended 31 December 2025

	Notes	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	40	258,285,652	(500,310,425)	39,112,643	(7,029,215)
Interest paid		(214,399,687)	(33,360,319)	(12,399,683)	(272,909)
Income tax paid	13b	(2,902,214)	(1,690)	-	-
Gratuity benefit paid	37c	(8,652,531)	(1,607,653)	-	-
Net cash generated from/(used in) operating activities		32,331,220	(535,280,087)	26,712,960	(7,302,124)
Cash flows from investing activities					
Purchases of property plant and equipment ¹	15	(102,423,156)	(18,526,009)	(5,351,680)	(637,092)
Acquisition of subsidiary, net of cash	41(d)	-	(847,735,341)	-	-
Acquisition of financial assets at fair value through profit or loss	28	(731,207)	-	-	-
Purchase of intangible assets	16	(32,596,248)	(2,267,891)	(1,253,676)	-
Premium paid on hedges	21(b)	(16,152,077)	(10,842,798)	-	-
Dividend income from financial assets at fair value through profit or loss (Note 28)		9,843	-	9,843	-
Dividend received from an associate	19	-	3,585,389	-	-
Cash received from finance lease	22iii	25,116,124	5,996,123	10,761,670	10,298,980
Interest received		224,413,819	505,685	385,777	287,050
Net cash generated from/(used in) investing activities		97,637,097	(869,284,842)	4,551,934	9,948,938
Cash flows from financing activities					
Proceeds from borrowings	40b	1,022,815,217	2,236,904,097	2,914,196	16,646,000
Repayment of borrowings	40b	(863,137,162)	(752,930,279)	(35,723,849)	(4,050,101)
Lease payments	36	(7,226,972)	(3,659,958)	(16,860,000)	(13,048,035)
Restricted cash		13,277,053	(46,588,241)	-	-
Net cash generated from/(used in) financing activities		165,728,136	1,433,725,619	(49,669,653)	(452,136)
Net change in cash and cash equivalents		295,696,453	29,160,690	(18,404,759)	2,194,678
Cash and cash equivalents at the beginning of the year		155,346,281	73,317,626	4,410,854	999,848
Exchange (loss)/gain on cash and cash equivalents		(28,163,055)	52,867,965	(109,870)	1,216,328
Cash and cash equivalents at end of the year		422,879,679	155,346,281	(14,103,775)	4,410,854
Cash and cash equivalent at year end is analysed as follows:					
Cash and bank balance	31a	439,882,748	221,775,277	2,899,294	4,410,854
Bank overdrafts	34	(17,003,069)	(66,428,996)	(17,003,069)	-
		422,879,679	155,346,281	(14,103,775)	4,410,854

¹ Purchases of property, plant and equipment exclude capitalised interest (2024: nil)

The statement of significant accounting policies and notes on pages 28 to 109 form an integral part of these consolidated and separate financial statements.

1. General information

Oando PLC (formerly Unipetrol Nigeria PLC.) was registered by a special resolution as a result of the acquisition of the shareholding of Esso Africa Incorporated (principal shareholder of Esso Standard Nigeria Limited) by the Federal Government of Nigeria. It was partially privatised in 1991 and fully privatised in the year 2000 following the disposal of the 40% shareholding of Federal Government of Nigeria to Ocean and Oil Investments Limited and the Nigerian public. In December 2002, the Company merged with Agip Nigeria PLC. following its acquisition of 60% of Agip Petrol's stake in Agip Nigeria PLC. The Company formally changed its name from Unipetrol Nigeria PLC. to Oando PLC in December 2003.

Oando PLC (the "Company") is listed on the Nigerian Exchange Group and the Johannesburg Stock Exchange. In 2016, the Company embarked on a reorganisation and disposed some subsidiaries in the Energy, Downstream and Gas & Power segments. The Company disposed Oando Energy Services and Akute Power Ltd effective 31 March 2016 and also target companies in the Downstream division effective 30 June 2016. It also divested its interest in the Gas and Power segment in December 2016 with the exception of Alausa Power Ltd which was disposed off on 31 March 2017. The Company retains its significant ownership in Oando Trading Bermuda (OTB), Oando Trading Dubai (OTD) and its upstream businesses (See Note 8 for segment result), hereinafter referred to as the Group.

On October 13, 2011, Exile Resources Inc. ("Exile") and the Oando Exploration and Production Division ("OEPD") of Oando PLC ("Oando") announced that they had entered into a definitive master agreement dated September 27, 2011 providing for the previously announced proposed acquisition by Exile of certain shareholding interests in Oando subsidiaries via a Reverse Take Over ("RTO") in respect of Oil Mining Leases ("OMLs") and Oil Prospecting Licenses ("OPLs") (the "Upstream Assets") of Oando (the "Acquisition") first announced on August 2, 2011. The Acquisition was completed on July 24, 2012 (Completion date), giving birth to Oando Energy Resources Inc. ("OER"); a company which was listed on the Toronto Stock Exchange between the Completion date and May 2016. Immediately prior to completion of the Acquisition, Oando PLC and the Oando Exploration and Production Division first entered into a reorganization transaction (the "Oando Reorganization") with the purpose of facilitating the transfer of the OEPD interests to OER (formerly Exile).

OER effectively became the Group's main vehicle for all oil exploration and production activities.

In 2016, OER previously quoted on Toronto Stock Exchange (TSX), notified the (TSX) of its intention to voluntarily delist from the TSX. The intention to delist from the TSX was approved at a Board meeting held on the 18th day of December, 2015. The shares of OER were delisted from the TSX at the close of business on Monday, May 16th 2016. Upon delisting, the requirement to file annual reports and quarterly reports to the Exchange will no longer be required. The Company believes the objectives of the listing in the TSX was not achieved and the Company judges that the continued listing on the TSX was not economically justified.

To effect the delisting, a restructuring of the OER Group was done and a special purpose vehicle, Oando E&P Holdings Limited ("OEPH") was set up to acquire all of the issued and outstanding shares of OER. As a result of the restructuring, shares held by the previous owners of OER (Oando PLC (93.49%), the institutional investors in OER (5.08%) and certain Key Management Personnel (1.43%) were required to be transferred to OEPH, in exchange for an equivalent number of shares in OEPH. The share for share exchange between entities in the Oando Group is considered as a business combination under common control not within the scope of IFRS 3.

OEPH purchased the remaining shares in OER from the remaining shareholders who did not partake in the share exchange arrangement for a cash consideration. The shareholders of the 5,733,277 shares were paid a cash consideration of US\$1.20 per share in accordance with the plan of arrangement. As a result of the above, OEPH Holdings now owns 100% of the shares in OER.

Pursuant of the Amended and Restated Loan Agreement between West Africa Investment Limited (the "Lender"/"WAIL"), Goldeneye Energy Resources Limited (the "Borrower") and Oando PLC (the "Guarantor") dated March 31, 2016, on one hand; and another Amended and Restated Loan Agreement between Goldeneye Energy Resources Limited (the "Borrower"), Southern Star Shipping Co Inc. (the "Lender"/"SS") and Oando PLC (the "Guarantor") also dated 31 March 2016; Oando PLC provided financial guarantee to the Lenders to the tune of US\$32m (WAIL: US\$27m, SS: US\$5m). The essence of the loans was for the borrower to acquire shares owned by the Lenders in Oando E&P Holdings Limited (OEPH), a subsidiary of Oando PLC. The Borrower agreed to repay the loans in 12 instalments starting from March 2017. The financial guarantee required Oando PLC to pay to the Lenders in its capacity as Guarantor, the loan amounts due (inclusive of accrued interest) if the Borrower is unable to pay while the Borrower is also required to transfer the relevant number of shares held in OEPH to the Guarantor or its Nominee in the event of default.

Upon failure by the Borrower to honour the repayment agreement, the Guarantor paid US\$ 6.1m (which represented principal plus accrued interest) to SS on October 4, 2017. On the same date, the borrower executed a share transfer instrument for the purpose of transferring all the shares previously acquired from SS to the Calabar Power Limited, a wholly owned subsidiary of Oando PLC. Consequently, the Guarantor was discharged of the financial guarantee to SS and Oando PLC now owns 78.18% (2016: 77.74%) shares in OEPH Holdings. The Borrower and Lenders are not related parties to the Guarantor.

On May 19, 2018, Oando PLC (through its subsidiary Calabar Power) acquired 8,631,225 shares in OEPH from some non-controlling interests (NCI) who were paid a cash consideration of US\$1.20 per share in accordance with the plan of arrangement executed for some NCI following the delisting of OER in 2016. As a result, Oando PLC now owns 79.27% (2018: 78.18%) shares in OEPH. Calabar Power (through Oando PLC) paid \$8.3 million (N3 billion) in 2018 and \$13.5 million (N4.9 billion) in 2019 to WAIL. On May 31, 2019, Goldeneye transferred 5,236,626 shares to Calabar Power amounting to \$13,349,083.59, thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 79.93%. Amounts paid up to 31 December 2019 have been reflected as deposit for shares in these consolidated financial statements. Subsequently, the company (through Oando PLC) paid the outstanding indebtedness to WAIL as follows: 2020: \$1.5 million, 2021: \$10 million while Goldeneye paid \$4.12 million in 2022 out of the indebtedness to Oando PLC of \$9.59 million. The final payment of \$4.12 million extinguished the debt to WAIL as guaranteed by Oando PLC. Upon the final payment and on April 12, 2022, the outstanding shares of 12,218,788 were transferred to Calabar Power.

On November 2, 2020, M1 Petroleum Limited (an NCI in OEPH) transferred 2,935,774 shares in OEPH (amounting to \$5 million) to Calabar Power thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 80.3%. Furthermore, on 31 March 2021 (the "effective date"), OODP Nigeria (the "Seller") agreed to sell, assign and deliver to the Calabar Power Limited (the "Purchaser") and the Purchaser agreed to purchase and accept from the Seller the Shares - 128,413,672 common shares of Oando E & P Holdings Limited ("OEPH") free from all encumbrances on the effective date for a consideration of \$225 million. The Seller and the Purchaser further agreed that costs and taxes directly related to the sale and transfer by the Seller shall be borne by the Seller; and that the consideration will be paid in full by the Purchaser within twelve months from the effective date. The Seller and Purchaser executed a Share Transfer Form on the effective date. A Share Certificate covering the 128,413,672 common shares dated the effective date was also issued to the Purchaser by Oando E & P Holdings Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 96.51% at same date. Following the transfer of 12,218,788 shares in OEPH from WAIL to Calabar Power in April 2022, Oando PLC's (direct and indirect) percentage interest in OEPH to 98.05% at same date. On November 14 2022, M1 Petroleum Limited transferred 1,761,465 shares in OEPH to Calabar Power Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.27% at same date. The third batch of 4,110,085 shares of OEPH for a total consideration of \$7 million (N1.8 billion/\$4 million at December 2022 plus \$3 million payment made in Q4 2023) was transferred to Calabar Power on 16 February 2024 thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.789% at same date (see Note 46c).

On 21 October 2025, the Group cancelled 783,358 shares of OEPH having identified an error in the company's central securities register ("CSR"), which incorrectly records the following share issuances to Eric Brentjens and Yannis Korakakis (the "Former Employees") on May 12, 2016 "pursuant to an arrangement". Oando PLC's (direct and indirect) percentage interest in OEPH increased to 98.89% at same date.

Treasury Share Transactions

During the year ended 31 December 2025, the Company executed a series of equity transactions involving its own shares. These transactions comprised:

- the settlement of a loan receivable from a significant shareholder through the transfer of the Company's own equity instruments; and
- the subsequent pro rata distribution of a portion of the treasury shares to existing shareholders.

These transactions were accounted for as equity transactions in accordance with IAS 32 – Financial Instruments: Presentation. No gain or loss was recognised in profit or loss, and no distribution of retained earnings occurred.

See further details in Notes 32 to 33.

2. Basis of preparation

The consolidated financial statements of Oando PLC. have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The annual consolidated financial statements are presented in Naira, rounded to the nearest thousand, and prepared under the historical cost convention, except for the revaluation of land and buildings, investment properties, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in Note 6.

3. **Changes in accounting policies and disclosures**

(a) **New standards, amendments and interpretations adopted by the Group**

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments were applied for the first time in 2025, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

- Lack of exchangeability – Amendments to IAS 21

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. These amendments does not have a significant impact on the Group's consolidated financial statement.

(b) **New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2025**

A number of new standards and amendments to standards and interpretations are not yet effective for annual periods beginning 1 January 2025, and have not been applied in preparing these consolidated financial statements. None of these is expected to have significant effect on the consolidated financial statements of the Group, except the following set out below:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which: Clarifies that a financial liability is derecognised on the 'settlement date' i.e. when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, the treatment of non-recourse assets and contractually linked instruments. It details the additional required disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. The amendment is not expected to have a significant impact on the Group's consolidated financial statement. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements

- Permitting hedge accounting if these contracts are used as hedging instruments

- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendment is not expected to have a significant impact on the Group's consolidated financial statement. The 'own-use' amendments are to be applied retrospectively, while the hedge accounting amendments are applied prospectively to new hedging relationships. Comparative information need not be restated. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

- IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early adoption is permitted and must be disclosed. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

- Annual Improvements to IFRS Accounting Standards — Volume 11

In July 2024, the International Accounting Standards Board (IASB) issued the Annual Improvements to IFRS Accounting Standards-Volume 11. It contains amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. These amendments are effective for financial years beginning on or after 1 January 2026; earlier application is permitted. These amendments are limited to providing clarity in the workings of the aforementioned standards or correction of relatively minor unintended consequences, oversights or conflicts between requirements in the standards. These amendments will have no significant impact on the group.

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The Group expects IFRS 19 to have an impact on the presentation and disclosure of its subsidiaries' financial statements but has not early adopted the standard.

(c) **New and amended standards and interpretations that do not relate to the Group**

- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the IASB issued amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. These amendments will have no significant impact on the group.

- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37

In November 2025 the IASB issued Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosures about Uncertainties in the Financial Statements ("the examples"), which added illustrative examples to several IFRS accounting standards. The examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements. The examples illustrate existing requirements in IFRS accounting standards. They do not add to, or change, existing requirements. The examples do not have an effective date or transition requirements. Entities are entitled to sufficient time to implement any changes as a result of the illustrative examples.

-Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The IASB has deferred the effective date of these amendments until such time as it has finalised any amendments that result from its research project on the equity method of accounting. Early application of the amendments is still permitted.

4. Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the entity's return. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In the separate financial statements, investment in subsidiaries is measured at cost less accumulated impairment. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value and when there are indicators of impairment. Investment in subsidiary is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment.

The Group considers all facts and circumstances, including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in loss of control as equity transactions. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control are classified as cash flows from financing activities.

(iii) Loss of control and disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The aggregate cash flows arising from losing control of subsidiaries are separately and classified as investing activities.

Where the Group disposes a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(iv) Investment in associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other long term receivables, loans or unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount (which is the higher of value in use and the fair value less costs to sell) of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of profit or loss.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

In the separate financial statements of the Company, investment in associates are measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(v) Joint arrangements

The group applies IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

For the arrangements determined to be joint operations, the Group recognises in relation to its interest the following:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Transactions with other parties in the joint operations

When the Group enters into a transaction in a joint operation, such as a sale or contribution of assets, the Group recognises gains and losses resulting from such a transaction only to the extent of its interests in the joint operation.

When such transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets, those losses are recognised fully by the Group.

When the Group enters into a transaction with a joint operation in which it is a joint operator, such as a sale of assets, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses.

(vi) Functional currency and translation of foreign currencies

Functional and presentation currency

These consolidated financial statements are presented in Naira, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The Company's functional and presentation currency is Naira.

(vii) Transactions and balances in Group entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. All other foreign exchange gains and losses are presented in the statement of profit or loss within other operating income and administrative expenses respectively. Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets measured at fair value through profit or loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in other comprehensive income.

(viii) Consolidation of Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss are translated at average exchange rates where it is impracticable to translate using spot rate. Where the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the income and expense are translated at a rate on the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(ix) Common control business combinations

Business combinations involving entities ultimately controlled by the Oando Group are accounted for using the pooling of interest method (also known as merger accounting).

A business combination is a "common control combination" if:

- The combining entities are ultimately controlled by the same party both before and after the combination and
- Common control is not transitory.

Under a pooling of interest- type method, the acquirer is expected to account for the combination as follows:

- The assets and the liabilities of the acquiree are recorded at book value and not at fair value
- Intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable IFRS (in particular IAS 38: Intangible Assets).
- No goodwill is recorded in the consolidated financial statement. The difference between the acquirer's cost of investment and the acquiree's equity is taken directly to equity.
- Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities.
- Any expenses of the combination are written off immediately in the statement of comprehensive income.
- Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented; and
- Adjustments are made to achieve uniform accounting policies

(x) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Acquisition-related costs are costs the acquirer incurs to effect a business combination. These costs are expensed in the periods in which the costs are incurred and the services received.

5. Other material accounting policies

(a) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Leadership Council (GLC).

(b) Revenue from contracts with customers

The Group has adopted IFRS 15 as issued in May 2014 which has resulted in changes in the accounting policy of the Group. IFRS 15 replaces IAS 18 which covers revenue arising from the sale of goods and the rendering of services, IAS 11 which covers construction contracts, and related interpretations.

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of Group's activities and is stated net of value-added tax, rebates and discounts and after eliminating sales within the group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future benefits will flow to the entity and when specific criteria have been met for each of its activities.

A valid contract is recognised as revenue after:

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

IFRS 15 introduces a five-step model for recognising revenue to depict transfer of goods or services. The model distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

a) Revenue recognition

It is the Group's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Collectability of a customer's payments is ascertained based on the customer's historical records, guarantees provided, the customer's industry and advance payments made if any.

Revenue is recognised when control of goods sold has been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset. For crude oil and natural gas liquid, this occurs when the products are lifted by the customer (buyer). Revenue from the sale of oil is recognised at a point in time when performance obligation is satisfied. For gas, revenue is recognised as the product is being passed through the custody transfer point to the customer. Revenue from the sale of gas is recognised over time. The surplus or deficit of the product sold during the period over the Group's ownership share of production is termed as an overlift or underlift. With regard to underlifts, if the over-lifter does not meet the definition of a customer or the settlement of the transaction is non-monetary, a receivable and other income is recognised. If the over-lifter meets the definition of a customer, revenue is recognised and a corresponding receivable.

Conversely, when an overlift occurs, cost of sale is debited and a corresponding liability is accrued. Overlifts and underlifts are initially measured at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Subsequently, they are remeasured at the current market value. The change arising from this remeasurement is included in the profit or loss as other income or cost of sales.

Definition of a customer

A customer is a party that has contracted with the Group to obtain crude oil or gas products in exchange for a consideration, rather than to share in the risks and benefits that result from sale. The Group has entered into collaborative arrangements with its joint venture partners to share in the production of oil. Collaborative arrangements with its joint venture partners to share in the production of oil are accounted for differently from arrangements with customers as collaborators share in the risks and benefits of the transaction, and therefore, do not meet the definition of customers. Revenue arising from these arrangements are recognised separately in other income.

• Identification of performance obligation

At inception, the Group assesses the goods or services promised in the contract with a customer to identify as a performance obligation, each promise to transfer to the customer either a distinct good or series of distinct goods. The number of identified performance obligations in a contract will depend on the number of promises made to the customer. The delivery of barrels of crude oil or units of gas are usually the only performance obligation included in oil and gas contract with no additional contractual promises. Additional performance obligations may arise from future contracts with the Group and its customers.

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is due to the fact that revenue is only recognised at the point where the performance obligation is fulfilled, management has therefore developed adequate measures to ensure that all contractual promises are appropriately considered and accounted for accordingly.

• Contract enforceability and termination clauses

The Group may enter into contracts that do not create enforceable rights and obligation to parties in the contract. Such instances may include where the counterparty has not met all conditions necessary to kick start the contract or where a non-contractual promise exists between both parties to the agreement. In these instances, the agreement is not yet a valid contract and therefore no revenue can be recognised.

It is the Group's policy to assess that the defined criteria for establishing contracts that entail enforceable rights and obligations are met. The criteria provides that the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable.

The Group may enter into contracts that do not meet the revenue recognition criteria. In such cases, the consideration received will only be recognised as revenue if either of the following has occurred;

- the Group has no remaining obligations to transfer goods/services to the customer and all or substantially all, of the consideration promised by the customer has been received by the Group and is non-refundable
- the contract has been terminated and the consideration received from the customer is non-refundable.

The Group may also have the unilateral rights to terminate an unperformed contract without compensating the other party. This could occur where the Group has not yet transferred any promised goods or services to the customer and the Group has not yet received, and is not yet entitled to receive, any consideration in exchange for promised goods or services.

b) Transaction price

Transaction price is the amount that an entity within the Group allocates to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer. Variable consideration not within the Group's control is estimated at the point of revenue recognition and reassessed periodically. The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. As a practical expedient, where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group may recognise revenue in the amount to which it has a right to invoice.

Significant financing component (SFC) assessment is carried out (using a discount rate that reflects the amount charged in a separate financing transaction with the customer and also considering the Group's incremental borrowing rate) on contracts that have a repayment period of more than 12 months. As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when it transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Instances when SFC assessment may be carried out include where the Group receives advance payment for agreed volumes of crude oil or receivables take or pay deficiency payment on gas sales. Take or pay gas sales contract ideally provides that the customer must sometimes pay for gas even when not delivered to the customer. The customer, in future contract years, takes delivery of the product without further payment. The portion of advance payments that represents significant financing component will be recognised as interest revenue.

Consideration payable to a customer is accounted for as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group. Examples include barging costs incurred, demurrage and freight costs. These do not represent a distinct service transferred and is therefore recognised as a direct deduction from revenue.

c) Contract modification and contract combination

Contract modifications relates to a change in the price and/or scope of an approved contract. Where there is a contract modification, the Group assesses if the modification will create a new contract or change the existing enforceable rights and obligations of the parties to the original contract.

Contract modifications are treated as new contracts when the performance obligations are separately identifiable and transaction price reflects the standalone selling price of the crude oil or the gas to be sold. Revenue is adjusted prospectively when the crude oil or gas transferred is separately identifiable and the price does not reflect the standalone selling price. Conversely, if there are remaining performance obligations which are not separately identifiable, revenue will be recognised on a cumulative catch-up basis when crude oil or gas is transferred.

The Group enters into new contracts with its customers only on the expiry of the old contract. In the new contracts, prices and scope may be based on terms in the old contract. In gas contracts, prices change over the course of time. Even though gas prices change over time, the changes are based on agreed terms in the initial contract i.e. price change due to consumer price index. The change in price is therefore not a contract modifications. Any other change expected to arise from the modification of a contract is implemented in the new contracts.

The Group combines contracts entered into at near the same time (less than 12 months) as one contract if they are entered into with the same or related party customer, the performance obligations are the same for the contracts and the price of one contract depends on the other contract.

d) Portfolio expedients

As a practical expedient, the Group may apply the requirements of IFRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics if it expects that the effect on the financial statements would not be materially different from applying IFRS 15 to individual contracts within that portfolio.

e) Contract assets and liabilities

The Group recognises contract assets for unbilled revenue from crude oil and gas sales. A contract liability is consideration received for which performance obligation has not been met.

f) Disaggregation of revenue from contract with customers

The Group derives revenue from two types of products, oil and gas. The Group has determined that the disaggregation of revenue based on the criteria of type of products meets the revenue disaggregation disclosure requirement of IFRS 15 as it depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(c) **Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant & equipment are credited to other comprehensive income and shown as a component of other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the statement of profit or loss. Revaluation surplus is recovered through disposal or use of property, plant and equipment. In the event of a disposal, the whole of the revaluation surplus is transferred to retained earnings from other reserves. Otherwise, each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the assets original cost is transferred from "other reserves" to "retained earnings".

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Leasehold improvements	10 – 50 years	(2% – 10%)
Plant and machinery	8 – 20 years	(5% – 12.5 %)
Fixtures, fittings, computer & equipment, motor vehicles	3 – 8 years	(12.5% – 331/3 %)
Upstream assets	Unit-of-production (UOP)	

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised within "operating profit/(loss)" in the statement of profit or loss .

Property, plant and equipment under construction is not depreciated until they are available for use.

Derecognition of property, plant and equipment

The Group derecognises the carrying amount of an item of property, plant and equipment on disposal or when no economic benefits are expected from its use or disposal. The disposal of an item of property, plant and equipment may occur in a variety of ways (by sale, by entering into a finance lease or by donation). The Group applies the criteria in IFRS 16 where the disposal is through a finance lease. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of profit or loss when the item is derecognised, save for the criteria in IFRS 16 for a sale and leaseback transaction. The Group does not classify gains on derecognition of property, plant and equipment as revenue. Such gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(d) **Intangible assets**

(a) Goodwill

Goodwill arises from the acquisition of subsidiaries and is initially measured at cost, being the excess of the aggregate of the consideration transferred, amount recognized for non-controlling interest and any interest previously held over the net identifiable assets acquired, liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGU's) for the purpose of impairment testing. The allocation is made to those CGU's expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which goodwill is allocated represents the lower level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using straight line method to allocate the cost over their estimated useful lives of three to five years. The amortisation period and residual values are reviewed at each reporting date. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

(c) Concession contracts

The Group, through its subsidiaries, has concession arrangements to fund, design and construct gas pipelines on behalf of the Nigerian Gas Company (NGC). The arrangement requires the Group as the operator to construct gas pipelines on behalf of NGC (the grantor) and recover the cost incurred from a proportion of the sale of gas to customers. The arrangement is within the scope of IFRIC 12.

Under the terms of IFRIC 12, a concession operator has a twofold activity:

- a construction activity in respect of its obligations to design, build and finance a new asset that it makes available to the grantor: revenue is recognised over time in accordance with IFRS 15;
- an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IFRS 15.

The intangible asset model: The operator has a right to receive payments from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator to the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator.

Under this model, the right to receive payments (or other remuneration) is recognised in the concession operator's statement of financial position under "Concession intangible assets". This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.

Amortisation of the intangible assets is calculated using the straight line method to write down their cost amounts to their residual values over their estimated useful life of 20 years.

(e) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case, it is included within the recoverable amount of those group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(f) Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

a) Classification and measurement

• Financial assets

It is the Group's policy to initially recognise financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Classification and subsequent measurement is dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group classifies its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income (OCI).

Financial assets classified at amortised cost

The Group's financial asset are measured at amortised cost only if they meet both of the following conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at fair value through other comprehensive income (debt instruments)

A financial asset shall be measured at fair value through other comprehensive income only if it meets both of the following conditions:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets classified at fair value through profit or loss

A financial asset that does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income should be measured at fair value through profit or loss. Also, the Group, at initial recognition, designate a financial asset as measured at fair value through profit or loss if so doing eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Derivatives, including separated embedded derivatives, are also classified as financial assets measured at fair value through profit or loss unless they are designated as effective hedging instruments. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established. A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

All the Group's financial assets as at 31 December 2025 satisfy the conditions for classification at amortised cost, fair value through profit or loss and as fair value through other comprehensive income under IFRS 9.

The Group's financial assets include trade receivables, finance lease receivables, other receivables, non-current receivables and cash and cash equivalents.

• Financial liabilities

Financial liabilities of the Group are classified and subsequently recognised at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss. Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group's financial liabilities include trade and other payables, lease liabilities and interest bearing loans and borrowings.

b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information, that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Group applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the three-stage approach is applied to finance lease receivables, other receivables, non-current receivables and cash & cash equivalents. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates which is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. These three components are multiplied together and adjusted using macro-economic indicators. This effectively calculates an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

c) Significant increase in credit risk and default definition

The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information on the entities, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Financial assets that have been identified to be more than 30 days past due but less than 360 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 30 days after the contractual payment period. Subsequent to default, the Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

d) Derecognition

• Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

• Financial liabilities

The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

(g) Accounting for leases under IFRS 16

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019

The Group's leases include leases of land, buildings (offices and residential apartments) and aircraft. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease terms range from 1 year to 15 years. On renewal of a lease, the terms may be renegotiated. The leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group has elected to separate the lease and non-lease components. The non-lease components will be accounted for as an expense in profit or loss in the related period.

Leases in which the Group is a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Right of use assets

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than \$5,000 when new, e.g. small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in most of the Group's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension options are subject to mutual agreement by the Group and the lessors and some of the termination options held are exercisable only by the Group.

Leases in which the Group is a lessor

Sub-leases

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the short term lease exemption, then it classifies the sub-lease as an operating lease.

The Group classifies a sub-lease as finance leases if the sublease is for the a significant part or whole of the term of the head lease. The head lease liability is measured at the present value of the remaining lease payments discounted at the Group's incremental borrowing rate. The measurement of the right-of-use asset depends on the classification of the sub-lease. The Group has defined significant to mean that the sub-lease term represents, at the minimum, 70% of the remaining term of the head lease.

If the sub-lease is classified as a finance lease, the Group does not recognise a right of use asset but recognises a lease receivable (net investment in a lease) to the extent that it is subject to the sub-lease. If the sub-lease is classified as an operating lease, the Group continues to recognise the right-of-use asset.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

(i) Share capital

Ordinary shares are classified as equity. Share issue costs net of tax are charged to the share premium account.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(k) Employee benefits

(i) Retirement benefit obligations

Employee benefits are considerations given by the Group in exchange for service rendered by employees or for the termination of employment.

Post-employment benefit plans, including informal arrangements, are classified as either defined contribution plans or defined benefit plans depending on the economic substance of the plan as derived from its principal terms and conditions. Under defined contribution plans, the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liabilities related to defined benefit plans, net of any plan assets, are determined on the basis of actuarial assumptions and charged on accrual basis during the employment period required to obtain the benefits.

Net interest includes the return on plan assets and the interests cost to be recognized in the profit and loss account. Net interest is measured by applying to the liability, net of any plan assets, the discount rate used to calculate the present value of the liability; net interest of defined benefit plans is recognized in "Financial income (expense)".

Re-measurements of the net defined benefit liability, comprising actuarial gains and losses, resulting from changes in the actuarial assumptions used or from changes arising from experience adjustments, and the return on plan assets excluding amounts included in net interest, are recognized within statement of other comprehensive income. Re-measurements of net defined benefit liability, recognised in the equity reserve related to other comprehensive income, are not reclassified to the profit and loss account in a subsequent period.

Obligations for long-term benefits are determined by adopting actuarial assumptions. The effects of re-measurements are taken to profit and loss account in their entirety

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution scheme

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the defined contribution plan are charged to the profit or loss in the year to which they relate. The assets of the scheme are funded by contributions from both the employers and employees in the Group in line with the provisions of the Pension Reform Act, 2014 and are managed by pension fund custodians.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

The following defined benefits plans are currently operated by Oando Energy Resources Nigeria Limited (OERNL) - an indirect subsidiary of Oando PLC:

(a) Pension:

OERNL operates a pension scheme which is managed by Oando CPFA Limited. OERNL'S net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually using the projected unit credit method. When the calculation results in a potential asset for OERNL, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

b) Gratuity:

OERNL also operates a gratuity scheme for qualified employees. OERNL's net obligation in respect of defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and its experience with staff turnover.

The recognized liability is determined by an independent actuarial valuation every year using the projected unit credit method. Deloitte and Touche Nigeria was engaged as an independent actuary for the valuation of the scheme. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized fully in Other Comprehensive Income. The effect of any curtailment is recognized in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the OERNL's obligation. This is due to the unavailability of market yield data on high quality corporate bonds. The demographic assumptions (mortality in service) are based on rates published in the A67/70 Ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK. Although the scheme is not funded, OERNL ensures that adequate arrangements are in place to meet its obligations under the scheme.

(c) Post employment medical plan

OERNL's post medical plan represents post retirement medical scheme instituted for all retired employees. OERNL's obligations in respect of this scheme are the amount of future medical cost that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The cost to be recognized in the period is determined by the actuary

The liabilities related to post employment medical plan are determined on the basis of the projected unit credit method. Net interest includes the return on plan assets and the interests cost to be recognized in the profit and loss account. Net interest is measured by applying to the liability, net of any plan assets, the discount rate used to calculate the present value of the liability. Remeasurements of the net defined benefit liability, comprising actuarial gains and losses, resulting from changes in the actuarial assumptions used or from changes arising from experience adjustments, and the return on plan assets excluding amounts included in net interest, are recognized within statement of comprehensive income. Furthermore, in presence of net assets, changes in their value different from those included in net interest are recognized within statement of comprehensive income.

(d) Other long-term employee benefits

OERNL's other long-term employee benefits consist of Long Service Awards scheme instituted for all permanent employees; Diesel and Fuel for serving Divisional and General managers who continue to receive such benefits at retirement. It's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the OERNL's obligation. The calculation is performed using the Projected Unit Credit method. Obligations for long-term benefits are determined by adopting actuarial assumptions. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are taken to profit and loss account in their entirety.

The following defined benefits plan is currently operated by Oando Trading DMCC (OTD) - a direct subsidiary of Oando PLC:

Oando Trading DMCC (OTD) operates an unfunded employees' end of service benefits ("EOSB") for its employees in accordance with the respective laws in Dubai.

(ii) Employee share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options/ awards) of the Group. The fair value of the employee services received in exchange for the grant of the option/awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions (for example, an entity's share prices); excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and including impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to share-based payment reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Share-based compensation is settled in Oando PLC's shares, in the separate or individual financial statements of the subsidiary receiving the employee services, the share based payments are treated as capital contribution as the subsidiary entity has no obligation to settle the share-based payment transaction.

The entity subsequently re-measures such an equity-settled share-based payment transaction only for changes in non-market vesting conditions.

In the separate financial statements of Oando PLC, the transaction is recognised as an equity-settled share-based payment transaction and additional investments in the subsidiary.

(iii) Other share based payment transactions

Where the Group obtains goods or services in compensation for its shares or the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the Group settles the transaction in cash (or other assets) or by issuing equity instruments, such transactions are accounted as share based payments in the Group's financial statements.

(iv) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss.

Provisions for environmental restoration and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate which reflects current market assessments of the time value of money and the specific risk. The increase in the provision due to the passage of time is recognised as interest expense.

Decommissioning liabilities

A provision is recognised for the decommissioning liabilities for underground tanks described in Note 6iv. Based on management estimation of the future cash flows required for the decommissioning of those assets, a provision is recognised and the corresponding amount added to the cost of the asset under property, plant and equipment for assets measured using the cost model. For assets measured using the revaluation model, subsequent changes in the liability are recognised in revaluation reserves through OCI to the extent of any credit balances existing in the revaluation surplus reserve in respect of that asset. The present values are determined using a pre-tax rate which reflects current market assessments of the time value of money and the risks specific to the obligation. Subsequent depreciation charges of the asset are accounted for in accordance with the Group's depreciation policy and the accretion of discount (i.e. the increase during the period in the discounted amount of provision arising from the passage of time) included in finance costs.

Estimated site restoration and abandonment costs are based on current requirements, technology and price levels and are stated at fair value, and the associated asset retirement costs are capitalized as part of the carrying amount of the related tangible fixed assets. The obligation is reflected under provisions in the statement of financial position.

(m) Current income and deferred tax

Income tax expense is the aggregate of the charge to profit or loss in respect of current and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 3% of assessable profits of companies operating within Nigeria. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in OCI or equity respectively. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Current income deferred tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) **Dividend**

Dividend payable to the Company's shareholders is recognised as a liability in the separate and consolidated financial statements in the period in which they are declared (i.e. approved by the shareholders).

(o) **Upstream activities**

Exploration and evaluation assets

Exploration and evaluation ("E&E") assets represent expenditures incurred on exploration properties for which technical feasibility and commercial viability have not been determined. E&E costs are initially capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired, these costs include acquisition of rights to explore, exploration drilling, carrying costs of unproved properties, and any other activities relating to evaluation of technical feasibility and commercial viability of extracting oil and gas resources. The E&P division entities will expense items that are not directly attributable to the exploration and evaluation asset pool. Costs that are incurred prior to obtaining the legal right to explore, develop or extract resources are expensed in the statement of profit or loss as incurred. Costs that are capitalized are recorded using the cost model with which they will be carried at cost less accumulated impairment. Costs that are capitalized are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

Once technical feasibility and commercial viability of extracting the oil or gas is demonstrable, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within property, plant and equipment ("PP&E") referred to as oil and gas development assets and oil and gas producing assets. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Pre-licence costs are expensed in the profit or loss in the period in which they occur .

Farm-out arrangements for E&E assets for which OER is the farmor are accounted for by recognizing only the cash payments received and do not recognize any consideration in respect of the value of the work to be performed by the farmee. The carrying value of the remaining interest is the previous cost of the full interest reduced by the amount of cash consideration received for entering the agreement. The effect will be that there is no gain recognized on the disposal unless the cash consideration received exceeds the carrying value of the entire asset held.

Oil and gas assets

When technical feasibility and commercial viability is determinable, costs attributable to those reserves are reclassified from E&E assets to a separate category within property, plant and equipment ("PP&E") referred to as oil and gas properties under oil and gas development assets and oil and gas producing assets. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive loss as incurred.

Oil and gas assets are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Oil and gas assets are incorporated into Cash Generating Units "CGU's" for impairment testing.

The net carrying value of development or production assets is depleted using the unit of production method by reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. The resulting depreciation, depletion and amortization is posted to cost of sales. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually.

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Refer to Note "5L" and Note 35 for information on the provision for estimated site restoration, abandonment costs and decommissioning costs.

(p) **Impairment**

The Group assesses its assets for indicators of impairments annually. All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs to sell and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash inflows.

Estimates of future cash flows used in the evaluation for impairment of assets relating to hydrocarbon production are made using risk assessments on field and reservoir performance and include expectations about proved reserves and unproved volumes, which are then risk-weighted utilising the results from projections of geological, production, recovery and economic factors.

Exploration and evaluation assets are tested for impairment by reference to group of cash-generating units (CGU). Such CGU groupings are not larger than an operating segment. A CGU comprises of a concession with the wells within the field and its related assets as this is the lowest level at which outputs are generated for which independent cash flows can be segregated. Management makes investment decisions/allocates resources and monitors performance on a field/concession basis. Impairment testing for E&E assets is carried out on a field by field basis, which is consistent with the Group's operating segments as defined by IFRS 8.

Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

Impairment charges and reversals are reported separately in the statement of profit or loss. As of the reporting date, an impairment charge of N3.1 billion (2024: Nil) was recognised in intangible assets. See Note 16.

(q) **Non-current assets (or disposal groups) held for sale**

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

(r) **Production underlift and overlift**

The Group receives lifting schedules for oil production generated by the Group's working interest in certain oil and gas properties. These lifting schedules identify the order and frequency with which each partner can lift. The amount of oil lifted by each partner at the reporting date may not be equal to its working interest in the field. Some partners will have taken more than their share (overlifted) and others will have taken less than their share (underlifted). The initial measurement of the overlift liability and underlift asset is at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Overlift balances are subsequently measured at fair value, while underlift balances are carried at lower of carrying amount and current fair value. The change arising from this remeasurement is included in the profit or loss as other income or cost of sales.

(s) **Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions the market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as available for sale financial assets, investment properties and significant liabilities. Involvement of external valuers is decided upon annually by the valuation committee after discussion with and approval by the Group's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Board, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the Board and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(t) **Offshore processing arrangements**

An offshore processing arrangement involves the lifting of crude oil from an owner (usually government/third party) in agreed specifications and quantities for a swap for agreed yields and specifications of refined petroleum products. Under such arrangements, the owner of the crude oil may not attach monetary value to the crude oil delivered to the Group or the refined products received from the Group. Rather, the owner defines the yields and specification of refined products expected from the Group. Sometimes, the owner may request the Group to deliver specific refined products, increase quantity of certain products contrary to previously agreed quantity ratios, or make cash payments in lieu of delivery of products not required ("retained products"). It is also possible that the owner may request the Group to pre-deliver refined products against future lifting of crude oil. Parties to offshore processing arrangements are often guided by terms and conditions codified in an Agreement/Contract. Such terms may include risk and title to crude oil and refined products, free on board or cost, insurance and freight deliveries by counterparties, obligations of counterparties, costs and basis of reimbursements, etc. Depending on the terms of an offshore processing arrangement, the Group may act as a principal or an agent.

The Group acting in the capacity of a principal under IFRS 15

The Group acts as a principal in an offshore processing arrangement when it controls the promised good or service before transferring that good or service to the customer. When it is unclear whether the Group controls the promised good or service after consideration of the definition of control, then the following indicators are considered to determine if the Group has control:

- it has the primary responsibility for providing the products or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
- it has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer (for example, if the customer has a right of return); and
- the entity has discretion in establishing the price for the specified good or service. Establishing the price that the customer pays for the specified good or service may indicate that the entity has the ability to direct the use of that good or service and obtain substantially all of the remaining benefits.

The gross amount of the crude oil received by the Group under an offshore processing arrangement represents consideration for the obligation to the counterparty. Control passes to the counterparty upon delivery of refined products. At this point, the Group determines the value of crude oil received using the market price on the date of receipt and records the value as revenue. In addition, the Group records processing fees received/receivable from the counterparty as part of revenue. The Group determines the value of refined products at cost and includes the value in cost of sales in the statement of profit or loss. All direct costs relating to an offshore processing arrangement that are not reimbursable are included in cost of sales, where applicable, in the statement of profit or loss. Such costs may include processing, freight, demurrage, insurance, directly attributable fees and charges, etc. All expenses, which are not directly related to an offshore processing arrangement is included as part of administrative expenses.

Where the Group lifted crude oil but delivered petroleum products subsequent to the accounting period, it does not record the value of the crude oil received as part of revenue. Rather, the Group records the value of crude oil received as deferred revenue under current liabilities.

Where the Group pre-delivered products in expectation of lifting of crude oil in future, it does not record the value in the statement of profit or loss in order to comply with the matching concept. Rather, it will deplete cash (where actual payment was done) or increase trade payables and receivables. The Group transfers the amount recognised from trade receivables to cost of sales and recognise the value of crude oil lifted as turnover, when crude oil is eventually lifted in respect of the pre-delivery.

The Group discloses letters of credit and amounts outstanding at the reporting date under contingent liabilities in the notes to the financial statements.

The Group acting in the capacity of an agent under IFRS 15

The Group acts as an agent in an offshore processing arrangement where the gross inflows of economic benefits include amounts collected on behalf of a third party. Such amounts do not result in increases in equity for the Group. Thus, the amounts collected on behalf of the counterparty are not revenue. Instead, revenue is the amount of commission earned for acting as an agent. Costs incurred by the Group are done on behalf of the counterparty and they are fully reimbursable.

(u) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The Group has elected to state investment properties at fair value in accordance with IAS 40.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise contingent liability but discloses it unless the possibility of an outflow of resources embodying economic benefits is remote. When the possibility of an outflow of economic benefits becomes more than remote but less than probable, contingent liability is disclosed. If it becomes probable that there will be an outflow of economic benefits, a provision is recognised 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). When the amount and timing of the liability become certain, the obligation is presented as a trade or other payable or as a financial liability. Where the Group 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 while the Group recognises 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.

(w) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognise a contingent asset since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and both the asset and income are recognised in the financial statements of the period in which the change occurs. The Group discloses contingent assets where an inflow of economic benefits is probable.

(x) ECL on financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. For loan commitments and financial guarantee contracts, the date that the entity becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements.

Initial recognition

An issued financial guarantee contract is a financial liability, which is initially recognised at fair value. If the financial guarantee contract is issued to an unrelated party at arms-length, the initial fair value is likely to equal the premium received. If no premium is received (often the case in intragroup situations), the fair value must be determined using a different method that quantifies the economic benefit of the financial guarantee contract to the holder.

Subsequent measurement

After initial recognition, an issuer of a financial guarantee contract shall subsequently measure it at the higher of:

- the IFRS 9 expected credit loss (ECL); and
- the amount initially recognised (i.e. fair value) less any cumulative amount of income/ amortisation recognised.

At each reporting date, an entity in the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the entity shall use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. Furthermore, the entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

(xi) Treasury shares

The Group's own equity instruments that are reacquired are recognised as treasury shares. In accordance with IAS 32, treasury shares:

- are not recognised as assets;
- are presented as a deduction from equity;
- are not remeasured after initial recognition; and
- do not give rise to gains or losses in profit or loss.

Any consideration paid on the acquisition, or received from reissue of treasury shares is recognised directly within equity. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Transactions involving treasury shares are treated as capital transactions between the Group and its owners in their capacity as owners.

Where the Company or any of its subsidiaries incurred various costs in issuing or acquiring its own equity instruments (registration, regulatory fees, legal fees, accounting or other professional advisory fees, printing cost and stamp duties), such transaction costs are accounted for as a deduction from equity (net of any related income tax benefits) to the extent they are incremental cost directly attributable to the equity transaction, which otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

The subsequent distribution of treasury shares is accounted for as an equity reclassification and does not constitute a dividend unless it involves a distribution of assets or an appropriation of retained earnings.

Distributions to owners are recognised as equity transactions when authorised and represent a reduction in retained earnings only where such distributions arise from profits. Transactions that involve the reclassification or redistribution of the Company's own equity instruments without the transfer of assets or reduction of retained earnings are not accounted for as dividends under IFRS.

6. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Joint arrangements (Note 48b)

Judgement is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work program and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity's joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries, as set out in Note 4i.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from: the legal form of the separate vehicle; the terms of the contractual arrangement; and other facts and circumstances, considered on a case by case basis. This assessment often requires significant judgement. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

(b) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- For leases of land and/or buildings, if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Group.

(c) Capitalisation of borrowing costs

Management exercises sound judgement when determining which assets are qualifying assets, taking into account, among other factors, the nature of the assets. An asset that normally takes more than one year to prepare for use is usually considered as a qualifying asset.

(d) Exploration costs

Exploration costs are capitalised pending the results of evaluation and appraisal to determine the presence of commercially producible quantities of reserves. Following a positive determination, continued capitalisation is subject to further exploration or appraisal activity in that either drilling of additional exploratory wells is under way or firmly planned for the near future or other activities are being undertaken to sufficiently progress the assessment of reserves and the economic and operating viability of the project. In making decisions about whether to continue to capitalise exploration costs, it is necessary to make judgments about the satisfaction of each of these conditions. If there is a change in one of these judgments in any period, then the related capitalised exploration costs would be expensed in that period, resulting in a charge to the statement of profit or loss.

(e) Offshore processing arrangements

Judgement is required in order to determine whether the Group or any of its affiliates acts as a principal or an agent in an offshore processing arrangement. In doing so, the Group considers the nature of arrangements, terms and conditions agreed to by the Group and counterparties and other relevant information. A different conclusion about the role of the Group in an offshore processing arrangement may materially impact the accounting for offshore processing arrangements.

(f) Treasury share transactions

Management exercised significant judgement in determining the appropriate accounting treatment for transactions involving the acquisition and pro rata redistribution of the Company's own shares.

In making this judgement, management considered:

- the requirements of IAS 32, which govern transactions in an entity's own equity instruments;
- the prohibition on recognising gains, losses, or value differentials arising from such transactions; and
- the requirement under IAS 1 to reflect the substance of transactions and ensure faithful presentation.

Management concluded that both the acquisition and redistribution of the Company's own shares constituted equity transactions that should be recognised entirely within equity, without any impact on profit or loss or retained earnings.

(g) Legal and regulatory uncertainty

Management also exercised judgement in assessing whether matters arising under local company law created a present obligation requiring recognition under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

At the reporting date, management concluded that:

• no court order, regulatory directive, or enforceable demand existed; and
• consequently, no present obligation had arisen that required recognition of a provision or adjustment of equity balances.

Accordingly, management determined that disclosure of the uncertainty, rather than recognition, was appropriate.

(h) Tax uncertainty (IFRIC 23)

Management assessed whether the pro rata distribution of treasury shares could give rise to withholding tax or other tax exposures under Nigerian tax law.

Applying IFRIC 23 – Uncertainty over Income Tax Treatments, management concluded that it is probable that the tax treatment adopted will be accepted by the relevant tax authority. As no present obligation existed at the reporting date, no tax liability was recognised. The uncertainty has been disclosed in the notes to the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i Fair value estimation

Financial instruments

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances. See Note 7 on details of fair value estimation methods applied by the Group.

The carrying value less (impairment) provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Employee share based payments

The fair value of employee share options is determined using valuation techniques such as the binomial lattice/black scholes model . The valuation inputs such as the volatility, dividend yield is based on the market indices of Oando PLC's shares.

Property, plant and equipment

Land and building are carried at revalued amounts. Formal revaluations are performed every three years by independent experts for these asset classes. Appropriate indices, as determined by independent experts, are applied in the intervening periods to ensure that the assets are carried at fair value at the reporting date. Judgement is applied in the selection of such indices. Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach.

The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For this appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement.

The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

The useful life of each asset group has been determined by independent experts based on the build quality, maintenance history, operational regime and other internationally recognised benchmarks relative to the assets.

ii Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 5e. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. See Note 16 for detailed assumptions and methods used for impairment calculation.

iii Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iv Provision for environmental restoration

The Group records a liability for the fair value of legal obligations associated with the decommissioning of oil and gas and any other relevant assets in the period in which they are incurred, normally when the asset is purchased or developed. On recognition of the liability there is a corresponding increase in the carrying amount of the related asset known as the decommissioning cost, which is depleted on a unit-of-production basis over the life of the reserves for oil and gas assets. The liability is adjusted each reporting period to reflect the passage of time using the risk free rate, with the interest charged to earnings, and for revisions, to the estimated future cash flows. The changes in the estimate for decommissioning obligation are recorded both under the related asset and liability. When the estimate results in a reduction, the changes deducted from the carrying amount of the asset shall not exceed the carrying amount of the asset. Actual costs incurred upon settlement of the obligations are charged against the liability.

v Estimation of oil and gas reserves

Oil and gas reserves are key elements in Oando's investment decision-making process that is focused on generating value. They are also an important factor in testing for impairment. Changes in proved oil and gas reserves will affect the standardised measure of discounted cash flows and unit-of-production depreciation charges to the statement of profit or loss.

Proved oil and gas reserves are the estimated quantities of crude oil that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Proved developed reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Estimates of oil and gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Accordingly, financial and accounting measures (such as the standardised measure of discounted cash flows, depreciation, depletion and amortisation charges, and decommissioning and restoration provisions) that are based on proved reserves are also subject to change.

Proved reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. Proved reserves estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured.

Furthermore, estimates of proved reserves only include volumes for which access to market is assured with reasonable certainty. All proved reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. Changes in the technical maturity of hydrocarbon reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of annual revisions.

In general, estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. As a field goes into production, the amount of proved reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long-term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

vi Impairment of assets

For oil and gas properties with no proved reserves, the capitalisation of exploration costs and the basis for carrying those costs on the statement of financial position are explained above. For other properties, the carrying amounts of major property, plant and equipment are reviewed for possible impairment annually, while all assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash inflows. Impairments can also occur when decisions are taken to dispose off assets.

Impairments, except those relating to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed. Estimates of future cash flows are based on current year end prices, management estimates of future production volumes, market supply and demand and product margins. Expected future production volumes, which include both proved reserves as well as volumes that are expected to constitute proved reserves in the future, are used for impairment testing because the Group believes this to be the most appropriate indicator of expected future cash flows, used as a measure of value in use.

Estimates of future cash flows are risk-weighted to reflect expected cash flows and are consistent with those used in the Group's business plans. A discount rate based on the Group's weighted average cost of capital (WACC) is used in impairment testing. Expected cash flows are then risk-adjusted to reflect specific local circumstances or risks surrounding the cash flows. Oando reviews the discount rate to be applied on an annual basis. The discount rate applied in 2025 was 22.4% (2024: 16.09). Asset impairments or their reversal will impact income.

vii Useful lives and residual value of property, plant and equipment

The residual values, depreciation methods and estimated useful lives of property, plant and equipment are reviewed at least on an annual basis. The review is based on the current market situation.

The residual value of the various classes of assets were estimated as follows:

Land and building - 10%
Plant and machinery - 10%
Motor vehicles – 10%
Furniture and fittings - 10%
Computer and IT equipment - 10%

These estimates have been consistent with the amounts realised from previous disposals for the various asset categories.

viii Investment properties

In 2017, the Company had an investment property (a land (5,168.14 sqms) in Abuja, Nigeria and in 2019, the Company perfected the title of another land of 10,864.11 sqm located in Oniru, Lagos, Nigeria as the sublease lease agreement for the Oniru Land was consented to by the Honourable Commissioner, Ministry of Physical Planning and Urban Development on February 01, 2019.

The fair value of the properties were determined using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/0000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517) in December 2025. The direct comparison method involves the analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately to take care of the peculiarities and level of completion of the subject property in arriving at the value. This has therefore been classified under level 3.

ix Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 7.

7 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on its financial and operational performance.

The Group has a risk management function that manages the financial risks relating to the Group's operations under the policies approved by the Board of Directors. The Group's liquidity, credit, foreign currency, interest rate and price risks are continuously monitored. The Board approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk and credit risk. The Group uses derivative financial instruments to manage certain risk exposures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade and other receivables and payables, non current receivables, financial assets measured at fair value through profit or loss and derivative financial instruments.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising primarily from various product sourcing activities as well as other currency exposures, mainly US Dollars. Foreign exchange risk arises when future commercial transactions and recorded assets and liabilities are denominated in a currency that is not the entity's functional currency e.g. foreign currency denominated loans, purchases and sales transactions etc. The Group manages their foreign exchange risk by revising cost estimates of orders based on exchange rate fluctuations, forward contracts and cross currency swaps transacted with commercial banks. The Group also apply internal hedging strategies with subsidiaries with USD functional currency.

Group	Instrument	Sensitivity Range	2025		2024	
			Pre-tax impact on total equity		Pre-tax impact on total equity	
			Increase in variable	Decrease in variable	Increase in variable	Decrease in variable
	US Dollar denominated bank balances and receivables	+/- 12%	536,347,714	(536,347,714)	220,528,059	(220,528,059)
	US Dollar denominated trade payables and borrowing balances	+/- 12%	(969,993,241)	969,993,241	(731,597,336)	731,597,336

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Company	Sensitivity Range	2025		2024	
		Pre-tax impact on total equity		Pre-tax impact on total equity	
		Increase in variable	Decrease in variable	Increase in variable	Decrease in variable
		N'000	N'000	N'000	N'000
US Dollar denominated bank balances and receivables	+/- 12%	8,672,513	(8,672,513)	9,103,683	(9,103,683)
US Dollar denominated trade payables and borrowing balances	+/- 12%	(2,266,051)	2,266,051	(4,495,644)	4,495,644

Equity price risk

The Group is exposed to equity security price risk because of its investments in the marketable securities classified as financial assets measured at fair value through profit or loss. The shares held by the Group are traded on the Nigerian Exchange Group. A 10% change in the market price of the instrument would result in an additional N328.1 million gain/(loss) (2024: N42.3 million), to be recognised in equity.

Commodity price risk

Fluctuations in the international prices of crude oil would have corresponding effects on the results of operations of the Group. In order to mitigate against the risk of fluctuation in international crude oil prices, the Group hedges its exposure to fluctuations in the price of the commodity by entering into hedges for minimum volumes and prices in US\$ per barrel of oil.

The table below provides a summary of the impact of changes in crude oil prices and interest rates on income before tax, with all other variables held constant for the year ended December 31, 2025 and December 31, 2024.

Instrument	Sensitivity Range	2025		2024	
		Income/(loss) before tax		Income/(loss) before tax	
		Increase in variable	Decrease in variable	Increase in variable	Decrease in variable
		N'000	N'000	N'000	N'000
Financial commodity contracts	+/- \$10 per barrel change in Brent crude oil price	(4,175)	8,822	26	21

(iii) **Interest rate risk**

The Group had a short term, highly liquid bank deposits of N2.7 billion with ARM with an annual yield of 17.49% and N26.9 billion with Afrinvest with an annual yield of 1.24% as at 31 December 2025 (2024: N2.8 billion with ARM with an annual yield of 22.29% as at 31 December 2024). No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

The Group does not have any investments in quoted corporate bonds that are of fixed rate and carried at fair value through profit or loss. Therefore the Group is not exposed to fair value interest rate risk arising from corporate bonds.

The Group has borrowings at variable rates, which expose the Group to cash flow interest rate risk. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

Management enters into derivative contracts as an economic hedge against interest and foreign currency exposures. As at the reporting date, the Group does not have any outstanding derivatives with respect to interest and foreign currency hedge.

Group	Sensitivity Range	2025		2024	
		Income/(loss) before tax		Income/(loss) before tax	
		Increase in variable	Decrease in variable	Increase in variable	Decrease in variable
		N'000	N'000	N'000	N'000
Variable rate borrowings	+/- 100 basis points	(23,618,296)	23,618,296	(24,639,044)	24,639,044

Company	Sensitivity Range	2025		2024	
		Income/(loss) before tax		Income/(loss) before tax	
		Increase in variable	Decrease in variable	Increase in variable	Decrease in variable
		N'000	N'000	N'000	N'000
Variable rate borrowings	+/- 100 basis points	(268,429)	268,429	(289,497)	289,497

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, finance lease receivables, non-current receivables and deposits with banks as well as trade and other receivables. The Group has policies in place to ensure that credit limits are set for commercial customers taking into consideration the customers' financial position, past trading relationship, credit history and other factors.

Credit risk is monitored by the credit risk department of the Group's Financial Control Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. Counterparties are assigned a risk rating and risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records.

Impairment of financial assets

The Group has five types of financial assets that are subject to the expected credit loss model. These financial assets have been assessed using the simplified approach and general approach. See classification below:

Simplified approach:

- trade receivables and contract assets from sales of goods and provision of services

General approach:

- other receivables; comprises of inter-company receivables and inter-company loan receivables
- non-current receivables
- restricted cash, short term fixed deposits and bank balances
- finance lease receivable

Simplified approach

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the payment profiles of sales over a period of at least 2 years and the corresponding historical credit losses experienced within this period for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has identified the gross domestic product (GDP) growth rate, oil prices, unemployment rate, interest rate, inflation rate and the exchange rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 25. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions.

Trade receivables are written off where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full. Impairment losses on trade receivables are presented within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

GROUP	Current	1 and 30 days past due	31 and 60 days past due	61 and 90 days past due	91 and 360 days past due	360 days past due	Total
31 December 2025							
Expected credit loss	110,996	24,266	13,042	1,959,231	2,324,499	269,732,256	274,164,290
Oando Energy Resources (OER)	22,702	413	4,474	1,949,270	2,066,123	1,158,774	5,201,757
Oando Energy Resources Nigeria Limited (OERNL)	-	8,080	3,677	2,192	19,527	254,656,706	254,690,183
Oando Petroleum and Natural Gas Ltd (OPNGL)	-	2,931	252	268	3,524	-	6,975
Oando Trading DMCC Dubai (OTD)	81,754	-	-	2	1,391	1,291,805	1,374,952
Oando Logistics Services (OLS) Company	6,540	12,842	4,639	7,498.0	233,933	146,463	411,915
Company	-	-	-	-	-	12,478,510	12,478,510
Gross carrying amount – trade receivables	300,882,182	37,644,256	18,725,527	51,523,338	91,419,013	196,365,654	696,559,970
Loss allowance							
Oando Energy Resources (OER)	28,143,956	512,387	5,560,186	43,248,602	7,322,682	5,158,775	89,946,588
Oando Energy Resources Nigeria Limited (OERNL)	-	26,932,396	12,258,836	7,303,928	65,096,571	177,290,103	288,881,835
Oando Petroleum and Natural Gas Ltd (OPNGL)	-	9,954,612	854,418	911,008	13,550,855	-	25,270,892
Oando Trading DMCC Dubai (OTD)	272,510,117	-	-	6,833	4,637,524	1,291,805	278,446,280
Oando Logistics Services (OLS) Company	228,109	244,861	52,086	52,967	811,381	146,462	1,535,866
Company	-	-	-	-	-	12,478,510	12,478,510

The breakdown of the above table is shown below:

Oando Energy Resources (OER)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
	Current	8,647,424		19,496,532	28,143,956	0.08%	0.08%	
1 and 30 days past due	-	512,387	512,387	0.03%	0.08%	-	413	413
31 and 60 days past due	-	5,560,186	5,560,186	0.03%	0.08%	-	4,474	4,474
61 and 90 days past due	-	43,248,602	43,248,602	0.03%	4.51%	-	1,949,270	1,949,270
91 and 360 days past due	45,928	7,276,753	7,322,682	0.03%	86.58%	14	2,066,109	2,066,123
360 days past due	-	5,158,775	5,158,775	100.00%	100.00%	-	1,158,774	1,158,774
Total	8,693,352	81,253,236	89,946,588			7,030	5,194,727	5,201,757

Oando Energy Resources Nigeria Limited (OERNL)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
	Current	-		-	-	0.03%	0.03%	
1 and 30 days past due	7,630,695	19,301,700	26,932,396	0.03%	0.03%	2,289	5,791	8,080
31 and 60 days past due	2,880,755	9,378,081	12,258,836	0.03%	0.03%	864	2,813	3,677
61 and 90 days past due	3,454,136	3,849,793	7,303,928	0.03%	0.03%	1,037	1,155	2,192
91 and 360 days past due	61,858,766	3,237,805	65,096,571	0.03%	0.03%	18,558	969	19,527
360 days past due	43,393,241	133,896,863	177,290,103	100.00%	100.00%	43,393,241	211,263,466	254,656,706
Total	119,217,593	169,664,242	288,881,835			43,415,989	211,274,194	254,690,183

Oando Petroleum and Natural Gas Ltd (OPNGL)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
	Current	-		-	-	0.03%	0.03%	
1 and 30 days past due	8,293,008	1,661,604	9,954,612	0.03%	0.03%	2,442	489	2,931
31 and 60 days past due	165	854,253	854,418	0.03%	0.03%	0	252	252
61 and 90 days past due	41,576	869,432	911,008	0.03%	0.03%	12	256	268
91 and 360 days past due	100,607	13,450,247	13,550,855	0.03%	0.03%	30	3,494	3,524
360 days past due	-	-	-	100.00%	100.00%	-	-	-
Total	8,435,356	16,835,537	25,270,892			2,484	4,491	6,975

Oando Trading DMCC Dubai (OTD)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Current	272,510,117	-	272,510,117	0.03%	-	81,754	-	81,754
1 and 30 days past due	-	-	-	0.03%	-	-	-	-
31 and 60 days past due	-	-	-	0.03%	-	-	-	-
61 and 90 days past due	6,833	-	6,833	0.03%	-	2	-	2
91 and 360 days past due	4,637,524	-	4,637,524	0.03%	-	1,391	-	1,391
360 days past due	1,291,805	-	1,291,805	100.00%	-	1,291,805	-	1,291,805
Total	278,446,280	-	278,446,280			1,374,952	-	1,374,952

Oando Logistics Services (OLS)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
Current	224,921	3,188	228,108	2.82%	5.95%	6,350	190	6,540
1 and 30 days past due	244,409	452	244,861	5.22%	18.34%	12,759	83	12,842
31 and 60 days past due	52,086	-	52,086	8.91%	34.33%	4,639	-	4,639
61 and 90 days past due	52,967	-	52,967	14.16%	37.24%	7,498	-	7,498
91 and 360 days past due	811,381	-	811,381	19.56%	42.27%	233,933	-	233,933
360 days past due	89,508	56,955	146,463	100.00%	100.00%	89,508	56,955	146,463
Total	1,475,271	60,595	1,535,866			354,687	57,228	411,915

COMPANY	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
Current - Third parties	-	-	-	0.03%	0.03%	-	-	-
Current - Related party*	-	4,459,885	4,459,885	0.03%	0.03%	-	1,313	1,313
360 days past due - Third party	-	12,478,510	12,478,510	100.00%	100.00%	-	12,478,510	12,478,510
Total	-	16,938,395	16,938,395			-	12,479,823	12,479,823

* The impairment of trade receivables from the related party is eliminated on consolidation.

31 December 2024

GROUP	Current	1 and 30 days past due	31 and 60 days past due	61 and 90 days past due	91 and 360 days past due	360 days past due	Total
Expected credit loss	77,210	26,613	45,155	106,864	14,831,118	193,037,984	208,124,945
Oando Energy Resources (OER)	10,572	129	1,795	102,992	14,646,891	27,089,244	41,851,623
Oando Energy Resources Nigeria Limited (OERNL)	-	8,643	3,934	2,345	13,310	150,576,478	150,604,710
Oando Petroleum and Natural Gas Ltd (OPNGL)	11,217	133	-	120	-	-	11,470
Oando Trading DMCC Dubai (OTD)	35,931	1,728	324	1,155	101,877	1,645,528	1,786,543
Oando Logistics Services (OLS)	19,490.00	15,980	39,102	252	69,041	378,047	521,912
Company	-	-	-	-	-	13,348,689	13,348,689
Gross carrying amount – trade receivables	151,811,069	35,464,804	16,863,309	14,359,018	401,234,813	196,288,191	816,021,204
Oando Energy Resources Nigeria Limited (OERNL)	13,085,717	160,094	2,230,908	2,285,091	16,916,921	27,089,245	61,767,976
Oando Petroleum and Natural Gas Ltd (OPNGL)	-	28,810,017	13,113,474	7,813,130	44,374,602	153,826,685	247,937,908
Oando Trading DMCC Dubai (OTD)	17,293,324	452,935	-	408,498	-	-	18,154,757
Oando Resources Limited (ORL)	119,771,479	5,760,809	-	3,850,521	339,590,788	1,645,527	471,698,985
Oando Logistics Services (OLS)	975,290	-	1,079,860	-	-	-	975,290
Company	685,258	280,949	439,066	1,779	352,501	378,046	2,137,599
	-	-	-	-	-	13,348,689	13,348,689

The breakdown of the above table is shown below;

Oando Energy Resources (OER)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Current	6,462,336	6,623,381	13,085,717	0.08%	0.08%	5,243	5,329	10,572
1 and 30 days past due	-	160,094	160,094	0.03%	0.08%	-	129	129
31 and 60 days past due	-	2,230,908	2,230,908	0.03%	0.08%	-	1,795	1,795
61 and 90 days past due	-	2,285,091	2,285,091	0.03%	4.51%	-	102,992	102,992
91 and 360 days past due	-	16,916,921	16,916,921	0.03%	86.58%	-	14,646,891	14,646,891
360 days past due	511	27,088,733	27,089,244	100.00%	100.00%	511	27,088,733	27,089,244
Total	6,462,847	55,305,128	61,767,975			5,754	41,845,869	41,851,623

Oando Energy Resources Nigeria Limited (OERNL)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Current	-	-	-	0.03%	0.00	-	-	-
1 and 30 days past due	8,162,678	20,647,339	28,810,017	0.03%	0.00	2,449	6,194	8,643
31 and 60 days past due	3,081,590	10,031,884	13,113,474	0.03%	0.00	924	3,010	3,934
61 and 90 days past due	3,694,945	4,118,185	7,813,130	0.03%	0.00	1,110	1,235	2,345
91 and 360 days past due	40,911,070	3,463,532	44,374,602	0.03%	0.00	12,273	1,037	13,310
360 days past due	10,595,058	143,231,627	153,826,685	100.00%	0.78	10,595,058	139,981,420	150,576,478
Total	66,445,340	181,492,568	247,937,908			10,611,814	139,992,896	150,604,710

	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Petroleum and Natural Gas Ltd (OPNGL)								
Current	8,197,811	9,095,513	17,293,324	0.03%	0.00	2,414	8,803	11,217
1 and 30 days past due	-	452,935	452,935	0.03%	0.00	-	133	133
31 and 60 days past due	-	-	-	0.03%	0.00	-	-	-
61 and 90 days past due	-	408,498	408,498	0.03%	0.00	-	120	120
91 and 360 days past due	-	-	-	0.03%	0.00	-	-	-
360 days past due	-	-	-	100.00%	1.00	-	-	-
Total	8,197,811	9,956,946	18,154,757			2,414	9,056.00	11,470
Oando Resources Limited (ORL)								
Current	975,290	-	975,290	0.00%	0.00	-	-	-
Total	975,290	-	975,290			-	-	0
Oando Trading DMCC Dubai (OTD)								
Current	119,771,479	-	119,771,479	0.03%	-	35,931	-	35,931
1 and 30 days past due	5,760,809	-	5,760,809	0.03%	-	1,728	-	1,728
31 and 60 days past due	1,079,860	-	1,079,860	0.03%	-	324	-	324
61 and 90 days past due	3,850,521	-	3,850,521	0.03%	-	1,155	-	1,155
91 and 360 days past due	339,590,788	-	339,590,788	0.03%	-	101,877	-	101,877
360 days past due	1,645,527	-	1,645,527	100.00%	-	1,645,528	-	1,645,528
Total	471,698,984	-	471,698,984			1,786,543	-	1,786,543

Oando Logistics Services (OLS)	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
	Current	680,690		4,569	685,258	2.82%	5.95%	
1 and 30 days past due	270,933	10,016	280,949	5.22%	18.34%	14,143	1,837	15,980
31 and 60 days past due	439,066	-	439,066	8.91%	34.33%	39,102	-	39,102
61 and 90 days past due	1,779	-	1,779	14.16%	37.24%	252	-	252
91 and 360 days past due	352,116	385	352,501	19.56%	42.27%	68,878	163	69,041
360 days past due	306,525	71,522	378,047	100.00%	100.00%	306,525	71,522	378,047
Total	2,051,108	86,491	2,137,599			448,118	73,794	521,912

COMPANY	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
	Current - Third parties	-	-	-	0.03%	0.03%	-	
Current - Related party*	-	4,618,013	4,618,013	0.03%	0.03%	-	1,360	1,360
360 days past due	-	13,348,689	13,348,689	100.00%	100.00%	-	13,348,689	13,348,689
Total		17,966,702	17,966,702			-	13,350,049	13,350,049

* The impairment of trade receivables from the related party is eliminated on consolidation.

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Set out below is the movement in the allowance for expected credit losses of trade receivables:				
Balance as at 1 January	208,124,945	12,955,337	13,350,049	7,876,878
Business acquisition (Note 41)		133,396,070	-	
Increase in trade receivables loss allowance recognised in the statement of profit or loss during the year	90,755,545	62,263,535	(870,339)	5,473,171
Exchange difference	(24,716,200)	(489,997)	-	-
At 31 December	274,164,290	208,124,945	12,479,710	13,350,049

General approach - Expected credit loss measurement

The Group applied the IFRS 9 general approach to measuring expected credit losses which uses a three-stage approach in recognising the expected loss allowance for finance lease receivables, other receivables, non-current receivables, restricted cash, short-term fixed deposits and bank balances.

Expected credit loss (ECL) recognised for the period is a probability of weighted estimate of credit losses under different scenarios discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For those credit exposures that have already defaulted, a loss allowance equal to the exposure is recognised.

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Basis of inputs to the ECL model

Probability of default (PD)

The credit rating of the countries of the counterparties was used to reflect the assessment of the probability of default on these receivables. This was derived from Standard & Poor's (S&P) 2024 annual global rating scale to arrive at a PD for the respective countries. The PD for Stage 3 receivables was 100% as these amounts were deemed to be in default using the days past due criteria. The PD was adjusted for macro economics factors.

Loss given default (LGD)

The LGD is the average recovery rate for Moody's Senior Unsecured Corporate Bonds.

Exposure at default (EAD)

This is the amount that best represents the maximum exposure to credit risk at the end of the reporting period without taking account of any collateral.

Macroeconomic indicators

The real historical gross domestic product (GDP) growth rate in Nigeria, inflation rate, unemployment rate and crude oil price were identified as the key economic variables impacting the credit risk on these receivables. Forecasts of these economic variables (the "base economic scenario") provide the best estimate view of the economy in the last thirty (30) years. In addition to the base economic scenario, two additional scenarios (upturn and downturn) were derived as the scenario weightings. The probability weight attached to each of the scenarios was determined using the GDP growth rates. The historical GDP growth rates were evaluated at 95% confidence interval. Based on this confidence interval, 78.33% (2024:78.33%) of historical GDP growth rate observation falls within the acceptable bounds, 12.5% (2024:12.5%) of the observation relates to upturn while 9.12% (2024:9.12%) of the observation relate to periods of recession/downturn.

Staging

The Group considers both quantitative and qualitative indicators in classifying its receivables into the relevant stages for impairment calculation.

Stage 1 includes receivables that are less than 30 days past due (performing).

Stage 2 includes receivables that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amount are more than 30 days past due but less than 360 days past due) and other qualitative indicators such as the operational performance of the counterparty, increase in political risk concerns or other macro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

Stage 3 receivables are receivables that have been assessed as being in default (i.e. receivables that are more than 360 days past due) or there is a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

Definition of default and credit impaired financial assets

The Group considers a financial asset in default when contractual payments are 30 days past due except for receivables from Nigeria Bulk Electricity Trading PLC which is 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group (if any). A financial asset is written off where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Group

Other receivables

The table below shows the credit quality of other receivables which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	2025				2024
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing	1,392,227,586	-	-	1,392,227,586	93,195,984
Non - performing	-	-	522,312,081	522,312,081	559,393,151
Individually impaired	-	-	-	-	-
	<u>1,392,227,586</u>	<u>-</u>	<u>522,312,081</u>	<u>1,914,539,667</u>	<u>652,589,135</u>

The closing loss allowances for other receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	(44,433,579)	-	559,393,151	514,959,572
New assets originated or purchased	290,156,750	-	5,980	290,162,730
Impairment of assets	(541,232,384)	-	3,798,025	(537,434,359)
Exchange difference	396,071	-	(40,885,075)	(40,489,004)
At 31 December 2025	<u>(295,113,142)</u>	<u>-</u>	<u>522,312,081</u>	<u>227,198,939</u>

	2024			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Group				
Performing	93,195,984	-	-	93,195,984
Non - performing	-	-	559,393,151	559,393,151
Individually impaired	-	-	-	-
	<u>93,195,984</u>	<u>-</u>	<u>559,393,151</u>	<u>652,589,135</u>
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	82,438	-	387,409,130	387,491,568
New assets originated or purchased	(50,455,452)	-	5,980	(50,449,472)
Impairment/(reversal) of impairment of assets	5,543,363	-	3,798,025	9,341,388
Exchange difference	396,072	-	168,180,016	168,576,088
At 31 December 2024	<u>(44,433,579)</u>	<u>-</u>	<u>559,393,151</u>	<u>514,959,572</u>

Non-current receivables

The table below shows the credit quality of non-current receivables which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	2025				2024
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Group					
Performing	483,594,729	-	-	483,594,729	495,590,553
Non - performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Less: current portion of joint operations receivables reclassified to other receivables	-	-	-	-	-
	<u>483,594,729</u>	<u>-</u>	<u>-</u>	<u>483,594,729</u>	<u>495,590,553</u>

The closing loss allowances for non-current receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	-	-	-	-
Reversal of impairment	-	-	-	-
At 31 December 2025	-	-	-	-

Group	2024			Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	
Performing	495,590,553	-	-	495,590,553
Non - performing	-	-	-	-
Individually impaired	-	-	-	-
Less: current portion of joint operations receivables reclassified to other receivables	-	-	-	-
	495,590,553	-	-	495,590,553

The closing loss allowances for non-current receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	-	-	-	-
Reversal of impairment of assets	-	-	-	-
At 31 December 2024	-	-	-	-

Finance lease receivables

The table below shows the credit quality of finance lease receivables which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

Group	2025			2024	
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing (Note 22ii)	-	-	-	-	481,330,550
Non - performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
	-	-	-	-	481,330,550

The closing loss allowances for finance lease receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	8,065,165	-	-	8,065,165
Reversal of impairment of assets	(5,196,257)	-	-	(5,196,257)
Exchange difference	(2,868,908)	-	-	(2,868,908)
At 31 December 2025	-	-	-	-

Group	2024			Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	
Performing (Note 22ii)	481,330,550	-	-	481,330,550
Non - performing	-	-	-	-
Individually impaired	-	-	-	-
	481,330,550	-	-	481,330,550

The closing loss allowances for finance lease receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	1,981,998	-	-	1,981,998
Reversal of impairment of assets	4,622,704	-	-	4,622,704
Exchange difference	1,460,463	-	-	1,460,463
At 31 December 2024	8,065,165	-	-	8,065,165

Company

Other receivables

The table below shows the credit quality of other receivables which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	2025			2024	
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing	7,015,118	-	-	7,015,118	13,372,772
Non - performing					
Individually impaired	-	293,686,615	-	293,686,615	282,063,719
	7,015,118	-	293,686,615	300,701,733	295,436,491

The closing loss allowances for other receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	-	-	282,063,719	282,063,719
Impairment of assets	-	-	14,134,434	14,134,434
Transfers to stage 3	-	-	-	-
At 31 December 2025	-	-	296,198,153	296,198,153

	2024			Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	
Performing	13,372,772	-	-	13,372,772
Non - performing				
Individually impaired	-	-	282,063,719	282,063,719
	13,372,772	-	282,063,719	295,436,491

The closing loss allowances for other receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	4,596,636	-	88,156,146	92,752,782
Impairment of assets	-	-	189,310,937	189,310,937
Transfers to stage 3	(4,596,636)	-	4,596,636	-
At 31 December 2024	-	-	282,063,719	282,063,719

Company

Finance lease receivables

The table below shows the credit quality of finance lease receivables which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	2025				2024
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing	40,070,572	-	-	40,070,572	52,113,160
Non - performing					
Individually impaired	-	-	-	-	-
	40,070,572	-	-	40,070,572	52,113,160

The closing loss allowances for finance lease receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2025	1,273,115	-	-	1,273,115
Impairment of assets	(397,000)	-	-	(397,000)
At 31 December 2025	876,115	-	-	876,115

The table below shows the credit quality of finance lease receivables as at 31 December 2024 which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	2024			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Performing	52,113,160	-	-	52,113,160
Non - performing				
Individually impaired	-	-	-	-
	52,113,160	-	-	52,113,160

The closing loss allowances for finance lease receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	798,792	-	-	798,792
Impairment of assets	474,323	-	-	474,323
At 31 December 2024	1,273,115	-	-	1,273,115

At 31 December 2025

The table below shows the ECL charges on financial instruments for the year recorded in the income statement:

Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
	(541,232,385)	-	3,798,025	-	(537,434,360)
Other receivables measured at amortised cost - charged to statement of profit or loss				-	
Finance lease receivables measured at amortised cost - charged to statement of profit or loss	5,196,257	-	-	-	5,196,257
	-	-	-	90,755,545	90,755,545
Trade receivables measured at amortised cost - charged to statement of profit or loss	(536,036,128)	-	3,798,025	90,755,545	(441,482,558)
Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
	-	-	14,134,434	-	14,134,434
Other receivables measured at amortised cost - charged to statement of profit or loss				-	
Finance lease receivables measured at amortised cost - charged to statement of profit or loss	(397,000)	-	-	-	(397,000)
	-	-	-	(870,339)	(870,339)
Trade receivables measured at amortised cost - charged to statement of profit or loss	(397,000)	-	14,134,434	(870,339)	12,867,095

At 31 December 2024

The table below shows the ECL charges on financial instruments for the year recorded in the income statement:

Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
	5,543,363	-	3,798,025	-	9,341,388
Other receivables measured at amortised cost - charged to statement of profit or loss				-	
Finance lease receivables measured at amortised cost - charged to statement of profit or loss	4,622,704	-	-	-	4,622,704
	-	-	-	62,263,535	62,263,535
Trade receivables measured at amortised cost - charged to statement of profit or loss	10,166,067	-	3,798,025	62,263,535	76,227,627
Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
	-	-	189,310,937	-	189,310,937
Other receivables measured at amortised cost - charged to statement of profit or loss				-	
Finance lease receivables measured at amortised cost - charged to statement of profit or loss	474,323	-	-	-	474,323
	-	-	-	5,473,171	5,473,171
Trade receivables measured at amortised cost - charged to statement of profit or loss	474,323	-	189,310,937	5,473,171	195,258,431

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors cash forecast on a periodic basis in response to liquidity requirements of the Group. This helps to ensure that the Group has sufficient cash to meeting operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal targets.

Oando PLC
Annual Consolidated and Separate Financial Statements
Notes to the consolidated and separate financial statements
For the year ended 31 December 2025

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2025:					
Borrowings*	1,576,395,117	661,147,431	430,840,256	304,925,117	2,973,307,921
Lease liabilities**	987,678	84,657	-	-	1,072,335
Dividend payable	1,650,277	-	-	-	1,650,277
Trade and other payables***	3,866,800,319	-	-	-	3,866,800,319
Total	5,445,833,391	661,232,088	430,840,256	304,925,117	6,842,830,852
At 31 December 2024:					
Borrowings*	1,913,554,487	704,651,678	762,587,965	227,205,221	3,607,999,351
Lease liabilities**	32,385,618	669,491	55,556	-	33,110,665
Dividend payable	1,650,277	-	-	-	1,650,277
Trade and other payables***	2,500,047,570	-	-	-	2,500,047,570
Total	4,447,637,953	705,321,169	762,643,521	227,205,221	6,142,807,863

* Included in borrowings is a total interest of N738.5 billion (2024: N836.1 billion)

** Included in lease liabilities is a total interest of N27.7 million (2024: N1.7 billion)

*** Trade and other payables excludes statutory payables.

Company	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2025:					
Borrowings*	121,728,597	17,394,047	3,978,927	-	143,101,571
Lease liabilities**	40,368,909	84,444	-	-	40,453,353
Dividend payable	1,650,277	-	-	-	1,650,277
Trade and other payables***	241,687,838	-	-	-	241,687,838
Total	405,435,621	17,478,491	3,978,927	-	426,893,039
At 31 December 2024:					
Borrowings*	109,253,719	49,553,295	6,744,117	-	165,551,131
Lease liabilities**	45,511,770	14,582,617	55,556	-	60,149,942
Dividend payable	1,650,277	-	-	-	1,650,277
Trade and other payables***	277,263,361	-	-	-	277,263,361
Total	433,679,127	64,135,912	6,799,672	-	504,614,710

* Included in borrowings is a total interest of N31 billion (2024: N41.4 billion)

** Included in lease liabilities is a total interest of N209.5 million (2024: N2.2 billion)

*** Trade and other payables excludes statutory payables.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new capital or sell assets to reduce debt.

Various financial ratios and internal targets are assessed and reported to the Board on a quarterly basis to monitor and support the key objectives set out above. These ratios and targets include:

- Gearing ratio;
- Earnings before interest, tax, depreciation and amortisation (EBITDA);
- Fixed/floating debt ratio;
- Current asset ratio;
- Interest cover;

The Group's objective is to maintain these financial ratios in excess of any debt covenant restrictions and use them as a performance measurement and hurdle rate. The failure of a covenant test could render the facilities in default and repayable on demand at the option of the lender.

Accordingly, in situations where these ratios are not met, the Group takes immediate steps to redress the potential negative impact on its financial performance. Such steps include additional equity capital through rights issue and special placement.

Total capital is calculated as equity plus net debt. The gearing ratios as at the end of December 2025 and 2024 were as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Total borrowings	2,695,370,098	2,771,883,888	106,661,338	124,141,762
Less: cash and cash equivalents (Note 31)	(439,882,748)	(221,775,277)	(2,899,294)	(4,410,854)
Net debt	2,255,487,350	2,550,108,611	103,762,044	119,730,908
Total equity	(566,972,367)	(360,979,377)	(300,042,305)	(348,266,672)
Total capital	1,688,514,983	2,189,129,234	(196,280,261)	(228,535,764)
Gearing ratio		134%		116%
				-53%
				-52%

Fair Value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025.

Financial instruments measured at fair value	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	1,089,032	-	-	1,089,032
- Commodity option contracts	-	12,285,337	-	12,285,337
Investment properties	-	-	21,725,000	21,725,000
Total assets	1,089,032	12,285,337	21,725,000	35,099,369

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2024.

Assets	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets at fair value through profit or loss				
- Equity securities	442,671	-	-	442,671
- Commodity option contracts	-	7,708,825	-	7,708,825
Investment properties	-	-	15,195,950	15,195,950
Total assets	442,671	7,708,825	15,195,950	23,347,446

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2025.

Assets	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets at fair value through profit or loss				
- Equity securities	339,029	-	-	339,029
Investment properties	-	-	21,725,000	21,725,000
Total assets	339,029	-	21,725,000	22,064,029

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2024.

Assets	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets at fair value through profit or loss				
- Equity securities	422,562	-	-	422,562
Investment properties	-	-	15,195,950	15,195,950
Total assets	422,562	-	15,195,950	15,618,512

Financial instruments not measured at fair value but for which fair values are disclosed

Group	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
31 December 2025				
Finance lease receivable	-	-	-	-
31 December 2024				
Finance lease receivable	-	-	470,478,263	470,478,263
Liabilities				
31 December 2025				
Borrowings	-	-	2,702,992,066	2,702,992,066
Lease liabilities	-	-	1,072,335	1,072,335
31 December 2024				
Borrowings	-	-	2,338,523,613	2,338,523,613
Lease liabilities	-	-	7,314,954	7,314,954
Company				
Assets				
31 December 2025				
Finance lease receivable	-	-	32,192,016	32,192,016
Non-current receivables	-	-	-	-
31 December 2024				
Finance lease receivable	-	-	40,878,660	40,878,660
Liabilities				
31 December 2025				
Borrowings	-	-	103,162,795	103,162,795
Lease liabilities	-	-	32,349,172	32,349,172
31 December 2024				
Borrowings	-	-	121,879,474	121,879,474
Lease liabilities	-	-	45,765,046	45,765,046

The fair value of borrowings and finance lease receivables is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk for borrowings as at 31 December 2025 and 2024 has been considered in the determination of the fair value and is immaterial. For receivables, the models incorporate various inputs including the credit quality of counterparties. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The individual credit worthiness of the customers have been considered in the valuation. The discount rate used for finance lease receivables and borrowings are 25% (2024: 25%) and 25% (2024: 25%) respectively.

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on unadjusted quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, and pricing market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of Nigerian Exchange Group listed instruments classified as financial assets measured at fair value through profit or loss.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments included in level 2 comprise primarily of interest swaps and derivatives. Their fair values are determined based on market to market values provided by the counterparty financial institutions. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

Specific valuation techniques used to value financial instruments include:

- The fair value of commodity contracts are calculated based on observable inputs which include forward prices of crude oil.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(c) Financial instruments in level 3

The level 3 instruments comprises of convertible loans with OES Integrated Services Limited ("OES") and investment properties.

The tables below presents the changes in level 3 instruments for the year ended 31 December 2025.

The fair value changes on the instruments were recognized in other operating income.

i Convertible loans - Financial assets at fair value through profit or loss

OES Integrated Services Limited ("OES") was incorporated as the Special Purpose Vehicle used to purchase the shares from Oando PLC, following which OES Energy Services Limited ("OESL") became a standalone company fully divested from the Oando Group. OES is a leading indigenous energy services company that provides oilfield services, particularly drilling rig services, to exploration & production companies operating in Nigeria.

On 22nd October 2018, a Convertible Note Purchase Agreement ("CNPA") was executed between Oando PLC and OES Integrated Services Limited ("OES") as part of the Management Buy Out transaction. The parties agreed to defer the payment of the debt on the terms stated in the CNPA and in consideration of this, OES agreed that it shall issue the Note to Oando PLC with a face value equal to the debt amount and no interest shall accrue on the Note. As at 31 December 2025, the debt amount of N12,485,094,736.70 was owed by OES to Oando PLC.

ii Investment properties

The Company (through Unipetrol Nigeria PLC) signed a sublease agreement with Oniru Chieftaincy Family Property Company Limited, a limited liability company incorporated in Nigeria in 2002 for a parcel of land measuring approximately 10,864,112 sqm and known as Plot 13 in Block VI within the Oniru Chieftaincy Family Private Layout, Lekki Peninsula, Victoria Island, Lagos State, Nigeria for a consideration of N95 million. This agreement did not have the consent of the Attorney General and Commissioner for Justice for and on behalf of the Governor of Lagos State.

On 13 December 2006, the Commissioner for Lands on behalf of the Executive Governor of Lagos State revoked the right of occupancy of a part of the land (4,906.097 sqm) which was needed for public purpose (site/works yard for Lekki-Epe expressway expansion). However, on 11 December 2014 by a notice in the Lagos State of Nigeria official Gazette No 82 Vol. 47, the Executive Governor of Lagos State reinstated the revoked right of occupancy in the said portion of the land.

Another sublease agreement was signed on 3 November 2018 with Oniru Chieftaincy Family Property Company Limited for the same parcel of land which was consented to by the Honorable Commissioner, Ministry of Physical Planning and Urban Development on 1 February 2019. This land has been classified as an investment property as management's intention for use is yet to be determined.

(a) Oniru Land

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 1 January	9,234,000	6,760,900	9,234,000	6,760,900
Fair value gain	4,591,000	2,473,100	4,591,000	2,473,100
At 31 December	13,825,000	9,234,000	13,825,000	9,234,000

The fair value gain on the investment property has been recognized in the statement of profit or loss under other operating income.

(b) Abuja Land*	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	5,961,950	5,300,000	5,961,950	5,300,000
Fair value gain	1,938,050	661,950	1,938,050	661,950
At 31 December	7,900,000	5,961,950	7,900,000	5,961,950

*Details of the Abuja land had been reported in the 2017 audited consolidated financial statements and management is yet to decide on the use of the land.

The fair value gain on the investment property has been recognized in the statement of profit or loss under other operating income.

The fair value of the investment properties were determined in December 2025 using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/0000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517). The direct comparison method involves the analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately to take care of the peculiarities and level of completion of the subject property in arriving at the value. This has therefore been classified under level 3.

Description of valuation techniques used and key inputs to valuation of investment properties:

2025	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value		
			Sensitivity Range	Sensitivity of the input to fair value	
Investment properties (Abuja and Lagos, Nigeria)	Direct Market Comparison Method	Estimated value per square metre (Abuja Land - N1,529,000/ Lagos Land - N1,272,506)	5%	5% decrease in estimated value per sqm would result in a decrease in the fair value by N395 million (Abuja) / N691.3 million (Lagos)	5% increase in estimated value per sqm would result in an increase in the fair value by N395 million (Abuja) / N691.3462 million (Lagos)
			10%	10% decrease in estimated value per sqm would result in a decrease in the fair value by N790 million (Abuja) / N1.4 billion (Lagos).	10% increase in estimated value per sqm would result in an increase in the fair value by N790 million (Abuja) / N1.4 billion (Lagos).
			15%	15% decrease in estimated value per sqm would result in a decrease in the fair value by N1.2 billion (Abuja) / N2.1 billion (Lagos).	15% increase in estimated value per sqm would result in an increase in the fair value by N1.2 billion (Abuja) / N2.1 billion (Lagos).
2024	Direct Market Comparison Method	Estimated value per square metre (Abuja Land - N1,154,000/ Lagos Land - N850,000)	5%	5% decrease in estimated value per sqm would result in a decrease in the fair value by N298 million (Abuja) / N462 million (Lagos)	5% increase in estimated value per sqm would result in an increase in the fair value by N298 million (Abuja) / N462 million (Lagos)
			10%	10% decrease in estimated value per sqm would result in a decrease in the fair value by N596 million (Abuja) / N923 million (Lagos).	10% increase in estimated value per sqm would result in an increase in the fair value by N596 million (Abuja) / N923 million (Lagos).
			15%	15% decrease in estimated value per sqm would result in a decrease in the fair value by N894 million (Abuja) / N1.4 billion (Lagos).	15% increase in estimated value per sqm would result in an increase in the fair value by N894 million (Abuja) / N1.4 billion (Lagos).

8 Segment information

The Group Leadership Council (GLC) is the Group's chief operating decision-maker. Management has determined the operating segments based on the performance reports reviewed monthly by Group Leadership Council (GLC) and these reports are used to make strategic decisions. GLC considers the businesses from a divisional perspective. Each of the division's operations may transcend different geographical locations.

The GLC assesses the performance of the operating segments by reviewing actual results against set targets on revenue, operating profit and profit after tax for each division. Interest expenses suffered by the corporate division on loans raised on behalf of the other divisions and similar operating expenses are transferred to the relevant divisions. Transactions between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The Group was re-organised following the sale of target entities in the marketing, refining and terminals segment, gas and power segment and energy services segment. The Group discontinued the energy services segment, marketing, refining and terminals segment and gas and power segment (excluding Alausa Power Ltd) effective 31 March 2016, 30 June 2016 and 31 December 2016 respectively whereas Alausa Power Ltd was discontinued 31 March 2017. At 31 December 2025, the Group has four operating segments namely:

- (i) Exploration and Production (E&P) – involved in the exploration for and production of oil and gas through the acquisition of rights in oil blocks on the Nigerian continental shelf and deep offshore and São Tomé and Príncipe "STP".
- (ii) Supply and Trading – involved in trading of crude, refined and unrefined petroleum products.
- (iii) Mining & Infrastructure Development - exploration and mining of solid minerals.
- (iv) Corporate and others

(a) The segment results for the year ended 31 December, 2025 are as follows:	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Total gross segment revenue	451,861,448	3,356,514,131	-	25,437,891	3,833,813,470
Intra-group revenue	(5,787,570)	(628,196,751)	-	(19,738,687)	(653,723,008)
Revenue from external customers	446,073,878	2,728,317,380	-	5,699,204	3,180,090,462
Operating (loss)/profit	497,756,986	3,987,882	77,971	(260,858,903)	240,963,936
Finance cost	(296,834,703)	(162,974)	-	(97,691,565)	(394,689,242)
Finance income	298,867,636	-	-	(10,835,205)	288,032,431
Net finance income/(cost)	2,032,933	(162,974)	-	(108,526,770)	(106,656,811)
Share of profit in associate	1,452,835	-	-	-	1,452,835
Profit/(loss) before income tax	501,242,754	3,824,908	77,971	(369,385,673)	135,759,960
Income tax credit/(expense)	97,994,408	(559,619)	-	(28,386,176)	69,048,613
Profit/(loss) for the year	599,237,162	3,265,289	77,971	(397,771,849)	204,808,573

*Corporate & Others include consolidation adjustments

The segment results for the year ended 31 December, 2024 are as follows:	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Total gross segment revenue	388,850,466	3,693,135,829	-	370,424,426	4,452,410,721
Intra-group revenue	-	-	-	(365,759,725)	(365,759,725)
Revenue from external customers	388,850,466	3,693,135,829	-	4,664,701	4,086,650,996
Operating profit/(loss)	621,763,379	30,750,315	(2,164,562)	(80,667,991)	569,681,141
Finance cost	(154,418,669)	(19,574,116)	-	(61,843,035)	(235,835,820)
Finance income	46,370,494	213,620	-	613,239	47,197,353
Net finance cost	(108,048,175)	(19,360,496)	-	(61,229,796)	(188,638,467)
Share of profit in associate	2,777,443	-	-	-	2,777,443
Profit/(loss) before income tax	516,492,647	11,389,819	(2,164,562)	(141,897,787)	383,820,117
Income tax (expense)/credit	(168,814,973)	(5,073,645)	-	10,188,554	(163,700,064)
Profit/(loss) for the year	347,677,674	6,316,174	(2,164,562)	(131,709,233)	220,120,053

*Corporate & Others include consolidation adjustments

(b) Reconciliation of reporting segment information

2025	Revenue	Operating profit	Finance income	Finance cost	Profit before income tax	Income tax credit
	N'000	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	3,833,813,470	240,963,936	288,032,431	(394,689,242)	135,759,960	69,048,613
Elimination of inter-segment transactions on consolidation	(653,723,008)	-	-	-	-	-
As reported in the statement of profit or loss	3,180,090,462	240,963,936	288,032,431	(394,689,242)	135,759,960	69,048,613
2024	Revenue	Operating profit	Finance income	Finance cost	Profit before income tax	Income tax expense
	N'000	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	4,452,410,721	569,681,141	47,197,353	(235,835,820)	383,820,117	(163,700,064)
Elimination of inter-segment transactions on consolidation	(365,759,725)	-	-	-	-	-
As reported in the statement of profit or loss	4,086,650,996	569,681,141	47,197,353	(235,835,820)	383,820,117	(163,700,064)

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Inter-segment revenue represents intercompany dividend income, sales between subsidiaries. Profit on inter-segment sales and intercompany dividend income have been eliminated on consolidation.

Other information included in the statement of profit or loss by segment are:

Year ended 31 December 2025:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Depreciation	89,331,663	35,788	873	4,046,803	93,415,127
Depreciation of right of use asset (Note 17, 10c)	15,028,842	307,693	-	(12,392,765)	2,943,770
Amortisation of intangible assets (Note 10c)	1,747,386	-	-	731,311	2,478,697
Impairment (losses)/reversals on assets, net (Note 10d)	(877,524,168)	(7,902,597)	(119,489)	446,359,496	(439,186,758)

*Corporate & Others include consolidation adjustments.

Year ended 31 December 2024:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Group
	N'000	N'000	N'000	N'000	N'000
Depreciation	64,835,185	27,770	961	3,202,619	68,066,535
Depreciation of right of use asset (Note 17, 10c)	15,660,730	309,949	-	(12,793,809)	3,176,870
Reversal of impairment/(impairment losses) on assets, net (Note 10d)	89,283,911	15,698,770	823,927	(29,578,981)	76,227,627

*Corporate & Others include consolidation adjustments.

The segment assets and liabilities and capital expenditure for the year ended 31 December, 2025 are as follows:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Assets	5,994,354,841	1,038,143,892	3,939,038	409,247,018	7,445,684,789
Investment in an associate	5,946,163	-	-	-	5,946,163
Liabilities	6,382,776,656	1,144,869,186	287,356	484,723,959	8,012,657,157
Capital Expenditure**	128,746,752	31,079	-	6,241,573	135,019,404

*Corporate & Others include consolidation adjustments.

The segment assets and liabilities as of 31 December, 2024 and capital expenditure for the year then ended are as follows:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Assets	5,135,084,281	1,191,229,128	8,315,155	99,530,780	6,434,159,344
Investment in an associate	7,842,436	-	-	-	7,842,436
Liabilities	4,969,868,568	1,343,403,295	244,417	481,622,441	6,795,138,721
Capital Expenditure**	19,798,353	15,103	48,900	931,544	20,793,900

*Corporate & Others include consolidation adjustments.

**Capital expenditure comprises additions to property, plant and equipment and intangible asset, excluding goodwill.

The Group's business segments operate in three main geographical areas. The group derives revenue from the transfer of goods and services over time and at a point in time.

Segment information on a geographical basis for the year ended 31 December 2025 are as follows:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Segment revenue:					
Within Nigeria	445,988,916	-	-	25,437,891	471,426,807
Other countries	5,872,532	3,356,514,131	-	-	3,362,386,663
Inter-segment revenue	(5,787,570)	(628,196,751)	-	(19,738,687)	(653,723,008)
Revenue from external customers	446,073,878	2,728,317,380	-	5,699,204	3,180,090,462
Total assets					
Within Nigeria	5,993,702,867	-	3,939,038	409,247,018	6,406,888,923
Other West African countries	-	51,577	-	-	51,577
Other countries	651,974	1,038,092,315	-	-	1,038,744,289
	5,994,354,841	1,038,143,892	3,939,038	409,247,018	7,445,684,789
Capital expenditure					
Within Nigeria	108,743,120	-	-	6,084,849	114,827,969
Other countries	20,003,632	31,079	-	156,724	20,191,435
	128,746,752	31,079	-	6,241,573	135,019,404

*Corporate & Others include consolidation adjustments.

Segment information on a geographical basis for the year ended 31 December 2024 are as follows:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Segment revenue:					
Within Nigeria	384,968,739	-	-	370,424,426	755,393,165
Other countries	3,881,727	3,693,135,829	-	-	3,697,017,556
Inter-segment revenue	-	-	-	(365,759,725)	(365,759,725)
Revenue from external customers	388,850,466	3,693,135,829	-	4,664,701	4,086,650,996
	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Total assets					
Within Nigeria	5,133,823,878	-	8,315,155	99,530,780	5,241,669,813
Other West African countries	-	55,173	-	-	55,173
Other countries	1,260,403	1,191,173,955	-	-	1,192,434,358
	5,135,084,281	1,191,229,128	8,315,155	99,530,780	6,434,159,344
	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Capital expenditure					
Within Nigeria	19,798,353	-	48,900	924,495	20,771,748
Other countries	-	15,103	-	7,049	22,152
	19,798,353	15,103	48,900	931,544	20,793,900

*Corporate & Others include consolidation adjustments.

Revenue are disclosed based on the country in which the customer is located. Total assets are allocated based on where the assets are located. Glencore, Litasco SA, NNTSA and OQ Trading Limited contribute more than 61% of the Group's revenue.

Capital expenditure is allocated based on where the assets are located.

(c) **Disaggregated revenue information**

Group

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2025:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Segments					
Sale of crude oil	312,386,316	3,356,514,131	-	25,437,891	3,694,338,338
Sale of gas	105,258,991	-	-	-	105,258,991
Sale of energy	13,083,700	-	-	-	13,083,700
Sale of natural gas liquid	5,369,591	-	-	-	5,369,591
Revenue from service	15,762,850	-	-	-	15,762,850
Inter-segment revenue	(5,787,570)	(628,196,751)	-	(19,738,687)	(653,723,008)
Total revenue from contracts with customers	446,073,878	2,728,317,380	-	5,699,204	3,180,090,462
Geographical markets					
Within Nigeria	445,988,916	-	-	25,437,891	471,426,807
Other countries	5,872,532	3,356,514,131	-	-	3,362,386,663
Inter-segment revenue	(5,787,570)	(628,196,751)	-	(19,738,687)	(653,723,008)
Total revenue from contracts with customers	446,073,878	2,728,317,380	-	5,699,204	3,180,090,462
Timing of revenue recognition:					
Goods transferred at a point in time	330,839,607	3,356,514,131	-	25,437,891	3,712,791,629
Services transferred over time	121,021,841	-	-	-	121,021,841
Inter-segment revenue	(5,787,570)	(628,196,751)	-	(19,738,687)	(653,723,008)
	446,073,878	2,728,317,380	-	5,699,204	3,180,090,462

*Corporate & Others include consolidation adjustments

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2024:

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
	N'000	N'000	N'000	N'000	N'000
Segments					
Sale of crude oil	282,457,246	3,693,135,829	-	370,424,426	4,346,017,501
Sale of gas	84,633,469	-	-	-	84,633,469
Sale of energy	10,687,560	-	-	-	10,687,560
Sale of natural gas liquid	357,378	-	-	-	357,378
Terminal service	10,714,813	-	-	-	10,714,813
Inter-segment revenue	-	-	-	(365,759,725)	(365,759,725)
Total revenue from contracts with customers	388,850,466	3,693,135,829	-	4,664,701	4,086,650,996

*Corporate & Others include consolidation adjustments

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
Segments	N'000	N'000	N'000	N'000	N'000
Geographical markets					
Within Nigeria	384,968,739	-	-	370,424,426	755,393,165
Other countries	3,881,727	3,693,135,829	-	-	3,697,017,556
Inter-segment revenue	-	-	-	(365,759,725)	(365,759,725)
Total revenue from contracts with customers	388,850,466	3,693,135,829	-	4,664,701	4,086,650,996

*Corporate & Others include consolidation adjustments

	Exploration & Production	Supply & Trading	Mining & Infrastructure Development	Corporate & Others*	Total
Segments	N'000	N'000	N'000	N'000	N'000
Timing of revenue recognition:					
Goods transferred at a point in time	293,502,184	3,693,135,829	-	370,424,426	4,357,062,439
Services transferred over time	95,348,282	-	-	-	95,348,282
Inter-segment revenue	-	-	-	(365,759,725)	(365,759,725)
	388,850,466	3,693,135,829	-	4,664,701	4,086,650,996

*Corporate & Others include consolidation adjustments

Company

Set out below is the disaggregation of the Company's revenue from contracts with customers for the year:

	2025 N'000	2024 N'000
Type of goods or service		
Sale of crude oil	-	343,861,081
Geographical markets		
Within Nigeria	-	343,861,081
Timing of revenue recognition:		
Goods transferred at a point in time	-	343,861,081

(d) Assets related to contracts with customers

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Trade receivables (Note 25)	696,559,970	816,021,204	16,938,395	17,966,702
Reclassification from finance lease receivables (Note 22 iii)	73,016,742	-	-	-
Loss allowance (Note 25)	(274,164,290)	(208,124,945)	(12,479,710)	(13,350,049)
	495,412,422	607,896,259	4,458,685	4,616,653

(e) Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of oil, gas and energy

The Group delivers products to customers in volumes depending on annual contract quantity and all variations provided by the contract in the case of sale of crude oil. The Group recognizes its revenue for oil and energy at a point in time. Revenue for gas is recognised over time with an appropriate measure of progress. This measure is based on volume delivered.

Terminal service revenue

The Group recognizes revenue as a terminal service is being performed.

9 Other operating income/(expense)

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Net foreign exchange gain (Note 10b)	67,733,242	305,987,027	12,483,467	234,600,366
Fair value gain/(loss) on commodity options (Note 10b)	134,353,904	(3,231,317)	-	-
Fair value gain on investment properties (Note 10b, 18)	6,529,050	3,135,050	6,529,050	3,135,050
Fair value loss on modification of financial asset (Note 42x)	(311,567,487)	-	-	-
Rental income	-	-	94,760	94,271
Fair value (loss)/gain on quoted equity instruments (Note 28)	(90,525)	283,160	(90,525)	283,908
Insurance claim received	32,414	63,130	8,690	39,258
Gain on bargain purchase (Note 9a)	-	784,815,612	-	-
Intercompany debt forgiveness*	-	-	506,394,453	594,409,655
Profit/(loss) on sale of asset	37,330,165	-	(12,669)	-
Provision no longer required	126,215,946	-	-	-
Sundry income (Note 9c)	143,255,401	9,826,690	11,948,175	4,348,974
	203,792,110	1,100,879,352	537,355,401	836,911,482

Intercompany debt forgiveness* - see note 42ix for details.

(a) Business Combination – Prior Year Gain on Bargain Purchase

As required by IFRS 3 Business Combinations, in 2024, the Group, through the acquirers of the 19% working interest in OML 60–63 previously owned by Nigerian Agip Oil Company Limited ("NAOC") and the 100% equity interest in NAOC, engaged PricewaterhouseCoopers (FRC/2013/PRO/ICAN/004/0000002010) to perform a fair valuation of the acquired businesses. The valuation was based on projected oil and gas reserves and costs contained in the Competent Person's Report (CPR) prepared by DeGolyer and MacNaughton, USA, with sensitivities applied to historical production performance.

The fair valuation incorporated management's cost assumptions, which reflect the Group's cost optimisation strategies and expected efficiency improvements. Accordingly, projected costs were not adjusted beyond the assumptions derived from the CPR. In addition, the valuation considered the tax benefits arising from directly attributable interest costs on borrowings at the applicable tax rate.

The resulting fair value of the identifiable net assets acquired exceeded the total consideration transferred, giving rise to a gain on bargain purchase of ₦784.8 billion, recognised in the prior year.

At the acquisition date, certain identifiable assets and liabilities were recognised using provisional amounts, as permitted under IFRS 3, due to the complexity of the transaction and the ongoing refinement of key valuation inputs, including reserves, future cash flows and decommissioning obligations.

Under IFRS 3, the Group is required, within a measurement period of up to twelve months, to reassess provisional amounts and recognise adjustments only where new information becomes available about facts and circumstances that existed at the acquisition date.

As at the reporting date, management has reassessed the provisional fair values and has not identified any material adjustments to the amounts previously recognised. However, given the inherent estimation uncertainty and the nature of the valuation inputs, the measurement period remains open, and further information obtained within this period may result in adjustments to the recognised amounts, which could impact the gain on bargain purchase and the carrying values of the related assets and liabilities.

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(b) During the year, the Group realised a net derivative loss of N10.3 billion (2024 - loss of N3.3 billion) on commodity contracts (see Note 21b for further details of fair value loss on the financial commodity contract).

(c) The Group's sundry income largely relates to income from provision of JV services of N28.1 billion (2024: N2.2 billion), income from service agreements with customers of N8.1 million (2024: 63.8 million), miscellaneous income of N1.5 billion (2024: N2.4 billion) and loss from underlift of N2.1 billion (2024: income of N4.9 billion), reversal of intercompany write off of N171.9 billion (2024: nil), offset by a loss on lease modifications of N68.4 billion (2024: nil).

(d) The Company's sundry income largely relates to income from service agreements with customers of N11.9 billion (2024: N4.3 billion).

10 Expenses by nature of operating profit

The following items have been charged/(credited) in arriving at the operating profit:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(a) Cost of sales:				
Inventory cost and other directly attributable costs	3,094,004,308	3,930,449,913	-	343,607,965
Depletion/depreciation on property plant and equipment (Note 15)*	88,847,979	62,862,913	-	-
	<u>3,182,852,287</u>	<u>3,993,312,826</u>	<u>-</u>	<u>343,607,965</u>
(b) Included in other operating income:				
Realised foreign exchange (gain) (Note 9)	(268,791,770)	(463,015,411)	(12,483,467)	(234,600,366)
Unrealised Foreign exchange loss/(gain) (Note 9)	201,058,528	157,028,384	-	-
Fair value (gain)/loss on commodity options (Note 9)	(134,353,904)	3,231,317	-	-
Fair value gain on investment properties (Note 9, 18, 40a)	(6,529,050)	(3,135,050)	(6,529,050)	(3,135,050)
(c) Administrative expenses				
Depletion/depreciation on property plant and equipment (Note 15)	4,567,148	5,203,622	934,234	463,012
Depreciation on right of use asset (Note 17, 40a)	2,943,770	3,176,870	1,373,770	1,511,782
Amortisation of intangible assets (Note 16, 40a)	2,478,697	-	731,311	-
Foreign exchange (gain)/loss	(1,289,588)	173,313,847	18,831,498	500,059,349
Employees benefit expense (Note 11b)	27,474,733	10,773,057	1,183,006	638,343
Auditors remuneration**	1,694,161	1,044,756	234,415	131,671
Professional fees	99,977,473	127,341,565	3,367,875	854,712
Rent and other hiring costs	5,488,700	844,900	1,568,480	10,282
Travelling expenses	6,699,721	14,911,259	1,010,437	381,958
Handling charges	4,547,881	4,734,553	-	-
ECL on financial guarantee	-	-	(7,250,400)	5,443,369
Business development expenses	-	484,783	-	-
Utilities and entertainment	2,402,490	4,125,022	6,037	137,342
Business communication expenses	8,477,647	6,011,650	36,835	69,564
Licences and permits	211,136	895,204	25,252	8,205
Board expenses	5,651,268	3,247,940	3,384,736	1,264,020
Government penalties	145,023	2,144,968	16,950	102,100
Subscription	9,399,998	11,354,148	830,598	676,088
Insurance	3,418,984	443,616	113,331	89,260
Write off of receivables (Note 40a)	183,759,505	-	-	-
Sundry expenses	31,204,358	178,256,994	966,704	9,940,379
	<u>399,253,106</u>	<u>548,308,754</u>	<u>27,365,069</u>	<u>521,781,435</u>

Sundry expenses mainly includes repair & maintenance, stationery & consumables, statutory payments, product consumption and cleaning expenses.

*During the current period, the Group changed the classification of depletion, depreciation and amortisation of oil and gas assets from administrative expenses to cost of sales. Comparative figures for 2024 have been reclassified to ensure comparability.

**The auditors did not render non-audit services during the year to the Company and other members of the Group. Accordingly, they were not paid for non-audit services.

(d) Impairment of assets/(reversal of impairment) of assets

Impairment of non-financial assets

Impairment loss/(reversal of impairment) on investment in a subsidiary (Note 29)	-	-	99,196	(50,970,378)
Impairment loss on investment in an associate (Note 19,40a)	2,295,800	-	-	-
Total impairment loss/(reversal of impairment) on non-financial assets	<u>2,295,800</u>	<u>-</u>	<u>99,196</u>	<u>(50,970,378)</u>

Impairment of financial assets

Impairment loss/(reversal of impairment) on finance lease (Note 22ii)	5,196,257	4,622,704	(397,000)	474,323
(Reversal of impairment)/impairment loss on trade and other receivables, net (Note 25b)	(446,678,815)	71,604,923	13,264,095	194,784,108
Total (reversal of impairment)/impairment loss on financial assets	<u>(441,482,558)</u>	<u>76,227,627</u>	<u>12,867,095</u>	<u>195,258,431</u>
Total impairment loss/(reversal of impairment) on financial assets	<u>(439,186,758)</u>	<u>76,227,627</u>	<u>12,966,291</u>	<u>144,288,053</u>

11 Employee benefit expense

(a) Directors' remuneration:

The remuneration paid to the directors who served during the year was as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Chairman fees	601,000	5,556	601,000	5,556
Other non-executive fees*	1,698,665	549,434	1,171,950	18,859
	<u>2,299,665</u>	<u>554,990</u>	<u>1,772,950</u>	<u>24,414</u>
Executive directors' salaries	7,131,139	3,113,574	4,070,969	1,570,101
	<u>9,430,803</u>	<u>3,668,564</u>	<u>5,843,919</u>	<u>1,594,515</u>
Other emoluments*	3,508,164	2,517,302	1,868,727	1,114,895
	<u>12,938,967</u>	<u>6,185,866</u>	<u>7,712,645</u>	<u>2,709,410</u>

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*Included in other emoluments and other non-executive fees is the board duty allowance of N2.3 billion (2024: N2.1 billion) received by five executive directors of the Company (2024: four executive directors of the Company) and eight executive directors for other subsidiaries within the Group during the year (2024: eight executive directors for other subsidiaries within the Group).

The executive directors defined above received emoluments (excluding pension contributions) in the following ranges:

	Group 2025 Number	Group 2024 Number	Company 2025 Number	Company 2024 Number
N1,000,000 - N50,000,000	6	9	4	4
Above N50,000,000	14	12	9	9

Included in the above analysis is the highest paid director at N2.7 billion (2024: N1.8 billion).

(b) Staff costs

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Wages, salaries and staff welfare cost	25,079,697	5,531,817	1,153,225	623,686
Gratuity (Note 37b)	2,329,274	1,996,677	-	-
Pension costs - defined contribution scheme	65,762	3,244,563	29,781	14,657
	27,474,733	10,773,057	1,183,006	638,343

The pension costs in these consolidated and separate financial statements comprise 8% contribution by each employee and 10% contribution by the employer in line with the provision of the Pensions Act 2014, as amended.

The average number of full-time persons employed during the year was as follows:

	Group 2025 Number	Group 2024 Number	Company 2025 Number	Company 2024 Number
Executives	6	5	4	4
Management staff	341	322	4	5
Senior staff	698	671	-	-
	1,045	998	8	9

Employees other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	Group 2025 Number	Group 2024 Number	Company 2025 Number	Company 2024 Number
N8,000,001 - N20,000,000	-	-	-	-
Above N20,000,000	1,027	982	4	5
	1,027	982	4	5

12 Net finance costs

(a) Finance cost:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
On bank borrowings	(357,301,691)	(239,059,298)	(8,427,853)	(37,459,018)
Interest expenses on lease liabilities (Note 36)	(396,872)	(1,092,621)	(1,987,418)	(4,815,580)
Intercompany interest expense	-	-	(14,208,218)	(10,574,123)
Interest expense calculated using effective interest rate	(357,698,563)	(240,151,919)	(24,623,489)	(52,848,721)
Unwinding of discount on deferred consideration (Note 40a)	(20,050,963)	-	-	-
Unwinding of discount on provisions (Note 35, 40a)	(16,939,716)	4,316,099	(40,944)	(16,317)
Total finance cost	(394,689,242)	(235,835,820)	(24,664,433)	(52,865,038)

Included in bank borrowings above are interest paid of N181 billion (2024: N33.4 billion) for Group and N24.6 million (2024: N272.9 million) for Company.

(b) Finance income:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Interest income on bank deposits, loans and advances	224,413,819	3,089,335	385,777	287,050
Interest income on finance lease (Note 22iii)	63,618,612	44,108,018	1,679,804	3,773,958
Total finance income	288,032,431	47,197,353	2,065,581	4,061,008
Net finance income/(costs)	(106,656,811)	(188,638,467)	(22,598,852)	(48,804,030)

Included in the total finance income above are interest received of N131.7 billion (2024: N505.7 million) for Group and N385.8 million (2024: N287.1 million) for Company.

13 (a) Income tax expense

(i) Analysis of income tax charge for the year:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Current income tax	(117,689,492)	144,283,547	-	-
Minimum tax	2,128,683	4,733,539	2,202,840	4,733,539
Income tax charged during the year (Note 13b)	(115,560,809)	149,017,086	2,202,840	4,733,539
Education tax (Note 13b)	15,471,683	9,157,644	3,634,894	5,750,917
	(100,089,126)	158,174,730	5,837,734	10,484,456
Deferred income tax				
Deferred income tax charge for the year (Note 20)	31,040,513	5,525,334	-	-
Income tax (credit)/expense	(69,048,613)	163,700,064	5,837,734	10,484,456

The tax on the Group and Company's profit/(loss) before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(ii) Reconciliation of effective tax rate				
Profit/(loss) before income tax	135,759,960	383,820,117	474,425,189	122,291,080
Tax calculated at Nigeria's domestic rates applicable to profits in respective countries - 30% (2024: 30%)	40,727,988	115,146,035	142,327,557	36,687,324
Minimum tax	2,128,683	4,733,539	2,202,840	4,733,539
Education tax	15,471,683	9,157,644	3,634,894	5,750,917
Tax effect of income not subject to tax	(260,512,722)	(201,166,505)	(224,497,499)	(1,025,687)
Effect of associate tax	(435,851)	(833,233)	-	-
Effect of tax rate differential	(30,911,308)	(2,074,801,525)	-	-
Expenses not deductible for tax purposes	(1,626,911)	1,870,139,104	4,087,114	(56,490,192)
Tax loss carried forward	(11,879,148)	(12,449,232)	(36,351,879)	-
Unutilised Capital allowance	(4,956,230)	-	-	-
Tax charge / recovery in disposal group	2,945	-	2,945	-
Movement in deferred tax not recognised	29,843,626	98,517,460	114,431,762	-
Impact of unutilised tax credits carried forward	153,098,633	355,256,777	-	20,828,555
Income tax expense	(69,048,613)	163,700,064	5,837,734	10,484,456
Effective tax rate	-51%	43%	1%	9%

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(b) Current income tax liabilities				
Movement in current income tax for the year:				
At 1 January	522,302,869	194,124,481	30,952,825	20,468,369
Payment during the year	(2,902,214)	(1,690)	-	-
On acquisition of business (Note 41)	-	47,087,515	-	-
Adjustments in respect of prior years tax*	54,262,248	-	-	-
Charge for the year:				
Income tax (credit)/charge during the year (Note 13a)	(115,560,809)	149,017,086	2,202,841	4,733,539
Education tax charge during the year (Note 13a)	15,471,683	9,157,644	3,634,894	5,750,917
Exchange difference	(27,033,836)	122,917,833	-	-
At 31 December	446,539,941	522,302,869	36,790,560	30,952,825

*This relates to tax provisions from prior periods, which were expensed through the profit or loss in prior periods and is being reversed in the current period.

14 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares outstanding during the year.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Profit attributable to equity holders of the parent	204,010,628	224,856,266	468,587,455	111,806,624
Weighted average number of ordinary shares outstanding (thousands) :	8,746,814	12,431,412	8,746,814	12,431,412
Basic/diluted profit per share (expressed in Naira per share)	23	18	54	9

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. However, there were no convertible debts at the year end. The treasury shares has been excluded for the computation of the weighted average number of the ordinary shares for the period.

15 Property, plant and equipment

Group	Upstream Assets ¹	Land & Leasehold improvements	Plant & machineries	Fixtures, fittings, computer & equipment, motor vehicles	Total
	N'000	N'000	N'000	N'000	N'000
At 1 January 2024					
Cost or valuation					
Opening balance	1,655,655,254	868,929	28,760,026	13,677,257	1,698,961,466
Decommissioning costs (revision of estimates)	(363,694,768)	-	-	-	(363,694,768)
Decommissioning costs from business acquisition - Note 41	363,658,946	-	-	-	363,658,946
Additions	15,822,467	(422,084)	59,372	3,066,254	18,526,009
Additions - business acquisition (Note 41)	1,479,643,834	-	2,382,097	2,898,252	1,484,924,183
Transfer from exploration and evaluation asset	33,508,222	-	-	-	33,508,222
Disposal of asset	-	-	-	(987)	(987)
Exchange difference	1,104,445,049	-	20,133,071	6,867,060	1,131,445,180
	4,289,039,004	446,845	51,334,566	26,507,836	4,367,328,251
Accumulated depreciation					
Opening balance	(638,805,599)	(528,700)	(15,234,036)	(9,944,371)	(664,512,706)
Depletion/depreciation charge (Note 40a)	(62,774,663)	(79,652)	(2,689,276)	(2,522,944)	(68,066,535)
Disposal of asset	-	-	-	431	431
Exchange difference	(452,476,563)	-	(10,726,055)	(5,132,063)	(468,334,681)
	(1,154,056,825)	(608,352)	(28,649,367)	(17,598,947)	(1,200,913,491)
Net book amount at 31 December 2024					
Cost or valuation	4,289,039,004	446,845	51,334,566	26,507,836	4,367,328,251
Accumulated depreciation	(1,154,056,825)	(608,352)	(28,649,367)	(17,598,947)	(1,200,913,491)
	3,134,982,179	(161,507)	22,685,199	8,908,889	3,166,414,760
Group					
	Upstream Assets ¹	Land & Leasehold improvements	Plant & machineries	Fixtures, fittings, computer & equipment, motor vehicles	Total
	N'000	N'000	N'000	N'000	N'000
Year ended 31 December 2025					
Cost or valuation					
Opening balance	4,289,039,004	446,845	51,334,566	26,507,836	4,367,328,251
Decommissioning costs (revision of estimates)	(271,337,751)	-	-	-	(271,337,751)
ARO Addition	7,545,330	-	-	-	7,545,330
Addition from IPP valuation	218,851,327	-	-	-	218,851,327
Additions	95,414,089	2,719,871	12,620	4,276,576	102,423,156
Disposal	-	-	-	(98,175)	(98,175)
Write off*	(2,142,379)	-	(31,593)	-	(2,173,972)
Exchange difference	(271,637,621)	(19,247)	(3,330,995)	(1,504,319)	(276,492,182)
	4,065,731,999	3,147,469	47,984,598	29,181,918	4,146,045,984
Accumulated depreciation					
Opening balance	(1,154,056,825)	(608,352)	(28,649,367)	(17,598,947)	(1,200,913,491)
Depletion/depreciation charge (Note 40a)	(88,238,839)	(143,748)	(2,669,706)	(2,362,834)	(93,415,127)
Disposal	-	-	-	88,358	88,358
Exchange difference	79,296,170	-	1,983,345	930,063	82,209,578
	(1,162,999,494)	(752,100)	(29,335,728)	(18,943,360)	(1,212,030,682)
Net book amount at 31 December 2025					
Cost or valuation	4,065,731,999	3,147,469	47,984,598	29,181,918	4,146,045,984
Accumulated depreciation	(1,162,999,494)	(752,100)	(29,335,728)	(18,943,360)	(1,212,030,682)
	2,902,732,505	2,395,369	18,648,870	10,238,558	2,934,015,302

*Write off represents capital projects that are deemed irrecoverable.

¹See Note 48(a) for details of upstream assets.

See Note 43 for the Group's capital commitments.

Company	Land & Leasehold improvements	Plant & machineries	Fixtures, fittings, computer & equipment, motor vehicles	Total
	N'000	N'000	N'000	N'000
Year ended 31 December 2024				
Cost or valuation				
Opening balance	868,929	123,641	3,789,533	4,782,103
Additions	-	-	637,092	637,092
	868,929	123,641	4,426,625	5,419,195
Year ended 31 December 2024				
Accumulated depreciation				
Opening balance	(528,700)	(112,736)	(2,673,077)	(3,314,513)
Depreciation charge (Note 10c, 40a)	(79,652)	-	(383,360)	(463,012)
	(608,352)	(112,736)	(3,056,437)	(3,777,525)
Net book amount at 31 December 2024				
Cost or valuation	868,929	123,641	4,426,625	5,419,195
Accumulated depreciation	(608,352)	(112,736)	(3,056,437)	(3,777,525)
	260,577	10,905	1,370,188	1,641,670
Year ended 31 December 2025				
Cost or valuation				
Opening balance	868,929	123,641	4,426,625	5,419,195
Additions	1,524,196	-	3,827,484	5,351,680
Disposal	-	-	(98,175)	(98,175)
	2,393,125	123,641	8,155,934	10,672,700

	Land & Leasehold improvements	Plant & machineries	Fixtures, fittings, computer & equipment, motor vehicles	Total
	N'000	N'000	N'000	N'000
Accumulated depreciation				
Opening balance	(608,352)	(112,736)	(3,056,437)	(3,777,525)
Disposal	-	-	88,358	88,358
Depreciation charge (Note 10c, 40a)	(143,748)	-	(790,486)	(934,234)
	(752,100)	(112,736)	(3,758,565)	(4,623,401)
Net book amount at 31 December 2025				
Cost or valuation	2,393,125	123,641	8,155,934	10,672,700
Accumulated depreciation	(752,100)	(112,736)	(3,758,565)	(4,623,401)
	1,641,025	10,905	4,397,369	6,049,299

Impairment testing of property, plant and equipment

Impairment assessment was carried out on the property, plant and equipment and there was no impairment loss on the assets.

16 Intangible assets

Group	Goodwill	Software costs	Exploration and Evaluation asset	Total
	N'000	N'000	N'000	N'000
At 1 January 2024				
Cost				
Opening balance	938,897,517	714,200	232,442,233	1,172,053,950
Additions	-	-	2,267,891	2,267,891
Transfer to Upstream Asset	-	-	(33,508,222)	(33,508,222)
Exchange difference	649,303,449	-	164,129,031	813,432,480
	1,588,200,966	714,200	365,330,933	1,954,246,099
Accumulated amortization and impairment				
Opening balance	(374,813,886)	(714,200)	(174,089,467)	(549,617,553)
Exchange difference	(250,462,613)	-	(123,091,655)	(373,554,268)
	(625,276,499)	(714,200)	(297,181,122)	(923,171,821)
Net book amount as at 31 December 2024				
Cost	1,588,200,966	714,200	365,330,933	1,954,246,099
Accumulated amortisation and impairment	(625,276,499)	(714,200)	(297,181,122)	(923,171,821)
	962,924,467	-	68,149,811	1,031,074,278
Year ended 31 December 2025				
Cost				
Opening balance	1,588,200,966	714,200	365,330,933	1,954,246,099
Additions	-	21,156,840	11,439,408	32,596,248
Write off	-	(845)	(107,001)	(107,846)
Exchange difference	(102,165,615)	(921,050)	(23,949,579)	(127,036,244)
	1,486,035,351	20,949,145	352,713,761	1,859,698,257
Accumulated amortization and impairment				
Opening balance	(625,276,499)	(714,200)	(297,181,122)	(923,171,821)
Amortisation charge (Note 10c, 40a)	-	(2,478,697)	-	(2,478,697)
Impairment loss	-	-	(3,105,671)	(3,105,671)
Exchange difference	39,409,411	80,863	19,002,555	58,492,829
	(585,867,088)	(3,112,034)	(281,284,238)	(870,263,360)
Net book amount as at 31 December 2025				
Cost	1,486,035,351	20,949,145	352,713,761	1,859,698,257
Accumulated amortisation and impairment	(585,867,088)	(3,112,034)	(281,284,238)	(870,263,360)
	900,168,263	17,837,111	71,429,523	989,434,897
Company				Software costs
				N'000
Year ended 31 December 2024				
Cost				
Opening balance				714,200
Additions				-
				714,200
Accumulated amortization				
Opening balance				(714,200)
Amortisation charge (Note 10c, 40a)				-
				(714,200)
Net book amount at 31 December 2024				
Cost				714,200
Accumulated amortisation				(714,200)
				-

Year ended 31 December 2025

Cost	
Opening balance	714,200
Additions	1,253,676
	1,967,876
Accumulated amortization	
Opening balance	(714,200)
Amortisation charge (Note 10c, 40a)	(731,311)
Impairment	-
	(1,445,511)
Net book amount at 31 December 2025	
Cost	1,967,876
Accumulated amortisation	(1,445,511)
	522,365

i Impairment of intangible assets

(a) Exploration and evaluation asset impairment losses

The above exploration and evaluation assets represent expenditures arising from the exploration and evaluation of oil and gas interests. The costs relate to oil and gas properties primarily located in Nigeria and São Tomé and Príncipe ("STP"). The technical feasibility and commercial viability of extracting oil and gas has not yet been determined in relation to the above properties, therefore, they remain classified as exploration and evaluation assets at December 31, 2025.

Key assumptions in the determination of cash flows from reserves include crude oil, natural gas and natural gas liquids "NGL" prices, loss factors and the discount rate. Reserves evaluation as at December 31, 2025 were performed by a foreign independent and qualified reserves evaluator (Degolyer and MacNaughton) and management respectively. The table below summarizes the forecast prices used to determine cash flows from crude oil reserves and resources which is based on the futures market forward curve for Brent.

	2026	2027	2028	2029	2030	2031	2032
Year							
Dated Brent (US\$/barrel)	65.00	66.97	73.02	73.87	76.00	74.48	72.99
NGL (US\$/barrel)	7.08	8.92	8.99	9.06	9.14	9.21	9.29
Natural gas (US\$/mcf)	2.06	2.03	2.15	2.19	2.22	2.20	2.18
Year	2033	2034	2035	2036	2037	2038	Beyond
Dated Brent (US\$/barrel)	71.53	70.10	68.70	67.32	65.98	67.30	+2%
NGL (US\$/barrel)	9.36	9.44	9.52	9.60	9.68	9.76	+1%
Natural gas (US\$/mcf)	2.16	2.14	2.12	2.11	2.09	2.13	+2%

Crude oil loss factors of 19% on an annual basis from 2026, projected to decline from 17.5% to 4% from 2027 to 2030 (with the exception of Ebendo where a 15% annual loss factor was applied to the remaining field life). The discount rate applied on the cash flows was 22.4% (2024: 8.5%). For exploration and evaluation assets, OER used \$0.48/boe as the implied value/boe on 2C unrisks contingent resources based on comparable market transactions and consideration of forward price declines.

Management determined that exploration and evaluation assets are qualifying assets and therefore eligible for capitalisation of borrowing cost. However, no borrowing cost was capitalised during the year under review. The assessment above led to an impairment loss of N3.1 billion in 2025 (2024: nil).

(b) Goodwill impairment losses

As at December 31, 2025, the Group prepared an impairment test for goodwill in which the recoverable amount was compared to the carrying value and determined that the carrying value of goodwill was not impaired (2024: nil). The recoverable amounts have been determined based on the fair value less costs of disposal using a discounted cash flow technique and comparative market transaction data. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, the discount rate, and per boe values. Reserves and resources as at December 31, 2025 have been evaluated by a foreign independent and qualified reserves evaluator and management respectively. Refer to Note 16 (i)(a) above for the prices used to determine the future cash flows from reserves and the discount rates and per boe values applied to resource quantities.

As per the Group's accounting policy, goodwill is allocated to the Group's cash generating units (CGUs) identified according to the operating segments. A segment-level summary of the goodwill allocation is presented below:

	Group 2025 N'000	Group 2024 N'000
Nigeria		
Exploration and production division	900,168,263	962,924,467

The goodwill for the Trading segment has been fully impaired.

17 Right-of-use assets	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Opening balance	43,546,367	19,535,433	12,410,009	12,310,177
Additions (Note 36)	325,672	280,229	-	-
Business acquisition (Note 41)	-	23,559,514	-	-
Change in estimate of restoration cost (Note 35)	-	102,833	-	102,833
Modification*	(21,276,643)	(3,001)	70,305	(3,001)
Exchange difference on translation	(1,530,365)	71,359	-	-
Closing balance	21,065,031	43,546,367	12,480,314	12,410,009
<i>Depreciation</i>				
Opening balance	(16,642,102)	(13,466,294)	(10,916,919)	(9,405,137)
Charge for the year (Note 10c, 40a)	(2,943,770)	(3,176,870)	(1,373,770)	(1,511,782)
Exchange difference on translation	8,637	1,062	-	-
Closing balance	(19,577,235)	(16,642,102)	(12,290,689)	(10,916,919)
Net book value	1,487,796	26,904,265	189,625	1,493,090

*The modification relates to the reassessment of the lease contract from the acquisition of OERNL.

18 Investment properties

The Company (through Unipetrol Nigeria PLC) signed a sublease agreement with Oniru Chieftaincy Family Property Company Limited, a limited liability company incorporated in Nigeria in 2002 for a parcel of land measuring approximately 10,864.112 sqm and known as Plot 13 in Block VI within the Oniru Chieftaincy Family Private Layout, Lekki Peninsula, Victoria Island, Lagos State, Nigeria for a consideration of N95 million. This agreement did not have the consent of the Attorney General and Commissioner for Justice for and on behalf of the Governor of Lagos State.

On 13 December 2006, the Commissioner for Lands on behalf of the Executive Governor of Lagos State revoked the right of occupancy of a part of the land (4,906.097 sqm) which was needed for public purpose (site/works yard for Lekki-Epe expressway expansion). However, on 11 December 2014 by a notice in the Lagos State of Nigeria official Gazette No 82 Vol. 47, the Executive Governor of Lagos State reinstated the revoked right of occupancy in the said portion of the land.

Another sublease agreement was signed 3 November, 2018 with Oniru Chieftaincy Family Property Company Limited for the same parcel of land which was consented to by the Honorable Commissioner, Ministry of Physical Planning and Urban Development on 1 February, 2019.

Fair value of the properties:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Land located in Abuja (5,168.14 sqm)*	7,900,000	5,961,950	7,900,000	5,961,950
Land located in Lagos (10,864.11 sqm)	13,825,000	9,234,000	13,825,000	9,234,000
	21,725,000	15,195,950	21,725,000	15,195,950
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 1 January	15,195,950	12,060,900	15,195,950	12,060,900
Fair value gain (Note 9, 10b, 40a)	6,529,050	3,135,050	6,529,050	3,135,050
At 31 December	21,725,000	15,195,950	21,725,000	15,195,950

*Details of the Abuja land had been reported in the 2017 audited consolidated financial statements and management is yet to decide on the use of the land.

These are classified as investment properties as management's intention for use is yet to be determined.

The fair value of the properties were determined using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/0000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517) in December 2025.

This carrying value represents the fair value of the properties. There was no rental income and related operating expenses from these properties during the year. The board is yet to decide use of the investment property. See Note 7b for the sensitivity analysis.

19 Investment in associates accounted for using the equity method

The amounts recognised in the statement of financial position are as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Investment in associates	5,946,163	7,847,536	-	-
Share of profit for the year (Note 40a)	1,452,835	2,777,443	-	-

Investment in associate

Set out below are the associates of the Group at 31 December 2025. The associates have share capital consisting solely of Ordinary Shares, which are held directly by the Group. The countries of incorporation or registration of the associates are also their principal places of business.

	Place of business	Country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
2025					
Umugini Pipeline Infrastructure Limited	Nigeria	Nigeria	11.25%	Associate	Equity Accounting
Alliance Oil Producing Nigeria Limited	Nigeria	Nigeria	40.00%	Associate	Equity Accounting
Ganic Nutrition Limited	Nigeria	Nigeria	13.0%	Associate	Equity Accounting
2024					
Umugini Pipeline Infrastructure Limited	Nigeria	Nigeria	11.25%	Associate	Equity Accounting
Alliance Oil Producing Nigeria Limited	Nigeria	Nigeria	40.00%	Associate	Equity Accounting

Umugini Pipeline Infrastructure Limited

Umugini Pipeline Infrastructure Limited was formerly Umugini Asset Company Limited until January 2, 2019 when the Corporate Affairs Commission granted approval to effect the change of name after a special resolution was passed by the board of directors on July 24, 2018.

The principal activity of Umugini Pipeline Infrastructure Limited "UPIPL" is to carry on the business of planning, design, construction, ownership and provision of crude oil pipelines and fiscal metering facilities for the custody, operation, maintenance, handling and transportation by pipeline of stabilized crude on behalf of the shareholders and other oil and gas producing companies to downstream crude oil terminal facilities.

The associate has share capital consisting solely of Ordinary Shares, which are held in trust by Energia Limited for the Company's indirect subsidiary, Oando Production and Development Company Limited (OPDCL) in 2012 until the shares will be transferred to the joint venture company set up by both parties. The transfer was effected on 8 March 2019 to Ebegwati Pipeline Company Limited (a joint venture company set up to hold shares in UACL). Through the shareholder and heads of terms agreement, OPDCL is guaranteed a seat on the board of UACL and participates in all significant financial and operating decisions even though it only holds 11.25% ownership.

Oando PLC exerts significant influence over these associates as the Group has representatives on the board of the companies and is involved in management decisions taken by the entities. All the associates above have been fully accounted for in these consolidated financial statements.

Alliance Oil Producing Nigeria Limited

Alliance Oil Producing Nigeria Limited (Alliance) was incorporated on 22 November 1994 with ARC Oil and Gas Nigeria Limited owning 60% and Oando PLC owning 40% of the share capital.

The licence for OPL 282 has expired as such, the investment in the associate has been fully impaired.

Ganic Nutrition Limited

Calabar Power Limited (CPL), a subsidiary of Oando PLC issued Convertible Promissory Note (the "Notes") amounting to N500 million in three tranches to Ganic Foods Limited (GFL) in July 2022. CPL also issued additional Notes amounting to N1 billion (with similar amendment terms and conditions as the N500 million) on 24 November 2022 to GFL. The N1 billion was fully funded in April 2023.

Summarised financial information of the associate

Set out below is the summarised financial information of the associates:

	Umugini Pipeline Infrastructure Limited	Umugini Pipeline Infrastructure Limited
	2025 N'000	2024 N'000
Summarised statement of financial position		
Total current assets	56,279,301	66,967,483
Total non-current assets	47,163,984	57,109,209
Total current liabilities	(33,309,447)	(43,051,841)
Total non-current liabilities	(17,274,754)	(11,315,291)
Net asset/equity	52,859,084	69,709,560
Summarised statement of comprehensive income		
Revenue	46,433,648	51,947,900
Profit after tax	12,914,089	24,688,441
Total comprehensive income	12,914,089	24,688,441
Share of profit in associate	1,452,835	2,777,443
Percentage holdings of the Group	11.25%	11.25%

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies (if any) between the Group and the associate.

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

	Umugini Pipeline Infrastructure Limited	Umugini Pipeline Infrastructure Limited
	2025 N'000	2024 N'000
Share of net asset	11.25%	11.25%
Carrying value of the associate	5,946,163	7,842,436
	5,946,163	7,842,436

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	Ganic Nutrition Limited	Alliance Oil Producing Nigeria Limited	Umugini Pipeline Infrastructure Limited	Total
	2025	2025	2025	2025
	N'000	N'000	N'000	N'000
Carrying value:				
At 1 January	-	-	7,842,436	7,842,436
Share of profit in associate (Note 40a)	-	-	1,452,835	1,452,835
Dividend	-	-	(2,770,764)	(2,770,764)
Reclassification from trade and other receivables (Note 25)	2,295,800	-	-	2,295,800
Impairment of investment in Ganic Nutrition Limited	(2,295,800)	-	-	(2,295,800)
Exchange difference	-	-	(578,344)	(578,344)
At 31 December	-	-	5,946,163	5,946,163

	Alliance Oil Producing Nigeria Limited	Umugini Pipeline Infrastructure Limited	Total
	2024	2024	2024
	N'000	N'000	N'000
Carrying value:			
At 1 January	-	5,046,606	5,046,606
Share of profit in associate (Note 40a)	-	2,777,443	2,777,443
Dividend paid	-	(3,585,389)	(3,585,389)
Exchange difference	-	3,603,776	3,603,776
At 31 December	-	7,842,436	7,842,436

The associates had no capital commitments at 31 December 2025 (2024: nil).

No other dividend was received from the associates in the year under review (2024: nil) except as disclosed in this note.

The Group does not have any significant restrictions such as borrowing or any regulatory restrictions that impede the ability of the associates to transfer funds in form of dividend or cash to the Group.

20 Deferred income tax liabilities and deferred income tax assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	Group 2025	Group 2024
	N'000	N'000
The analysis of deferred tax liabilities and deferred tax assets is as follows:		
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12months	170,345,455	81,011,280
Deferred tax assets		
Deferred tax assets to be recovered after more than 12months	(120,662,760)	(60,515,346)
Deferred tax (assets)/liabilities, net	49,682,695	20,495,934

The gross movement in deferred income tax account is as follows:

	Group 2025	Group 2024
	N'000	N'000
At 1 January	20,495,934	16,459,336
Debit to statement of profit or loss (Note 13a)	31,040,513	5,525,334
Acquisition of business	-	(7,267,594)
Exchange difference	(1,853,752)	5,778,859
At 31 December	49,682,695	20,495,934

Consolidated deferred income tax assets and liabilities, deferred income tax (credit)/charge in the statement of profit or loss, in equity and other comprehensive income are attributable to the following items:

GROUP	1.1.2024	Charged/ (credited) to P/L	Business acquisition	Exchange Differences	31.12.2024
	N'000	N'000	N'000	N'000	N'000
2024					
Deferred income tax liabilities*					
Property, plant & equipment and exploration & evaluation assets	885,333,337	65,530,472	1,997,435	615,854,390	1,568,715,634
Provisions	(932,340,795)	-	-	(648,484,110)	(1,580,824,905)
Exchange differences	9,287,624	(9,287,624)	-	-	-
Tax losses	(371,279)	371,281	-	-	2
Finance leases	54,550,449	-	-	38,570,100	93,120,549
	16,459,336	56,614,129	1,997,435	5,940,380	81,011,280
Deferred income tax assets					
Provisions	92,026,887	-	(9,265,029)	65,069,713	147,831,571
Property, plant & equipment and exploration & evaluation assets	(14,149,063)	(51,089,716)	-	(10,165,899)	(75,404,678)
Exchange differences	-	920	-	12	932
Tax losses	(77,877,824)	-	-	(55,065,347)	(132,943,171)
	-	(51,088,796)	(9,265,029)	(161,521)	(60,515,346)
Net deferred income tax	16,459,336	5,525,333	(7,267,594)	5,778,859	20,495,934

2025	1.1.2025	(Credited)/charg	Reclassification	Exchange	31.12.2025
	N'000	ed to P/L N'000	N'000	Differences N'000	N'000
Deferred income tax liabilities					
Property, plant & equipment and exploration & evaluation assets	1,568,715,634	27,697,617	(28,466,636)	(101,717,200)	1,466,229,415
Provisions	(1,580,824,905)	-	15,184,782	102,036,695	(1,463,603,428)
Exchange differences	-	80,365,935	-	(2,911,277)	77,454,658
Tax losses	2	-	(2)	-	-
Finance leases	93,120,549	-	(162,785)	(6,068,869)	86,888,894
Financial instruments	-	2,391,809	-	-	2,391,809
Inventory	-	-	984,107	-	984,107
	<u>81,011,280</u>	<u>110,455,361</u>	<u>(12,460,534)</u>	<u>(8,660,652)</u>	<u>170,345,455</u>
Deferred income tax assets					
Provisions	147,831,571	74,910,561	(185,840,857)	(13,705,095)	23,196,180
Property, plant & equipment and exploration & evaluation assets	(75,404,678)	(107,946,122)	435,433,323	9,701,442	261,783,965
Exchange differences	932	(3,601,312)	(258,510)	166,596	(3,692,294)
Tax losses	(132,943,171)	(42,777,975)	(236,873,422)	10,643,957	(401,950,611)
	<u>(60,515,346)</u>	<u>(79,414,848)</u>	<u>12,460,534</u>	<u>6,806,900</u>	<u>(120,662,760)</u>
Net deferred income tax liabilities	20,495,934	31,040,513	-	(1,853,752)	49,682,695

Deferred tax asset relating to unutilised tax losses carried forward are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. The N120.7 billion deferred tax asset that was recognised, generated majorly from Oando Petroleum and Natural Gas Company Limited (OPNGL).

As at 31 December 2025, the Group had deferred tax assets of N2.1 trillion (2024: N2.6 trillion) relating to deductible temporary differences and tax losses from the Company and some other subsidiaries which were not recognised. Management is of the view that due to the structure of the companies, sufficient taxable profit may not be generated in the nearest future to absorb the reversal of the deferred tax. Tax losses can be carried forward indefinitely. The Company and its subsidiaries do not have any unrecognised deferred tax liability.

At 31 December 2025, there was no recognised deferred tax liability (2024: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate or joint venture. The Group has determined that undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future.

The Group has not recognised deferred tax on its share of associates' foreign currency translation reserves, as these differences are not expected to reverse in the foreseeable future.

The exchange differences on the deferred tax relates to exchange movements on deferred tax balances.

The Company has unused tax losses of N379.9 billion (2024: N125.6 billion) for which no deferred tax was recognised. There is no time limit within which the tax assets could be utilised.

21	Derivative financial assets	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Commodity option contracts	12,285,337	7,708,825	-	-
	Analysis of total derivative financial assets				
	Non current	3,071,888	7,708,825	-	-
	Current	9,213,449	-	-	-
	Total	<u>12,285,337</u>	<u>7,708,825</u>	<u>-</u>	<u>-</u>
(a)	Net fair value loss on financial commodity contracts in the statement of financial position*	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Net fair value loss on financial commodity contracts	(10,325,240)	(3,272,642)	-	-
	Net loss on derivative financial instruments	(10,325,240)	(3,272,642)	-	-
(b)	Net fair value loss on financial commodity contracts in the statement of profit or loss*	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Premium paid on hedges	(16,152,077)	(10,842,798)	-	-
	Net fair value gain on remeasurement of financial commodity contracts (Note 40a)	150,505,981	7,611,481	-	-
	Net fair value loss on financial commodity contracts (Note 9)	<u>134,353,904</u>	<u>(3,231,317)</u>	<u>-</u>	<u>-</u>

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period. Further information about the derivatives used by the Group is provided below.

Commodity option contracts

The table below summarizes the details of the financial commodity contracts in place as at December 31, 2025 as a result of these arrangements:

Position	Remaining term	Fixed (\$)	Price/Unit Strike (\$) ³	Premium ⁴	Volume (bbl/d) ²	Fair value =N=
- Purchased put ¹	Jan 2026 - Apr. 2027	-	59	-	3,000	12,285,337

¹ Financial commodities contract.

² Average volume over the remaining life of the contract.

³ Based on the weighted average price/unit for the remainder of contract.

⁴ Premiums are deferred and payable quarterly and settled net of strike cash flows.

The Group entered into a hedge arrangement in 2025 in relation to the RBL facility, under which it purchased put options with a strike price of \$59/bbl. The hedges cover 3,000 barrels per day. The purpose of the hedge is to provide downside price protection. In the event that crude oil prices fall below \$59/bbl, approximately half of the Group's production is protected, ensuring that the Group effectively realizes proceeds equivalent to \$59/bbl. (subject to the applicable floating differential) for the hedged volumes. An upfront premium was paid for the put options at the strike price of \$59/bbl. Hedge accounting has not been applied to this transaction in accordance with IFRS 9.

Derivatives, including financial commodity contracts, are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values with the resulting gains or losses recognized as income or expense in the statement of profit or loss in the period. For the year ended December 31, 2025, the Group recorded net fair value loss on financial commodity contracts of N10.3 billion/\$7.2 million including premium paid of N16.2 billion/\$10.7 million (2024: N3.3 billion/\$2.1 million including premium paid of N10.8 billion/\$7.2 million). The Group also realized nil net gains (2024: nil) from monthly settlements on the financial commodity contracts. This resulted in a net loss of N10.8 billion/\$7.2 million (2024: N3.3 billion/\$2.1 million loss). The proceeds from hedge settlement is nil (2024: nil).

The fair value of commodity contracts is calculated based on observable inputs which include forward prices of crude oil.

22 Finance lease receivables

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Finance lease receivable - Current	-	9,289,527	39,194,457	36,706,936
Finance lease receivable - Non current	-	463,975,857	-	14,133,109
	-	473,265,384	39,194,457	50,840,045

- (i) The 20-year power purchase agreement between Oando Energy Resources Nigeria Limited, Oando Petroleum and Natural Gas Company Limited, Oando Oil Limited,, NNPC EPL (parties to the OERNL/OPNGL/OOL/NEPL JV) and Nigerian Bulk Electricity Trading "NBET" for the Kwale-Okpai Independent Power Plant "Kwale IPP" expired on 21st December 2025. NBET did not exercise the options to either renew the agreement for another 5 years or to purchase the Kwale IPP at a fair price determined by an expert. The transaction which was previously accounted for as a finance lease which includes the lease payments and estimated unguaranteed residual value have been derecognized which led to total loss of N65.07billion being recorded in the statement of profit or loss for the period ended 31st December 2025.

An interim sales agreement has been entered into on 8th January 2026 by parties to the OERNL/OPNGL/OOL/NEPL JV and NBET which does not include an option to purchase the plant. The absence of this purchase option reflects the Company's ability to now receive future economic benefits from the plant over its entire estimated useful life. As such, it has now been accounted for as property plant and equipment in the consolidated statement of financial position as at 31st December 2025. The fair value of N218.9 billion (\$152.3 million) representing the Group's 40% interest, was determined by management using discounted cash flows over a 20-year period with a discount rate of 13.7%.

The unguaranteed residual value in the period has been estimated as nil (2024: N298.2 billion/\$194.2 million).

The net investment in finance lease receivables by the Group amounted to nil at December 31, 2025 (2024: N473.3 billion/\$308.3 million) and will bear interest until their maturity dates of nil (2024: N278.2 billion/\$181.2 million). The increase in net investment in finance lease in 2024 is attributable to exchange difference. The fair value of the lease receivable at 31 December 2025 is nil (2024: N470.5 billion/\$306.4 million).

- (ii) The receivables under the finance leases are as follows

Finance lease receivables	Group 2025 N'000	Group 2024 N'000	*Company 2025 N'000	Company 2024 N'000
Finance lease - gross receivables	-	759,578,570	40,453,079	54,008,181
Unearned finance income	-	(278,248,020)	(382,507)	(1,895,021)
	-	481,330,550	40,070,572	52,113,160
Impairment	-	(8,065,165)	(876,115)	(1,273,115)
	-	473,265,385	39,194,457	50,840,045
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
No later than one year:				
Total future value	-	122,563,615	40,453,079	39,458,897
Unearned interest income	-	(61,500,242)	(382,507)	(1,478,847)
Total impairment	-	(8,065,165)	(876,115)	(1,273,115)
Present value	-	52,998,208	39,194,457	36,706,935
Between one and five years:				
Total future value	-	338,909,309	-	14,549,284
Unearned interest income	-	(216,747,778)	-	(416,174)
Present value	-	122,161,531	-	14,133,109
Later than five years:				
Total future value	-	-	-	-
Unguaranteed residual value	-	298,105,646	-	-
Unearned interest income	-	-	-	-
Present value	-	298,105,646	-	-
Finance lease receivables	-	473,265,385	39,194,457	50,840,045
Gross receivables from finance lease				
Not later than one year	-	122,563,615	40,453,079	39,458,897
Later than one year but not later than five years	-	338,909,309	-	14,549,284
Later than five years	-	298,105,646	-	-
	-	759,578,570	40,453,079	54,008,181
Unearned future finance income on finance lease	-	(278,248,020)	(382,507)	(1,895,021)
Opening impairment	-	(1,981,998)	(1,273,115)	(798,792)
(Impairment loss)/reversal of impairment loss of finance lease	-	(4,622,704)	397,000	(474,323)
Exchange difference on impairment	-	(1,460,463)	-	-
Net investment in finance lease	-	473,265,385	39,194,457	50,840,045
The net investment in finance lease is analysed as follows:				
Not later than one year	-	52,998,208	39,194,457	36,706,935
Later than one year but not later than five years	-	122,161,531	-	14,133,109
Later than five years	-	298,105,646	-	-
	-	473,265,385	39,194,457	50,840,045

(iii) Movement in finance lease receivables	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 1 January	473,265,384	178,290,033	50,840,045	33,651,362
Business acquisition (Note 41)	-	139,941,605	-	-
(Impairment loss)/reversal of impairment loss of finance lease	(5,196,257)	(4,622,704)	397,000	(474,323)
Interest income (Note 12b)	63,618,612	44,108,018	1,679,804	3,773,958
Cash received	(25,116,125)	(5,996,123)	(10,761,670)	(10,298,980)
Reclassification to trade and other receivables (Note 25)	(73,016,742)	-	-	-
Write-off	(131,670,902)	-	-	-
Modification	(72,595,581)	-	-	-
Transfer to PPE (Note 15)	(218,851,327)	-	-	-
Exchange difference	(10,437,062)	121,544,555	(2,960,722)	24,188,028
	-	473,265,384	39,194,457	50,840,045

The finance lease in Company relates to subleases of office spaces (which is part of a leased building) and an aircraft to Oando Servco Nigeria Limited.

23 a) Non-current receivables	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Staff advances (Note 23i)	34,849,400	-	-	-
Other non-current receivables (Note 23 ii)	448,745,329	495,590,553	-	-
	483,594,729	495,590,553	-	-

(i) Staff advances relates majorly to advances for car and house given to the staff.

(ii) Other non-current receivables

Other non-current receivables relate to Project Gazelle receivables which represent the balance of the loan amounts due to Oando Trading DMCC (N94.8 billion; 2024: N180.2 billion), Oando Gazelle BVI (N40.4 billion; 2024: N90.1 billion) and GFront Enterprise Limited (now named Oando Gazelle Limited) (N118.5 billion; 2024: N225.3 billion). Oando Leopard Limited has a balance of N194.9 billion (2024: nil) in relation to a prepayment facility in favor of Project Leopard Funding Limited. The balances carry interest at market rates, and the amortised cost measurement does not differ materially from carrying values.

The amounts above represent the balances receivable as at 31 December 2025 and 31 December 2024, the balance was assessed for impairment according to the requirements of IFRS 9, and no impairment loss was recognised in the financial statements.

Classification of non-current receivables at amortised cost

The Group classifies its non-current receivables at amortised cost only if the following criteria are met: (i) the asset is held within a business model whose objective is to collect the contractual cash flows, and (ii) the contractual terms give rise to cash flows that are solely payments of principal and interest.

(iii) Discounted cashflows from the non-current receivables

Fair value	0-1 year	2-3 years	4-5 years	Total
	199,842,206	246,412,720	39,776,147	486,031,074

24 Inventories	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Crude oil	9,351,181	34,546,825	-	-
Materials	37,276,379	12,739,608	-	-
Consumables and engineering stock	9,628	12,324	-	-
	46,637,188	47,298,757	-	-
Provision for slow moving inventory	(549,753)	(451,507)	-	-
	46,087,435	46,847,250	-	-

The cost of inventories recognised as an expense (written down to net realisable value) and included in 'cost of sales' was N7.3 billion (2024: N445.8 million).

Net realisable value is assessed at each reporting date, with particular focus on aged and slow moving inventories. For such inventories, management applies reduced selling price assumptions and considers expected markdowns and disposal strategies. As at 31 December 2025, additional write downs were recognised where NRV was assessed to be below cost.

25 a) Trade, other receivables and contract assets

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company* 2024 N'000
Trade receivables from third parties (Note 8d)	696,559,970	816,021,204	12,478,510	13,348,689
Trade receivables from related parties (Note 8d, 42xiii)	-	-	4,459,885	4,618,013
Reclassification from finance lease receivables (Note 22 iii)	73,016,742	-	-	-
Less: impairment of trade receivables (Note 8d)	(274,164,290)	(208,124,945)	(12,479,710)	(13,350,049)
	495,412,422	607,896,259	4,458,685	4,616,653
Other receivables	1,914,539,667	652,589,135	67,023,172	65,548,020
Withholding tax receivable	6,067,205	4,680,766	3,737,823	3,737,823
Deposit for import/asset	425	51,357	-	-
Reclassification to investment in associate (Note 19)	(2,295,800)	-	-	-
Amount due from related parties (Note 42xiii)	-	-	233,678,561	229,888,471
Less: allowance for impairment of other receivables	(227,198,939)	(514,959,572)	(296,198,153)	(282,063,719)
	2,186,524,980	750,257,945	12,700,088	21,727,248

The Group's other receivables largely relate to nil receivable from Whitmore Asset Management Limited (2024:N482.1 billion), Cash calls from JV partners of N17.7 billion (2024: N46 billion), receivables from service agreements with customers (OES Integrated Services Limited, Oando Gas & Power Limited, OVH Energy BV and Gaslink Nigeria Limited) of N2.6 billion (2024:N2.8 billion), nil loan receivables from GANIC Foods Limited (2024: N2.1 billion), other receivables from NBET of N111.2 billion (2024: nil), receivables with regards to project clearwater of N8.86 billion (2024: N9.48 billion), current portion of loan receivables from Project Gazelle of N162.3 billion (2024: N80.8 billion), project leopard of N49.1 billion (2024: nil) and partner receivables of N1.4 trillion, receivables from OODP N34.8 billion, and underlift receivables N9.4 billion.

The Company's other receivables largely relate to dividend receivable of N54.6 billion (2024: N58.4 billion), receivable from service agreements with customers (OES Integrated Services Limited, Oando Gas & Power Limited, OVH Energy BV and Gaslink Nigeria Limited) of N2.6 billion (2024: N2.8 billion).

Certain balances presented within other receivables arise from service related arrangements with counterparties. Although such arrangements involve the provision of services, they do not constitute contracts with customers within the scope of IFRS 15 and therefore do not give rise to trade receivables.

These balances relate primarily to cost recovery, reimbursement, and agency type arrangements, where the Group does not transfer a distinct good or service to the counterparty, acts as an intermediary or incurs costs on behalf of another party, and is entitled to reimbursement rather than consideration from a customer. Accordingly, the counterparties do not meet the definition of a customer under IFRS 15, and the related amounts are appropriately classified as other receivables and accounted for under IFRS 9.

The classification involved the exercise of significant judgement, having regard to the substance of the arrangements rather than their contractual labels.

The carrying amounts of trade and other receivables for 2025 and 2024 respectively approximate their fair values due to their short term nature, also considering that the balances have been provided for, the carrying amount approximates the fair value because carrying amount is cost less expected credit loss (ECL).

See note 38 for the disclosures on the debt factoring agreement.

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b) Movement in provision for impairment of receivables for the year is as detailed below:	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	723,084,517	400,446,905	295,413,768	100,629,660
Impairment (reversal)/loss of trade and other receivables, net (Note 10d)	(446,678,815)	71,604,923	13,264,095	194,784,108
Reclassification	148,948,616	-	-	-
Business acquisition	-	(50,449,472)	-	-
Exchange difference	76,008,910	301,482,161	-	-
At 31 December	501,363,229	723,084,517	308,677,863	295,413,768

Trade & other receivables are non-interest bearing and are expected to be settled within one year.

26 Deposit for shares	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	-	6,295,751	-	-
Deposits converted to shares during the period	-	(10,759,511)	-	-
Exchange difference	-	4,463,760	-	-
At 31 December	-	-	-	-

Following the guarantee disclosed in paragraph 10 on page 28, Calabar Power (through Oando PLC) paid \$8.3 million (N3 billion) in 2018, \$13.5 million (N4.9 billion) in 2019, \$1.5 million (N615.4 million) in 2020 and \$10 million (N4.35 billion) in 2021. Effective 31 May 2019, Goldeneye ("Transferor") and Calabar Power Limited ("Transferee") executed a Share Transfer Form for 5,236,626 Ordinary shares out of the 17,455,414 Ordinary Shares expected because of the guarantee with 12,218,788 transferred in April 2022.

Following the Share Sale and Purchase Agreement disclosed in paragraph 11 on page 28, Calabar Power (through Oando PLC) paid \$5 million (N3 billion) to M1 Petroleum Limited in Q4 2020, \$5 million on 12 November 2021, \$2 million on 28 September 2022 and \$3 million in Q4 2023. Effective 14 November 2022, M1 Petroleum Limited executed another Share Transfer Form for 1,761,465 Ordinary shares to Calabar Power out of the 17,614,649 Ordinary Shares expected. The third batch of 4,110,085 shares of OEPH for a total consideration of \$7 million (N1.8 billion/\$4 million at December 2022 plus \$3 million payment made in Q4 2023) was transferred to Calabar Power on 16 February 2024.

As at the reporting date, all deposits for shares have been fully converted and no balance remains.

27 Prepayments	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Non-current	6,719,263	4,815,723	-	-
Current	129,222,284	68,467,292	181,839	214,372
	135,941,547	73,283,015	181,839	214,372

Prepayments largely consists of advance payments to suppliers of N107.9 billion (2024: N 53.5 billion), prepaid insurance of N13.4 billion (2024: N13.4 billion). The current portion of the prepayments is expected to be realised within 12 months, while the non-current portions will be realised from periods after 12 months.

28 Financial assets at fair value through profit or loss	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Quoted equity instruments - Current	1,089,032	442,671	339,029	422,562

Quoted equity instruments - Current

This represents the Company's equity investments that are listed on the Nigerian Exchange Group. Each investment is carried at fair value based on current bid price on the Nigerian Exchange Group at 31 December of the reporting year. The movement is as follows:

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
At 1 January	442,671	138,654	422,562	138,654
Addition	731,207	20,857	-	-
Fair value (loss)/gain (Note 9)	(90,525)	283,160	(90,525)	283,908
Loss on disposal of marketable securities	(2,851)	-	(2,851)	-
Dividend income*	9,843	-	9,843	-
Exchange difference	(1,313)	-	-	-
At 31 December	1,089,032	442,671	339,029	422,562

Classification of financial assets at fair value through profit or loss

The Group has classified the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Dividend income recognised in profit or loss represents ordinary returns on equity investments and not recovery of investment cost.

29 Investment in subsidiaries	Company	Company
	2025	2024
	N'000	N'000
Investment in subsidiaries (cost)		
Oando Exploration and Production Limited	3,898,288	3,898,288
Oando Benin	3,997	3,997
Oando Trading Limited Bermuda	3,435,950	3,435,950
OES Integrity Limited	6,538	6,538
Oando Terminal and Logistics Limited	10,000	10,000
UNITAB	20,400	20,400
Sierra Leone	4,399	4,399
Burkina Faso	6,070	6,070
Calabar Power	10,000	10,000
Oando Liberia Limited	6,538	6,538
OES Passion Limited	1,752	1,752
OES Professionalism Limited	10,000	10,000
Oando Resources Limited	10,000	10,000
Oando Trading DMCC	3,456,337	3,456,337
Oando Equator Holdings Limited	1,816	1,816
XRS 1 Limited	18	18
Oando Gazelle BVI	62,579	62,579
Oando Trading & Supply BVI Limited	65,192	65,192
Oando Supply & Trading DMCC	19,256	19,256
Oando Gazelle Ltd Mauritius	147	147
Oando E&P Holdings Limited	50,997,513	50,997,513
Oando Yield Ltd	153	153
Oando E&P IV Limited	1,000	1,000
Oando E&P Limited	1,000	1,000
Oando Hydrocarbons Limited	1,000	1,000
Oando V Limited	1,000	1,000
Oando Gazelle DMCC	38,278	38,278
Oando Investments Limited	1,000	1,000

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	Company 2025 N'000	Company 2024 N'000
Oando Energies Limited	1,000	1,000
Oando Exploration and Production Angola Limited	2	2
Oando Treasure Limited	148	148
Oando Leopard Limited	165	165
Oando Pacific Limited	148	148
Oando E& P Holdings II Limited	73,173	-
Oando Gulf Limited	148	148
	<u>62,145,004</u>	<u>62,071,831</u>
Allowance for impairment	(7,525,264)	(7,426,068)
	<u>54,619,740</u>	<u>54,645,763</u>

	Company 2025 N'000	Company 2024 N'000
Movement in allowance for impairment of investments for the year is as detailed below:		
At start of the year	7,426,068	58,396,446
Impairment of investment (Note 10d, 40a)	99,196	(50,970,378)
At end of year	<u>7,525,264</u>	<u>7,426,068</u>

30 Short-term investments	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Short-term investments	29,575,865	2,797,958	2,671,203	2,797,958

This relates to money market investment domiciled in Asset & Resource Management Company (ARM) and Afrinvest. This maturity of this investment exceeds three months. The weighted average effective interest rate on short-term investments at the year-end was 17.49% for ARM and 1.24% for Afrinvest (2024: 22.29% for ARM).

This asset was subject to the impairment requirements of IFRS 9, the identified impairment loss is considered immaterial in these consolidated and separate financial statements.

31 Cash and bank balances	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
a Cash and cash equivalents (excluding bank overdrafts)	439,882,748	221,775,277	2,899,294	4,410,854
b Restricted cash	37,431,198	54,243,431	-	-

Management assessed that fair value of cash and cash equivalents approximates their carrying amounts.

Restricted cash relates to cash collateral for debt servicing which are held with reputable financial institutions, and is excluded from cash and cash equivalents for cash flows statement purposes. The movement observed in restricted cash during the period primarily relates to the utilisation of restricted funds for scheduled debt servicing obligations in accordance with the applicable financing arrangements. These payments resulted in a temporary reduction in the restricted cash balance as at the reporting date. However, in line with the terms of the relevant debt service reserve arrangements, the utilised amounts were subsequently replenished in later periods, thereby restoring the restricted cash balance to the required levels.

While cash and cash equivalents (including restricted cash; excluding petty cash) are also subject to the impairment requirements of IFRS 9, the identified impairment loss of N4.4 billion (2024: N2.8 billion) (represents 1% of the total cash and cash equivalents (including restricted cash; excluding petty cash) of the Group) which is considered immaterial in these consolidated and separate financial statements.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities.

The bank overdrafts are repayable on demand, and they form an integral part of cash management.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Cash at bank and in hand	439,882,748	221,775,277	2,899,294	4,410,854
Bank overdrafts (Note 34)	(17,003,069)	(66,428,996)	(17,003,069)	-
	<u>422,879,679</u>	<u>155,346,281</u>	<u>(14,103,775)</u>	<u>4,410,854</u>

Classification of cash and cash equivalents at amortised cost

The Group holds the cash and cash equivalents with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Details of the Group's impairment policies and the calculation of the loss allowance are provided under significant accounting policies.

32 Share capital and share premium	Number of shares* (thousands)	Ordinary shares N'000	Share premium N'000
At 31 December 2024	12,431,412	6,215,706	176,588,527
At 31 December 2025	12,431,412	6,215,706	176,588,527

The shareholders of Oando PLC at the 45th Annual General Meeting (AGM) on 17 December 2024, approved for distribution or payment of cash equivalent of all or part of the existing shares received from Ocean & Oil Development Partners Limited (OODP Nigeria) as repayment of loan due to the Company (the treasury shares), to shareholders whose names existed in the register of shareholders on the qualifying date of 14 February 2025 on a pro-rata basis. On 5 February 2025, Oando PLC after a resolution of the directors, notified the Nigerian Exchange Limited and the public that the distribution of the 4,279,042,004 shares will be in two (2) tranches. The total number of ordinary shares to be distributed is 1,283,712,601 under Phase 1. For the first tranche under Phase 1, a total of 679,364,206 existing shares was distributed on the basis of 1 (one) new ordinary shares of 50 kobo each for every twelve (12) existing ordinary shares held by members at the qualifying date of 14 February, 2025.

*The impact of the distribution to members has been accounted for in equity in these audited consolidated and separate financial statements.

**The number of shares in issue on the balance sheet in 2025 includes 3,599,677,798 total treasury shares of ordinary shares delivered to Oando Plc.

No equity adjustment was recognised in 2024 because the distribution was not effective at year end.

33 (a) Treasury shares

Nature of treasury shares

Treasury shares represent the Company's own ordinary shares that were transferred to the Company in settlement of a loan receivable from a shareholder during the year. In accordance with IAS 32 – Financial Instruments: Presentation, treasury shares are presented as a deduction from equity. They are not recognised as assets and are not subsequently remeasured. No gain or loss is recognised in profit or loss on the acquisition, reissue, distribution, or cancellation of treasury shares.

Subsequent distribution

During the year, the Company distributed part of its treasury shares to existing shareholders on a pro rata basis. The distribution was effected entirely through equity reclassification and did not involve the payment of cash, the transfer of assets controlled by the Group, or a reduction in retained earnings.

The distribution did not constitute a dividend for IFRS purposes.

The movement in treasury shares during the year is summarised below:

Description	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 1 January	-	-	-	-
Recognition of treasury shares on settlement of loan	(420,363,088)	-	(420,363,088)	-
Distribution of treasury shares to shareholders	41,577,089	-	41,577,089	-
Balance at 31 December	(378,785,999)	-	(378,785,999)	-

The closing balance represents treasury shares held at the reporting date that have not been redistributed or cancelled or reissued.

Distribution of Oando Plc Shares Involved in the Settlement of Debt Obligation

The distribution transaction with regard to these treasury shares was properly structured, duly authorised, and implemented in good faith based on professional advice.

In compliance with International Accounting Standards, these shares by inference were deemed to be Treasury Shares by the operation of the accounting principle of commercial substance over legal form, and so, have been recorded and reported as Treasury Shares for accounting purposes.

Income Taxes, Withholding Tax and Uncertain Tax Positions (IFRIC 23)

During the year, the Group effected a pro rata distribution of treasury shares to shareholders. The transaction did not involve the payment of cash or the distribution of assets controlled by the Group and did not result in a reduction of retained earnings.

For IFRS purposes, management concluded that the transaction does not constitute a dividend, as defined under IFRS, and therefore does not give rise to withholding tax or excess dividend tax as at the reporting date.

Management considered the potential application of Nigerian tax legislation and concluded that, although alternative interpretations may exist under tax law, it is probable that the tax treatment adopted will be accepted by the relevant tax authority in accordance with IFRIC 23 – Uncertainty over Income Tax Treatments. Consequently, no withholding tax or related tax liability has been recognised.

The Group will continue to monitor developments and will recognise any tax liability should a present obligation arise in the future.

Legal and Regulatory Compliance Uncertainty

(a) Treasury Shares and Equity Transactions

During the year, the Company settled a loan receivable from a shareholder through the transfer of the Company's own ordinary shares to the Company. Upon settlement, the shares were recognised as treasury shares and presented as a deduction from equity.

In accordance with IAS 32 – Financial Instruments: Presentation, transactions involving an entity's own equity instruments are treated as capital transactions. No gain or loss is recognised in profit or loss on the acquisition, reissue, or redistribution of treasury shares. Treasury shares are not recognised as assets and are not subsequently remeasured.

Subsequently, the Company distributed part of its treasury shares to shareholders on a pro rata basis. The distribution was effected entirely within equity and did not involve the payment of cash or the distribution of other assets. Retained earnings were not reduced.

(b) Legal and Regulatory Uncertainty

Following the execution of the above transactions the directors have considered the requirements of the Companies and Allied Matters Act, 2020 (as amended) in relation to:

- capital maintenance;
- share buy backs; and
- distributions to shareholders.

While the transactions were undertaken in good faith and approved through appropriate corporate governance processes, there is legal uncertainty regarding the interpretation and application of certain statutory provisions.

As at 31 December 2025 no court orders, regulatory directions, or enforceable demands existed; and no present obligation arose requiring recognition of a provision under IAS 37. Accordingly, the matter is disclosed but no accounting adjustment has been recognised.

(c) Tax Uncertainty

The Directors have considered the potential tax implications of the treasury share distribution, including whether the transaction could be characterised as a dividend for withholding tax purposes.

33 (b) Capital distribution reserve	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 31 December 2025	(77,956,558)	-	(41,577,089)	-
	(77,956,558)	-	(41,577,089)	-

The capital distribution reserve relates to the 679,364,206 shares that was distributed out of the treasury shares on the basis of 1 (one) new ordinary shares of 50 kobo each for every twelve (12) existing ordinary shares held by members at the qualifying date of 14 February, 2025 and withholding tax on the forgiveness of debt between OOL and ServCo from Oando PLC (see not 42x).

33 (c) Other reserves	Remeasurement gain/(loss) on defined benefit plan N'000	Share based payment reserve N'000	Currency translation reserve ¹ N'000	Total N'000
Group				
At 1 January 2024	361,382	-	73,651,473	74,012,855
Exchange difference on translation of foreign operations	-	-	74,973,050	74,973,050
Exchange loss on net investment in foreign operations	-	-	(370,181,873)	(370,181,873)
Remeasurement gain on defined benefit plan	721,730	-	-	721,730
Change in ownership interests in subsidiaries that do not result in a loss of control	-	-	992,536	992,536
Share of associate's foreign currency translation reserve	-	-	3,603,776	3,603,776
At 31 December 2024	1,083,112	-	(216,961,038)	(215,877,926)
Other reserves				
Group				
At 1 January 2025	1,083,112	-	(216,961,038)	(215,877,926)
Exchange difference on translation of foreign operations	-	-	55,486,955	55,486,955
Exchange loss on net investment in foreign operations	-	-	(6,625,670)	(6,625,670)
Remeasurement gain on defined benefit plan	83,547	-	-	83,547
Share of associate's foreign currency translation reserve	-	-	(578,344)	(578,344)
At 31 December 2025	1,166,659	-	(168,678,097)	(167,511,438)

1. Currency translation reserve

The translation reserve comprises all foreign currency difference arising from the translation of the financial statements of foreign operations, as well as intercompany balances arising from net investment in foreign operations.

34 Borrowings	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Borrowings are made up as follows:				
(a) Non-current - Bank loans	616,518,033	1,458,388,478	6,969,337	10,525,847
(b) Current				
Bank overdraft	17,003,069	66,428,996	17,003,069	-
Bank loans	2,061,848,996	1,247,066,414	82,688,932	113,615,915
Total borrowings	2,695,370,098	2,771,883,888	106,661,338	124,141,762

(c) **Non-current borrowings are analysed as follows:**

Group	Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	Available facility N'000	Balance 2025 N'000	Balance 2024 N'000
	Medium Term Loan (NGN)	Restructuring of Short to Long Term Debt	11 years/25% p.a.	30 June 2016	Mortgage on assets of Oando PLC and some subsidiaries	Oando PLC/MTL lenders	115,302,643	76,868,428	92,242,104
	Promissory Note (USD)	Term loan	10 years/SOFR+2%	31 October 2020	None	Oando PLC/ConocoPhillips	20,963,094	9,839,851	13,596,483
	Term Loans (USD)	Medium term borrowing	5 years/8.5% + SOFR p.a	22 October 2015 and 30 May 2025; 31 October 2025	None	OOL/African Export-Import Bank (AFREXIM)	1,184,087,108	-	153,531,759
	Term Loan (USD)	General corporate purpose	4 years/9.5% +SOFR p.a	30 September 2021	None	Oando Servco/Ecobank	61,429,004	55,282,871	60,267,554
	Term Loan (NGN)	General corporate purpose	5 years/33% p.a.	31 March 2021	None	Oando Servco/Access Bank	15,000,000	748,304	4,478,476
	Term Loan (NGN)	Project finance	5 years/12% p.a.	9 August 2024	None	Oando Clean Energy Limited (OCEL)/Bank of Industry	5,000,000	3,593,461	4,780,690
	Term Loan (USD)	Reserve based lending	7 years/SOFR + 8.55%	1 August 2024	None	OPNGL/AFREXIM	717,628,550	-	693,815,549
	Term Loan (USD)	Reserve based lending	7 years/SOFR + 10.55%	1 August 2024	None	OPNGL/Mercuria	215,288,565	-	240,689,853
	Term Loan (USD)	Project finance	11.82208% (Interpolated Term SOFR + Margin +Liquidity Prem.)/5 years	17 May 2024	None	OTD/ OQ Trading LTD	287,051,420	155,226,886	244,820,911

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Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	Available facility	Balance	
							N'000	N'000
Term loan (USD)	Project finance	5 years/11.82208 % (Interpolated Term SOFR + Margin +Liquidity Prem.)	17 May 2024	None	Oando Gazelle Limited/Vitol SA	358,814,275	194,033,608	306,026,139
Term loan (USD)	Project finance	5 years/11.82208 % (Interpolated Term SOFR + Margin +Liquidity Prem.)	17 May 2024	None	Oando Gazelle BVI/MCB	143,525,710	74,852,046	132,572,451
Term Loan (USD)	Medium term borrowing/ Augmentation of Working capital	6 years/ 12.5%+SOFR	29 September 2020	None	ORL/MCB	43,057,713	5,187,502	16,230,886
Term Loan (USD)	Aircraft Lease	5 years/12.5% + SOFR p.a.	24 June 2022	Share Charge	XRS 11/Shearwater*	13,060,840	8,808,946	10,693,899
Term Loan (USD)	Term loan	Interest + base rate approx. 10.6%	16 January 2025	None	Oando Leopard/OQ Trading Limited	269,828,335	235,971,391	-
Corporate finance facility (USD)	Acquisition of the COP assets	13 years/10% + SOFR p.a.	24 July 2024	Oando legacy assets	OER/Corporate Facility lenders	502,339,985	287,789,713	-
Term Loan (GBP)	Working capital	10 Years	1 October 2024	None	Oando Logistics Services/HSBC	96,679	54,615	-
Term Loan (USD)	Term loans	4 year/12.5% p.a.	31 October 2024	None	Oando Servco/Access Bank	71,762,855	69,091,682	-
Term Loan (USD)	Term loan	3 years/13% p.a	4597200.000%	None	OERNL/Access bank	71,762,855	69,120,507	-
						4,095,999,631	1,246,469,811	1,973,746,754
Less current portion						-	(629,951,778)	(515,358,276)
Total non-current borrowing (See a above)						4,095,999,631	616,518,033	1,458,388,478

Company Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	Available facility	Balance	
							N'000	N'000
Medium Term Loan (NGN)	Restructuring of Short to Long Term Debt	11 years/25% p.a.	30 June 2016	Mortgage on assets of Oando PLC and some subsidiaries	Oando PLC/MTL lenders	115,302,643	76,868,419	92,242,104
Promissory Note (USD)	Term loan	10 years/SOFR+2%	31 October 2020	None	Oando PLC/ConocoPhillips	20,963,094	9,839,851	13,596,483
						136,265,737	86,708,270	105,838,587
Less current portion						-	(79,738,933)	(95,312,740)
Total non-current borrowing (See a above)						136,265,737	6,969,337	10,525,847

(d) **Current borrowings are analysed as follows:**

Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	Available facility	Balance	
							N'000	N'000
Short-term loan (USD)	Letter of Credit	1.5%-2.5% + LIBOR p.a./ 30-90 days (Revolving)	1 September 202	None	OTD/AFREXIM	-	-	186,452,606
Short-term loan (USD)	Working capital	1 year/SOFR+2.5 %; CME Term SOFR + 8%	1 July 2024; 15 April 2025	None	OTD/Litasco SA	81,557,170	53,775,596	30,706,352
Term Loan (USD)	Reserve based lending	7 years/SOFR + 8.55%	1 August 2024	None	OPNGL/AFREXIM	717,628,550	664,042,879	-
Term Loan (USD)	Reserve based lending	7 years/SOFR + 10.55%	1 August 2024	None	OPNGL/Mercuria	225,734,799	71,762,854	-
Term Loans (USD)	Medium term borrowing	5 years/8.5% + SOFR p.a	22 October 2015 and 30 May 2025; 31 October 2025	None	OOL/African Export-Import Bank (AFREXIM)	1,184,087,108	528,252,408	-

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Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	Available facility	Balance	Balance
							2025	2024
Term Loan (USD)	Trade finance	4 years/19.5% p.a.	1 July 2024	None	CPL/BB Energy	57,410,284	56,573,720	15,353,176
Short-term loan (USD)	Letter of Credit	13.39% (3 month term SOFR+Margin)/5 quarterly	1 July 2023	None	OTD/Glencore	-	-	15,353,176
Corporate finance facility (USD)	Acquisition of the COP assets	12 years/9.50% + SOFR p.a.	24 July 2024	Oando legacy assets	OER/Corporate Facility lenders	-	-	343,793,649
Short-term loan (NGN)	Term loans	1 year/12.5% p.a.	31 October 2024	None	Oando Servco/Access Bank	-	-	76,765,880
Term Loan (NGN)	Trade finance	4 years/19.5% p.a.	1 July 2024	None	CPL/BB Energy	-	-	60,268,613
Short-term loan (NGN)	Working capital	2 year/42% p.a.	16 June 2023	None	Oando PLC/Industrial Supply Venture	-	450,000	450,000
Term loan (NGN)	Working capital	3.5 years/48% p.a.	27 May 2024	None	Oando PLC/Olatunde	-	2,500,000	2,500,000
Overdraft (USD)	Working capital	1 year/SOFR+12%	30 October 2024	None	Oando PLC/Providus Bank	17,003,060	17,003,060	-
Short-term loan (GBP)	Working capital		N/A	None	Oando Logistics Services/HSBC UK	-	-	64,685
Overdraft (USD)		1 month/32%	15 August 2024	None	OPNGL/Access Bank	-	-	37,235,364
Overdraft (USD)		60 days/15%	13 December 2024	None	OERNL/Fidelity Bank	54,539,770	54,539,770	29,193,633
						1,313,040,222	1,448,900,287	798,137,134
Current portion of non-current borrowings (See c above)						-	629,951,778	515,358,276
Total current borrowing (See b above)						1,313,040,222	2,078,852,065	1,313,495,410

OTD/Litasco SA

On 15 April 2025, Oando Trading DMCC ("OTD") and Litasco SA ("LSA") entered into a Sales and Purchase Agreement of Nigerian Crude Oil (the "Agreement"), entailing the prepayment of \$56,201,354.82 by LSA in consideration for the delivery of three (3) Nigerian crude oil cargoes by OTD to LSA. The Agreement had a tenor of approximately nine (9) months, maturing on the earlier of 30 January 2026 and the payment date of the last crude oil cargo to be delivered.

On 22 October 2025, OFAC designated Lukoil, the parent company of LSA, under Russia-related sanctions to increase pressure on Russia's energy sector. On the recommendation of external counsel advise, OTD immediately suspended its performance under the Agreement. As of 22 October 2025, OTD had repaid \$18,733,784.94 and delivered two (2) of the three (3) committed cargoes. The OTD outstanding obligations as at that date were (i) \$37,467,569.88 and (ii) the delivery of one (1) crude oil cargo. This position remained unchanged until 31 December 2025.

On 4 December 2025, OFAC issued general licence "GL 128B" authorising certain transactions involving (i) maintenance, (ii) operation, and (iii) wind-down activities for a narrow range of Lukoil International Group entities outside Russia. Any subsequent performance by OTD under the Agreement could only be permitted in the course of winding down the Agreement. "GL 131E" issued on April 29, 2026, through May 30, 2026, further authorised ordinary-course transactions connected to wind-down of existing transactions. Based on the relevant general licences issued and advice received from external legal counsel, OTD made a partial repayment of \$20,000,000 to LSA on 27 February 2026.

The latest OFAC amendment, "GL 128C" was issued on 14 April 2026 with an expiry date of 29 October 2026. OTD is considering fulfilling its outstanding obligations in the Agreement during the tenor of this latest general licence extension.

Company Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/Lender	2025 N'000	2024 N'000
Overdraft (USD)	Working capital	1 year/SOFR+12%	30 October 2024	None	Oando PLC/Providus Bank	17,003,068	15,353,175
Short-term loan (NGN)	Working capital	2 year/42% p.a.	16 June 2023	None	Oando PLC/Industrial Supply Venture	450,000	450,000
Term loan (NGN)	Working capital	3.5 years/48% p.a.	27 May 2024	None	Oando PLC/Olatunde loan	2,500,000	2,500,000
						19,953,068	18,303,175
Current portion of non-current borrowings (See c above)						79,738,933	95,312,740
Total current borrowing (See b above)						99,692,001	113,615,915

Weighted average effective interest rates at the year end were:

	2025	2024
- Bank loans	15.0%	15.9%
- Import finance facility	0.0%	3.7%
- Project finance loans	10.6%	11.0%
- Other loans	13.1%	14.6%

Fair values are based on cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the reporting date. Set out below is a comparison of the carrying amounts and fair values of the Company's borrowings that are carried in the financial statements.

Group	Carrying amounts		Fair values	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Bank loans	2,695,370,098	2,771,883,888	2,702,992,066	2,338,523,613
Company	Carrying amounts		Fair values	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Bank loans	106,661,338	124,141,762	103,162,795	121,879,474
The carrying amounts of the Group's borrowings are denominated in the following currencies:				
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Nigerian Naira	84,214,798	141,686,632	79,818,419	124,141,762
US Dollar	2,611,058,621	2,630,132,570	26,842,919	-
British Pounds	96,679	64,686	-	-
	2,695,370,098	2,771,883,888	106,661,338	124,141,762

The translation differences from the loan that are not denominated in naira are recognised in profit or loss. See note 7(i) for disclosures on foreign exchange risks on these loans. No borrowing cost was capitalised as no assets qualified for that in the period.

35 Decommissioning provisions

Decommissioning provisions comprise obligations to dismantle and restore oil and gas production assets and to restore leased properties to their original condition at the end of the lease term as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Oil and gas fields provision	417,115,000	698,078,803	-	-
Asset restoration obligation - leased space	282,418	241,474	282,418	241,474
	417,397,418	698,320,277	282,418	241,474

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Movement during the year in provisions for decommissioning cost is as follows:				
At 1 January				
- Opening balance	698,320,277	426,661,861	241,474	122,325
Business acquisition (Note 41)	-	363,658,946	-	-
- Oil and gas field	(263,792,421)	(376,179,827)	-	-
- Leased space (Note 17)	-	102,833	-	102,832
- Unwinding of discount (Note 40a,12a)	16,939,716	(4,316,099)	40,944	16,317
Exchange differences	(34,070,154)	288,392,563	-	-
At 31 December	417,397,418	698,320,277	282,418	241,474

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Analysis of decommissioning provisions				
Non current	417,397,418	672,710,465	282,418	241,474
Current	-	25,609,812	-	-
Total	417,397,418	698,320,277	282,418	241,474

The Company does not hold oil and gas assets directly; accordingly, decommissioning provisions at Company level relate solely to leased premises.

The total future decommissioning obligation is estimated based on the Group's net ownership interest in all wells and facilities relating to continuing operations, the estimated costs to abandon and reclaim these wells and facilities, and the estimated timing of the costs to be incurred in future periods. The key assumption upon which the carrying amount of the decommissioning obligation is based are discount rates from 4.49% to 4.81% (2024: 2.45% to 4.83%) and an inflation rate of 2.37% - 2.36% (2024: 2.49%). These obligations are expected to be settled over the next twenty-four years. If the discount rate was increased by 2%, this would result in a decrease in the decommissioning obligation of N19.8 billion (2024: N134.6 billion).

See Note 5(l) for the accounting policy for decommissioning provisions.

36 Lease liabilities

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Opening balance	31,406,761	5,880,935	57,917,758	38,961,674
Addition (Note 17)	325,672	280,229	-	-
Business acquisition (Note 41)	-	26,067,092	-	-
Interest expense (Note 12a)	396,872	1,092,621	1,987,418	4,815,580
Payments	(7,226,972)	(3,659,958)	(16,860,000)	(13,048,035)
Modification	(22,426,910)	(1,306,356)	70,307	(3,001)
Transfer to withholding tax (WHT) liability (Note 38)	(4,000)	(11,006)	(4,000)	(11,006)
Exchange difference	(1,426,826)	3,063,204	(2,867,645)	27,202,546
At 31 December	1,044,597	31,406,761	40,243,838	57,917,758

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Current lease liabilities	825,751	8,043,281	40,143,093	43,799,278
Non-current lease liabilities	218,846	23,363,480	100,745	14,118,480
	1,044,597	31,406,761	40,243,838	57,917,758

37 Retirement benefit obligations

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
GROUP				
(a) Statement of financial position obligations for retirement benefit obligations	92,689,538	2,114,213	-	-
(b) Statement of profit or loss charge (Note 11b):	2,329,274	1,996,677	-	-

(c) Other comprehensive income

Remeasurement gain recognised in the statement of other comprehensive income in the period

	(83,547)	(721,730)	-	-
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The movement in the defined benefit obligation over the year is as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 1 January:				
Opening balance	2,114,213	1,556,851	-	-
Business acquisition (Note 41)	-	11,927,186	-	-
<u>Current service cost</u>				
- Oando Trading DMCC	538,568	1,999,315	-	-
- OERNL's share	64,909	11,082	-	-
- Other OERNL JV partners' share	5,592,117	1,097,075	-	-
<u>Interest cost</u>				
- Oando Trading DMCC	207,041	-	-	-
- OERNL's share	(47,750)	(5,821)	-	-
- Other OERNL JV partners' share	(4,025,610)	(576,309)	-	-
<u>Remeasurement gain recognised in statement of profit or loss</u>				
- OERNL's share	4,891	(7,899)	-	-
- Other OERNL JV partners' share	484,214	(781,962)	-	-
<u>Remeasurement gain recognised in other comprehensive income</u>				
- Oando Trading DMCC	(83,547)	(721,730)	-	-
- OERNL's share	-	-	-	-
- Other OERNL JV partners' share	96,781,196	(11,082,586)	-	-
Benefits paid	(8,652,531)	(1,607,653)	-	-
Exchange loss	(288,173)	306,664	-	-
At 31 December	92,689,538	2,114,213	-	-

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(d)		Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	The amount recognised in the statement of profit or loss are as follows:				
	Current service cost	6,195,593	2,010,397	-	-
	Interest cost	(3,866,319)	(5,821)	-	-
	Actuarial gain on long service award	-	(7,899)	-	-
		2,329,274	1,996,677	-	-

- i) Oando Trading DMCC (OTD) operates an unfunded employees' end of service benefits ("EOSB") for its employees in accordance with the respective laws in Dubai. The movement in EOSB for the year ended is as follows:

Key assumptions and quantitative sensitivity analyses

The cost of the defined benefit plan is determined using actuarial valuations carried out by AON Reinsurance Solutions, an United Arab Emirates actuarial firm - represented by Philippos Mannaris, on 31 December 2025. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and price inflation. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the yields on long term United States (US) corporate bonds as at reporting date since the local currency in United Arab Emirates (UAE) is heavily pegged to the US Dollar, suggesting that the liability could effectively be settled by purchasing a portfolio of US bonds of high quality. The applied rate is generally intended to represent the average yield on AA-rated bonds. Future salary increase is based on expected future inflation rate in UAE. The key assumptions and their sensitivity analyses are discussed further below:

	Group	Group
	2025	2024
	N'000	N'000
Discount rate	5.25%	4.84%
Salary increase rate per annum	5.0%	5.0%
Employee turnover / withdrawal rates	nil	nil
Retirement Age	60 years	60 years

The sensitivity of EOSB to changes in the weighted principal assumptions is as follows:

	2025		2024	
	Change in assumption by	Impact in N'000	Change in assumption by	Impact in N'000
Discount rate	-0.42%	(163,870)	-0.5%	(55,552)
Salary increase rate per annum	0.45%	175,575	0.5%	60,181

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.94 years (2024: 9.95 years).

- ii) OERNL operates various post employment benefit plans including pension plan, gratuity, long term service awards, post retirement medical benefits, Fuel and Diesel for Divisional and General Managers. The details of the post employment benefit plan are as follows:

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Present value of defined benefit obligation by plan				
Present value of the defined benefit obligation-wholly unfunded	(190,578,886)	(99,856,071)	-	-
Fair value of plan - pension plan	(131,749,961)	124,019,502	-	-
Gratuity scheme -	(26,682,870)	(23,883,211)	-	-
Fair value of plan - gratuity plan	(8,515,577)	26,791,066	-	-
Post retirement medical liabilities	(7,658,842)	(9,547,756)	-	-
Long service award	(1,920,485)	(2,095,443)	-	-
Fuel and Diesel for Div & General Managers	(1,788,543)	(13,590,735)	-	-
Present value of defined benefit obligation	(368,895,164)	1,837,352	-	-
Net expense recognised in profit or loss				
	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Current service cost	4,376,049	1,108,157	-	-
Interest cost	26,127,357	8,433,323	-	-
Actual admin expenses paid	1,149,140	(577,149)	-	-
Expected return on plan assets	30,200,716	(8,438,304)	-	-
Actuarial gain on long service award	(489,105)	(789,860)	-	-
Exchange rate realignment	-	(814,209)	-	-
	61,364,157	(1,078,042)	-	-
Expenses recognised in other comprehensive income for the defined benefits obligations:				
Actuarial losses/(gains) on economic assumptions	40,693,742	(72,466,536)	-	-
Actuarial losses/(gains) on demographic assumptions	1,488,002	61,383,949	-	-
	42,181,744	(11,082,587)	-	-

The Group's share of 1% of the costs have been recognised in the statement of profit or loss and other comprehensive income. OERNL JV Partners shares of 99% have been recognised in other receivables. The Group's share of amounts recognised in other comprehensive income is net of deferred tax (as shown in note 37c).

The defined benefit plans is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Alexander Forbes Consulting Actuaries Nigeria is engaged separately for this purpose.

37.1.1 Staff pension fund

OERNL's defined benefit plan provides for payment of pension to Nigerian employees at exit, which requires contributions to be made to a separately administered Closed Pension Fund (NACPFA). This plan is governed by the Pension Reform Act, which require final pensionable salary to be determined upon retirement. The level of benefits provided depends on the member's length of service and pensionable salary at retirement age. NACPFA is responsible for the administration of the plan assets and for the definition of the investment strategy. Governance on the plan is determined by the appropriate sections of the Pension Reform Act. The gratuity plan is unfunded and payment is made lumpsum to the employee at retirement

Carrying Amount	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Present value of the defined benefit obligation	190,578,886	99,856,071	-	-
Fair value of plan assets	131,749,961	(124,019,502)	-	-
Surplus of plan asset	322,328,847	(24,163,431)	-	-

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37.1.2	Reconciliation of change in defined benefit obligation	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	Present value of funded obligations at beginning of the year	99,856,071	-	-	-
	Present value of fund obligations at acquisition	-	117,410,669	-	-
	Current service cost	2,921,977	743,163	-	-
	Interest cost	18,564,261	6,384,109	-	-
	Benefit paid	(28,912,059)	(3,005,213)	-	-
	Actuarial losses/(gains) on economic assumptions	33,124,311	(56,191,370)	-	-
	Actuarial losses/(gains) on demographic assumptions	65,024,325	33,709,305	-	-
	Exchange rate realignment	-	805,408	-	-
	Present value of Fund obligations at end of the year	190,578,886	99,856,071	-	-
37.1.3	Reconciliation of change in plan assets	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	Fair value of plan assets at beginning of the year	(124,019,502)	-	-	-
	Fair value of plan assets at acquisition	-	127,067,250	-	-
	Return on plan assets	(24,376,874)	7,009,495	-	-
	Employer's contribution	(5,151,961)	2,141,202	-	-
	Benefit paid	28,912,059	(3,005,213)	-	-
	Actual admin expenses paid	1,149,140	577,149	-	-
	Actuarial (losses)/gains on demographic assumptions	(8,262,823)	(10,108,497)	-	-
	Exchange rate realignment	-	338,116	-	-
	Fair value of Plan assets at end of the year	(131,749,961)	124,019,502	-	-
	Fair value of plan assets at year end split by major asset class (%)	Group 2025 Percentage	Group 2025 N'000	Company 2025 Percentage	Company 2025 N'000
	Cash and cash equivalents	16.2%	21,387,056	18%	22,224,295.00
	Equity securities	11.8%	15,487,299	0%	161,225.00
	Debt securities	66.8%	88,046,965	80%	99,736,484.00
	Mutual funds	2.9%	3,772,250	2%	1,897,498.00
	Others*	2.3%	3,056,391	-	-
		100%	131,749,961	100%	124,019,502.00
	Others relate to deposit for shares and receivables				
37.1.4	Movement for the year	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	The movement in the staff pension fund during the period is as follows:				
	Net funded obligations at beginning of the year	(24,163,431)	-	-	-
	Net funded obligations at acquisition	-	(9,656,581)	-	-
	Current service cost	2,921,977	743,163	-	-
	Interest cost	18,564,261	6,384,109	-	-
	Actual admin expenses paid	1,149,140	(577,149)	-	-
	Employer's contribution	(5,151,961)	(2,141,202)	-	-
	Interest income on plan assets	(24,376,874)	-	-	-
	Return on plan assets	33,124,311	(7,009,495)	-	-
	Actuarial losses/(gains) on economic assumptions	65,024,325	(46,082,873)	-	-
	Actuarial losses/(gains) on demographic assumptions	(8,262,823)	33,709,305	-	-
	Exchange rate realignment	-	467,293	-	-
	Fair value of Plan assets at end of the year	58,828,925	(24,163,431)	-	-
37.1.5	Net expense recognised in profit or loss	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	Current service cost	2,921,977	743,163	-	-
	Interest cost	18,564,261	6,384,109	-	-
	Expected return on plan assets	(24,376,874)	(7,009,495)	-	-
	Actual admin expenses paid	1,149,140	(577,149)	-	-
	Exchange rate realignment	-	467,293	-	-
		(1,741,496)	7,921	-	-
37.1.6	Remeasurement recognized in other comprehensive income	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	Actuarial losses/(gains) on economic assumptions	33,124,311	(46,082,873)	-	-
	Actuarial losses/(gains) on demographic assumptions	-	33,709,305	-	-
	Actuarial losses/(gains) on experience	65,024,325	-	-	-
	Remeasurement gains on plan assets	(8,262,823)	-	-	-
		89,885,813	(12,373,568)	-	-
37.1.7	Actuarial financial assumptions				
	Principal actuarial assumptions at the reporting date (expressed as weighted averages) relates to the pension scheme are as follows:				
	Long-term average discount rate	16.76%	21.74%		
	Future average pay increase	10.53%	10.53%		
	Average rate of inflation	15.50%	15.50%		
	Pension increase rate	2.50%	2.50%		
	Actuarial demographic assumptions				
	Mortality in Service				
	The rate of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.				
	Voluntary Withdrawal from Service				
	Age Band				
	Less than or equal to 30				
		2025	2024		
	25-34	1.40%	1.40%		
	35-44	2.30%	2.30%		
	45-54	7.40%	7.40%		
	55-59	8.40%	8.40%		
	60 and above	14.40%	14.40%		

Sensitivity analysis for pension

The actuarial valuation results are based on assumptions. The value of the liability could turn out to be overstated or understated. Shown below are the sensitivity analyses results for a number of assumptions and the values of the liabilities on those bases, while keeping any other assumption constant.

	Group	
	2025	2024
	N'000	N'000
Main result	190,578,886	99,856,071
Discount rate (-1%)	184,116,296	96,988,638
Salary increase (-1%)	192,748,988	101,008,154

*In the prior period, 0.5% was used for the sensitivity calculations

The results for a 1% decrease in the liabilities are shown below.

Main result	190,578,886	99,856,071
Discount rate (-1%)	192,379,468	100,787,849
Salary increase (-1%)	183,743,419	96,766,673

	2,025	2,024
	N'000	N'000
Expected benefit payments for future years		
2025	-	12,404,593
2026	21,309,890	14,331,621
2027	19,173,482	14,476,114
2028	21,553,120	18,977,031
2029	22,929,285	17,784,772

37.2.1 Gratuity

OERNL has a defined benefit plan which comprises of gratuity provision and is based upon independent actuarial valuation performed by Alexander Forbes Consulting Actuaries Nigeria using the projected unit credit basis.

Carrying Amount	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Present value of the defined benefit obligation	26,682,870	23,883,211	-	-
Fair value of plan assets	(8,515,577)	(26,791,066)	-	-
Surplus of plan asset	18,167,293	(2,907,855)	-	-

37.2.2 Reconciliation of change in defined benefit obligation

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Present value of funded obligations at beginning of the year	23,883,211	-	-	-
Present value of unfunded obligations at acquisition	-	22,398,376	-	-
Current service cost	1,065,148	232,140	-	-
Interest cost	2,192,826	1,026,892	-	-
Benefits paid	(27,591,379)	(102,152)	-	-
Actuarial losses/(gains) on economic assumptions	5,095,672	(9,298,458)	-	-
Actuarial losses/(gains) on demographic assumptions	22,037,392	9,553,717	-	-
Exchange rate realignment	-	72,697	-	-
Present value of Fund obligations at end of the year	26,682,870	23,883,211	-	-

37.2.3 Reconciliation of change in plan assets

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Fair value of plan assets at beginning of the year	-	-	-	-
Fair value of plan assets at beginning of the year	(26,791,066)	-	-	-
Fair value of plan assets at acquisition	-	26,125,244	-	-
Return on plan assets	(5,823,842)	1,428,809	-	-
Employer's contribution	(2,440,048)	(2,155,384)	-	-
Benefit paid	27,591,379	(102,152)	-	-
Administration costs	131,836	-	-	-
Remeasurement gains/losses on plan assets	(1,183,836)	-	-	-
Exchange rate realignment	-	1,494,549	-	-
Fair value of Plan assets at end of the year	(8,515,577)	26,791,066	-	-

Fair value of plan assets at year end split by major asset class (%)

	Group	Group	Company	Company
	2025	2024	2024	2024
	Percentage	N'000	N'000	N'000
Cash and cash equivalents	22.8%	1,937,968	18.0%	4,822,392
Equity securities	2.8%	234,510	2.0%	535,821
Debt securities	64.9%	5,529,599	72.0%	19,289,568
Mutual funds	9.4%	800,000	8.0%	2,143,285
Others*	0.2%	13,499	-	-
	100%	8,515,577	100%	26,791,066

Others relate to deposit for shares and receivables.

37.2.4 Net expense recognised in profit or loss

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Current service cost	1,065,148	232,140	-	-
Interest cost	2,192,826	1,026,892	-	-
Return on plan assets	(5,823,842)	(1,428,809)	-	-
Administrative costs	131,836	-	-	-
Exchange rate realignment	-	(1,421,853)	-	-
	(2,434,032)	(1,591,630)	-	-

37.2.5 Remeasurement gain on other long term employee benefits

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Actuarial losses/(gains) on economic assumptions	5,095,672	(9,298,458)	-	-
Actuarial losses/(gains) on demographic assumptions	22,037,392	9,553,717	-	-
Remeasurement gains/losses on plan assets	(1,183,836)	-	-	-
	25,949,228	255,259	-	-

37.2.6 Actuarial financial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) relates to the gratuity scheme as follows:

	2025	2024
Discount rates	16.76%	21.74%
Salary increase rate	10.53%	10.53%

Sensitivity analysis for pension

The actuarial valuation results are based on assumptions. The value of the liability could turn out to be overstated or understated. Shown below are the sensitivity analyses results for a number of assumptions and the values of the liabilities on those bases, while keeping any other assumption constant.

	2025	2024
Main result	26,682,870	23,883,211
Discount rate (+0.5%)	26,078,146	23,405,590
Salary increase rate (+0.5%)	27,353,862	24,432,597

A 0.5 percent decrease in the actuarial assumptions would have increased/(decreased) the present value of funded/unfunded obligation as at 31 December 2024 by the amounts show below:

	2025	2024
Discount rate +0.5%	27,312,246	24,378,507
Salary increase rate+ .05%	26,033,989	23,350,785

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and the changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

37.3.1 Post employment medical plan liabilities

	Group 2025	Group 2024	Company 2025	Company 2024
Present value of the defined benefit obligation	7,658,842	9,547,756	-	-
	7,660,867	9,549,780	-	-

37.3.2 Reconciliation of change in defined benefit obligation

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Present value of unfunded obligations at beginning of the year	9,547,756	-	-	-
Present value of unfunded obligations at acquisition	-	6,575,591	-	-
Current service cost	101,807	23,098	-	-
Interest cost	2,000,274	216,755	-	-
Benefits paid	(693,726)	(1,353,277)	-	-
Actuarial losses/(gains) on economic assumptions	1,944,295	(5,861,044)	-	-
Actuarial losses/(gains) on demographic assumptions	(5,241,564)	9,989,655	-	-
Exchange rate realignment	-	(43,022)	-	-
Present value of Fund obligations at end of the year	7,658,842	9,547,756	-	-

37.3.3 Net expense recognised in profit or loss

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Current service cost	101,807	23,098	-	-
Interest cost	2,000,274	216,755	-	-
Exchange rate realignment	-	(43,022)	-	-
	2,102,081	196,831	-	-

37.3.4 Remeasurement gain on other long term employee benefits

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Actuarial losses/(gains) on economic assumptions	1,944,295	(5,861,044)	-	-
Actuarial losses/(gains) on demographic assumptions	(5,241,564)	9,989,655	-	-
	(3,297,269)	4,128,611	-	-

37.3.5 Actuarial financial assumptions

	2025	2024
Discount rate	16.8%	21.7%
Medical inflation rate	12.5%	12.5%
Benefit Increase rate	6.0%	6.0%

Actuarial demographic assumptions

The rate of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	2025	2024
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

Voluntary withdrawal from service

It was assumed that voluntary withdrawals would be in accordance with the following table:

Age band	2025	2024
Less than 20	0.0%	0.0%
20-25	1.5%	1.5%
26-45	0.0%	0.0%
46-59	5.0%	5.0%
60 and above	0.0%	0.0%

Sensitivity analysis for post retirement medical plan

The actuarial valuation results are based on assumptions. The value of the liability could turn out to be overstated or understated. Shown below are the sensitivity analyses results for a number of assumptions and the values of the liabilities on those bases, while keeping any other assumption constant.

	2025		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in discount rate			
Defined benefit obligation	7,658,842	7,281,780	8,078,352
	2025		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in medical inflation rate			
Defined benefit obligation	7,658,842	8,114,550	7,246,356
	2024		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in discount rate			
Defined benefit obligation	9,547,756	9,211,657	9,910,292
	2024		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in medical inflation rate			
Defined benefit obligation	9,547,756	9,956,280	9,166,761

37.4.1 Long service award

OERNL has other long term employee benefits which is the long term service award.

The provision was based on independent actuarial valuation performed by Alexander Forbes Consulting Actuaries Nigeria using the projected unit credit as at 31 December 2024. The scheme is funded on a pay as you go basis by OERNL

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance, beginning of the year	2,095,443	-	-	-
Balance at acquisition	-	2,701,788	-	-
Current service cost	119,940	46,168	-	-
Interest cost	429,892	120,899	-	-
Benefit paid	(235,685)	(16,310)	-	-
Actuarial losses/(gains) on economic assumptions	431,787	(925,200)	-	-
Actuarial losses/(gains) on demographic assumptions	(920,892)	135,340	-	-
Exchange rate realignment	-	32,758	-	-
	1,920,485	2,095,443	-	-

37.4.2 Net expense recognised in the profit or loss

Current service cost	119,940	46,168	-	-
Interest cost	429,892	120,899	-	-
Actuarial losses/(gains) on economic assumptions	431,787	(925,200)	-	-
Actuarial losses/(gains) on demographic assumptions	(920,892)	135,340	-	-
Exchange rate realignment	-	32,758	-	-
	60,727	(590,035)	-	-

37.4.3 Actuarial financial assumptions

	2025	2024
Discount rate (p.a)	16.8%	21.7%
Benefit inflation rate (p.a)	14.7%	14.7%

Actuarial Demographic Assumptions

The rate of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	2025	2024
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

Voluntary withdrawal from service

It was assumed that voluntary withdrawals would be in accordance with the following table:

Age band	2025	2024
Less than 20	0.0%	0.0%
20-25	1.5%	1.5%
26-45	0.0%	0.0%
46-59	5.0%	5.0%
60 and above	0.0%	0.0%

Sensitivity analysis for long service award

The actuarial valuation results are based on assumptions. The value of the liability could turn out to be overstated or understated. Shown below are the sensitivity analyses results for a number of assumptions and the values of the liabilities on those bases, while keeping any other assumption constant.

	2025		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in discount rate			
Defined benefit obligation	1,920,485	1,868,847	1,974,473
	2025		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in benefit inflation rate			
Defined benefit obligation	1,920,485	1,971,524	1,871,231
	2024		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in discount rate			
Defined benefit obligation	2,095,443	2,050,098	2,142,715
	2024		
	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Change in benefit inflation rate			
Defined benefit obligation	2,095,443	2,141,940	2,050,519

37.5.1 Post employment fuel EOS liabilities

The movement in the fuel EOS liabilities during the period is as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance, beginning of the year	13,590,735	-	-	-
Balance at acquisition	-	16,037,000	-	-
Current service cost	167,177	63,589	-	-
Interest cost	2,940,104	684,668	-	-
Benefits paid	(131,111)	(252,248)	-	-
Actuarial losses/(gains) on economic assumptions	529,464	(11,224,160)	-	-
Actuarial losses/(gains) on demographic assumptions	(15,307,826)	8,131,271	-	-
Exchange rate realignment	-	150,615	-	-
Balance, end of the year	1,788,543	13,590,735	-	-

37.5.2 Expense recognized in profit or loss:

Current service cost	167,177	63,589	-	-
Past service cost	-	684,668	-	-
Interest cost	2,940,104	(252,248)	-	-
Exchange realignment	-	150,615	-	-
	3,107,281	646,624	-	-

Expenses recognized in other comprehensive income

Actuarial (losses)/gains on assumptions	529,464	(11,224,160)	-	-
Actuarial loss on experience	(15,307,826)	8,131,271	-	-
	(14,778,362)	(3,092,889)	-	-

37.5.3 Actuarial financial assumptions

Discount rates	2025	2024
Salary increase rate	16.8%	21.7%
	14.7%	14.7%

Actuarial demographic assumptions

The rate of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	2025	2024
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

Voluntary withdrawal from service

It was assumed that voluntary withdrawals would be in accordance with the following table:

Age band

Less than 20	2025	2024
20-25	0.0%	0.0%
26-45	1.5%	1.5%
46-59	0.0%	0.0%
60 and above	5.0%	5.0%
	0.0%	0.0%

Sensitivity analysis

	2025		
Change in discount rate	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Defined benefit obligation	1,788,543	1,718,527	1,863,645
	2025		
Change in benefit inflation rate	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Defined benefit obligation	1,788,543	1,864,435	1,717,262
	2024		
Change in discount rate	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Defined benefit obligation	13,590,735	13,291,939	13,904,609
	2024		
Change in benefit inflation rate	Base Liability (N'000)	+0.5% Change (N'000)	-0.5% Change (N'000)
Defined benefit obligation	13,590,735	13,920,690	13,274,895

a) Risk exposure

Through its defined benefit pension plans, the Group is exposed to several risks. The most significant of which are detailed below:

b) Liquidity risk

The plan liabilities are not fully funded and as a result, there is a risk that the Group may not have the required cash flow to fund future defined benefit obligations as they fall due.

c) Inflation risk

This is the risk of an unexpected significant rise/fall of market interest rates. A rise leads to a fall in long term asset values and a rise in liability values.

d) Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

e) Asset volatility

The Group holds a significant proportion of its plan assets in fixed income securities and money market instruments, with limited exposure to equities.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

38 (a) Other long term payables

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Deferred consideration	111,961,593	139,005,774	-	-
	111,961,593	139,005,774	-	-

The deferred consideration (through Oando Oil II) relates to the acquisition of NAOC. In accordance with IFRS 3, the deferred consideration has been discounted to its present value, and would be settled in equal instalments annually up till 31st October 2034.

38 (b) Trade and other payables	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Trade payables - Products	1,015,351,594	1,265,994,349	7,116,135	7,973,286
Trade payables - Other vendors	27,281,153	22,944,638	-	-
Other payables	1,852,676,836	492,910,665	12,410,683	9,306,443
Statutory payables (WHT, VAT, PAYE and NCDF deductions)	208,853,920	47,384,806	13,813,975	9,477,721
WHT transferred from lease liability (Note 36)	4,000	11,006	4,000	11,006
Accrued expenses	971,129,170	717,560,828	54,640,765	75,513,522
Amount due to related parties (Note 42xiv)	-	-	167,520,255	184,470,110
Deferred income	361,566	637,090	-	-
	<u>4,075,658,239</u>	<u>2,547,443,382</u>	<u>255,505,813</u>	<u>286,752,088</u>

Trade & other payables are non-interest bearing and are normally settled within one year. The carrying amounts of trade and other payables for 2025 and 2024 respectively approximate their fair values.

The Group's other payables largely relates to royalties payable of N248.3 billion (2024: N198.5 billion), payable to QPR N235.6 million (2024: N235.6 million), payables on overlift of N13.2 billion (2024: N6.3 billion) bid deposits received on the attempted sale of Alausa prior to 2017 which is yet to be fully refunded to the initial buyer of N217.4 million (2024: N217.4 million), current portion of deferred consideration payment to ENI in relation to the NAOC acquisition of N89.7 billion (2024: N65.7 billion), factoring liability to Averyrow Trading of N306.8 billion (2024: nil) and amounts payable to partners N1.1 trillion (2024: N203.4 billion).

The Company's other payables largely relates to non-trade payables to vendors N11.9 billion (2024: N8.84 billion), payable to QPR N235.6 million (2024: N235.6 million), and bid deposits received on the attempted sale of Alausa prior to 2017 which is yet to be fully refunded to the initial buyer of N217.4 million (2024: N217.4 million).

38 (c) Debt Factoring Agreements

On 24 December 2025, Averyrow Trading DMCC (the "Factor") entered into a factoring agreement with Oando Energy Resources Nigeria Limited ("OERNL"), Oando Petroleum Natural Gas Company Limited ("OPNGL") and Oando Oil Limited ("OOL"), all three collectively referred to as "Clients". Simultaneously on the same date, ACP Capital Partners Limited (the "Factor") and Averyrow Trading DMCC (the "Client") entered into a factoring agreement. The terms of both factoring agreements mirror each other.

The subject of the factoring agreements is the power purchase receivable of US\$225 million from Nigerian Bulk Electricity Trading ("NBET") Plc under the Kwale-Okpai Independent Power Plant Power Purchase Agreement. Under the factoring agreement, Oando Energy Resources Nigeria Limited receives 95% of the value of the receivable which is US\$213.75 million.

Oando Energy Resources Nigeria Limited received said amount of US\$213.75 million on 6 January 2026 (value date: 31 December 2025).

39 Dividend payable	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Unpaid dividend (Note 40b)	1,650,277	1,650,277	1,650,277	1,650,277

40 Supplementary cash flows information

(a) Cash generated from/(used in) operations

Reconciliation of profit/(loss) before income tax to cash generated from operations:	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Profit before income tax	135,759,960	383,820,117	474,425,189	122,291,080
Adjustment for:				
Interest income (Note 12b)	(288,032,431)	(47,197,353)	(2,065,581)	(4,061,008)
Interest expenses (Note 12a)	357,698,563	240,151,919	24,623,489	52,848,721
Depreciation (Note 15)	93,415,127	68,066,535	934,234	463,012
Depreciation to right-of-use asset (Note 10c, 17)	2,943,770	3,176,870	1,373,770	1,511,782
Amortisation of intangible assets (Note 10c, 16)	2,478,697	-	731,311	-
Impairment of investment in an associate (Note 10d)	2,295,800	-	-	-
(Reversal of impairment)/impairment allowance on current receivables (Note 25b)	(446,678,815)	71,604,924	13,264,095	194,784,108
Impairment allowance/(reversal of impairment) on finance lease (Note 22ii)	5,196,257	4,622,704	(397,000)	474,323
Reversal of impairment allowance on investment in subsidiaries	-	-	-	(50,970,378)
Impairment allowance on investment (Note 29)	-	-	99,196	-
Loss on disposal of marketable securities (Note 28)	2,851	-	2,851	-
Gain on bargain purchase (Note 9)	-	(784,815,612)	-	-
Share of gain from associate (Note 19)	(1,452,835)	(2,777,443)	-	-
Loss on disposal of property, plant and equipment	9,817	3,190,292	9,817	-
Unwinding of discount on provisions (Note 12a, 35)	16,939,716	(4,316,099)	40,944	16,317
Dividend income from financial assets at fair value through profit or loss (Note 28)	(9,843)	-	(9,843)	-
Unwinding of discount on deferred consideration (Note 12a)	20,050,963	-	-	-
Write-off of PPE	2,173,972	-	-	-
Write off of receivables	183,759,505	-	-	-
Intercompany debt forgiveness (Note 9)	-	-	(506,394,453)	-
Fair value loss on commodity options (Note 21)	10,826,722	10,842,798	-	-
Unrealised foreign exchange loss/(gain) (Note 10)	201,058,528	(157,028,384)	(1,470,890)	11,334,992
Gratuity provisions	762,767	2,004,575	-	-
Write-off of intangible	3,213,517	-	-	-
Gain on modification of lease contract	(1,150,267)	-	-	-
Write-off of finance lease receivables	131,670,902	-	-	-
Loss on modification of finance lease	72,595,581	-	-	-
Fair value gain on commodity options (Note 21)	(150,505,981)	(7,611,481)	-	-
Fair value gain on valuation of investment properties (Note 18)	(6,529,050)	(3,135,050)	(6,529,050)	(3,135,050)
Fair value loss/(gain) on financial assets at fair value through profit or loss (Note 28)	90,525	(283,160)	90,525	(283,908)
Non-cash other income	-	(3,189,736)	-	-
Changes in working capital				
(Increase)/decrease in receivables and prepayments (current)	(1,475,598,235)	1,171,295,147	(4,214,246)	141,390,966
(Increase)/decrease in inventories	(2,321,960)	22,524,193	-	-
(Increase)/decrease in short-term investments	(26,777,907)	(686,666)	126,755	(686,666)
Increase/(decrease) in payables and accrued expenses	1,414,399,436	(1,470,569,514)	44,471,530	(473,007,506)
	<u>258,285,652</u>	<u>(500,310,425)</u>	<u>39,112,643</u>	<u>(7,029,215)</u>

(b) Changes in liabilities arising from financing activities
GROUP

	1-Jan-25	Cash flows - proceeds	Cash flows - payment	Foreign exchange movement	Other	31-Dec-25
2025	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings (current and non-current)	2,771,883,888	1,022,815,217	(863,137,162)	(168,925,026)	31,585,035	2,695,370,098
Interest bearing lease liabilities (current and non-current)	31,406,761	-	(7,226,972)	(1,426,826)	(21,708,366)	1,044,597
Dividends payable (Note 39)	1,650,277	-	-	-	-	1,650,277
Total liabilities from financing activities	2,804,940,926	1,022,815,217	(870,364,134)	(170,351,852)	9,876,669	2,698,064,972
2024	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings (current and non-current)	818,343,851	2,236,904,097	(752,930,279)	469,566,219	-	2,771,883,888
Interest bearing lease liabilities (current and non-current)	5,880,935	-	(3,659,958)	3,063,204	26,122,580	31,406,761
Dividends payable (Note 39)	1,650,277	-	-	-	-	1,650,277
Total liabilities from financing activities	825,875,063	2,236,904,097	(756,590,237)	472,629,423	26,122,580	2,804,940,926
COMPANY	1-Jan-25	Cash flows - proceeds	Cash flows - payment	Foreign exchange movement	Other*	31-Dec-25
2025	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings (current and non-current)	124,141,762	2,914,196	(35,723,849)	(1,673,840)	-	89,658,269
Interest bearing lease liabilities (current and non-current)	57,917,758	-	(16,860,000)	(2,867,645)	2,053,725	40,243,838
Dividend payable (Note 39)	1,650,277	-	-	-	-	1,650,277
Total liabilities from financing activities	183,709,797	2,914,196	(52,583,849)	(4,541,485)	2,053,725	131,552,384
2024	N'000	N'000	N'000	N'000	N'000	N'000
Current interest bearing loans and borrowings	104,991,721	16,646,000	(4,050,101)	9,536,801	(2,982,659)	124,141,762
Interest bearing lease liabilities (current and non-current)	38,961,674	-	(13,048,035)	27,202,546	4,801,573	57,917,758
Dividend payable (Note 39)	1,650,277	-	-	-	-	1,650,277
Total liabilities from financing activities	145,603,672	16,646,000	(17,098,136)	36,739,347	1,818,914	183,709,797

*The 'Other' column includes provision for interest expense on lease liabilities, additions/modification of leases, transfer to withholding tax liability and amortization of transaction costs.

41 Business acquisitions

The following business acquisitions occurred in 2024 and have been accounted for in the 2024 audited consolidated and separate financial statements:

a) Business acquisition and completion of the sale and purchase of Agip's 20% working interests in OML 60 - 63

On 22 August 2024, Oando PLC through its subsidiaries, Oando Petroleum and Natural Gas LTD ("OPNGL") and Oando Oil II Cooperatief U.A. ("Oil II"), completed the acquisition of Eni's subsidiary, Nigerian Agip Oil Company Limited ("NAOC") by acquiring 100% of its issued share capital from Eni Oil Holdings B.V. OPNGL obtained a \$500 million Reserve Based Lending (RBL) Facility from Indorama Capital Holdings Pte. Ltd. (\$150 million) and African Export-Import Bank (\$350 million) and a \$150 million Junior Facility from Mercuria Asia Resources Pte Limited for the financing of the acquisition with OER acting as the guarantor for the facilities.

Following the acquisition, NAOC was renamed Oando Energy Resources Nigeria Limited ("OERNL") with OPNGL now holding 19% non-operating interest in the Oil Mining Leases ("OMLs") 60, 61, 62, and 63 as well as related infrastructure and facilities in the NAOC Joint Venture ("NAOC JV") with residual 1% interest retained in OERNL. The other joint interest owners currently are the NNPC Exploration and Production Limited ("NEPL") with a 60% interest and Oando Oil Limited ("OOL") (20% interest).

OPNGL's 19% interest acquisition was accounted for as a business combination as OML 60 - 63 is an existing joint operation in the production phase with input, activities and output, which meets the definition of a business under IFRS 3.

b) Acquisition of Oando Gazelle Limited - Mauritius, formerly GFront Enterprise Limited

Oando PLC (the 'Buyer') through its Company Secretary (Ms. Ayotola Jagun) in line with a nominee agreement wherein she was holding the equity interests for and on behalf of Oando PLC acquired 100% equity stake in GFront Enterprise Limited ("Gfront") from Fei Peng (the 'Seller') on 18 April 2024. The shares were transferred to Oando PLC on 28 June 2024. The Buyer received the entire Ordinary Shares (100 Ordinary Shares) of Gfront from the Seller for a consideration of US\$100 and the name of the entity was changed from Gfront Enterprise Limited to Oando Gazelle Limited on 23 July 2024. The transaction has been accounted for as a business combination in these consolidated and separate financial statements.

c) Acquisition of Oando Yield Ltd (OYL), formerly Nziza Hospitality Ltd

Oando PLC (the 'Buyer') through its Company Secretary (Ms. Ayotola Olubunmi Jagun) in line with a nominee agreement wherein she was holding the equity interests for and on behalf of Oando PLC acquired 100% equity stake in Nziza Hospitality Limited ("Nziza") from Bernard Alinetwe (the 'Seller') on 17 April 2024. The shares were transferred to Oando PLC on 28 June 2024. The Buyer received the entire Ordinary Shares (100 Ordinary Shares) of Nziza from the Seller for a consideration of US\$100 and the name of the entity was changed from Nziza Hospitality Limited to Oando Yield Limited on 23 July 2024. The transaction has been accounted for as a business combination in these consolidated and separate financial statements.

Details of the purchase consideration, the net assets acquired and gain on bargain purchase are as follows:

	Share acquisition with residual 1% interest through Oil II N'000	19% non- operating interest acquisition through OPNGL N'000	Oando Gazelle Limited - Mauritius N'000	Oando Yield Ltd (OYL) N'000	Total N'000
Purchase consideration					
Cash consideration	81,747,765	796,233,500	-	-	877,981,265
Cargo proceeds	46,334,420	-	-	-	46,334,420
Deferred consideration	137,959,131	-	-	-	137,959,131
Net purchase price adjustment	13,557,015	-	147	147	13,557,309
Total purchase consideration	279,598,331	796,233,500	147	147	1,075,832,125

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	Fair value				Total N'000
	Share acquisition with residual 1% interest through Oil II N'000	19% non-operating interest acquisition through OPNGL N'000	Oando Gazelle Limited - Mauritius N'000	Oando Yield Ltd (OYL) N'000	
The assets and liabilities recognised as a result of the acquisition are as follows:					
Assets					
Property, plant and equipment (Note 15)	78,795,690	1,406,128,492	-	-	1,484,924,183
Decommissioning costs (Note 15)	18,182,947	345,475,998	-	-	363,658,946
Right-of-use assets (Note 17)	-	23,559,514	-	-	23,559,514
Inventory	3,025,024	57,475,454	-	-	60,500,478
Trade and other receivables	1,451,829,573	-	147	147	1,451,829,867
Deferred tax assets (Note 20)	-	9,265,028	-	-	9,265,028
Finance lease receivables	6,997,080	132,944,525	-	-	139,941,605
Cash	76,580,050	-	-	-	76,580,050
Equity Investment (Note 28)	20,857	-	-	-	20,857
Trade payables	(908,725,029)	-	-	-	(908,725,029)
Current income tax liabilities (Note 13b)	(47,087,515)	-	-	-	(47,087,515)
Overlift	(8,008,509)	-	-	-	(8,008,509)
Lease liabilities (Note 36)	(1,303,355)	(24,763,738)	-	-	(26,067,092)
Retirement obligation (Note 37c)	(11,927,186)	-	-	-	(11,927,186)
Provisions	(250,844,561)	(131,316,518)	-	-	(382,161,079)
Deferred tax liability (Note 20)	(1,997,435)	-	-	-	(1,997,435)
Decommissioning liability (Note 35)	(18,182,947)	(345,475,998)	-	-	(363,658,946)
Net identifiable assets acquired	387,354,685	1,473,292,759	147	147	1,860,647,738
Less: gain on bargain purchase	(107,756,355)	(677,059,258)	-	-	(784,815,613)
Net assets acquired	279,598,331	796,233,501	147	147	1,075,832,125

The Group acquired the companies to increase its upstream activities.

(d) For the purpose of cashflow	Share acquisition with residual 1% interest through Oil II		19% non-operating interest acquisition through OPNGL		Total N'000
	N'000	N'000	N'000	N'000	
Purchase consideration					
Cash consideration			81,747,765	796,233,500	877,981,265
Cargo proceeds			46,334,420	-	46,334,420
Less: OERNL's cash			(76,580,050)	-	(76,580,050)
Acquisition of subsidiary net of cash					847,735,634

The net assets recognised above were based on assessment of their fair value on the date of acquisition using the income, cost and market approach as required by the IFRS 3 fair value assessment. Valuation of items such as property, plant and equipment valued using the replacement cost approach was concluded within the measurement periods in line with the requirements of IFRS 3 and the fair values have been adjusted. This adjustment will impact on the gain on bargain purchase already reported in the financial statements.

Following the acquisition of NAOC now OERNL:

Revenue and profit

From the date of acquisition till 31 December 2024, OERNL contributed N10.7 billion of revenue and loss of N127.7 billion to loss before tax from continuing operations of the Group.

Trade and other payables

The acquisition date fair value of the trade and other payables amounts to N908.7 billion. It is expected that the full contractual amount will be settled.

Property, plant & equipment (PPE)

From the date of acquisition till 31 December 2024, NAOC acquisition increased the Group's PPE by N93.4 billion. The PPE asset acquired includes production wells, WIP capital construction, exploration wells, pipeline terminals, independent power plant and machinery, and other equipment.

Inventories

From the date of acquisition till 31 December 2024, NAOC acquisition increased the Group's inventories by N924.4 million. The inventories include material & supplies and crude/petroleum products from the fields.

Trade and other receivables - net of provisions

The acquisition date fair value of the trade and other receivables amounts to N1.5 Trillion. The trade and other receivables relates to amount due from trade receivables, JV receivable from Partners and other receivables. It is expected that the full contractual amounts can be collected.

Bank balances

Bank balances acquired relates to bank balances in various banks used by the acquiree as at the acquisition date.

Retirement benefit obligation

This relates to the defined benefit plan for funded pension trust fund for employees at exit. The value has been determined in line with the requirements of IAS 19 based on the values reported on the actuarial valuation reports.

Deferred tax liabilities

The deferred tax relates to timing differences arising from property, plant and equipment, inventory, miscellaneous items and right of use asset. This also includes deferred tax impact of all acquiree's asset and liabilities that has been fair valued in line with the requirement of IFRS 3.

Provisions for decommissioning obligations

This relates to the provisions made for the abandonment and decommissioning of the oil facilities. The abandonment facilities consist of the wells and the associated infrastructure.

Lease Liabilities

The lease liabilities relate to the lease of plant and machineries. The carrying amounts have been adjusted for the impact of IFRS 16.

Deferred Consideration

The Group's deferred consideration (through Oando Oil II) relating to the acquisition of NAOC amounts to N263.2 billion. In accordance with IFRS 3, the deferred consideration has been discounted to its present value, resulting in a balance of N137.9 billion as at the acquisition date, which has been used in determining the total purchase consideration. The total amount which is due to be paid within one year from December 2024 is N65.7 billion (Note 38), while the remaining portion would be settled in equal instalments annually up till 31st October 2034.

Previously identified assets

The application of the recognition principle and conditions may result in recognising some assets and liabilities that the Group had not previously recognised as assets and liabilities in its financial statements. Based on the valuation report to identify and measure any previously unrecognized intangible assets, it was determined there were no such assets in NAOC. Further to this, the existing intangible assets have also been excluded from the net assets acquired because they are outside the transaction perimeter.

Transaction costs

Transaction costs of N75.6 billion in respect of the acquisition have been recognised in the 2024 statement of profit or loss of OPNGL. They include solicitors fees, transaction advisers fees, brokers, IT & personnel costs and services rendered as part of the operations readiness work, amongst others.

42 Related party transactions

Ocean and Oil Development Partners Limited (OODP) has the shareholding of 21.97% in Oando PLC at 31 December 2025. Equity Leaf Limited has a shareholding of 17.15%. The remaining 31.92% shares are widely held. 28.96% shareholding in the company are being held as treasury shares. OODP is ultimately owned 66.67% by the Group Chief Executive and 33.33% by the Deputy Group Chief Executive of the Company.

The following transactions existed between Oando PLC (the "Company") and some related parties during the year under review:

- (i) Shareholder Agreements dated July 24, 2012 between Oando PLC and Oando Netherlands Holding 2 BV (Holdco 2) in respect of Oando Akepo Limited (Oando Akepo); Oando PLC and Oando Netherlands Holding 3 BV (Holdco 3) in respect of Oando Petroleum Development Company Limited ("OPDC2") (which owns 95% of the shares of OPDC); Oando PLC and Oando OML 125 & 134 BVI in respect of Oando OML 125&134. Shareholder agreements dated April 30, 2013 between Oando PLC and Oando Netherlands Holding 4 BV (Holdco 4) and Oando Netherlands Holding 5 BV (Holdco 5) in respect of Oando Qua Ibo Limited (OQIL) and Oando reservoir and Production Services Limited (ORPSL), respectively. Shareholder agreements dated July 31, 2014 between Oando PLC and Oando OPL 214 Holding BV (Holdco 214), Oando OML 131 Holding BV (Holdco 131), Phillips Oil Company Nigeria Limited (POCNL – name subsequently changed to Oando Oil Limited - OOL), Phillips Deepwater Exploration Nigeria Limited (PDENL – name subsequently changed to Oando Deepwater Exploration Limited - ODEL), and Conoco Exploration and Production Nigeria Limited (CEPNL – name subsequently changed to Oando 131 Limited), respectively Oando PLC owns Class A shares and each of Holdco 2, Holdco 3, Oando OML 125&134 BVI, Holdco 4, Holdco 5, Holdco 214, and Holdco 131 (together the "Holdco Associates") owns Class B shares, in each of Oando Akepo, OPDC2, Oando OML 125&134, OQIL, ORPSL, OOL, ODEL, and Oando 131 Limited (the "Operating Associates"), respectively. Ownership of the Class A shares by Oando PLC provides it with 60% voting rights but no rights to receive dividends or distributions from the applicable Operating Associate, except on liquidation or winding up. Ownership of the Class B shares entitles the Holdco Associates (each an indirectly wholly-owned subsidiary of the Corporation) to 40% voting rights and 100% dividends and distributions, except on liquidation or winding up. Pursuant to each of these agreements, Oando PLC, on the one hand, and the respective Holdco Associates, on the other hand, agreed to exercise their respective ownership rights in accordance with the manner set forth in the shareholder agreements.
- Pursuant to the shareholder agreements, each of Oando PLC and the respective Holdco Associate is entitled to appoint two directors to the board of Oando Akepo, OPDC2, Oando OML 125&134, OQIL, ORPSL, POCNL, PDENL, and CEPNL respectively, with the Holdco Associate being entitled to appoint the Chairman, who has a casting vote. In addition, the applicable Holdco Associate has the power to compel Oando PLC to sell its Class A shares for nominal consideration. The shareholder agreements in respect of most of the Operating Associates were filed on www.sedar.com under "Oando Energy Resources Inc.". No amounts have been paid or are due to be paid by either party to the other under the shareholder agreements. During the period, the Corporation didn't incur any amounts under this agreement (2024 - Nil).
- (ii) Right of First Offer Agreement ("ROFO Agreement") dated September 27, 2011, as amended, between Oando PLC and OER. Pursuant to the ROFO Agreement, OER has the right to make an offer to Oando PLC in respect of certain assets owned by Oando PLC in accordance with the terms of the ROFO Agreement. No amounts have been paid or are due to be paid under the ROFO Agreement. On September 27, 2013, the ROFO agreement between OER and Oando PLC was amended. The amendment terminates the ROFO agreement on the first date on which Oando PLC no longer holds, directly or indirectly, at least 20% of the issued and outstanding common shares of OER. Prior to the amendment, the right of first offer in the ROFO would have terminated on September 27, 2013. OER has no amounts due to Oando PLC under this agreement (2024 - Nil). During the year, OER didn't incur any amounts under this agreement (2024 - Nil).
- (iii) Referral and Non-Competition Agreement dated July 24, 2012 between Oando PLC and OER. Pursuant to this agreement, Oando PLC is prohibited from competing with OER except in respect of the assets referred to in the ROFO Agreement until the later of July 25, 2014 and such time as Oando PLC owns less than 20% of the shares of OER. Oando PLC is also required to refer all upstream oil and gas opportunities to OER pursuant to this agreement. In addition, in the event that Oando PLC acquired any upstream assets between September 27, 2011 and July 24, 2012, Oando PLC is required to offer to sell these assets to OER at a purchase price consisting of the amount paid by Oando PLC for the assets, together with all expenses incurred by Oando PLC to the date of the acquisition by OER, plus an administrative fee of 1.75%. OER has no amounts due to Oando PLC under this agreement in respect of the COP acquisition (2024 - Nil).
- (iv) Cooperation and Services Agreement dated July 24, 2012 between Oando PLC and OER. Pursuant to this agreement, Oando PLC agreed, until the later of July 24, 2017 and such time as Oando PLC owns less than 20% of the shares of OER, to provide certain services to OER, including in respect of legal services in Nigeria, corporate secretariat and compliance services in Nigeria, corporate finance, procurement, corporate communications, internal audit and control, information technology, human capital management, environment, health, safety, security and quality and administrative services. These services are to be provided to OER on the basis of the cost to Oando PLC plus a margin of 10%. The independent directors of OER are entitled to approve all such cost allocations. At any time, OER may elect to terminate any of the services under the agreement provided such notice is effective only on December 31 or June 30 of any year and such notice has been given at least 60 days in advance. Once terminated, Oando PLC shall have no further obligation to make available the services as have been so terminated and equitable adjustments shall be made as to the cost for the remaining services, if any, that are continued to be supplied by Oando PLC to OER under the agreement. During the period, OER incurred \$5.0 million under this agreement (2024 - \$5.2 million).
- (v) Pursuant to the completion of the Oando reorganization in July 2012, the cumulative amount advanced by Oando PLC to Equator Exploration Limited ("EEL"), subsidiary of OER of N1.1 billion (US\$7.2 million) as of 21 December 2012 was classified as loan payable in EEL's books and loan receivable in Oando PLC's books. The carrying amount of the loan using effective interest method was N1.3 billion at 31 December 2012. The amount increased to N2.4 billion at 31 December 2015 (2014: N2.0 billion) due to accrued interest. During 2016, the Company impaired the receivable and accrued interest of N2.7 billion. In 2025, the Company accrued an interest of N1.8 billion (2024: N1.8 billion) and impaired the receivable (interest inclusive) in line with IFRS 9. The impairment was reversed on consolidation. In addition, the receivables and payables in the books of the Company and EEL respectively have been eliminated on consolidation.
- (vi) The Company signed an amendment to the operating lease agreement with a subsidiary, XRS II Ltd in 2015. The Company, the lessee in the agreement, agreed to lease the Bombardier XRS aircraft owned by XRS II Ltd, the lessor, for a period of earlier of eighty-four months from the execution date and date of termination of the agreement. The Agreement shall terminate in the following circumstances i) the termination of the Aircraft Facility Agreement by the Lender (Investec Bank (Mauritius) Limited) ii) mutual consent of Oando PLC and XRS II provided consent has been sought from the Lender, iii) upon notice from the Lender than an event of default has occurred and is continuing under the Aircraft Facility Agreement and iv) at any time after the end of the Availability Period (as defined in the Aircraft Facility Agreement). An addendum to this agreement was signed on the 19th of November 2021, the new lease term will be for 5 years from the execution date. XRS II sold its main asset - 2009 Bombardier Global Express Aircraft to Shearwater Aero Capital Leasing OXRS, LLC a company incorporated in Delaware, USA. On 24 June 2022, this same asset was leased by Shearwater Aero Capital – Lessor' (the new owner) to the former owner (XRS II Limited) - Lessee'.

XRS II Ltd recognized income of N16.3 billion (\$10.8 million) which arose from the agreement in 2025 (2024: N16.3 billion/10.7 million) and received payments amounting to N10.7 billion (\$7.1 million) during the year. In addition, the outstanding loan amount from XRS II to the Company was N13.2 billion (2024: N14.1 billion). The net receivables in the books of the Company at year-end was N4.5 billion/\$3.1 million (2024: N4.9 billion/\$3.2 million) and this amount was fully impaired. The income, impairment and loan have been eliminated on consolidation.

(vii) The Company donated N467.3 million (2024: N1.45 billion) and OTD donated N15.5 million to Oando Foundation (a member of the Group). The expense and inflow in the books of Oando PLC, OTD and Oando Foundation have been eliminated on consolidation.

(viii) Oando Servco Nigeria Limited provided payment assistance on shared services costs and vendor related costs to Oando PLC amounting to \$0.3 million (2024: \$31.7 million) during the year. The net receivables from Oando PLC have been impaired in the books of Oando Servco Nigeria Limited and both the impairment and receivables have been eliminated on consolidation.

(ix) **Loan cost reimbursement between OTD and some entities in the group (Oando PLC and CPL)**

Oando PLC, Calabar Power Limited (CPL) and OTD entered a Crude Sale and Purchase Agreement in 2024, the agreement is tied to BB Energy providing a facility to CPL to support the group's strategic initiatives. CPL and OTD also signed a loan cost reimbursement agreement dated 28 June 2024. As agreed in the contract, any under-delivery compensation incurred by OTD under the Crude Sale and Purchase Agreement shall be treated as a cost of financing (transaction cost) and shall be assumed by CPL. OTD charged CPL \$2.9 million (2024: \$950,000) in relation to the contract. The income and expense have been eliminated on consolidation.

On 10 January 2024, Oando PLC and OTD entered into an agreement to amend an original loan agreement dated 30 August 2023 to extend the maturity date of the loan to 31 March 2025 and further amend the clause which states that Oando PLC would bear the transaction costs incurred by OTD in connection with the funding of the facility in the initial loan agreement. In relation to this, Oando PLC did not incur any expense (2024: \$5.2 million) as transaction cost. The income and expense have been eliminated on consolidation.

Services agreement between OTD and Oando Servco Nigeria Limited

On 5 February 2024, OTD and Oando Servco Nigeria Limited (Servco) signed a services agreement, under which OTD will provide advisory, technical and other services as may be reasonably required or requested by Oando Servco in connection with the sale and marketing of its affiliates' crude oil entitlements in Nigeria. In 2024, Servco incurred a \$2 million (2024: \$2 million) service fee payable to OTD. The revenue and expense have been eliminated on consolidation.

(x) **Project Restore- Related Party Transactions**

On 20 December 2024, Oando PLC, Oando Oil Limited ("OOL") and Oando Servco Nigeria Limited ("OSNL") entered into a Settlement Deed with Whitmore Asset Management Limited ("Whitmore"), Ocean and Oil Development Partners Limited BVI ("OODP BVI") and Ocean and Oil Development Partners Limited ("OODP Nigeria") (collectively referred to as "the Parties").

The Settlement Deed was executed to restructure and fully settle the outstanding obligations owed by Whitmore under the loan agreements previously entered into between OOL, OSNL and Whitmore on 27 October 2021. Under the terms of the Settlement Deed, OOL and OSNL agreed to full and final settlement amounts of US\$218.7 million and US\$34.8 million representing the present values of the total outstanding obligations of US\$380.7 million and US\$60.6 million respectively. The effect of this modification has resulted in losses of US\$95.4 million and US\$15.2 million in the separate financial statements of OOL and OSNL respectively and a corresponding gain of US\$110.6 million by Whitmore. In recognizing the newly established receivables from Whitmore and the modification losses, OOL and OSNL reversed the IFRS 9 impairments of US\$314.0 million and USD50.0 million in their separate financial statements.

On 3rd January 2025, OOL and OSNL jointly executed a Deed of Novation with Oando PLC, following which the right to receive the settlement considerations of US\$218.7 million and US\$34.8 million from Whitmore (the "Borrower") was novated to Oando PLC. In addition, OOL and OSNL transferred to Oando PLC (the "Transferee") all related rights, title, interests, benefits, warranties, undertakings and obligations arising under the relevant loan agreements and the Settlement Deed. As a result, OOL and OSNL no longer retain any rights of recovery against Whitmore in respect of the obligations. Consequently, Oando PLC in its separate financial statements has recognised the receivables from Whitmore and payables to OOL and OSNL. Furthermore, the Transferee shall be entitled to receive the modified loan amount of N420.36 billion being the total of the US\$218.7 million and US\$34.8 million at a pre-agreed rate of N1658.33 to US\$1 (NAFEX rate on 14 November 2024).

Further to the Deed of Novation, and on the same date of the Deed of Novation, OOL and OSNL (the "Releasers") entered into a Deed of Release with Oando PLC (the "Releasee"), following which the Releasers formally discharged and extinguished Oando PLC's indebtedness arising from obligations under the 27 October 2021 loan agreement and the Deed of Novation. Consequently, the Releasee has recognised forgiveness income in its statement of profit or loss accounts and the Releasers have recognised the distribution to the Releasee in equity. See Note 32.

(xi) **Other related party transactions include:**

i. Broll Properties Services Limited provided facilities management services consisting of structural, electrical and equipment maintenance and consumables to Oando PLC for which the Company reimbursed Broll N214.8 million. In addition, the Company paid N6 million fees for the services rendered (2024: fees – N8.2 million, reimbursement - N176.5 million). The GCE has control over one of the joint interest owners of the company.

ii. SCIB Nigeria and Co. Ltd. ("SCIB") provided insurance brokerage services to some entities in the Group. A beneficial owner of SCIB is related to the GCE. Although a sum of N8.4 billion (2024: N950.4 million) was paid to insurance companies for some specific policies through SCIB, the brokerage services agreement provides that service fees will be paid by the insurance companies who undertook the insurance policies.

iii. Triton Aviation Limited provided management services consisting of consumables, jet fuel, handling charges, third party charters, aircraft maintenance and crew maintenance (and charges a 5% markup on all cost incurred on behalf of XRS II) to XRS II, an indirect subsidiary of the Company and was paid fees of N52.5 million and reimbursement of N1.6 billion (2024: fees – N45.8 million, reimbursement - N1.5 billion) for the provision of the services. Triton Aviation Limited is owned by the GCE.

iv. Olajide Oyewole & Co. rendered professional services worth N107.9 million to Oando PLC and OER Inc (2024: N84.7 million to Oando Servco Nigeria Limited). A close family member of the GCE has significant influence over the firm.

v. Akindelano LP provided legal advisory services in connection with the arbitration between Oando Oil Limited and NAOC and several other cases worth N82.6 million on behalf of Oando Servco Nigeria Limited and Oando Oil Limited. The senior partner of Akindelano LP, is one of the beneficial owners of the 15% of Oando shares held through Equity Leaf Limited.

vi. F.O Akinrele provided legal advisory services in connection with the arbitration between Oando Oil Limited and NAOC worth N72.8 million on behalf of Oando Servco Nigeria Limited and Oando Oil Limited. The senior partner of F.O. Akinrele & CO, is the Chairman of the Board of Directors of Oando PLC.

vii. Librod Energy Services Ltd rendered services in respect of completion engineering and PDHG on Tuomo 5 for Oando Energy Resources Nigeria Limited worth N162.7 million . The DGCE is a Director in Librod Nigeria Limited.

viii. In 2025, the GCE was refunded the sum of N460 million for rent and furnishing of the Abuja Management Guest Houses by Oando Energy Resources Nigeria Limited.

ix. In 2025, Oando Logistics Services provided services to the GCE & DGCE in the sum of N85.1 million (2024: N27.1 million).

x. Noxie Limited was engaged for the supply and installation of office furniture for Lagos and Abuja offices worth N778.8 million . A close relative of the GCE is the MD/CEO of Noxie Limited.

xi. Rusa Advisory was engaged to provide advisory services towards a future-fit finance function for Oando PLC worth N100.3 million. The Partner of Rusa Advisory is the ultimate beneficial owner of 15% of Oando PLC shares held through Equity Leaf Limited.

(xii) **Key management personnel**

Key management includes members of the Group Leadership Council. The compensation paid or payable to key management for employee services is shown below:

	2025 N'000	2024 N'000
Salaries and other short-term employee benefits*	7,659,654	4,340,757

*Included in salaries and other short-term employee benefits of key management personnel are board duty allowance of N10.4 million (2024: N12.7 million) received by the Company Secretary and Chief Compliance Officer, N18.4 million received by the Chief Corporate Services & Sustainability Officer (2024:nil), N180.9 million (2024: N181.3 million) received by Group Chief Financial Officer, N210.9 million (2024: N211.7 million) received by Chief Operating Officer of OER, N532.6 million (2024: N534.7 million) received by Deputy Group Chief Executive, N724.1 million (2024: N726.5 million) received by Group Chief Executive.

Oando PLC
Annual Consolidated and Separate Financial Statements
Notes to the consolidated and separate financial statements
For the year ended 31 December 2025

Year-end balances arising from transactions with related parties

The following receivables or payables at December 31, 2025 arose from transactions with related parties:

	Company 2025 N'000	Company 2024 N'000
(xiii) Receivables from related parties:		
Churchill C-300 Finance Ltd	3,810,842	4,076,519
XRS II	4,495,862	4,935,619
Oando E&P Holdings Limited	11,233,573	12,016,733
Oando Equator Holdings	20,400,532	21,822,391
Equator Exploration Ltd (BVI)	34,648,659	35,245,166
Calabar Power Ltd	26,136,091	40,608,474
Oando Exploration & Production Limited	33,709,104	33,709,104
Oando Petroleum and Natural Gas Limited	6,191,874	67,455
Oando Oil Limited	56,904,768	61,292,423
Oando Resources Ltd	10,711,761	-
Road Bits Limited	715,197	753,703
XRS I	26,724	28,586
Lakel Afrik Petroleum	51,054	51,054
Bitumen Resources Limited	457,360	392,360
Fast Energy Investments Ltd	186,033	195,016
Trans-Africa Mining Resources Limited	100,519	69,859
Carmine Energy Investments Ltd	300	300
Lithiwave Nigeria Limited	2,445	567
Oando Oil II Cooperatief U.A	23,154,655	14,613,142
Oando Oil III Cooperatief U.A	731,207	-
Oando Clean Energy Limited	10,000	10,000
	<u>233,678,561</u>	<u>229,888,471</u>
Trade receivables from Oando Trading DMCC	4,459,885	4,618,012
	<u>238,138,446</u>	<u>234,506,483</u>

	Company 2025 N'000	Company 2024 N'000
(xiv) Payables to related parties:		
0902702 B.C. Limited	1	2
OES Passion	9,687	10,388
Oando Liberia	73,141	78,240
OES Professionalism	4,851	4,851
Burkina Faso	6,070	6,070
Oando Terminals & Logistics	5,229	5,229
Oando Trading DMCC	98,824,000	96,058,094
OER Servco Nigeria Limited	7,038,784	56,071,024
Oando Supply & Trading DMCC	19,702	21,041
Oando Gazelle Ltd Mauritius	144	154
Oando Reservoir & Production Limited	2,858,416	5,000
Oando Trading & Supply BVI	71,763	76,766
Oando Gazelle BVI Ltd	71,763	76,766
Oando Resources Ltd	-	626,931
Oando Energy Resources Nig Ltd	55,493,582	30,369,508
Oando V Ltd	1,000	1,000
Oando Hydrocarbons Ltd	1,000	1,000
Oando E&P IV Ltd	1,000	1,000
Oando E&P Ltd	1,000	1,000
Oando Investments Ltd	1,000	1,000
Oando Energies Ltd	1,000	1,000
OML56 Oando Production and Development Co Limited	2,720,405	1,011,191
Oando Gazelle DMCC	39,404	42,083
Oando Yield	144	154
Oando Exploration and Production Angola Limited	2	2
Oando Leopard Ltd	144	154
Oando Treasures Ltd	144	154
Oando Gulf Limited	144	154
Oando Servco UK Limited	204,834	-
Oando E and P Holdings II Ltd	71,763	-
Oando Pacific Ltd	144	154
	<u>167,520,255</u>	<u>184,470,110</u>

43 Commitments

The Group had outstanding capital expenditure contracted but not provided for under property, plant and equipment of N354.54 billion (2024: N356.4 billion) at December 31, 2025.

44 Events after the reporting period

a. US\$170 million Fixed Deposit Investment

Oando Energy Resources Nigeria Limited placed a fixed deposit of US\$170 million with Access Bank Plc for a tenure of three months, effective 9 January 2026 at an interest rate of 9% per annum, amounting to US\$3.44 million.

The US\$170 million is part of the proceeds of the debt factoring agreement stated on Note 38(c).

b. Receipt of US\$16.25 million from Argentil Capital Partners Limited

On 22 January 2026, OERNL received a sum of \$16.25 million in its Access Bank account from Argentil Capital Partners Limited.

c. Settlement of loan interests and vendor payables

With the US\$16.25 million stated above and the balance of US\$43.75 million (being the balance of the debt factoring proceed less the fixed deposit amount, all stated above), collectively US\$60 million, the following payments were made by the Group: settlement of outstanding interests of US\$ 14.9 million and US\$ 31.5 million on the Medium-Term Loan and Corporate Facility respectively, financial advisory fees to Argenti Capital Partners (US\$2.5 million), management fees and bank charges (US\$1.0 million), with US\$10.1 million utilised for the settlement of outstanding vendor invoices.

d. US\$60 million Overdraft Facility

Oando Servco Nigeria Limited ("OSNL") signed a US\$60 million overdraft facility agreement with Access Bank Plc on 19 January 2026 to meet working capital requirements. The facility has a tenor of 90 days, with a fee of 1.25% and an interest rate of Secured Overnight Financing Rate ("SOFR") plus 8% per annum. OSNL is yet to utilise the overdraft as of the date of these consolidated and separate financial statements.

e. US\$94.24 million Credit Facility

On 20 January 2026, Oando Trading DMCC (the "Borrower") entered into a US\$94.24 million loan facility agreement with Vitol SA (the "Lender"). The facility was obtained to settle NEPL's obligations to Eni (US\$47.5 million) under the Debt Repayment Facilitation Agreement dated 19 December 2025, Oando Oil II Limited's indebtedness of US\$45.2 million to Eni, being payment to Eni under the Promissory Note dated 22 August 2024 and the Consideration Balance Promissory Note dated 13 May 2025 and settlement of vendor invoices amounting to \$1.54 million. Eni has agreed that the late payment of US\$45.2 million did not constitute an event of default under the Promissory Notes Agreements. Consequently, the treatment of the lack of payment of the instalment to Eni under the Promissory Notes as of the balance sheet date as an event of default has been reversed in these consolidated and separate financial statements.

The facility carries an interest rate of SOFR plus a margin of 6.65% per annum, with final repayment due on 31 March 2027. The facility was guaranteed by Oando PLC. Repayment of the facility is expected to be made from receipts of crude oil cargoes in accordance with the repayment terms agreed between NNPC E & P Limited ("NEPL") and the borrower's sister companies, Oando Oil Limited and Oando Energy Resources Nigeria Limited ("Repayment Agreement"). On the same date that the facility from Vitol SA was executed, Oando Trading DMCC executed an intercompany agreement to make the proceeds of the facility available to OERNL and to formalize repayment terms in line with the Repayment Agreement.

f. US\$38 million Term Loan Facility Extension

Further to the 90-day extension of the facility granted by Fidelity Bank Plc on 24 October 2025 which expired on 24 January 2026, the bank has granted another 90-day extension for the payment of the principal amount and the accrued interest.

As at the reporting date, the outstanding principal amount of N54.5 billion and the accrued interest amount of N9.9 billion have been recognised as current liability in the subsequent period.

g. Repayment on the US\$10 million facility from Providus

On 14 October 2024, obtained a trading finance facility of US\$ 10 million for a one-year period. As at 31 December 2025, the facility had not been repaid. Outstanding principal and total accrued interest as at the balance sheet date was US\$10 million and US\$1.85 million. On 6 March 2026, Oando PLC made a payment of US\$4.2 million on the full outstanding obligation of US\$11.85 million. The fund was provided by Oando Trading DMCC and on that basis, an intercompany payable has been recognised by Oando PLC.

h. Assignment by Oando Energy Resources Nigeria Limited ("OERNL") of its 1% equity interest in Oil Mining Leases (OMLs) 60, 61, 62 and 63 to Oando Petroleum Natural Gas Company Limited ("OPNGL")

On 11 February 2026, the Honourable Minister of State for Petroleum Resources (Oil) through the Nigerian Upstream Petroleum Regulatory Commission conveyed the consent on the assignment by OERNL of its 1% equity interest in OMLs 60 – 63 to OPNGL.

Consequently, OPNGL holds a 20% equity interest in the joint venture effective 11 February 2026, and OERNL ceases to be an equity partner despite its operatorship status.

i. Finance Lease Receivable on the Power Purchase Agreement with Nigerian Bulk Electricity Trading (NBET) Plc for Okpai I

The power purchase agreement (PPA) expired on 21 December 2025. This has led to the derecognition of the accounting treatment as a finance lease whose impact is US\$247 million loss in the statement of profit or loss in these consolidated and separate statements. In addition, on 18 February 2026, OERNL, acting on behalf of itself, OPNGL, and OOL signed a reconciliation agreement which has established a receivable of US\$187.7m from NBET as of 31 October 2025. These consolidated and separate financial statements reflect this reconciled receivable in addition to any further indebtedness on the basis of the PPA between 1st November and 21st December 2025 when the PPA expired. NBET continues to buy power even after the expiration of the agreement.

j. Treasury Share Transaction Adjustment

There were no adjusting events after the reporting period relating to the treasury share transactions.

Any future legal, regulatory, or tax determinations relating to this matter will be reflected in the period in which they arise.

k. The US-Iran situation and the ongoing middle east crisis

The evolving geopolitical tensions involving the United States, Iran, and the broader Middle East region continue to create uncertainty in the global economic environment, but as at the reporting date, there has been no material direct impact on the Group's financial statements requiring adjustment. However, management will continue to monitor developments closely and assess any potential implications on future periods.

l. Presidential Executive Order No. 9

The President of the Federal Republic of Nigeria, on 13th February 2026 issued the Presidential Executive Order to Safeguard Federation Oil and Gas Revenues and Provide Regulatory Clarity (the "Executive Order"). The Executive Order is aimed at improving revenue accruing to the Federation Account from oil and gas operations, curbing existing leakages and institutionalising a co-ordinated regulatory framework for integrated petroleum operations in the country.

Key Provisions of the Presidential Executive Order

- Paragraph 2(2) provides that NNPC Limited shall henceforth transfer all profit oil and profit gas revenues it received as concessionaire in production sharing contracts (PSCs), profit sharing, and risk service contracts to the Federation Account.
- Paragraph 2(3) provides that all operators/contractors of oil and gas assets held under PSCs shall, from the date of the PEO, pay over the royalty oil, tax oil, profit oil and profit gas and any other interest howsoever described due to the Government of the Federation directly into the Federation Account.
- Paragraph 4(1) provides that the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) shall serve as the interface with licensees and lessees in respect of integrated operations where upstream and midstream petroleum operations are fully combined. The Executive Order further requires the NUPRC and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to, within two weeks of the date of the Executive Order, constitute a Joint Project Team (JPT) responsible for technical regulation of such integrated operations. The JPT is responsible for developing guidelines for the operation of integrated facilities, identifying the appropriate licences/permits/fees applicable to each integrated activity and creating a framework for allocation of regulatory fees for integrated activities between NUPRC and the NMDPRA.
- Paragraph 7 of the Executive Order defines "integrated operations" it excludes the following midstream facilities from being categorised as part of integrated operations: gas-to-liquid (GTL) plants, liquefied natural gas (LNG) plants, refineries, petrochemical and fertilizer plants, gas processing and central processing facilities that refrigerates, conditions, due points and processes gas into marketable products such as lean gas, LPG, propane, butane and NGLs and facilities to compress, transport and deliver compressed natural gas.

Implications of the Presidential Executive Order

- Paragraphs 2(2) and 2(3) of the Executive Order may also have implications on existing forward sale and pre-export financing arrangements involving barrels to be produced from assets held under PSCs. Given that the Federation's share of some of these barrels (including tax oil and royalty oil) have, prior to now, been pledged to off takers, and the proceeds being contractually applied towards debt service obligations, a practical challenge arises as to how those same proceeds are to be remitted directly to the Federation Account.
- The provisions above may result in implementation difficulties because NNPC Limited, as concessionaire, typically undertakes the lifting and marketing of royalty oil, tax oil, and the Federation's share of profit oil. The contractor's profit oil entitlement is then lifted separately in accordance with the agreed allocation procedures. Thus, the Federation's entitlements (royalty oil, tax oil, and concessionaire's share of profit oil) are operationalised through NNPC's lifting arrangements, rather than by direct remittance from contractors. Accordingly, a requirement for contractors to directly remit royalty oil, tax oil and profit oil to the Federation Account may present practical challenges since the contractors do not control the lifting of those volumes.
- The Guidelines on Classification of Integrated Upstream and Midstream Petroleum Operations 2023 (the "NUPRC Guidelines") previously issued by the NUPRC to administer/regulate the designation of integrated petroleum operations may be overtaken/repealed by the new regulatory framework to be issued by the JPT.
- Gas processing facilities which were previously classified by the NUPRC in 2025 as integrated upstream operations under the NUPRC Guidelines and therefore placed under the exclusive regulatory authority of the NUPRC may now fall outside that classification under the Executive Order and placed under the NMDPRA's regulatory purview.

m. Funded Participation Agreement

Oando Leopard Limited ("Grantor"), a Mauritius entity, signed a five-year unguaranteed \$200 million Funded Participation Agreement ("FPA") with a commodity trader ("Participant"), a United Arab Emirates entity, dated 21 April 2026. The Grantor plans to repay the FPA through a back-to-back with the Leopard 2B facility. The arrangement entitles the Grantor to One point Zero (1.0) standard NNPC cargoes per annum per USD 100 million participation. The FPA attracts a 2% default interest per annum in the case of default by the Grantor.

As of the date of approval of these consolidated and separate financial statements, the Participant has funded \$100 million out of the total \$200 million and the Grantor has received the \$100 million. The received amount has been on-lent to Leopard Funding Limited, an SPV of the Nigerian National Petroleum Company Limited after payment of an upfront fee of \$2 million, at an interest rate which is back-to-back with the FPA.

n. Project Restore- Related Party Transactions

In April 2026, the Company completed Tranche 2 distribution of 604,348,395 ordinary shares to its shareholders. The successful completion of Tranches 1 in August 2025 and Tranches 2, concludes the first phase of the distribution which was approved on 08 July, 2025.

In anticipation of settlement of the agreed Whitmore indebtedness of N420.36 billion, Whitmore issued a promissory note for the said amount in favour of Oando PLC on 20 December 2024 and delivered to the order of Oando PLC 4,279,042,004 shares of Oando PLC held by OODP Nigeria (ultimately owned by Whitmore) as full and final settlement of the indebtedness. The delivery of the shares by OODP and receipt by Oando PLC as full and final settlement of the indebtedness resulted in the extinguishment of the receivable and treasury shares recognised in equity in line with IFRS 32.

At the 45th Annual General Meeting (AGM) on 17 December 2024, the members of Oando PLC approved a resolution that the shares or their cash equivalent may be distributed to shareholders of record at date(s) as may be determined by the Board of Directors before any distribution, from time to time, on a pro-rata basis. Exercising their authority under the approved resolution, the Board of Directors in January 2025 approved the Phase 1 distribution of 1,283,712,601 shares in two (2) tranches with tranche one comprising 679,364,206 shares tranche two comprising 604,348,395. The Company completed the distribution of the tranche one shares to the existing shareholders on 14 August 2025 on the basis of one (1) new ordinary share of 50 kobo each for every twelve (12) ordinary shares held following regulatory clearance in July 2025. The tranche two distribution was completed in April 2026.

o. OPDCL Share Sale and Purchase Agreement

On 19 June 2026, Oando Petroleum Development Company Limited (the Seller) and Energia Limited (the Buyer) entered into a Sale and Purchase Agreement (SPA) for the transfer of the Seller's 95% equity interest in Oando Production and Development Company Limited (OPDC) to the Buyer for a base sale price of \$48.45 million plus other closing adjustments. OPDC holds a 45% participating interest in Oil Mining Lease 56 (OML 56), now redesignated as Petroleum Mining Lease 23 (PML 23). The Buyer has paid the agreed deposit amount of \$9.69 million as of 30th June 2026

No other significant events occurred between the year-end and date of approval of these audited consolidated and separate financial statements by the Board of directors.

45 Contingent liabilities

(i) (a) Guarantees to third parties

Guarantees, performance bonds, and advance payment guarantees issued by the Group to commercial banks and third parties amounted to N2.6 trillion (2024: N2.6 trillion).

(b) Charge on the assets of the Company and other relevant members of the Group in accordance with paragraph 49 of First Schedule of CAMA 2020

Entity	Instrument (Deed, mortgage trust etc.)	Description	Summary of charges/pledge	Beneficiary
Oando PLC	Deed of Share Charge	Deed of Share Charge dated 5th May 2014 between Oando Plc and FBNQuest Trustees Limited in relation to the OER Corporate Facility	Pledge over Oando Plc's shares (including all related rights) in the following entities: i. Oando Qua Ibo Limited ii. Petroleum Development Company iii. Oando OML 125 & 134 Limited iv. Oando Akepo Limited	FBNQuest Trustees Limited
Oando PLC	Share Charge	Deed of Share Charge dated 8th October 2014 between amongst others Oando Plc, Wings Mauritius Limited (formally RMB Westport Wings), SB Wings Development Limited as Chargors, Stanbic IBTC Trustees Limited as Trustee and Oando Wings Development Limited	Pledge over Oando Plc's shares in Oando Wings Development Limited	Stanbic IBTC Trustees Limited
Oando OML 60 - 63 Limited	Share Charge	Deed of Variation dated 11 th October 2019 in respect of the Deed of Share Charge Originally dated 31 st July 2014 as subsequently replaced on 21 st December 2015 between Oando OML 60,61,62&63 Limited, Oando Oil Limited, Standard Chartered Bank and African Export Import Bank	Charge over shares of Oando OML 60,61,62&63 Limited in Oando Oil Limited in relation to the RBL agreement dated 31st July 2014, as amended from time to time	African Export-Import Bank
Oando OML 60 - 63 Limited	Share Charge	Deed of share charge dated 11 th October 2019 between Oando OML 60,61,62&63 Limited, Oando Oil Limited, and African Export Import Bank	Charge over shares of Oando OML 60,61,62&63 Limited in Oando Oil Limited in relation to Oando Oil Limited's \$524,590,723.97 RBL facility (RBL 2)	African Export-Import Bank
Oando OML 60 - 63 Limited	Security assignment deed	Deed of variation in respect of the security assignment deed dated 31 July 2014 as subsequently replaced on 21 st December 2015	Assignment of rights under shareholders' agreement in relation to the RBL agreement dated 31st July 2014, as amended from time to time	African Export-Import Bank
Oando OML 60 - 63 Limited	Security assignment deed	Security assignment deed dated 11 th October 2019 between Oando OML 60,61,62 & 63 Limited, Oando OML 60,61,62 & 63 Limited and African Export-Import Bank	Assignment of rights under shareholders' agreement to secure debt under in relation to a \$524,590,723.97 RBL facility (RBL 2)	African Export-Import Bank
Oando Servco Nigeria Limited	Security assignment in respect of services agreement	Deed of Security assignment dated 11 th October 2019 in respect of the Oando Servco Nigeria services agreement (as amended by a supplemental deed of security assignment)	Assignment of rights under services agreement as security for the \$524,590,723.97 RBL facility (RBL 2) and Oando Servco Nigeria/Ecobank \$50million facility	African Export-Import Bank
Oando Servco Nigeria Limited	Debenture	Composite Security Debenture dated 30 th December 2019 between Oando Servco Nigeria Limited and African Export-Import Bank	Charge over assets of Oando Servco Nigeria Limited as security for the \$524,590,723.97 RBL facility (RBL 2) and Oando Servco Nigeria Limited/Ecobank \$50million facility	African Export-Import Bank for the secured parties (i.e. African Export-Import Bank and Ecobank Development Company Limited)
Oando Production and Development Limited	All Asset Company Debenture	All Asset Debenture between Oando Production and Development Company Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over Oando Production and Development Company Limited assets	FBNQuest Trustees Limited
Oando Akepo Limited	All Asset Debenture	All Asset Debenture between Oando Akepo Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over Oando Akepo Limited's assets	FBNQuest Trustees Limited
Oando Qua Ibo Limited	Debenture	All assets debenture between Qua Ibo Limited and FBNQuest Trustees Limited in relation to OER's corporate facility lenders	Charge over the assets of Oando Qua Ibo Limited	FBNQuest Trustees Limited
Oando OML 125 & 134 Limited	Debenture	All assets debenture between Oando OML 125 & 134 Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over the assets of Oando OML 125&134 Limited	FBNQuest Trustees Limited
OANDO RESOURCES LIMITED	ENERGY NIGERIA Security Deed	Security deed dated 22nd August 2024 relating to a charge over 1% participating interest held by Oando Energy Resources Nigeria Limited in OML 60-63 between Oando Energy Resources Nigeria Limited and African Export Import Bank in connection with Oando Petroleum and Natural Gas Company Limited's RBL and Junior Facilities	Relating to a charge Over 1% Participating Interest Held by the Chargor In Oil Mining Leases 60, 61, 62 And 63	African Export-Import Bank
OANDO CLEAN TRANSPORT SOLUTIONS LIMITED	Debenture	Fixed and Floating debenture between Oando Clean Transport Solutions Limited and Wema Bank Plc in connection with the financial accommodation provided to Oando Clean Energy Limited by Wema Bank Plc	Charge over assets of Oando Clean Transport Solutions Limited	Wema Bank Plc

(c) Open letters of credit in respect of crude offtake and prefinancing cargoes amounted to N522.9 billion/\$364.38 million (2024: N15.2 billion/\$9.9 million) at the reporting date from which no material liability is anticipated to arise.

(ii) Pending litigation

There are a number of legal suits outstanding against the Group for stated amounts of N1.4 trillion (2024: N5.3 trillion). Of the total legal suits outstanding, N1.4 trillion (2024: N5.3 trillion) was filed against the E&P's division portion of OML 60-63. On the advice of Counsel, the Board of Directors are of the opinion that no material losses are expected to arise. Therefore, no provision has been made in these consolidated and separate financial statements and the Group has not pledged any valuable security in connection to the liabilities.

(iii) Bilabri Oil Field (OML 122)

In 2007, OER transferred, under the Bilabri Settlement Agreement, the full responsibility for completing the development of the Bilabri oil field in OML 122 to Peak Petroleum Industries (Nigeria) Limited ("Peak"). Peak specifically assumed responsibility for the project's future funding and historical unpaid liabilities. In the event that Peak fails to meet its obligations to the projects creditors, it remains possible that OER may be called upon to meet the debts. Therefore, a contingent liability of \$21.7 million exists at December 31, 2020 (2020 – \$21.7 million).

On May 26, 2015, Peak and Equator Exploration (OML 122) Limited signed a Settlement Agreement which set out the terms under which Peak would pay Equator Exploration (OML 122) Limited the sum of \$52.2 million ("Settlement Amount") as full and final settlement of its indebtedness to Equator Exploration (OML 122) Limited, three months from the date of the Settlement Agreement. Peak requested for an extension of time to pay the Settlement Amount which was granted by Equator Exploration (OML 122) Limited. Peak failed to pay the Settlement Amount leading to a termination of the agreement on February 16, 2017. Equator Exploration (OML 122) Limited has deemed this to be a contingent asset until such time as when the inflow of economic benefit from Peak becomes virtually certain. As a result of Peak's failure to pay the Settlement Amount, Equator commenced and has successfully obtained court orders to wind up Peak. These orders are under appeal by Peak on the following grounds, that; (a) The Court had no jurisdiction to hear the Petition because there was an extant order of the Court restraining Equator from taking any steps to wind-up Peak; (b) The Court breached Peak's right to fair hearing when it proceeded to hear and determine the Petition on a day the matter was set down for Report of Settlement; and (c) Peak had filed and entered the 1st and 2nd appeal at the Court of Appeal against the orders of the lower Court. The appeals last came up on 2nd December 2020 for report for settlement/hearing of pending applications. However, the court did not sit, and the court is yet to fix a further date for the hearing of the appeal. The judgement of the Appeal Court would be subject to further appeal to the Supreme court if the unsuccessful party decides to file an appeal to the Supreme court.

(iv) OPL 321 and OPL 323

Equator joined a consortium, comprising ONGC Videsh and Owel to form a bidding group for the deepwater blocks OPL 321 and OPL 323 (Blocks") in the 2005 round and won the bids for the Blocks. However, the Korea National Oil Corporation (KNOC) sought to exercise a prior right of first refusal that had been negotiated with the FGN and the Blocks were awarded to KNOC, ONGC and an LCV. ONGC rejected its portion and Equator was appointed to replace ONGC in the award.

In January 2009, the Nigerian government voided the allocation of the Blocks to the operator, KNOC and re-allocated the Blocks to the initial winning consortium of the 2005 licensing round comprising ONGC Videsh, Equator and Owel. KNOC brought a lawsuit against the government and a judgement was given in their favor. The government and Owel appealed the judgement. The Court of Appeal ruled against KNOC on the grounds that it instituted its original action wrongly. KNOC filed an appeal to the Supreme Court in June 2012. In February 2017, the Supreme Court affirmed the decision of the Court of Appeal. In 2009, the government refunded the signature bonus paid by Equator. Equator has not recognized a liability to the government for the blocks subsequent to the refund of the signature bonus. Following the decision of the Supreme Court, Equator declared its intention to continue to invest in the blocks. ONGC declined further interest in the Blocks.

Two of Equator's bidding partners were not included in the original bid as direct participants in the PSCs, as a result, Equator granted those bidding partners 3% and 1% carried economic interests respectively in recognition of their contribution to the consortium. During 2007, in order to pave way for a potential farm-out of the Blocks by Equator, it was agreed with the bidding partners that they would surrender their carried interests in the Blocks in return for warrants in Equator and payments of \$4 million and \$1 million. The warrants were issued immediately but it was agreed that the cash payments would be deferred until the farm-out is completed and Equator receives payment thereof. The warrants have expired. In the first instance, payment would be made within 5 days after the closing of the farm out to a subsidiary of BG Corporation PLC (BG). However, BG terminated the farm out agreement. Under the successor obligation, Equator issued loan notes with an aggregate value of \$5 million to the two entities which are redeemable out of the first \$5 million of proceeds received on the occurrence of any one of the following events related to OPL 321 or OPL 323:

- A farm out with another party;
- A sale or partial sale of the interests; and
- A sale or partial sale of subsidiaries holding the relevant PSCs

During 2010, one of the two entities successfully sued Equator in an arbitration tribunal for the sum of \$1 million, claiming rights under the successor obligation. This has been paid in full. The other entity did not commence any arbitration against Equator. On the advice of legal counsel, Equator maintains that the remaining \$4 million owed to the other party is not yet due as none of the triggers for the payment has occurred and that any second arbitration hearing can be successfully defended. If none of the above events occur, it is assumed that Equator will not need to settle the \$4 million loan note and can defer payment indefinitely. The above contingencies are based on the best judgements of the board of directors and management.

On 26 June 2024, the Plaintiff (Owel Petroleum Services Limited), filed a Motion seeking the Court to grant an Interlocutory Injunction restraining the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC") from re-awarding the OPLs 321 and 323 whether under the 2024 Bid Round or at all, until the determination of the suit. The suit remains ongoing.

(v) Contingent Liabilities and Legal Matters

Following certain equity transactions undertaken during the year, questions were raised regarding compliance with specific provisions of the Companies and Allied Matters Act, 2020, including provisions relating to transactions in own shares and capital maintenance.

As at the reporting date:

- no litigation had been commenced against the Group;
- no regulatory directive or enforcement action had been issued; and
- no obligation existed requiring the Group to reverse or unwind the transactions executed.

Management, has concluded that no present obligation existed at the reporting date within the meaning of IAS 37 and, accordingly, no provision has been recognised.

The Directors will continue to monitor developments in this area and will take appropriate action should circumstances change.

46 Subsidiaries' information

(a) Below is a summary of the principal subsidiaries of the Group

Entity name	Country of incorporation	Investment Currency	Nature of business	Issued share capital	Percentage interest held	
					2025	2024
Operational subsidiaries						
Direct Shareholding						
Oando Logistics and Services Limited	United Kingdom	GBP	Logistics and services	1	100%	100%
Oando Resources Limited	Nigeria	Naira	Exploration and Production	10,000,000	100%	100%
Oando Terminals and Logistics	Nigeria	Naira	Storage and haulage of petroleum	2,500,000	100%	100%
Oando Trading DMCC	Dubai	Dirhams	Supply of crude oil and refined	36,600,000	100%	100%
XRS 1	Cayman Islands	USD	Investment company	50,000	100%	100%
Oando Trading Limited	Bermuda	USD	Supply of crude oil and refined	3,500,000	100%	100%
Oando Equator Holdings Limited	Bermuda	USD	Financial holding company	12,000	100%	100%
Calabar Power Limited	Nigeria	Naira	Financial holding company	2,500,000	100%	100%
Oando Exploration and Production Limited	Nigeria	Naira	Exploration and Production	12,500,000	100%	100%
Oando Netherlands Holdings 2 Cooperative U.A	Netherlands	Euro	Financial holding company	-	100%	100%
Oando Netherlands Holdings 3 Cooperative U.A	Netherlands	Euro	Financial holding company	-	100%	100%

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Entity name	Country of incorporation	Investment Currency	Nature of business	Issued share capital	Percentage interest held	Percentage interest held
					2025	2024
Operational subsidiaries						
Direct Shareholding (cont.)						
0902702 BC Limited	British Columbia	USD	Exploration and Production/Holding Company	1	100%	100%
Oando E&P Holdings Limited	Canada	CDN\$	Financial holding company	792,228,566	12.03%	12.03%
Oando Gazelle BVI	BVI	USD	Project Gazelle	50,000	100%	-
Oando Trading & Supply BVI Limited	BVI	USD	Trading Company	50,000	100%	-
Oando Supply & Trading DMCC	UAE	Dirhams	Trading Company	50,000	100%	-
Oando Gazelle Ltd Mauritius	Mauritius	USD	Project Gazelle	100	100%	-
Oando Yield Ltd	Mauritius	USD	Project Yield	100	100%	-
Oando E&P IV Limited	Nigeria	Naira	Exploration & Production	1,000,000	100%	-
Oando E&P Limited	Nigeria	Naira	Shelf company	1,000,000	100%	-
Oando Hydrocarbons Limited	Nigeria	Naira	Exploration & Production	1,000,000	100%	-
Oando V Limited	Nigeria	Naira	General Contracts	1,000,000	100%	-
Oando Gazelle DMCC	UAE	Dirhams	Trading Company	100,000	100%	-
Oando Investments Limited	Nigeria	NGN	Investment Holding Company	1,000,000	100%	-
Oando Energies Limited	Nigeria	NGN	Investment Holding Company	1,000,000	100%	-
Oando Exploration and Production Angola	Cayman Islands	USD	Exploration & Production	1	100%	-
Oando Treasures Limited	Mauritius	USD	Investment Holding Company	100	100%	-
Oando Leopard Limited	Mauritius	USD	Project Leopard	100	100%	-
Oando Pacific Limited	Mauritius	USD	Investment Holding Company	100	100%	-
Oando Gulf Limited	Mauritius	USD	Investment Holding Company	100	100%	-
Oando E&P Holdings II Limited	Cayman Islands	USD	Unrestricted	50,000	100%	-
Indirect Shareholding						
Ebony Oil and Gas South Africa Proprietary Limited	South Africa	Rand	Storage, Trading and Distribution of Petroleum and Gas Products	120	100%	100%
Royal Ebony Terminal Proprietary Limited	South Africa	Rand	Storage, Trading and Distribution of Petroleum and Gas Products	980	49%	49%
Ebony Trading Rwanda Limited	Rwanda	Rwandan Francs	Storage, Trading and Distribution of Petroleum and Gas Products	100,000,000	100%	100%
Petrad Mozambique Limitada	Mozambique	MZM	Storage, Trading and Distribution of Petroleum and Gas Products	200,000	100%	100%
XRS 11	Cayman Island	USD	Aviation	50,000	100%	100%
Churchill Finance C300-0462 Limited	Bermuda	USD	Aviation	1	100%	100%
*Oando E&P Holdings Limited	Canada	CDN\$	Financial holding company	792,228,566	86.86%	86.24%
Ebony Energy Limited	Uganda	UGND	Storage, Trading and Distribution of Petroleum and Gas Products	1,000,000	100%	100%
Bitumen Resources Limited	Nigeria	Naira	Holding Company	10,000,000	100%	100%
Lakel Afrik Petroleum Limited	Nigeria	Naira	Bitumen Exploration and Production	25,000,000	100%	100%
Road Bit Limited	Nigeria	Naira	Shelf company	6,250,000	100%	100%
Trans-Africa Mining Resources Limited	Nigeria	Naira	Mining Activities	10,000,000	100%	100%
Bit Mines Resources Limited	Nigeria	Naira	Holding Company	6,250,000	100%	100%
Oando Petroleum and Natural Gas Company Limited (OPNGL)	Nigeria	Naira	Exploration and Production	100,000,000	100%	100%
Oando Oil II Coöperatief U.A	Netherlands	Euro	Financial holding company	100	100%	100%
Carmin Energy Investments Limited	Nigeria	Naira	Investment Holding Company	1,000,000	100%	-
Fast Energy Investments Limited	Nigeria	Naira	Investment Holding Company	1,000,000	100%	-
Oando Oil III Coöperatief U.A	Netherlands	Euro	Financial holding company	100	100%	-
Lithiwave Nigeria Limited	Nigeria	Naira	Mineral Exploration and Production	1,000,000	100%	-
Lithium Development Company Limited	Nigeria	Naira	Mineral Exploration and Production	1,000,000	100%	-
Oando Oil Holdings Limited	Bermuda	USD		50,000	100%	-
Ife North Gold Limited	Nigeria	NGN	Mining Activities	10,000,000	100%	-
Oando Oil IV Cooperatief U.A.	Netherlands	EUR		100	100%	-
Oando Oil V Cooperatief U.A.	Netherlands	EUR		100	100%	-
Oando Energy Resources Nigeria Limited (OERNL)	Nigeria	NGN	Exploration and Production Company	100,000,000	100%	-
Stanhope Energy DMCC	UAE	Dirhams	Trading Company	50,000	100%	-
Oando Oil III Limited	Nigeria	NGN	Project Okinawa	100,000,000	100%	-
Oando Oil II (BVI) Limited	British Virgin Islands	USD	Holding Company	50,000	100%	-
Oando E&P Holdings III Limited	Cayman Islands	USD	Unrestricted	50,000	100%	-

*At the balance sheet date, Oando PLC holds an indirect interest of 58.39% (2024: 86.76%) in Oando E&P Holdings Limited through Calabar Power Limited 21.08% (2024: 21.05%) and Oando Resources Limited 37.31% (2024: 65.7%).

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of Ordinary Shares held.

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(b) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group as at 31 December.

Summarised statement of profit or loss	Oando Petroleum and Natural Gas Company Limited (OPNGL)		Oando E&P Holdings Limited		Oando Energy Resources	
	2025	2024	2025	2024	2025	2024
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	180,863,029	-	-	-	255,735,836	286,641,895
(Loss)/profit before income tax	(91,698,953)	-	208,410,475	-	243,673,069	(60,540,616)
Taxation	65,234,013	-	-	-	73,656,040	(37,806,128)
(Loss)/profit after taxation	(26,464,940)	-	208,410,475	-	317,329,109	(98,346,744)
Total comprehensive (loss)/profit	(26,464,940)	-	208,410,475	-	317,329,109	(98,346,744)
Non-controlling interest proportion	1.1%	0.0%	1.1%	0.0%	1.1%	1.2%
(Loss)/profit allocated to non-controlling interests	(291,561)	-	2,319,224	-	(853,645)	(4,736,213)
Dividends paid to non-controlling interests	-	-	-	-	-	-
Summarised statement of financial position						
Current:						
Asset	374,798,220	-	-	-	805,159,709	275,263,467
Liabilities	(1,347,153,170)	-	(41,314,826)	-	(3,131,412,171)	(2,825,787,112)
Net current liabilities	(972,354,950)	-	(41,314,826)	-	(2,326,252,462)	(2,550,523,645)
Non-current:						
Asset	1,667,158,568	-	821,833,374	-	2,289,402,218	2,781,940,504
Liabilities	(188,081,570)	-	-	-	(270,545,689)	(366,619,520)
Net non-current assets	1,479,076,998	-	821,833,374	-	2,018,856,529	2,415,320,984
Net assets/(liabilities)	506,722,048	-	780,518,548	-	(307,395,933)	(135,202,661)
Accumulated non-controlling interest	5,581,391	-	(7,235,466)	-	(34,765,892)	(35,390,833)
Summarised cash flows						
Cash generated from operations	316,537,117	-	-	-	362,597,188	439,830,643
Interest paid	(125,308,140)	-	-	-	(51,586,537)	(32,096,193)
Income tax paid	-	-	-	-	(2,902,214)	(1,690)
Net cash generated from operating activities	191,228,977	-	-	-	308,108,437	407,732,760
Net cash used in investing activities	(19,470,379)	-	-	-	(39,503,590)	(36,115,276)
Net cash used in financing activities	(158,825,500)	-	-	-	(306,710,136)	(325,969,421)
Net increase in cash and cash equivalents	12,933,099	-	-	-	(38,105,289)	45,648,063
Cash and cash equivalents at beginning of year	5,198,585	-	-	-	90,439,546	26,238,966
Exchange gain on cash and cash equivalents	(6,161,563)	-	-	-	7,394,371	18,552,517
Cash and cash equivalents at end of year	11,970,121	-	-	-	59,728,628	90,439,546

Summarised statement of profit or loss	Oando Oil II Coöperatief U.A	
	2025	2024
	N'000	N'000
Revenue	-	-
Loss before income tax	(30,141,344)	-
Taxation	-	-
Loss after taxation	(30,141,344)	-
Total comprehensive loss	(30,141,344)	-
Non-controlling interest proportion	1.1%	0.0%
Loss allocated to non-controlling interests	(332,063)	-
Dividends paid to non-controlling interests	-	-
Summarised statement of financial position		
Current:		
Asset	41,281,607	-
Liabilities	(345,144,116)	-
Net current liabilities	(303,862,509)	-
Non-current:		
Asset	251,996,109	-
Net non-current assets	251,996,109	-
Net assets	(51,866,400)	-
Accumulated non-controlling interest	(571,406)	-

(c) Change in ownership interests in subsidiaries that do not result in a loss of control

The third batch of 4,110,085 shares of OEPH for a total consideration of \$7 million (N1.8 billion/\$4 million at December 2022 plus \$3 million payment made in Q4 2023) were transferred to Calabar Power on 16 February 2024 thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.789% at same date (see page 28).

The loss on the deemed disposal has been recognised directly in equity.

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Impact of change in ownership interests in subsidiary that do not result in a loss of control reflected in statement of changes in equity is as analysed below:	Group 2025 N'000	Group 2024 N'000
Consideration paid to non-controlling interest	-	(10,759,511)
Decrease in non-controlling interest	-	405,446
Group's loss on deemed disposal	-	(10,354,065)

47 (a) Financial instruments by category

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
	N'000	N'000	N'000	N'000
GROUP - 2025				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	1,089,032	-	-	1,089,032
Non-current receivable	-	483,594,729	-	483,594,729
Trade and other receivables*	-	2,182,753,575	-	2,182,753,575
Derivative financial assets	12,285,337	-	-	12,285,337
Restricted cash	-	37,431,198	-	37,431,198
Cash and cash equivalents	-	439,882,748	-	439,882,748
	<u>13,374,369</u>	<u>3,143,662,250</u>	<u>-</u>	<u>3,157,036,619</u>

*Excluding non-financial assets.

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	N'000	N'000	N'000
2025			
Liabilities per statement of financial position:			
Borrowings	-	2,695,370,098	2,695,370,098
Lease liabilities	-	1,044,597	1,044,597
Trade and other payables	-	3,866,800,319	3,866,800,319
	<u>-</u>	<u>6,563,215,014</u>	<u>6,563,215,014</u>

	Financial instruments at fair value through profit and loss	Loans and receivables	Financial assets at fair value through other comprehensive income	Total
	N'000	N'000	N'000	N'000
2024				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	442,671	-	-	442,671
Non-current receivable	-	495,590,553	-	495,590,553
Trade and other receivables*	-	745,577,179	-	745,577,179
Derivative financial assets	7,708,825	-	-	7,708,825
Restricted cash	-	54,243,431	-	54,243,431
Cash and cash equivalents	-	221,775,277	-	221,775,277
	<u>8,151,496</u>	<u>1,517,186,440</u>	<u>-</u>	<u>1,525,337,936</u>

*Excluding non-financial assets.

	Financial instruments at fair value through profit and loss	Financial liabilities at amortised cost	Total
	N'000	N'000	N'000
2024			
Liabilities per statement of financial position:			
Borrowings	-	2,771,883,888	2,771,883,888
Lease liabilities	-	31,406,761	31,406,761
Trade and other payables	-	2,500,047,570	2,500,047,570
	<u>-</u>	<u>5,303,338,219</u>	<u>5,303,338,219</u>

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
	N'000	N'000	N'000	N'000
COMPANY - 2025				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	339,029	-	-	339,029
Trade and other receivables*	-	8,962,265	-	8,962,265
Cash and cash equivalents	-	2,899,294	-	2,899,294
	<u>339,029</u>	<u>11,861,559</u>	<u>-</u>	<u>12,200,588</u>

*Excluding non-financial assets.

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	N'000	N'000	N'000
2025			
Liabilities per statement of financial position:			
Borrowings	-	106,661,338	106,661,338
Lease liabilities	-	40,243,838	40,243,838
Trade and other payables	-	241,687,838	241,687,838
	<u>-</u>	<u>388,593,014</u>	<u>388,593,014</u>

	Financial instruments at fair value through profit and loss	Loans and receivables	Financial assets at fair value through other comprehensive income	Total
	N'000	N'000	N'000	N'000
2024				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	422,562	-	-	422,562
Trade and other receivables*	-	17,989,425	-	17,989,425
Investment in subsidiaries	-	4,410,854	-	4,410,854
	<u>422,562</u>	<u>22,400,279</u>	<u>-</u>	<u>22,822,841</u>

* Excluding non-financial assets.

	Financial instruments at fair value through profit and loss N'000	Financial liabilities at amortised cost N'000	Total N'000
2024			
Liabilities per statement of financial position:			
Borrowings	-	124,141,762	124,141,762
Lease liabilities	-	57,917,758	57,917,758
Trade and other payables	-	277,263,361	277,263,361
	-	459,322,881	459,322,881

(b) Financial Instruments: Carrying values and fair values
Group

	Carrying amounts 2025 N'000	2024 N'000	Fair values 2025 N'000	2024 N'000
Non-current receivables	483,594,729	495,590,553	-	-
Finance lease receivables	-	473,265,384	-	470,478,263
Derivative financial assets	12,285,337	7,708,825	12,285,337	7,708,825
Financial assets available for sale measured at the fair value	1,089,032	442,671	1,089,032	442,671
Lease liabilities	1,044,597	31,406,761	1,072,335	7,314,954
Borrowings	2,695,370,098	2,771,883,888	2,702,922,066	2,338,523,613

Company

	Carrying amounts 2025 N'000	2024 N'000	Fair values 2025 N'000	2024 N'000
Finance lease receivables	39,194,457	50,840,045	32,192,016	40,878,660
Financial assets available for sale measured at the fair value	339,029	422,562	339,029	422,562
Lease liabilities	40,243,838	57,917,758	32,349,172	45,765,046
Borrowings	106,661,338	124,141,762	103,162,795	121,879,474

48 Upstream activities

(a) Details of upstream assets

	Mineral rights acquisition N'000	Land and Leasehold improvements N'000	Expl. costs and producing wells N'000	Production Well N'000	Oil and gas properties N'000	Other fixed assets N'000	Total N'000
Opening NBV 1 January 2024							
Opening net book amount	19,239,016	2,785,828	77,584,883	693,284,766	205,389,574	18,565,588	1,016,849,655
Decommissioning costs	-	-	-	-	(363,694,768)	-	(363,694,768)
Decommissioning costs (business acquisition - Note 41)	-	-	-	-	363,658,946	-	363,658,946
Additions	221,611	(241,003)	1,437,698	(192,436)	9,088,117	5,508,480	15,822,467
Additions - Business acquisition (Note 15)	-	-	50,579,786	559,784,781	856,901,254	12,378,013	1,479,643,834
Transfer from exploration and evaluation asset	-	-	-	33,508,222	-	-	33,508,222
Depletion/depreciation charge*	(67,052)	-	(3,190)	(39,538,047)	(22,491,427)	(674,947)	(62,774,663)
Exchange difference	13,602,276	1,969,747	53,283,789	468,854,788	101,583,649	12,674,237	651,968,486
At 31 December 2024	32,995,851	4,514,572	182,882,966	1,715,702,074	1,150,435,345	48,451,371	3,134,982,179

	Mineral rights acquisition N'000	Land and Leasehold improvements N'000	Expl. costs and producing wells N'000	Production Well N'000	Oil and gas properties N'000	Other fixed assets N'000	Total N'000
Opening NBV 1 January 2025							
Opening net book amount	32,995,851	4,514,572	182,882,966	1,715,702,074	1,150,435,345	48,451,371	3,134,982,179
Decommissioning costs (revision of estimate)	-	-	-	-	(271,337,751)	-	(271,337,751)
ARO addition	-	-	-	-	7,545,330	-	7,545,330
Addition from IPP valuation (Note 22i)	-	-	-	-	-	218,851,327	218,851,327
Additions	(217,220)	1,472,971	(3,676,782)	32,130,927	60,396,672	5,307,521	95,414,089
Write-off*	-	-	(2,142,379)	-	-	-	(2,142,379)
Depletion/depreciation charge	(38,038)	-	1,778,452	(61,491,934)	(27,064,570)	(1,422,749)	(88,238,839)
Exchange difference	(2,138,610)	(362,390)	(11,749,595)	(110,442,348)	(64,307,093)	(3,341,415)	(192,341,451)
At 31 December 2025	30,601,983	5,625,153	167,092,662	1,575,898,719	855,667,933	267,846,055	2,902,732,505

*Write off represents capital projects that are deemed irrecoverable.

See Note 15 for inclusion of upstream assets in the Group's property, plant and equipment.

(b) Joint arrangements

The Group participates in various upstream exploration and production (E&P) activities through joint operations with other participants in the industry. Details of concessions are as follows:

	License	Operator	Working/Participating interest	Location	License type	Expiration date	Status
Oando Production and Development Company Limited	PML 13 (formerly OML 56)	Energia	45% participatory interest	Onshore	JV	December 12, 2043	Producing
Oando Qua Ibo Limited	PML 23 (formerly OML 13)	Network Exploration and Production Company Limited	40% working interest	Onshore	JV	December 12, 2043	Producing
Oando Oil Limited	OML 60, 61, 62 and 63	Oando Energy Resources Nigeria Limited	20% working interest	Onshore	JV	June 13, 2027	Producing
Oando Petroleum and Natural Gas Company Limited (OPNGL)	OML 60, 61, 62 and 63	Oando Energy Resources Nigeria Limited	19% working interest	Onshore	JV	June 13, 2027	Producing
Oando Energy Resources Nigeria Limited (OERNL)	OML 60, 61, 62 and 63	Oando Energy Resources Nigeria Limited	1% working interest	Onshore	JV	June 13, 2027	Producing
Oando Deepwater Exploration Nigeria Limited	OML 145	ExxonMobil	20% working interest	Offshore	PSC	June 12, 2032	Non-Producing
Oando 131 Limited	OML 131	Oando 131 Limited	95% participatory interest	Offshore	PSC	April 13, 2025	Non-Producing

Medal Oil Company Limited	OML 131	Oando 131 Limited	5% participatory interest	Offshore	PSC	April 13, 2025	Non-Producing
Equator Exploration Nigeria 323 Limited	OPL 323	KNOC	30% participating interest	Offshore	PSC	March 10, 2036	Non-Producing
Equator Exploration Nigeria 321 Limited	OPL 321	KNOC	30% participating interest	Offshore	PSC	March 10, 2036	Non-Producing
Equator Exploration STP Block 5 Limited	Block 5	Kosmos Energy	20% participating interest	Offshore	PSC	May 13, 2041	Non-Producing
	License	Operator	Working/Participating interest	Location	License type	Expiration date	Status
Equator Exploration STP Block 12 Limited	Block 12	Kosmos Energy	22.5% participating interest	Offshore	PSC	February 22, 2044	Non-Producing
Oando Energy Resources Nigeria Limited (OERNL)	OML 149	Global Energy Company Ltd	48% participating interest	Onshore	PSC	February 4, 2035	Non-Producing
Oando Exploration And Production Ltd	OPL 282	OERNL	94% - 4% working interest owned via Alliance Oil (Alliance Oil owns 10% interest, and OEPL owns 40% interest in Alliance Oil); 90% participating interest via OERNL	Onshore	PSC	July 9, 2015	Non-Producing

49 Going concern

The Group has a significant working capital deficiency and financing constraints as described below. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Although the Company recorded total comprehensive profit for the year ended 31 December 2025 of ₦468.6 billion (2024: ₦111.8 billion) and generated positive operating cash flows of ₦26.7 billion (2024: net cash outflow of ₦7.3 billion), management notes that profitability does not mitigate the significant liquidity constraints faced by the Company. As at that date, the Company also recorded net current liabilities of ₦375.8 billion (2024: net current liabilities of ₦410.5 billion) and net liabilities of ₦300.0 billion (2024: net liabilities of ₦348.3 billion).

The Group recorded total comprehensive profit for the year ended 31 December 2025 of ₦250.7 billion (2024: total comprehensive loss of ₦83.0 billion) and positive operating cash flows of ₦32.3 billion (2024: negative operating cash flows of ₦535.3 billion). Notwithstanding the above, the Group reported net current liabilities of ₦3.8 trillion (2024: ₦3.3 trillion), representing a significant short-term funding gap requiring refinancing or restructuring. As at 31 December 2025, the Group held cash and cash equivalents of ₦439.9 billion (see Note 31). This level of liquidity is significantly lower than the Group's net current liabilities of ₦3.8 trillion and is therefore insufficient, on its own, to meet obligations as they fall due. Furthermore, as disclosed in notes 32 and 33, the Group accepted ordinary shares resulting in treasury shares recognised in equity. The treasury share transactions have contributed to the Group's net liability position of ₦567.0 billion (2024: ₦361.0 billion), indicating continued dependence on external financial support.

Operational Performance

The Group achieved 57.4% and 53.0% of the budget production (in boe) and revenue respectively. This underperformance against budget adversely impacts on the Group's ability to generate sufficient cash flows to meet its debt servicing obligations.

Defaults and Breaches of Financing Arrangements

The Group defaulted on multiple borrowing arrangements across several financing facilities, indicating significant financial stress. Failure to meet obligations resulted in events of default and reclassification of the affected borrowings to current liabilities. The reclassification of borrowings to current liabilities significantly increases short-term repayment pressure.

Extensive security over assets has been pledged to lenders. These defaults expose the Group to potential enforcement of security over key assets, which may have a material adverse impact on operations.

Affected facilities and securities pledged are disclosed as follows:

1. Medium-Term Loan

Medium-Term Loan

As of 31 December 2025, the Group (through the Company) could not achieve payment of a total obligation of ₦113.6 billion as follows: outstanding principal of ₦76.9 billion, accrued interest of ₦21.1 billion, default interest of ₦8.7 billion and advisory fees of ₦6.9 billion.

Failure to pay the total obligation has resulted in an event of default under section 22 of the original MTL agreement. The default has resulted in the accounting classification of the outstanding principal amount of ₦76.9 billion as a current liability in these consolidated and separate financial statements. The Lenders have not issued an event of default as of the date of approval of these consolidated and separate financial statements. The lenders may, in addition to the declaration of an event of default, seek to enforce their rights in the Security Deed dated 30 June 2016. Under the Security Deed, the borrower (the Company) agreed to the following fixed charge and floating charge securities in favour of the Security Trustee for the benefit of the lenders:

First Ranking Fixed Charge

- First-ranking fixed charge on its plant and machinery.
- All present and future rights, benefits, interests and claims under and in respect of debt service account, debt proceeds account, stamp duties escrow account, the disbursement account, and the operations account and all monies from time to time credited to, and for the time being standing to its credit and all interests and other amounts from time to time payable in respect of or accruing thereto.

First-ranking floating charge

- All monies in the operating account and all future rights, benefits, interests and claims under and in respect of the account.
- Proceeds of all receivables, revenues, claims (including without limitation), the benefits of all insurances, full benefit of guarantees, indemnities and securities, and all liens, other than Excluded Assets and rights thereto.
- All stocks, shares, debentures, bonds or loan capital of any other body corporate, other than any Excluded Assets, and all rights to redeem, convert other securities into or otherwise acquire any of the same which may now or thereafter belong to the borrower.
- All intellectual property rights of the borrower.
- The goodwill of the borrower.
- All the borrower's present and future business accounts with any bank or other person in which the borrower has an interest as principal for its own accounts including all monies standing to the credit of all debts represented by and all investments of whatever nature held in or acquired using monies from any of its business accounts or other accounts, and all interests, dividends and other income receivable in respect of such accounts, save for the debt service account, debt proceeds account, stamp duties escrow account, the disbursement account, and the operations account.
- All undertaking and property (including inventory), assets and rights, whatsoever and wherever, present and future.

Furthermore, the borrower entered into an agreement with the Security Trustee creating a charge in favour of the Security Trustee on the shares of the borrower in the share capital or membership (in relation to Oando Netherlands Holdings 2 Cöoperatief U.A. only) of the following guarantors (also obligors):

- the Oando Trading DMCC (OTD) Share Charge.
- the Oando Trading Limited, Bermuda (OTB) Share Charge.
- the Oando E&P Holdings Ltd (OEP) Share Charge.
- the Oando Netherlands Holdings 2 Cöoperatief U.A. (ON) Share Charge.

The only guarantor in operations and with cash flows capability is OTD. The available cash resources of the guarantor are insufficient to cover the outstanding obligations and therefore do not provide adequate mitigation.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2025, the book values of the fixed charge and the floating charge are shown in the table below:

S/No	Security	Notes to the Financial Statements	N'million	
			2025	2024
	Non-current assets:			
			2025	2024
1	Plant & machinery of Oando PLC	15	11	11
2	Oando PLC's 100% share in OTD's Share Capital	29	3,456	3,456
3	Oando PLC's 100% share in OTB Share Capital	29	3,436	3,436
4	Oando PLC's 12.03% share in OE&P Holdings Share Capital	29	50,998	50,998
5	Oando PLC: right-of-use assets	17	190	1,493
6	Oando PLC's share in ON Share Capital	29	-	-
7	Oando PLC: investment properties	18	21,725	15,196
8	Oando PLC: finance lease receivables	22	-	14,133
	Total non-current assets		79,815	88,723
	Total current assets (per the statement of financial position on page 24)		57,986	66,280

The above non-current assets amount of N79.8 billion (2024: N88.7 billion) has not been reclassified to current assets in these consolidated and separate financial statements.

2. Corporate Facility

Following confirmation of satisfaction of the conditions for the renegotiation of the Corporate Facility ("CF") by the Agent Bank on 23 September 2025, the outstanding CF principal amount of \$200.5 million as of that date is to be paid twice yearly over a period of five years from 31 December 2027 by OER ("borrower"). The CF lenders and borrowers further agreed to the payment of \$32.4 million as interest due as of 31 December 2025. The borrower was unable to meet the payment. Failure to pay the interest on the due date constitutes an event of default under the loan agreement. Management has classified the outstanding principal amount of \$200.5 million under current liabilities in these consolidated and separate financial statements. The Lenders have not issued an event of default as of the date of approval of these consolidated and separate financial statements.

The lenders have the rights stated below in the security provided by OER and the guarantors in the event of acceleration of repayment of the outstanding principal and interest. The guarantors are Oando OML 125 and 134 Limited, Oando Petroleum Development Company Limited, Oando Production and Development Company Limited, Oando Akepo Limited, Oando Qua Ibo Limited, Oando OML 125 & 134 (BVI) Limited, Oando Netherlands Holding 2 B.V., Oando Netherlands Holding 3 B.V. and Oando Netherlands Holding 4 B.V.

Fixed and floating demand debenture on OER assets

Below are details of the fixed and floating demand debentures on OER assets:

- mortgages and charges (subject to some leaseholds exceptions) by way of a fixed and specific mortgage and charge to and in favour of the Security Trustee for and on behalf of the lenders. Such debenture will cover all present and after acquired real and immovable property (including, all leases and leasehold lands and also mortgages and charges such as leasehold lands by way of sub-lease), all OER's present and after acquired buildings, erections, improvements, fixtures and plant (whether the same form part of the realty or not) and all appurtenances to any of the foregoing, including without limitation, leases and lands.
- mortgages and charges to the Security Trustee for and on behalf of the lenders as and by way of a fixed and specific mortgage and charge, and all OER's present and after acquired goods and equipment, including without limitation, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired.
- continuing security interest in all OER's present and after acquired inventory, including without limitation, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service, all present and after acquired intangibles, book debts, accounts and other amounts receivable, contract rights, insurance rights arising from or out of the property referred to above, goodwill, chattel paper, instruments, documents of title, investments, money and investment property other than the Borrower's interest in Oando Netherlands Holding 1 Cöoperatief ("ONHC").
- continuing security interest in all of its present and after acquired real and personal property, assets, and undertaking, tangible and intangible, legal and equitable, moveable and immovable, of whatsoever nature and kind.
- proceeds arising from any dealing with the property above in the form of any real and immovable property, goods, investment property, instruments, documents of title, chattel paper, intangibles or money other than OER's interest in ONHC.

Deed of share charge on the assets of each guarantor

The deed of share charge on the assets of each guarantor are explained below.

First Ranking Fixed Charge

In addition, each guarantor (the Chargor) listed above as a legal and beneficial owner with a full title guarantee, and as continuing security for the payment and discharge of all the secured obligations for good and valuable consideration unconditionally charges in favour of the Security Trustee by way of a first ranking fixed charge, the following:

- the Shares, including all proceeds of sale derived from them.
- all Shares in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them.
- all derivative assets of a capital nature or of an income nature now or in the future accruing or offered at any time in respect of the Shares.

The Shares charged are Oando OML 125 & 134 (BVI) Ltd. 4,000,000 class B shares in Oando OML 125 & 134 Ltd., Oando Netherlands Holding 3 B.V. 4,000,000 class B shares in Oando Petroleum Development Company Ltd., Oando PLC's 6,000,000 class B shares in each of (i) Oando Qua Ibo Limited (ii) Oando Petroleum Development Company Limited (iii) Oando OML 125&134 Limited and (iv) Oando Akepo Limited, Oando Netherlands Holding 4 B.V.'s 4,000,000 class B shares in Oando Qua Ibo Ltd., Oando Petroleum Development Company Ltd.'s 9,500,000 shares in Oando Production and Development Company Ltd.

The security pledged also extends to any warrants, options or similar rights attached to the charged shares, where such rights may arise.

Derivative assets mean allotments, rights, money or property arising at any time in relation to any of the shares by way of conversion, exchange, redemption, bonus, preference, option or otherwise; and dividends, distributions, interest and other income paid or payable in relation to any of the Shares; and stock, shares and securities offered in addition to or substitution for any of the shares.

All assets debenture

Fixed charge

Fixed charge exists on Oando OML 125 & 134 Ltd, Oando Production and Development Company Ltd., Oando Qua Ibo Ltd., and Oando Akepo Ltd., by way of a first ranking fixed charge, all their present and future rights, benefits, title interest and claims under and in respect of the following:

- all plants and machinery.
- all Shares and Dividends.
- all the rights to and title, benefit and interest present and future, in, to and under the deposits in the following charged accounts and all related rights in respect of same:
 - > Collection account
 - > Cost reserve account
 - > Insurance and compensation account.
- all rights in the intellectual property or similar rights now or hereafter owned by or licensed to them and all related rights in respect of same.
- all rights in the intellectual property or similar rights now or hereafter owned by or licensed to them and all related rights in respect of same.
- all present and future goodwill and uncalled capital for the time being.
- all rights, title and interest to and in the book debts and the benefits of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by them.
- all the insurances.

Floating charge

By way of first ranking floating charge, the real property, any tangible moveable property and all the undertakings and assets, rights and income of the chargors listed under fixed charge above whatsoever and wherever situate, whether movable, immovable, present or future, all of which are not otherwise effectively charged under the fixed charge above.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2025, the obligors (the borrower and guarantors) book values of the fixed and floating demand debenture, deed of share charge and all asset debenture securities above are shown in the table below:

S/No	Security	Value (N'million)	
		2025	2024
	Non-current assets:		
1	Plant & machinery	54,197	76,514
2	Exploration and evaluation assets	9,392	377
3	Investments in associates	2,422	2,591
4	Restricted cash	8,540	1,676
	Total non-current assets	74,550	81,158
	Total current assets	1,154,068	1,241,418

The above non-current assets amount of N74.6 billion (2024: N81.2 billion) has not been reclassified to current assets in these consolidated and separate financial statements.

3. Trading Finance Facility

Oando PLC (the "Obligor") secured one-year \$10 million trading finance facility line (which became an overdraft at the balance date) to support the working capital requirement of one of its subsidiaries, Oando Trading DMCC, from Providus Bank Limited (the "Lender"), at SOFR plus 12% per annum on 14 October 2024. The Obligor and Lender further agreed to a bullet repayment of principal and interest at maturity. In addition, the facility is secured on the corporate guarantee of Oando Trading DMCC covering full payment of the principal and interest. The Obligor was unable to meet payment obligation of the principal amount of \$10 million, accrued interest of \$1,465,330.55 at the maturity date of 30 October 2025 and default interest of \$308,312.29. Lack of payment of the principal and interest on the due date has resulted in an event of default under the facility agreement.

4. Promissory Note – Olatunde International Limited

Oando PLC (the "Issuer") first issued a Promissory Note ("PN") of value N2,500,000,000 (the "Funded Amount") to Olatunde International Limited (the "Holder") on 27 May 2022 for the execution of a contract to lift crude oil from NNPC. The PN matured on 23 November 2022. The parties agreed to issue and hold replacement PNs of the same sum on 23 November 2022, 22 May 2023, 18 November 2023, 17 May 2024 and 13 May 2025 with a fee of 48% per annum payable immediately after the original disbursement or rollover. Furthermore, the PN provides that where the Issuer fails to pay the Holder the Funded Amount, additional fee shall accrue on the unpaid amount at 3.5% per month (prorated for the actual days) from the maturity date to the payment date. The Holder also has the right to commence civil enforcement proceedings on while or any unpaid portion of the PN.

As of the balance sheet date, the Issuer was unable to pay the N2.5 billion which matured on 12 November 2025, interest on the principal of N153.3 million and the default interest of N134.2 million.

5. FX Forward Contract

Oando PLC (the "Counterparty") entered into a N450 million foreign exchange (FX) forward contract with Industrial & Supply Ventures Limited ("the company") on 15 June 2023. On the following day, the company advanced the said amount to the Counterparty at FX spot rate plus cost of carry. Cost of carry was agreed as a minimum of 3.5% per month from Trade date till settlement date of the contract, subject to review.

The Counterparty has not settled the forward of N450.0 million and the accrued interest of N487.0 million as of the balance sheet date.

6. BB Energy (Gulf) DMCC Facility

Calabar Power Limited (the "borrower"), a subsidiary of Oando PLC, obtained a facility of \$40 million (N60.3 billion) from BB Energy (Gulf) DMCC ("BBE"/the "lender") on June 28, 2024. Oando PLC is the guarantor of this facility. The principal repayment will commence in July 2026, and the facility will mature in July 2028. Although the repayment is not due, an event of default has occurred under the terms of the agreement as the value of the assets of the guarantor is less than its liabilities as of 31 December 2025.

Pledge and Security Interest

The borrower grants to and in favour of the lender a first continuing, fixed and specific pledge as security interest in 79,223,857 units of shares (pledged securities) held by the borrower in Oando E&P Holdings Limited. The lender has not notified the borrower of its intention to exercise any or all its rights on the pledged securities. The value of the lender's interest in the security was N78.1 billion (USD 54.4 million) at 31 December 2025 (31 December 2024: N147.0 billion/\$95.7million).

Management has classified the BBE facility amount under current liabilities in these consolidated and separate financial statements. The Lenders have not issued an event of default as of the date of approval of these consolidated and separate financial statements.

7. RBL 3 Facility and Junior Facility

a) Oando Petroleum and Natural Gas Company Limited ("OPNGL"/ the "borrower"), an indirect subsidiary of Oando PLC, obtained a Senior Secured Facility of \$500 million from Afrexim Bank and Indorama Capital Holding PTE Ltd (the "lenders") in 2024 to finance purchase of the 19% working interest in the OML 60 – 63 JV on 22 August 2024. The original guarantors of the facility are Oando Energy Resources Inc., Oando E&P Holdings Limited, Oando Oil Cooperatief U.A. and Oando Oil Holdings Limited. The borrower could meet the leverage ratio of equal to or less than 3:1 as agreed with the lenders. The inability to meet the leverage ratio has resulted in an event of default and consequently in the reclassification of the outstanding principal amount of N556.1 billion (\$387.5 million) at the balance sheet date to current borrowings in these consolidated and separate financial statements.

The borrower also obtained a Junior Facility of \$150 million from Mercuria Asia Resources PTE Ltd in 2024 to finance balance of the consideration for the purchase of the working interest explained in (a) above and other transaction costs. The borrower was unable to meet the leverage ratio of equal to or less than 3.3:1 as agreed with the lender. The inability to meet the leverage ratio has resulted in an event of default and consequently in the reclassification of the outstanding principal amount of N54.9 billion (\$38.2 million) at the balance sheet date to current borrowings in these consolidated and separate financial statements. The Lenders have not issued an event of default as of the date of approval of these consolidated and separate financial statements.

Pledges and Security Interest

The borrower grants to and in favour of the lenders the following security:

- a fixed charge over all OPNGL's assets including its interest in (a) the Oil Mining Leases, the Joint Operating Agreement, and the Participation Agreement; (b) Agreed insurances; (c) Local Proceeds Account.
- floating charge over all other assets and undertaking of OPNGL.
- security assignment of Crude Oil Sale and Purchase Agreement.
- charge over the facility accounts.
- security assignment over the hedging obligors rights under the secured hedging agreement.
- charge over Oando Oil III's shares in OPNGL.
- security assignment in respect of the rights of OPNGL, Oando E&P, Oando Oil 3, Oando Oil 2 under the Intercompany Loan Agreements.
- security agreement of membership rights held by Oando E&P and 0902702 B.C. Ltd in Oando Oil 3.
- charge over shares in the Oando Oil Holdings Limited.
- security assignment in relation to the Sale and Purchase Agreement.
- charge over Oando Oil II's shares in OERNL.
- security agreement of membership rights of Oando E&P and 0902702 B.C. over their membership rights held in Oando Oil II.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2025, the obligors' book values of the fixed and floating charges over assets of the obligors and charges over the shares of OERNL and Oando Oil Holdings Limited are shown in the table below:

S/No	Security	Value (N'million)	
		2025	2024
OPNGL's Non-current assets:			
1	Property, plant and equipment	1,547,506	1,662,954
2	Right of use asset	-	22,714
3	Deferred tax asset	119,652	45,945
4	Finance lease receivables	-	128,173
		1,667,158	1,859,786
Other non-current asset:			
	OERNL Share charge	251,996	269,564
	Total non-current assets	1,919,154	2,129,350
	OPNGL's total current assets	374,798	280,515

The above non-current assets amount of N1.9 trillion (2024: N2.1 trillion) has not been reclassified to current assets in these consolidated and separate financial statements.

8. RBL 2 Facility

Oando Oil Limited (the "borrower"), an indirect subsidiary of Oando PLC, obtained an upsized facility ("Senior Secured Facility - RBL 2) of \$265.0 million from Afrexim Bank (the "Lender") in 2025. In the same year, Afrexim and Mercuria agreed for the latter to upgrade \$110.0 million out of the \$150.0 million borrowed in 2024 as explained above to a Senior Secured Facility status, thereby making both lenders participants in the RBL 2 Facility in the aggregate lending amount of \$375.0 million. The purpose of the RB 2 Facility is the funding of the DSRA account, payment of outstanding fees, costs and other expenses. The original guarantors of the facility are Oando Energy Resources Inc., Oando OML 60, 61, 62 and 63 Holding B.V. and Oando Holdco Ltd.

Under section 23.11.2 of the Senior Secured Facility Agreement, an event of default occurs where the value of the assets of the borrower is less than its liabilities (considering contingent and prospective liabilities). The borrower was in a net liability position at the balance date. This contravention has resulted in the reclassification of the outstanding principal amount of N475.6 billion (\$331.4 million) at the balance sheet date to current borrowings in these consolidated and separate financial statements. The Lender has not issued an event of default as of the date of approval of these consolidated and separate financial statements.

Pledges and Security Interest

The borrower grants to and in favour of the lenders the following security:

- a fixed charge over all OOL's assets including its interest in (a) the Oil Mining Leases, the Joint Operating Agreement, and the Participation Agreement; (b) Agreed insurances; (c) Local Proceeds Account.
 - floating charge over all other assets and undertaking of OOL.
 - security assignment of Crude Oil Sale and Purchase Agreement.
 - security assignment in respect of Oando OML 60, 61, 62 & 63 Holding B.V and Oando OML 60, 61, 62 & 63 Limited's rights under certain agreements to which they are a party.
 - charge over the Facility Accounts.
 - share charge over OML 60, 61, 62 & 63 Holding B.V.'s shares in OOL.
 - share charge over Oando OML 60, 61, 62 & 63 Limited's shares in OOL.
 - charge over Accounts held by the SPV.
 - security assignment over all of the receivables of SPV.
 - share charge over the shares in Oando Servco Nigeria Limited.
 - security assignment over the Hedging Obligors rights under the Secured Hedging Agreement.
 - charge over shares in the Oando Holdco Limited.
- fixed charge over the Hedging Account and a floating charge over all other assets of Oando Holdco Limited.
 - security assignment in respect of Oando Servco Nigeria Limited's rights under the Services Agreement.
 - security assignment in respect of the Agreed Insurances and in respect of which OOL is named as an insured party.
 - security assignment in respect of the OOL's rights under the OER Intercompany Loan Agreement.
 - a composite debenture over Oando Servco Nigeria Limited's assets.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2025, the obligors' book values of the fixed, floating and debenture charges over assets of the obligors and charges over the shares of OML 60, 61, 62 & 63 Holding B.V., OML 60, 61, 62 & 63 Holding Limited, Oando Servco Nigeria Limited and Oando Holdco Limited are shown in the table below:

	Value (N'million)	
	2025	2024
Security		
OOL's Non-current assets:		
Property, plan and equipment	1,173,928	1,263,066
Exploration and evaluation assets	25,573	27,913
Right of use asset	-	35
Held to maturity (Long-term) investments	17	18
Finance lease receivables	-	335,181
Restricted cash	17,482	276
	1,217,000	1,626,489
Other non-current asset:		
Charge over OML 60,61,62 & 63 Holdings B.V.'s shares in OOL	1,696,889	1,815,095
Charge over Oando Servco Netherlands shares in Oando Servco Nigeria Limited	23	24
Fixed charge over OOL's shares in Oando Holco Limited	17	18
Floating charge over assets of Oando Holco Limited	145,031	145,012
Composite debenture over Oando Servco Nigeria Limited's assets	2,221,108	2,052,516
	5,280,068	5,639,154
Total non-current assets		
	1,591,534	858,899

The above non-current assets amount of N5.3 trillion (2024: N5.6 trillion) has not been reclassified to current assets in these consolidated and separate financial statements.

9. Effect of the securities pledged

Had the total non-current assets in respect of the facilities and loans in 1-8 above (for MTL, CF, BBE, RBL 2, RBL 3 and Junior Facility) amounting to N7.4 trillion been reclassified to current assets in the audited separate financial statements of the obligors, the effect would change the funding gap of the Group to net current asset in excess of the audited N3.8 trillion at 31 December 2025 by N3.6 trillion and N5.4 trillion from the unaudited projected funding gap of N2.0 trillion at 31 December 2026. In addition, exercising the lenders right in the securities pledged by the obligors under the facilities and loans mentioned above could lead to preparing the consolidated and separate financial statements on a break-up basis and accounting for disposal of subsidiaries, business and non-current assets under IFRS 5.

Asset Valuation Assertion

Based on management's assessment performed by the Group, the estimated fair value of certain assets of the Group exceeds their carrying amounts and it is sufficient to cover the net funding gap of N3.8 trillion. However, this fair value is not readily realisable and therefore does not provide immediate liquidity to settle obligations as they fall due.

The fair value mentioned above is majorly driven by the underlying estimated value of oil and gas reserves of the group.

Mitigation plans

Management's plans to mitigate the going concern uncertainties on working capital deficiency and negative shareholders' funds include capital raising and restructuring activities as approved by the members of the Company at the 46th Annual General Meeting which was held on 11 August 2025. The plans are:

1. Additional capital of up to N500 billion only or its foreign currency equivalent in the Nigerian and/or international capital markets through the issuance of up to 10,000,000,000 Ordinary Shares of 50 kobo each, either as a standalone issue or by the establishment of capital raising programmes, whether by way of public offerings, private placements, debt to equity conversions, rights issues and/or other transaction modes. The N500 billion will be raised in two tranches. Management has applied to SEC for the approval to launch the first tranche of N220 billion rights issue in Q2 2026. The second tranche is planned for Q4 2026. In a Letter of Guarantee in favour of Oando PLC and its subsidiaries dated 25 March 2026; Ocean and Oil Development Partners Limited (the Company's majority shareholder/OODP) have offered to underwrite any offer not subscribed by minority shareholders in addition to fully subscribing its own rights.
 2. Capital restructuring agreements with key stakeholders and lenders and conversion up to US\$300 million (N430.6 billion at the closing rate of N1435.257=\$1) out of the existing Reserves-Based Lending (RBL) debt into equity.
 3. Establish a multi-instrument issuance programme in an amount up to US\$1.5 billion or its Naira equivalent (N2.2 trillion at the closing rate of N1435.257=\$1) and proceed with subsequent issuances of bonds, certificates, instruments and/or other securities under the programme. This programme is planned for Q4 2025.
- The Group's working capital deficiency of N3.8 trillion primarily reflects significant short-term obligations arising from borrowings, trade payables, tax liabilities and other statutory payables. While management has identified above potential funding plans amounting to approximately N3.1 trillion, these plans are subject to execution risk, regulatory approvals, and market conditions. If successfully executed, these plans may partially address the funding gap by approximately 81.6%; however, their timing and outcome remain uncertain. Based on current cash balances and operating cash flows, the Group's available liquidity is insufficient to meet its obligations as they fall due without the successful execution of these funding plans. Accordingly, there remains significant uncertainty regarding the timing and extent of the mitigation measures and their ability to address the Group's liquidity requirements.

Shareholder Support

The Letter of Guarantee referred to above which is valid from 25 March 2026 to 25 March 2027 provides that OODP will support the Group by ensuring that the Company and its subsidiaries will be put in a position to meet their financial obligations as they fall due and that the Company and its subsidiaries will duly perform and comply with all their financial obligations as long as the liabilities (including contingent liabilities) of the Company and its subsidiaries exceed their assets, or upon the date that the fair value of the assets of the Company and its subsidiaries exceed their liabilities (including contingent liabilities), whichever is earlier. The Letter of Guarantee constitutes a contract for the benefit of all creditors of the Company and its subsidiaries, present and future, and that benefit will be capable of acceptance, express or implied, by any or all of those creditors, who may then enforce the undertakings given in the Letter of Guarantee. Furthermore, OODP undertakes to the extent of their obligations as majority shareholders of the Company to provide funding and/or other support needed to make the undertaking effectual. OODP has intimated management that the evidence of its net worth backing the guarantee is being audited and the audit is yet to be completed as of the date of approval of these audited consolidated and separate financial statements. The effectiveness of this support is dependent on the financial capacity of the guarantor, which has not yet been independently verified.

Material uncertainty related to going concern

The Group's recurring net liabilities, significant working capital deficiency, multiple loan defaults, exposure to enforcement of security over assets, and uncertainty surrounding the successful execution of management's funding plans collectively indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Conclusion

The consolidated and separate financial statements have been prepared on a going concern basis. The going concern assumption is dependent on the successful implementation of management's mitigation plans and continued financial support from shareholders and lenders.

These consolidated and separate financial statements do not include any adjustments that would result if the Group or Company were unable to continue as a going concern.

Other National Disclosures

Oando PLC
Consolidated and Separate Financial Statements
Value Added Statement
For the year ended 31 December 2025

Group	2025		2024	
	N'000	%	N'000	%
Turnover	3,180,090,462		4,086,650,996	
Other income	203,792,110		1,100,879,352	
Interest received	288,032,431		47,197,353	
	<u>3,671,915,003</u>		<u>5,234,727,701</u>	
Bought in goods and services				
- Local purchases	(1,037,867,399)		(1,496,533,330)	
- Foreign purchases	(1,979,711,569)		(3,048,799,853)	
Value added	<u>654,336,035</u>	<u>100</u>	<u>689,394,518</u>	<u>100</u>
Distributed as follows:				
Employees				
- To pay salaries and wages and other staff costs	27,474,733	4	10,773,057	2
Government				
- To pay tax	(100,089,126)	(15)	158,174,730	23
Providers of capital				
- To pay interest on borrowings	394,689,242	60	235,835,820	34
Non-controlling interest	(1,627,549)	-	(17,014,094)	(2)
Maintenance and expansion of assets				
- Deferred tax	31,040,513	5	5,525,334	1
- Depreciation and amortisation	98,837,594	15	71,243,405	10
- Retained in the business	204,010,628	31	224,856,266	32
Value distributed	<u>654,336,035</u>	<u>100</u>	<u>689,394,518</u>	<u>100</u>
Company				
	2025		2024	
	N'000	%	N'000	%
Turnover	-		343,861,081	
Other income	537,355,401		836,911,482	
Interest received	2,065,581		4,061,008	
	<u>539,420,982</u>		<u>1,184,833,571</u>	
Bought in goods and services				
- Local purchases	(36,840,350)		(1,007,064,316)	
- Foreign purchases	-		-	
Value (eroded)/added	<u>502,580,632</u>	<u>100</u>	<u>177,769,255</u>	<u>100</u>
Distributed as follows:				
Employees				
- To pay salaries and wages and other staff costs	1,183,006	-	638,343	-
Government				
- To pay tax	5,837,734	1	10,484,456	6
Providers of capital				
- To pay interest on borrowings	24,664,433	5	52,865,038	30
Maintenance and expansion of assets				
- Deferred tax	-	-	-	-
- Depreciation	2,308,004	-	1,974,794	1
- Retained in the business	468,587,455	94	111,806,624	63
Value distributed	<u>502,580,632</u>	<u>100</u>	<u>177,769,255</u>	<u>100</u>

Oando PLC
Consolidated and Separate Financial Statements
Five-Year Financial Summary (2021 - 2025)

GROUP	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
Property, plant and equipment	2,934,015,302	3,166,414,760	1,034,448,760	462,706,448	906,995,130
Intangible exploration assets, other intangible assets and goodwill	989,434,897	1,031,074,278	622,436,397	312,500,299	301,877,711
Right-of-use assets	1,487,796	26,904,265	6,069,139	7,818,960	14,386,973
Investment properties	21,725,000	15,195,950	12,060,900	4,450,000	3,138,000
Deferred income tax assets	120,662,760	60,515,346	-	633,750	0
Investments accounted for using the equity method	5,946,163	7,842,436	5,046,606	1,747,385	2,339,216
Other non-current assets	530,817,078	1,026,334,389	180,506,645	92,161,634	89,986,622
Net current liabilities	(3,761,930,480)	(3,318,667,111)	(1,632,578,647)	(818,743,209)	-578,158,281
Non current borrowings	(616,518,033)	(1,458,388,478)	(46,945,871)	(110,465,837)	-166,132,553
Deferred income tax liabilities	(170,345,455)	(81,011,280)	(16,459,336)	(3,680,666)	-3,171,132
Other non-current liabilities	(622,267,395)	(837,193,932)	(431,763,314)	(146,334,532)	-638,944,880
	<u>(566,972,367)</u>	<u>(360,979,377)</u>	<u>(267,178,721)</u>	<u>(197,205,768)</u>	<u>(67,683,194)</u>
Share capital	6,215,706	6,215,706	6,215,706	6,215,706	6,215,706
Share premium	176,588,527	176,588,527	176,588,527	176,588,527	176,588,527
Retained earnings	(88,487,223)	(292,497,851)	(506,007,516)	(568,003,702)	(424,258,964)
Treasury shares	(378,785,999)	-	-	-	-
Capital distribution reserve	(77,956,558)	-	-	-	-
Other reserves	(167,511,438)	(215,877,926)	74,012,855	195,832,724	155,734,328
Non controlling interest	(37,035,382)	(35,407,833)	(17,988,293)	(7,839,023)	18,037,209
	<u>(566,972,367)</u>	<u>(360,979,377)</u>	<u>(267,178,721)</u>	<u>(197,205,768)</u>	<u>(67,683,194)</u>
Revenue from contract with customers	<u>3,180,090,462</u>	<u>4,086,650,996</u>	<u>2,845,598,308</u>	<u>1,993,754,362</u>	<u>477,070,471</u>
Profit/(loss) before income tax	135,759,960	383,820,117	102,978,050	(61,840,466)	(134,282,770)
Income tax credit/(expense)	69,048,613	(163,700,064)	(42,700,882)	(19,390,350)	(6,391,693)
Profit/(loss) for the year	<u>204,808,573</u>	<u>220,120,053</u>	<u>60,277,168</u>	<u>(81,230,816)</u>	<u>(140,674,463)</u>
Per share data					
Weighted average number of shares	8,746,814	12,431,412	12,431,412	12,431,412	12,431,412
Basic and diluted earnings/(losses) per share (Naira)	23	18	5	(6)	(10)
Dividends per share (Naira)	-	-	-	-	-

Oando PLC
Consolidated and Separate Financial Statements
Five-Year Financial Summary (2021 - 2025)

COMPANY	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	6,049,299	1,641,670	1,467,590	1,499,606	1,508,958
Intangible exploration assets, other intangible assets and goodwill	522,365	-	-	14,964	435,321
Right-of-use assets	189,625	1,493,090	2,905,040	4,311,850	9,375,875
Investment properties	21,725,000	15,195,950	12,060,900	4,450,000	3,138,000
Investments accounted for using the equity method	-	-	-	-	2,716,431
Investment in subsidiaries	54,619,740	54,645,763	3,483,170	22,467,109	22,467,109
Other non-current assets	-	14,133,109	16,717,079	18,455,598	8,199,931
Net current liabilities	(375,795,834)	(410,490,453)	(469,190,195)	(273,988,316)	(202,422,681)
Non current borrowings	(6,969,337)	(10,525,847)	(7,964,855)	(6,026,823)	-
Other non-current liabilities	(383,163)	(14,359,954)	(19,552,025)	(15,059,834)	(19,510,453)
	<u>(300,042,305)</u>	<u>(348,266,672)</u>	<u>(460,073,296)</u>	<u>(243,875,846)</u>	<u>(174,091,509)</u>
Share capital	6,215,706	6,215,706	6,215,706	6,215,706	6,215,706
Share premium	176,588,527	176,588,527	176,588,527	176,588,527	176,588,527
Retained earnings	(62,483,450)	(531,070,905)	(642,877,529)	(426,680,079)	(356,895,742)
Treasury shares	(378,785,999)	-	-	-	-
Capital distribution reserve	(41,577,089)	-	-	-	-
	<u>(300,042,305)</u>	<u>(348,266,672)</u>	<u>(460,073,296)</u>	<u>(243,875,846)</u>	<u>(174,091,509)</u>
Revenue from contract with customers	-	343,861,081	1,540,594,843	1,556,744,962	320,702,465
Profit/(loss) before income tax	474,425,189	122,291,080	(208,403,444)	(33,852,292)	(44,507,463)
Income tax expense	(5,837,734)	(10,484,456)	(7,794,006)	(7,807,649)	(801,756)
Profit/(loss) for the year	<u>468,587,455</u>	<u>111,806,624</u>	<u>(216,197,450)</u>	<u>(41,659,941)</u>	<u>(45,309,219)</u>
Per share data					
Weighted average number of shares	8,746,814	12,431,412	12,431,412	12,431,412	12,431,412
Basic and diluted (losses)/earnings per share (Naira)	54	9	(17)	(3)	(4)
Dividends per share (Naira)	-	-	-	-	-