

THE OKOMU OIL PALM COMPANY PLC  
ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

**THE OKOMU OIL PALM COMPANY PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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RESULTS AT A GLANCE

	2025 ₦'000	2024 ₦'000	% change
Revenue from contracts with customers	198,152,877	130,210,665	52%
Profit before taxation	90,646,654	53,555,458	69%
Income tax expense	(32,694,939)	(13,597,712)	140%
Profit for the year	57,951,715	39,957,746	45%
Other comprehensive loss	(1,661,842)	(460,141)	261%
Total comprehensive income	56,289,873	39,497,605	43%
Net assets	48,810,108	55,478,295	(12%)
Employee benefit expense	(31,031,253)	(26,166,161)	19%
Number of employees	280	314	(11%)
Basic earnings per share	60.75	41.89	45%
Net asset per share	51.17	58.16	(12%)
Share price	1,095	444	147%

## THE OKOMU OIL PALM COMPANY PLC

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#### CHAIRMAN'S REPORT

Ladies and Gentlemen, esteemed shareholders, and distinguished guests,

it is my pleasure to welcome you to the 46th Annual General Meeting of our Company. This year is particularly significant as we also celebrate the Company's 50th anniversary.

I am pleased to present the Annual Report and Financial Statements for the year ended 31 December 2025, which highlights our performance in 2025 and outlines our strategic outlook for the year ahead.

#### The Operating & Economic Environment for 2025

In 2025, global geopolitical risks remained elevated despite earlier expectations of a gradual easing of tensions. Ongoing trade protectionism and unresolved disputes between countries, continued to disrupt global supply chains. These developments, together with volatility in global oil markets, kept energy prices elevated and sustained imported inflationary pressures on the Nigerian economy, shaping the operating environment for businesses during the year.

Nigeria's economic landscape in 2025 reflected a gradual transition from the volatility experienced in prior years toward cautious stabilization, following significant structural reforms implemented between 2023 and 2024. Macroeconomic conditions showed moderate improvement, with GDP growth estimated within the 3-4% range, supported by a recovery in both the oil and non-oil sectors. Following the rebasing of the Consumer Price Index by the National Bureau of Statistics (NBS), inflationary pressures moderated over the course of the year. The foreign exchange market experienced relative stability during the year, supported by key domestic reforms, including the unification and liberalization of the FX market, improved capital inflows, stronger export receipts, and expanding local refining capacity. This stabilization contributed to a strengthening of external reserves.

However, the operating environment remained challenging, with incidents of insecurity persisting in various parts of the country. In response, the Federal Government intensified security measures to address the escalating threats which continues to severely restrict agricultural activities, directly impacting harvesting and food security. The ongoing insecurity, combined with climate shocks and economic instability, has resulted in below-average crop production in Nigeria.

Against this mixed macroeconomic backdrop, marked by improving economic indicators but continuing security challenges, the Company demonstrated remarkable resilience. Benefiting from moderating inflation and a relatively stable exchange rate environment, we surpassed our prior year's performance, achieving tremendous growth in both revenue and profitability. This performance underscores the strength of our strategy, the discipline of our execution, and the unwavering commitment of our Board, Management, and employees to delivering sustainable benefits to our shareholders.

#### Operating Results

##### Oil palm

The total oil palm area for 2025 was 19,012ha, with a mature area of 17,162ha and new and immature palm area of 1851ha. Re-planting of older palms continued in 2025, with 1851ha now planted.

The total Company's FFB production for 2025, including third-party purchases, was 313,461t (2024: 309,358t), representing an average FFB yield of 16.68 (2024: 15.34t/ha).

The oil mills processed 74,131 CPO in 2025 (nearly 7.8% higher than 2024). An oil extraction rate of 23.65% was recorded in 2025.

Total revenue for all palm products in 2025 totaled ₦172.6 billion, ( 60.5% higher than 2024), whilst the cost of sales was ₦112,339 billion (175.3% higher than 2024).

Gross profit was ₦123,346 billion, ( 93% higher than 2024) and profit on continuing operations was ₦88,798 billion (103% higher than the corresponding period in 2024).

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**CHAIRMAN'S REPORT - CONTINUED**

**Rubber**

The total mature area for rubber remained substantially similar to 2025, at 5,846ha. The area for new and immature plantings was 1488ha. Total wet cup lump harvested was 10,420t (2024: 9,197t), which was almost 13% lower than in 2024. This was due to the Company's subscription to the European Union Deforestation Regulation (EUDR), as third-party purchasers also had to comply with the EUDR requirements. The average yield of dry rubber for 2025 was 1.78t/ha (2024: 1.52 t/ha). The rubber factory processed 10,073t of dry rubber in 2025 (2024: 9,197t).

Average rubber prices increased, with an increase of 4.6% in 2025. This resulted in a significant increase in gross profit, from ₦14,6 billion to ₦17,6 billion. However, the profit before tax and interest for rubber went down from ₦7 billion in 2024 to ₦4,5 billion in 2025.

**Consolidated Financial Results**

In the year under review, despite the mixed macro-economic indicators and the lower rubber production output, I am pleased to report that our Company remained resilient and recorded a total turnover of ₦198,2 billion, representing a commendable 52% increase over the previous year.

Consolidated costs of sales for 2025 recorded an increase of approximately 27.6% over those in 2024, whilst consolidated gross profit increased by approximately 79.5% from N78.5 billion in 2024 to ₦ 141 billion in 2025.

The Company paid approximately ₦32,6 billion in consolidated company and consumption taxes to both Federal and State agencies for the financial year 2025 (₦13,6 billion in 2024).

The Company's net profit for 2025 on continuing operations increased by approximately 45% at ₦57,9 billion (₦39,9 billion in 2024).

**Dividends**

In recognition of our Company's outstanding performance, the Board of Directors paid out an interim dividend of N40.00 during the fiscal year 2025 to reward our loyal shareholders for their continued trust and support. Additionally, the Board of Directors has recommended a final dividend payment of ₦15 per share, which would translate into a total dividend payout of ₦55 per share, to shareholders for the financial year 2025

**Environment Sustainability, Health, Education & Safety for 2025**

Environmental conservation, health, education, and safety standards remained key facets of the Company's commitments, to staff, communities, and the surrounding environment. The Company completed its ISO surveillance audits in 2025. These include the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 on all its concessions. Halal recertification for the Main Estate and RSPO recertification first surveillance audits were done at the Main Estate, Extension 1 and Extension 2 concessions.

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**CHAIRMAN'S REPORT - CONTINUED**

**Environment Sustainability, Health, Education & Safety for 2025 - continued**

All audits were completed successfully, with zero non-conformities recorded. NAFDAC and SON certifications were also successfully renewed for the year. Additionally, the Company proactively assessed its rubber operations for compliance with the European Union Deforestation Regulation (EUDR), demonstrating its continued leadership and proactive approach to sustainability while maintaining maintain access to international markets.

**Employees**

During 2025, the Company maintained a stable and well-controlled security environment, providing a safe and secure workplace for our employees throughout the reporting period. Operations across the Palm and Rubber divisions, including processing facilities, residential quarters, and administrative units, continued without significant disruption attributable to security incidents, ensuring the safety and well-being of our employees.

Despite prevailing regional security challenges in parts of Edo State, the Company maintained a strong preventive security approach, prioritizing the protection of its workforce and assets.

The Company continued its comprehensive health, safety, and welfare programmes for staff in 2025. as it remains committed to developing its most valuable asset, its people and investing in staff training and skill development during the year.

**Corporate Social Responsibility**

In 2025, the Company remained committed to its strong commitment to corporate social responsibility, consistently investing in community development projects, education, and skills acquisition programs designed to empower the 29 neighboring communities within the Company's footprint and to promote sustainable social growth and development within these communities.

**Future Expansion & Development Plans for 2025**

As we turn our attention to the year ahead, we remain resolute in pursuing purposeful expansion anchored in internal growth initiatives. In 2026, the Company will focus on yield optimization, operational efficiency, replanting across its concessions, and cost discipline.

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**CHAIRMAN'S REPORT - CONTINUED**

Okomu @ 50

This AGM marks a significant milestone for Okomu Oil Palm Company Plc as it celebrates its Golden Jubilee. Fifty years represent far more than longevity; they reflect discipline, resilience, strategic vision, and an unwavering commitment to value creation.

Okomu was established in 1976 as a Federal Government initiative to revitalize Nigeria's oil palm industry, with a plantation spanning 15,580 hectares in the Okomu Forest Reserve. Production commenced in 1985 with a 1.5-tonne per hour mill, and by 1989, 5,500 hectares had been planted. Those early foundations – in infrastructure, governance, and human capital – positioned the Company for long-term success.

The privatization of Okomu in 1990 and its listing on the Nigerian Stock Exchange marked a pivotal transition to a commercially driven, shareholder-focused enterprise. Since then, strong corporate governance, transparency, and accountability have remained central to our operations.

Our growth has been matched by a deep commitment to sustainability and responsible operations. In 2020, we became the first oil palm company in Edo State to achieve RSPO certification, complementing our ISO certifications in quality management, environmental stewardship, and occupational health and safety. These milestones underscore our resolve to operate in line with global best practices.

Beyond financial performance, Okomu remains a committed development partner to over 29 host communities, investing in infrastructure and social initiatives that enhance livelihoods. Today, our products reach international markets, reflecting our evolution into a globally competitive agro-industrial enterprise.

As we look ahead, our focus is clear: to maximize value, strengthen resilience, deepen sustainability, and position Okomu as the benchmark for responsible and profitable agribusiness in West Africa. We will continue to prioritize operational excellence, prudent risk management, innovation, and consistent improvement in shareholder returns.

This Fifty-year milestone is a tribute to the foresight of our founders, the dedication of successive Boards and Management teams, the hard work of our employees, the support of our communities, and the enduring confidence of our shareholders. It is a foundation for greater successes.

On behalf of the Board, I thank you for your continued trust and partnership. The future of Okomu Oil Palm Company Plc is bright, and our best years remain ahead of us.

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**CHAIRMAN'S REPORT - CONTINUED**

Conclusion

In closing, I express my gratitude to our esteemed shareholders for their continued support and confidence, as well as regulators, the management team, staff, and all stakeholders whose commitments and various contributions resulted in the stellar performance of the Company.

Looking into the future, with a clear strategic direction, a dedicated team, and an unwavering commitment to our vision, we are confident in our ability to continue delivering value.

I thank you all for your presence and participation at this 46th Annual General Meeting and wish you a prosperous and fulfilling year ahead.

Thank you, and God bless.



Mr. G. Oyebode MFR  
Chairman  
FRC/2013/NBA/0000000254

       27 March 2026

## THE OKOMU OIL PALM COMPANY PLC

### ANNUAL REPORT AND FINANCIAL STATEMENTS

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#### REPORT OF THE DIRECTORS

The Directors' present their report together with the financial statements of the Okomu Oil Palm Company Plc ("the Company") for the year ended 31 December 2025, which disclose the state of affairs of the Company.

##### Legal form

The Company was incorporated as a private limited liability Company on 3 December 1979. It was converted to a public limited Company on 19 September 1997 under the Companies and Allied Matters Act and it is domiciled in Nigeria.

##### Principal activities

The principal activities of the Company are the cultivation of oil palm, processing fresh fruit bunches into crude palm oil for resale, rubber plantation, and processing of rubber lumps to rubber cake for export.

	2025	2024
Results	₦'000	₦'000
Revenue from contracts with customers	198,152,877	130,210,665
Profit before taxation	90,646,654	53,555,458
Income tax expense	(32,694,939)	(13,597,712)
Profit for the year	57,951,715	39,957,746

##### Dividend

The Directors approved and paid an interim dividend of ₦40 per ordinary share during the year 2025 (2024: interim dividend of N10 per ordinary share of 50 kobo each). The Board of Directors further recommends, in respect of the year ended 31 December 2025, a final dividend of ₦15 per ordinary share of 50 kobo each (2024: ₦26.00 per ordinary share of 50 kobo each) subject to the deduction of withholding tax at the appropriate rate. This proposed dividend will only be recognized as a liability after approval by the shareholders at the Annual General Meeting (AGM).

##### Directors

The members of the Board of Directors during the year under review comprise:

Mr. Gbenga Oyeboode MFR (Nigerian)	Chairman	
Dr. Graham Hefer (South African)	Managing Director	
Mr. Arnaud Arhainx (French)	Finance Director/CFO	Resigned 11 February 2026
Mr. Peter Eguasa JP (Nigerian)	Non-Executive Director	
Mr. Regis Helsmoortel (Belgian)	Non-Executive Director	
Mrs. Vivien Shobo (Nigerian)	Independent Director	
Mr. Philippe Fabri (Belgian)	Non-Executive Director	
Mrs. Isabelle Chevalley (Burkina Faso)	Independent Director	
Mr. Julien Bastrup-Birk (United Kingdom)	Independent Director	Resigned 12 December 2025
Mr. Idah Eghe Osaro (Nigerian)	Non-Executive Director	Resigned 24 March 2025
Mr. Francois Fabri (Belgian)	Non-Executive Director	
Mr. Osaretin Edosomwan (Nigerian)	Non-Executive Director	
Ms. Amina Maina (Nigerian)	Independent Director	Appointed 16 October 2025

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REPORT OF THE DIRECTORS - CONTINUED

**Directors retiring**

In accordance with Section 285 (1) of the Companies and Allied Matters Act, 2020. one-third of the Directors shall retire at the conclusion of the Annual General Meeting, and these Directors, being eligible, hereby offer themselves for re-election.

The Directors retiring are Mr. Gbenga Oyebode, Mr. Peter Eguasa, and Mr. Regis Helmoortel.

Being eligible, Mr. G. Oyebode, Mr. P. Eguasa and Mr. R. Helmoortel have offered themselves for re-election.

The following Directors' appointments will be presented for members ratification: Ms. Amina Maina, Mr. Khalil Korim and Mr. Pierre Boisdenghien.

**History of the Share Capital**

Year	Authorized Share Capital	Value	Issued and fully paid shares	Value	Remarks
1989	68,000,000	34,000,000	50,700,000	500,000	Initially the share of the Company was 10k/share
1990	68,000,000	34,000,000	50,700,000	25,350,000	Consolidation and subdivision into 68,000,000 shares of 50k each
1991	68,000,000	34,000,000	55,200,000	27,600,000	Listed on the Stock Exchange
1992	68,000,000	34,000,000	66,240,000	33,120,000	
1993	80,000,000	40,000,000	79,884,000	39,744,000	Bonus issue of 1 for 5 held
1994	80,000,000	40,000,000	79,884,000	39,744,000	
1995	80,000,000	40,000,000	79,884,000	39,744,000	
1996	80,000,000	40,000,000	79,884,000	39,744,000	
1997	200,000,000	100,000,000	105,984,000	52,992,000	Increase in share capital & rights Issue of 1:3
1998	200,000,000	100,000,000	105,984,000	52,992,000	
1999	200,000,000	100,000,000	105,984,000	52,992,000	
2000	200,000,000	100,000,000	105,984,000	52,992,000	
2001	600,000,000	300,000,000	317,970,000	158,985,000	Increase in share capital & rights Issue of 2:1
2002	600,000,000	300,000,000	317,970,000	158,985,000	
2003	600,000,000	300,000,000	317,970,000	158,985,000	
2004	600,000,000	300,000,000	317,970,000	158,985,000	
2005	600,000,000	300,000,000	317,970,000	158,985,000	
2006	600,000,000	300,000,000	476,955,000	238,476,000	Bonus issue of 1 for 2 held
2007	600,000,000	300,000,000	476,955,000	238,476,000	
2008	600,000,000	300,000,000	476,955,000	238,476,000	
2009	600,000,000	300,000,000	476,955,000	238,476,000	
2010	600,000,000	300,000,000	476,955,000	238,476,000	
2011	600,000,000	300,000,000	476,955,000	238,476,000	
2012	600,000,000	300,000,000	476,955,000	238,476,000	

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REPORT OF THE DIRECTORS -CONTINUED

History of the Share Capital - Continued

Year	Authorized Share Capital	Value	Issued and fully paid shares	Value	Remarks
2013	1,200,000,000	600,000,000	953,910,000	476,955,000	Increase in share capital & Bonus Issue of 1:1
2014	1,200,000,000	600,000,000	953,910,000	476,955,000	
2015	1,200,000,000	600,000,000	953,910,000	476,955,000	
2016	1,200,000,000	600,000,000	953,910,000	476,955,000	
2017	1,200,000,000	600,000,000	953,910,000	476,955,000	
2018	1,200,000,000	600,000,000	953,910,000	476,955,000	
2019	1,200,000,000	600,000,000	953,910,000	476,955,000	
2020	1,200,000,000	600,000,000	953,910,000	476,955,000	
2021	1,200,000,000	600,000,000	953,910,000	476,955,000	
Year	Minimum Share Capital	Value	Issued and fully paid shares	Value	
2022	953,910,000	476,955,000	953,910,000	476,955,000	
2023	953,910,000	476,955,000	953,910,000	476,955,000	
2024	953,910,000	476,955,000	953,910,000	476,955,000	
2025	953,910,000	476,955,000	953,910,000	476,955,000	

Substantial interest in shares

The shares of Okomu Oil Palm Company Plc are 62.94% owned by Socfinaf S. A. which is incorporated under the laws of Luxembourg and 37.06% by a diversified spread of Nigerian individuals and institutional shareholders. Other than Socfinaf S.A, no other shareholder holds more than 5% of the issued share capital of the Company.

Analysis of shareholding structure as at 31 December 2025

Range of shareholding	Number of shares held	% Holding	Number of shareholders	Percentage (%)
1 - 1000	6,432,599	0.68	31,839	76.61
1001 - 5000	15,534,051	1.63	6,605	15.89
5001 - above	931,943,350	97.69	3,116	7.50

Directors' interest

The Director's interest in the issued share capital that are fully paid up as recorded in the register of Directors' shareholdings and/or notified by them for the purposes of section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of Nigerian Exchange Limited are set out as follows:

Held as at:	31st December 2025		31st December 2024	
	Direct Number	Indirect Number	Direct Number	Indirect Number
Mr. G. Oyebode MFR	35,938,136	5,730,978	35,938,136	5,730,978
Mr. P.A.E Eguasa JP	9,165,000	201,598	9,165,000	170,530
Mr. O. Edosomwan	4,538	-	-	-
Mr. R. Helsmoortel	-	600,440,400	-	600,440,400

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REPORT OF THE DIRECTORS -CONTINUED

**Suppliers**

The company purchases its spare parts and machinery from both local and overseas suppliers.

**Major distributors**

The Company's Palm Oil products are locally distributed across the entire country through key distributors, while all its rubber products are exported.

**Director's interest in contracts**

None of the Directors for the purpose of Section 303 of the Companies and Allied Matters Act 2020 has notified the company of having any direct or indirect interest in contracts or proposed contracts with the company during the year.

**Managers' Remuneration**

In compliance with section 257 of the Companies and Allied Matters Act, 2020 and the Nigerian Code of Corporate Governance, the Company makes disclosure of its remuneration of its managers as follows:

<b>Type of package fixed</b>	<b>Description</b>	<b>Timing</b>
Basic Salary	Part of the gross salary package for Nigerian Managers only. This reflects the Company's competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year
Other allowances	Part of the gross salary package for Nigerian Managers only. This reflects the Company's competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid at periodic intervals during the financial year
Directors' fees	Paid annually to Non-Executive Directors and Independent Non-Executive Directors.	Paid annually
Sitting allowances	Allowances paid to Non-Executive Directors and Independent Non-Executive Directors for attending Board and Board Committee meetings.	Paid as per each meeting

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REPORT OF THE DIRECTORS - CONTINUED

**Employee health, safety, and welfare**

The Company accords the highest priority to health and safety in its operations. To this end, health and safety regulations are operational within the Company.

The Company has engaged competent medical practitioners to treat accidents, if any, that may arise from the operations of the Company and provides medical care for its employees through designated hospitals and clinics.

**Employee training and development**

The Company believes in the development and training of its staff. There is great emphasis on staff development and training through carefully planned training courses and seminars to update the special skills and job requirement of the staff throughout the Company. The Company incurred costs of ₦189.6 million (2024: ₦116.4 million).

**Employment of physically challenged persons**

The Company's policy is to give equal consideration to all persons, including those who are physically challenged persons, in all matters of employment after taking cognizance of their special aptitudes or challenges. Employees who become physically challenged during the course of their employment are given reasonable alternatives, having regard to their disabilities.

**Property, plant and equipment**

Movements in property, plant and equipment during the year are shown in Note 20 to the financial statements.

**Bearer plant**

Movement in the Bearer plant during the year are shown in Note 21 to the financial statements.

**Events after reporting period**

As stated in Note 39, the Directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that have not been adequately provided for or disclosed in these financial statements.

**Health, safety, and welfare**

Health and Safety regulations are in force within the Company and are displayed on various notice boards within the premises. The Company has three staff clinics and provides medical facilities to all levels of employees. The Company incurred ₦483.9million (2024: ₦273.4million) as cost for the treatment of their staff in 2025.

**Corporate Social Responsibility**

The Company expended the sum of ₦702.2 million on corporate social responsibility projects during the year (2024: ₦308.4 million). These comprised:

	2025	2024
	₦'000	₦'000
Community projects	685,500	303,999
Scholarships given	16,707	4,500
	702,207	308,499

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020, the Company did not make any gift to any political party, political association or for any political purpose during the year.

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**REPORT OF THE DIRECTORS - CONTINUED**

**Corporate social responsibility for financial reports**

In accordance with Section 405 of the Companies and Allied Matters Act 2020, each, and all the Directors, as at the date of the approval of this report confirm that:

- ▶ So far as he is or they are aware, that the financial statements do not contain any untrue statement of material fact or omit state of material facts, which would make the statements misleading, in the light of the circumstances under which such statements are made; and
- ▶ the audited financial statement and all other financial information included in the statements fairly presents, in all material respects, the financial condition and results of the operation of the Company as of and for the periods covered by the financial statements.

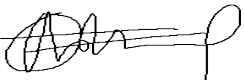
**Audit Committee**

Pursuant to Section 404 of the Companies and Allied Matters Act, 2020, the Company has a statutory audit committee comprising three representatives of the Shareholders and two representatives of the Directors. The members of the Committee are Mr. Moses Igrude, Rev. Andrew Imadu JP, Mr. Victor Odeh, Mrs. Vivien Shobo and Mr. Regis Helmoortel. Rev. Andrew Imadu acted as the Chairman of the Committee.

**Independent Auditor**

Messrs. Ernst & Young has indicated their willingness to continue in office as auditors of the Company in accordance with Section 401 of the Companies and Allied Matters Act, 2020. A resolution will be proposed authorizing the Directors to fix their remuneration at the Company's general meeting.

By Order of the Board of Directors



Chukwuebuka A. Omerole  
FRC/2022/PRO/NBA/002/00000024073  
P. C. Obi & Co.  
Company Secretary

---27--- March 2026

## THE OKOMU OIL PALM COMPANY PLC

### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

#### CORPORATE GOVERNANCE REPORT

##### Corporate Governance

The Board is responsible to the shareholders for the management and control of the company's activities and is committed to the highest standards of corporate governance as set out in the Nigerian Code of Corporate Governance. It is the Board's view that the company has fully complied with the provisions of the Code during the year.

The section provides the details of how the company applied the principles and complied with the provisions of the Code.

##### Board composition and balance

At the end of the year, the Board comprised a Non-Executive Chairman, three Independent Non-Executive Directors, five Non-Executive Directors and two Executive Directors.

The posts of Chairman and Managing Director are separate and independent. The Chairman is responsible for the working and leadership of the Board and for the balance of its membership. The Managing Director is responsible for leading and managing the business within the authority delegated by the Board.

The Board considers that during the year the company was in full compliance with the Nigerian Code of Corporate Governance, which requires that the membership of the Board should not be less than 5 persons and should be a mix of executive and non-executive Directors headed by a chairman with at least one independent Director.

It is part of the Board's plan to ensure that it has a blend of skills, experience, and independence that is required to provide leadership and to shape the overall strategic development of the company.

##### Functioning of the Board

The Directors receive management information, including financial, operating, and strategic reports, in advance of Board meetings. The Board receives presentations from non-board members on matters of significance which help to give the Board greater insight into the business of the company. The company's solicitors and company secretary provide the Board with ongoing reports that cover legal and regulatory changes and developments.

The Board has a formal schedule of matters specially reserved to it for decision-making, although its primary role is to provide leadership and to review the overall strategic development of the company as a whole. In addition, the Board sets the company's values and standards and ensures that the company acts ethically and that its obligations to its shareholders are understood and met. The Board is specifically responsible for the:

- ▶ Approval of the company's strategy and its budgetary and business plans.
- ▶ Approval of significant investments and decisions.
- ▶ Review of the performance, assessed against the company's strategy, objectives, and business.
- ▶ Approval of the annual results, interim management statements, accounting policies, and the appointments and, subject to shareholder approval, remuneration of the external auditors.
- ▶ Approval of the dividend policy, the interim dividend, and the recommendation of the final dividend.
- ▶ Changes to the company's capital structure and the issue of any securities.
- ▶ Establishment of the company's risk policies, system of internal control, governance, and approval authorities.
- ▶ Executive performance and succession planning, including the appointment of new Directors; and
- ▶ The determination of the standards of ethics and policy in relation to business practice, health, safety, environment, social and community responsibilities.

THE OKOMU OIL PALM COMPANY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

**CORPORATE GOVERNANCE REPORT - CONTINUED**

**Functioning of the Board - continued**

At its meetings during the year, the Board discharged the duties above and received updates on the following financial performance indicators: key management changes; material new projects; financial plans; legal and regulatory updates, and, in particular, it continued with development work in the future expansion project of the company. In addition to formal reports passed to the Directors, the Directors are expected to take responsibility for identifying their own individual needs and to take appropriate steps to ensure that they are properly informed about the Company and their responsibilities as a Director.

**Board performance and evaluation**

In the year under review, the company's consultants, Grant Thornton, Chartered Accountants, undertook an annual independent evaluation of the Board and Board committees' performance and ascertained whether there were areas where performance and procedures might be further improved. The outcome of the Board evaluation was highly enlightening and very satisfactory.

**Board training**

The company's policy encourages Directors to attend different training programmes and seminars that enhance their professional skills and inform them of new developments in the company's business and operating environment.

**Director's conflicts of interest**

The Directors have and are aware of the statutory duty to avoid a situation in which they have, or could have, an interest that conflicts or possibly may conflict with the interests of the company. They will not be in breach of that duty if the relevant matter has been authorized in accordance with the Articles by the other Directors. The Board has adopted a set of guiding principles on managing conflicts and has approved a process for identifying current and future actual and potential conflicts of interest.

**Board resignation and appointment**

Changes in the composition of the Board are as set out in the Director's report.

The Board has a written policy in respect of the appointment of new members. The policy sets out the basis of selection, the process of examining and evaluating the curriculum vitae together with personal interviews by the Chairman and members of the Board. An induction process is held upon acceptance of the person on the Board.

THE OKOMU OIL PALM COMPANY PLC

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FOR THE YEAR ENDED 31 DECEMBER 2025

CORPORATE GOVERNANCE REPORT - CONTINUED

Board meetings

During the year, the Board held four scheduled meetings. The attendance of Directors at the scheduled committee meetings that were convened in the year ended 31 December 2025 is as follows:-

S/N	Name of Director	Board of Directors	Audit Committee	Risk Management	Governance/Remuneration Committee
	Number of meetings held during the year 2025	4	4	2	4
1	Mr. Gbenga Oyebode MFR	4 C	-	-	-
2	Dr. Graham Hefer	4 E	4+	2+	4+
3	Mr. Arnaud Arhainx (resigned on 11 February 2026)	4 E	4+	2+	4+
4	Mr. Peter Eguasa JP	4 NE	-	2C	4C
5	Mrs. Vivien Shobo	4 I	4	2	4
6	Chief Osaro Idah (resigned on 24 March 2025)	-	-	-	-
7	Mr. Regis Helmoortel	4 NE	4	-	-
8	Mrs. Isabelle Chevalley	4 I	-	-	4
9	Mr. Julien Bastrup-Birk (resigned on 12 December 2025)	4 I	-	-	4
10	Mr. Phillippe Fabri	3 NE	-	2	-
11	Mr. Osaretin Edosomwan (appointed 27 March 2025)	3 NE	-	1	-
12	Mr. Francois Fabri	4 NE	-	-	3
13	Ms. Amina Maina (appointed 16 October 2025)	1 I	-	-	-
	Non-member (-)				
	Chairman (C)				
	Executive (E)				
	Independent Director (I)				
	Non-Executive (NE)				
	In attendance, not being a member (+)				

In line with the provisions of section 267(1) of the Companies and Allied Matters Act, 2020, the record of Directors' attendance at board meetings shall be available for inspection at the Annual General Meeting. The Board and Committee meetings are structured to allow open discussion. All Directors receive detailed papers in advance of Board meetings. When unable to be physically present, Directors may attend via audio or video conference. When Directors are not able to attend the Board or its committee meetings in which they are members, their comments on the paper to be considered at that meeting are relayed in advance to the Chairman of that meeting or an alternate/proxy is produced where applicable. The company secretary, whose appointment is a matter reserved for the Board, is responsible for advising and supporting the Chairman and the Board on company Law and corporate governance matters and ensuring that Board procedures are duly followed. The officer is responsible for ensuring that there is a smooth flow of information to enable

THE OKOMU OIL PALM COMPANY PLC

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FOR THE YEAR ENDED 31 DECEMBER 2025

CORPORATE GOVERNANCE REPORT - CONTINUED

effective decision-making. All Directors have access to the advice and services of the company's legal counsel and the company secretary, and, through him, to independent professional advice in respect of their duties at the company's expense.

	Years of Service		Years
	<b>Board</b>		
	Chairman	Mr. Gbenga Oyebode MFR	34
	Managing Director	Dr. Graham Hefer	19
	Finance Director	Mr. Arnaud Arhainx	Resigned 11 February 2026
	Finance Director	Mr. Khalil Korim	Appointed 12 February 2026

	<b>Non-Executive Directors</b>		
	Mr. Regis Helmoortel		17
	Mr. Peter Eguasa JP		34
	Mr. Philippe Fabri		4
	Chief Osaro Idah		Resigned 24 March 2025
	Mr. Osaretin Edosomwan		Appointed on 27 March 2025
	Mr. Francois Fabri		1

	<b>Independent Directors</b>		
	Mrs. Vivien Shobo		5
	Mrs. Isabelle Chevalley		4
	Mr. Julien Bastrup-Birk		Resigned 12 December 2025
	Ms. Amina Maina		Appointed 16 October 2025
	Mr. Pierre Boisdenghien		Appointed 16 March 2026

	<b>External Auditors</b>		
	Messrs. Ernst & Young		5
	<b>External Corporate Governance</b>		
	Grant Thornton		12

**Board Committees**

The Board has delegated certain authority to the Committees, each with formal terms of reference, which are available on request or can be obtained from the company secretary. The Committees of the Board are as follows:

- ▶ Risk Management Committee
- ▶ Audit Committee
- ▶ Governance/ Remuneration Committee

The Chairman is not a member of any of the Board Committees.

## THE OKOMU OIL PALM COMPANY PLC

### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

#### CORPORATE GOVERNANCE REPORT - CONTINUED

##### Risk Management Committee

The Committee comprised three Non-Executive Directors and one Independent Director as shown below:

Mr. Peter Eguasa JP	Non-Executive Director	Chairman
Mr. Osaretin Edosomwan	Non-Executive Director	Member
Mrs. Vivien Shobo	Independent Director	Member
Mr. Philippe Fabri	Non-Executive Director	Member

The Risk Management Committee is charged with the responsibility for acknowledging and identifying risk in the workplace and in the operating environment, evaluating and prioritizing such risks that may arise and advising the company on how to avoid, modify and manage all risks the company may encounter. During the year, the Committee was chaired by Mr. P.A.E. Eguasa with three other Directors as members. The Committee met twice in 2025.

##### Audit Committee

The Committee comprised two Non-Executive Directors and three elected members of the shareholders as shown below:

Rev. Andrew Imadu, JP	Shareholder	Chairman
Mr. Victor Odeh	Shareholder	Member
Mr. Moses Igbrude	Shareholder	Member
Mrs. Vivien Shobo	Director	Member
Mr. Regis Helmoortel	Director	Member

The Committee met four times during the year. At these meetings, the Managing Director, Finance Director, representative of the External Auditors (attended twice), the Internal Auditor and the company secretary were all in attendance. The Board considers that the members of the Audit Committee collectively have sufficient recent and relevant financial experience to carry out the functions of the committee.

The Board has delegated to the Committee the responsibility for overseeing the financial reporting, internal risk management and control functions and for making recommendations to the Board in relation to the appointment of the company's internal and external auditors. The Committee is authorized to investigate any matter within its terms of reference and, where necessary, to obtain external legal or other independent professional advice.

The Committee's principal activities during the year included:

- ▶ Reviewing the half-year and annual financial statements with particular reference to accounting policies, together with significant estimates and financial reporting judgements and the disclosures made therein;
- ▶ Monitoring the financial reporting process.
- ▶ Reviewing management representations made to the external auditors;
- ▶ Reviewing the Company's procedures to ensure that all relevant information is disclosed;
- ▶ Discussing any issues arising out of the full-year audit with the external auditors (in the absence of management where appropriate);
- ▶ Making recommendations to the Board with regard to continuing the appointment and remuneration of the external auditors;
- ▶ Overseeing the company's relations with the external auditors and the effectiveness of the process;
- ▶ Reviewing and assessing the effectiveness of the company's internal financial controls and their applications;
- ▶ Monitoring and reviewing the internal audit function, reviewing all reports prepared by the internal auditors and assessing management's responses to such reports; and
- ▶ Reviewing and assessing the efficiency of the company's internal control and risk management systems.

To enable it to carry out its duties and responsibilities effectively, the committee relies on the information and support from the management across the business.

THE OKOMU OIL PALM COMPANY PLC  
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**CORPORATE GOVERNANCE REPORT - CONTINUED**

The Committee also considers on an ongoing basis the independence of the external auditors and has established policies to consider the appropriateness or otherwise of appointing external auditors to perform non-audit services, including consideration as to whether the auditors are the most suitable suppliers of such services.

**Governance/Remuneration Committee**

This Committee comprised two Non-Executive Directors and three Independent Director as shown below:

Mr. Peter Eguasa JP	Non-Executive Director	Chairman
Mr. Francois Fabri	Non-Executive Director	Member
Mrs. Isabelle Chevalley	Independent Director	Member
Mrs. Vivien Shobo	Independent Director	Member
Mr. Julien Bastrup-Birk	Independent Director	Member

The Committee's principal responsibilities are to determine the company policy on senior management remuneration and approve appropriate salary packages of the senior Nigerian Management staff and Non-Executive Board allowances. The Committee determines the level of fees payable to the Non-Executive Chairman, as well as establishing the criteria for Board and Board Committee membership.

Given the central part that remuneration plays in the success of the company, in terms of recruitment, motivation and retention of high-quality employees, the Committee is consulted on the remuneration packages of the Senior Nigerian Management staff. The Committee also reviews the remuneration of other members of the company's Non-Executive Board.

**Relations with shareholders**

The company recognizes the importance of maintaining regular dialogue with its shareholders hence the institution of a comprehensive programme to maintain the ongoing two-way dialogue between the company and shareholders as it helps to ensure that the Board is aware of shareholders' views on a timely basis. This programme is carried out through the office of the company secretary. The company has established a web portal on the company's website at [www.okomunigeria.com](http://www.okomunigeria.com) for its shareholders to ensure access to relevant historical financial information.

The Annual General Meeting (AGM) provides the Board with a valuable opportunity to communicate with the shareholders and is generally attended by all the Directors. Shareholders are given the opportunity to ask questions during the meeting and to meet the Directors following the conclusion of the formal part of the meeting. The Directors aim to give as much notice of the AGM as possible which will be at least 21 clear days, as required by the Companies and Allied Matters Act, 2020. In accordance with the Articles, electronic and proper proxy appointments and voting instructions must be received not later than 48 hours before a general meeting.

**Internal Control and Risk Management**

The Board has overall responsibility for establishing and maintaining the company's system of risk management and internal control to safeguard shareholders' investments and the company's assets and for reviewing the effectiveness of this system. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**CORPORATE GOVERNANCE REPORT - CONTINUED**

Key elements of the company's system of risk management and internal controls are:

- ▶ The regular review and assessment of the performance of the business in relation to risk management and internal control by the Board and its subcommittees.
- ▶ The company's risk management policy which sets out the process for identifying, evaluating and managing the key risks to the company's business objectives, supported by an appropriate organizational structure and clearly defined management responsibilities;
- ▶ The company's risk committee which reports to the Board and is tasked with the review, discussion and challenges of key risks reported, the ongoing development of internal controls and the monitoring of internal audits and other sources assurance on the effectiveness of internal controls.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the system of risk management and internal control. In performing its review of effectiveness, the Audit Committee considers the following reports and activities:

- ▶ Internal audit reports on the review of priority controls across the company and the monitoring of management actions arising;
- ▶ Management's own assessment of the performance of the system of risk management and internal control during 2025; and
- ▶ Reports from the external auditors on issues identified during the course of their work.

The Board, having reviewed the effectiveness of the system of internal control, can confirm that necessary actions have been, or are being taken to remedy any significant failings or weaknesses identified.

**Complaints management policy**

The company has a Complaints Management Policy and Framework in place in accordance with SEC Directives on the resolution of complaints. This policy has been uploaded on the company's website for public access.

**Gender diversity**

The Board recognises the need to ensure equal and fair opportunities for all persons, irrespective of gender or physical attributes, and is committed to promoting gender diversity through targeted recruitment and promotion initiatives across all levels of the Company

**Employees**

The company continues to promote an equal opportunity, merit-based environment for all of its employees.

**Prohibition of insider trading**

The company's code of conduct (in accordance with the extant Nigerian laws and rules of the Nigerian Exchange) prohibits employees and Directors from insider trading, dealings and stock tipping when in possession of price-sensitive, non-public information relating to the Company's business and from sharing or using such insider information.

**SEC Code of Corporate Governance for public companies in Nigeria**

The company complied with the SEC Corporate Governance Guidelines for public companies in Nigeria.

THE OKOMU OIL PALM COMPANY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

CORPORATE GOVERNANCE REPORT - CONTINUED

**Whistleblowing**

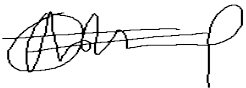
The company encourages its employees to report the concerns that they feel need to be brought to the attention of management. Whistle-blowing procedures, which are displayed on the company's website and notice boards, are available to employees who are concerned about possible impropriety, security breaches, or any other issue and who may wish to ensure that appropriate action is taken without fear of victimization or reprisal.

**Code of conduct**

The company's code of ethics and business conduct is readily available to all employees, and in particular to ensure that employees have a single reference point (which is available in the local language as appropriate) that details the company's commitment and approach to ethical business conduct.

**Going concern**

The Board of Directors has undertaken a thorough review of the company's budget and forecasts that the management has produced, which are detailed and realistic cash flow projections. These cash flow projections, when considered in conjunction with the company's anticipated undrawn facilities and cash (including consideration of reasonable possible changes in trading performance), demonstrate that the company has sufficient working capital for the foreseeable future. Consequently, the Directors believe that the company has adequate resources to continue its operational existence. The financial statements have therefore been prepared on a going concern basis.



Chukwuebuka A. Omerole

P.C. Obi & Co.

Company Secretary

FRC/2021/PRO/NBA/002/00000024073

By the Authority of the Board

Okomu-Udo

Edo State

27 March

----- 2026

**THE OKOMU OIL PALM COMPANY PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

**REPORT OF THE AUDIT COMMITTEE**

In Compliance within the provisions of sections 404 (7) of the Companies and Allied Matters Act, 2020, we, the members of the Audit Committee of The Okomu Oil Palm Company Plc, having carried out our statutory functions under the Act, confirm that:

- the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;
- the scope and planning of the audit for the year ended 31 December 2025 are satisfactory;
- having reviewed the independent auditor's memorandum of recommendations on accounting procedures and internal controls, we are satisfied with management responses thereon.

We confirm that the external auditors, Messrs. Ernst & Young have issued an unqualified opinion on the Company's financial statements for year ended 31 December 2025.

Finally, we acknowledged the co-operation of management and staff in the conduct of our duties.



Rev. Andrew Imadu, JP  
Chairman, Statutory Audit Committee  
FRC/2025/PRO/AUDITCOM/002/662301

Dated this 27 March 2026

THE OKOMU OIL PALM COMPANY PLC  
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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE 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 at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments 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 judgments and estimates, in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and in the manner required by Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 Company and of its financial performance for the year ended 31 December 2025. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Signed on behalf of Board of Directors by:



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Graham Hefer  
Managing Director  
FRC/2013/PRO/DIR/003/0000002460

-----~~27~~ March 2026



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Khalil Korim  
Finance Director  
FRC/2025/PRO/ANAN/004/93056

-----~~27~~ March 2026

THE OKOMU OIL PALM COMPANY PLC  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Certification Pursuant to Section 405(1) of the Companies and Allied Matters Act, 2020.

We the undersigned hereby certify the following with regards to our Financial Statements for the year ended 31<sup>st</sup> December 2025 that:

- a. We have reviewed the report.  
To the best of our knowledge, the report does not contain:
  - ▶ Any untrue statement of a material fact, or
  - ▶ Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made.
- b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in this report.
- c. We:
  - ▶ are responsible for establishing and maintaining internal controls.
  - ▶ have designed such internal controls to ensure that material information relating to the Company and is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared.
  - ▶ have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.
  - ▶ have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
- d. We have disclosed to the auditors of the Company and Audit Committee:
  - ▶ All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
  - ▶ Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.



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Khalil Korim  
Finance Director  
FRC/2025/PRO/ANAN/004/93056

-----<sup>27</sup> March 2026



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Graham Hefer  
Managing Director  
FRC/2013/PRO/DIR/003/0000002460

-----<sup>27</sup> March 2026

THE OKOMU OIL PALM COMPANY PLC  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 11 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of The Okomu Oil Palm Company Plc for the year ended 31 December 2025.

We, Graham Hefer (Managing Director) and Khalil Korim (Financial Director) certify that:

a. We have reviewed this management assessment on Internal control over financial reporting of The Okomu Oil Palm Company 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 entity as of, and for, the periods presented in this report;

d. We:

1) are responsible for establishing and maintaining internal controls:

2) 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 entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared:

3) 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:

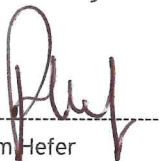
4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures as of the end of the period covered by this report based on such evaluation.

e. We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's Board of Directors:

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information: and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity'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.



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Graham Hefer  
Managing Director  
FRC/2013/PRO/DIR/003/00000002460

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27  
----- March 2026



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Khalil Korim  
Finance Director  
FRC/2025/PRO/ANAN/004/93056

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27  
----- March 2026


**THE OKOMU OIL PALM COMPANY PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**


**MANAGEMENT ANNUAL ASSESSMENT OF, AND REPORT ON, THE ENTITY'S INTERNAL CONTROL OVER FINANCIAL REPORTING**

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of The Okomu Oil Palm Company Plc for the year ended 31 December 2025;

- i. The Okomu Oil Palm Company Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. The Okomu Oil Palm Company Plc's management used the Internal Control-Integrated Framework (2013) of Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii. The Okomu Oil Palm Company Plc's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.
- iv. The Okomu Oil Palm Company Plc's external auditor Messrs. Ernst and Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Ernst and Young that audited its financial statements will be filed as part of its annual report.

  
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Graham Hefer  
Managing Director  
FRC/2013/PRO/DIR/003/00000002460  
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27  
----- March 2026

  
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Khalil Korim  
Finance Director  
FRC/2025/PRO/ANAN/004/93056  
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27  
----- March 2026

## INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To the members of The Okomu Oil Palm Company Plc

### Scope

We have been engaged by The Okomu Oil Palm Company Plc ('the Company') to perform a limited assurance engagement, based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on The Okomu Oil Palm Company Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the company's Management's Assessment on Internal control over Financial Reporting as of 31 December 2025 (the "Report").

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:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. 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
3. 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.

### Criteria applied by The Okomu oil Palm Company Plc

In designing, establishing and operating the internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), The Okomu Oil Palm Company Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.



## INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To the members of The Okomu Oil Palm Company Plc - continued

### The Okomu Oil Palm Company Plc's responsibilities

The Okomu Oil Palm Company Plc's management is 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 The Okomu Oil Palm Company Plc's management's assessment of the Internal Control over Financial Reporting as of 31 December 2025 in accordance with the criteria.

### Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we 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.

### Description of procedures performed.

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 provides a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.





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**INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the members of The Okomu Oil Palm Company Plc - continued

**Conclusion**

In conclusion, nothing has come to our attention to indicate that the Internal Control over Financial Reporting put in place by management is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

**Other Matter**

We also have audited, in accordance with the International Standards on Auditing, the annual report for the year ended 31 December 2025 of The Okomu Oil Palm Company Plc and we expressed an unmodified opinion in our Auditor's report dated 27 March 2026. Our conclusion is not modified in respect of this matter.

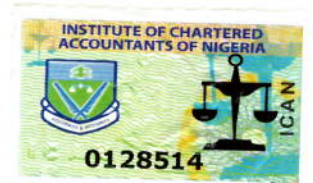
Signed

Williams I. Erimona, FCA

FRC/2013/PRO/ICAN/004/00000002190

For: Ernst & Young

Lagos, Nigeria



27 March 2026

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE OKOMU OIL PALM COMPANY PLC

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of The Okomu Oil Palm Company Plc ('the Company'), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Okomu Oil Palm Company Plc as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

##### 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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





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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE OKOMU OIL PALM COMPANY PLC - Continued**

**Report on the Audit of the Financial Statements - continued**

Key Audit Matter	How the matter was addressed in the audit
<p><b>Valuation of Biological Asset</b> The Company uses a fair value model to determine the valuation of biological assets. The valuation of the biological asset involves complex and subjective judgements about the expected yield of crude palm oil, estimated selling prices, estimated cost of production and extraction rates.</p> <p>As of 31 December 2025, total biological assets were valued at NGN5.195 billion (2024: NGN1.793billion). The expected palm oil yield and estimated crude palm oil selling price have been identified as a source of estimation uncertainty. The material accounting policy and critical judgments relating to the valuation are outlined in note 4.3 (Significant accounting judgements, estimates and assumptions) and Note 7.3 (Fair value measurement of Biological assets) to the financial statements.</p>	<p>We performed the following procedures amongst others:</p> <ul style="list-style-type: none"> <li>▶ Obtained an understanding of the process and controls related to the valuation of biological assets.</li> <li>▶ Evaluated the model used by management to ensure it was in accordance with the requirements of IAS 41 Agriculture.</li> <li>▶ Tested management's ability to forecast by comparing the palm oil yield used in the prior year valuation to the actual yields in the current year.</li> <li>▶ Tested the key underlying assumptions such as estimated selling price and estimated yield applied in determining the valuation of the biological assets.</li> <li>▶ Tested the mathematical accuracy of the model and inspected the data inputs into the model relating to plantation size, number of trees and actual yield.</li> <li>▶ Assessed the disclosures made in the financial statements in accordance with the applicable accounting policies of the company.</li> </ul>

**Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the document titled "The Okomu Oil Palm Company Plc Annual Report and Financial Statements for the year ended 31 December 2025", which includes Corporate information, Results at a glance, Chairman's Report, Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities in relation to the preparation of the Financial Statements, Certification of Management's Assessment on Internal Control Over Financial Reporting, Management Annual Assessment of, and Report on, the Entity's Internal Control Over Financial Reporting and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon as part of this opinion.



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE OKOMU OIL PALM COMPANY PLC - Continued**

#### **Report on the Audit of the Financial Statements - continued**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, 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



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE OKOMU OIL PALM COMPANY PLC - Continued

#### Report on the Audit of the Financial Statements - continued

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 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 Directors' 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 controls 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 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 the matter or when, in extremely rare circumstances, we determine that a matter 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.



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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE OKOMU OIL PALM COMPANY PLC - Continued

### Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm 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 Company, in so far as it appears from our examination of those books;
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

### 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 and reported on management's assessment of the Company's internal control over financial reporting as of 31 December, 2025. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 27 March 2026.

Signed

Williams I. Erimona, FCA  
FRC/2013/PRO/ICAN/004/00000002190

For: Ernst & Young  
Lagos, Nigeria



27 March 2026

THE OKOMU OIL PALM COMPANY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December	Notes	2025 ₦'000	2024 ₦'000
Revenue from contracts with customers	9	198,152,877	130,210,665
Other income	10	12,577,626	15,336,034
Raw materials and consumables used	11	(29,577,190)	(22,669,320)
Employee benefits expense	12	(31,031,253)	(26,166,161)
Depreciation expense	13	(21,904,926)	(9,661,183)
Finance costs	14	(4,618,445)	(4,598,986)
Finance income	15	4,543	5,287
Other expenses	16	(34,732,393)	(29,233,934)
Fair value gain on biological asset	22.2	1,775,816	333,056
<b>Profit before taxation</b>		<b>90,646,654</b>	<b>53,555,458</b>
Income tax expense	18.1	(32,694,939)	(13,597,712)
<b>Profit for the year</b>		<b>57,951,715</b>	<b>39,957,746</b>
<b>Other Comprehensive income (OCI), net of tax:</b>			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement loss on defined benefit plan	34.2	(2,517,943)	(657,344)
Deferred tax effect	18.1	856,101	197,203
<b>Other comprehensive loss for the year (net of tax)</b>		<b>(1,661,842)</b>	<b>(460,141)</b>
<b>Total comprehensive income for the year</b>		<b>56,289,873</b>	<b>39,497,605</b>
Basic earnings per ordinary share (Naira)	19	60.75	41.89
Diluted earnings per ordinary share (Naira)	19	60.75	41.89

The accompanying notes to the financial statements are an integral part of these financial statements.

THE OKOMU OIL PALM COMPANY PLC  
ANNUAL REPORT AND FINANCIAL STATEMENTS

Statement of Financial Position

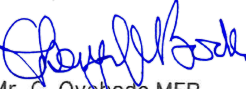
As at 31 December	Notes	2025 ₦'000	2024 ₦'000
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	20	61,871,770	48,248,391
Bearer plant	21	23,218,961	19,519,533
Right-of-use asset	25	11,938,110	9,223,975
<b>Total non-current assets</b>		<b>97,028,841</b>	<b>76,991,899</b>
<b>Current assets</b>			
Inventories	23	18,319,796	11,966,783
Biological assets	22	5,195,434	1,793,158
Trade and other receivables	24	3,592,716	3,121,109
Prepayment and other assets	27	1,769,676	5,830,085
Cash and bank balance	28	12,946,481	17,334,904
<b>Total current assets</b>		<b>41,824,103</b>	<b>40,046,039</b>
<b>Total assets</b>		<b>138,852,944</b>	<b>117,037,938</b>

THE OKOMU OIL PALM COMPANY PLC  
ANNUAL REPORT AND FINANCIAL STATEMENTS


Statement of financial position - Continued

As at 31 December	Notes	2025 ₦'000	2024 ₦'000
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	29	476,955	476,955
Share premium	30	1,867,096	1,867,096
Retained earnings		48,950,865	53,957,210
Other reserves	31	(2,484,808)	(822,966)
<b>Total equity</b>		<b>48,810,108</b>	<b>55,478,295</b>
<b>Liabilities:</b>			
<b>Non-current liabilities</b>			
Lease liabilities	26	5,362,980	8,332,891
Interest-bearing loans and borrowings	33.2	4,626,943	6,391,411
Post-employment benefits obligations	34	5,383,869	2,834,962
Government grants	36	392,099	734,853
Deferred tax liability	18.4	17,050,321	13,023,744
<b>Total non-current liabilities</b>		<b>32,816,212</b>	<b>31,317,861</b>
<b>Current liabilities</b>			
Trade and other payables	35	14,569,335	10,368,540
Lease liabilities	26	12,915,045	4,130,691
Interest-bearing loans and borrowings.	33.2	1,793,027	1,540,744
Government grants	36	427,766	530,395
Income tax payable	18.3	27,521,451	13,671,412
<b>Total current liabilities</b>		<b>57,226,624</b>	<b>30,241,782</b>
<b>Total liabilities</b>		<b>90,042,836</b>	<b>61,559,643</b>
<b>Total equity and liabilities</b>		<b>138,852,944</b>	<b>117,037,938</b>

These financial statements were approved by the Board of Directors on ..27.. March 2026 and signed on its behalf by:

  
Mr. G. Oyeode MFR  
Chairman  
FRC/2013/NBA/0000000254

  
Graham Hefer  
Managing Director  
FRC/2013/PRO/DIR/003/00000002460

  
Khalil Korim  
Finance Director  
FRC/2025/PRO/ANAN/004/93056

The accompanying notes to the financial statements are an integral part of these financial statements.

THE OKOMU OIL PALM COMPANY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

Statement of changes in equity

For the year ended 31 December 2025

	Share capital	Share premium	Other Reserves	Retained Earnings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2024	476,955	1,867,096	(362,825)	36,893,304	38,874,530
Profit for the year	-	-	-	39,957,746	39,957,746
Other comprehensive loss	-	-	(460,141)	-	(460,141)
Total comprehensive income for the year, net of tax	-	-	(460,141)	39,957,746	39,497,605
Transaction with shareholders:					
Dividend declared (Note 32)	-	-	-	(22,893,840)	(22,893,840)
At 31 December 2024	476,955	1,867,096	(822,966)	53,957,210	55,478,295
As at 1 January 2025	476,955	1,867,096	(822,966)	53,957,210	55,478,295
Profit for the year	-	-	-	57,951,715	57,951,715
Other comprehensive loss	-	-	(1,661,842)	-	(1,661,842)
Total comprehensive income for the year, net of tax	-	-	(1,661,842)	57,951,715	56,289,873
Transaction with shareholders:					
Dividend declared (Note 32)	-	-	-	(62,958,060)	(62,958,060)
At 31 December 2025	476,955	1,867,096	(2,484,808)	48,950,865	48,810,108

The accompanying notes to the financial statements are an integral part of these financial statements.

THE OKOMU OIL PALM COMPANY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

Statement of cash flows for the year ended 31 December 2025

	Notes	2025 ₦'000	2024 ₦'000
<b>Operating activities:</b>			
Profit before taxation	17	90,646,654	53,555,458
<b>Adjustments to reconcile profit before tax to net cash cashflows:</b>			
Depreciation of property, plant and equipment, bearer's plant and ROU	13	21,904,926	9,661,183
Fair value gains in biological assets	22.3	(1,775,816)	(333,056)
Service cost on post-employment benefit	34.2	95,406	87,247
Interest cost on post-employment benefit	34.2	531,305	350,853
Impairment of related parties' receivables	16	2,049	10,626
Gain on disposal of property, plant and equipment	10	(2,000)	(78,069)
Loss on disposal of bearer plants	16	24,792	54,254
Grant income	10	(445,383)	(426,710)
Finance costs	14	4,618,445	4,598,986
Finance income	15	(4,543)	(5,287)
Unrealized exchange gain on translation of foreign currency balances	10	(2,324,555)	(2,570,103)
<b>Changes in working capital:</b>			
Decrease/(increase) in prepayment and other assets		4,060,409	(3,321,562)
Decrease/(increase) in trade and other receivables		(471,607)	800,830
(Increase) in inventories		(6,353,013)	(2,765,913)
(Increase) in biological assets		(3,402,276)	(781,483)
Increase in trade and other payables		6,555,234	4,331,639
		<b>113,660,028</b>	<b>63,168,893</b>
Retirement benefit paid	34.2	(595,747)	(488,327)
Income tax paid	18.3	(13,962,222)	(11,386,091)
<b>Net cash flows from operating activities</b>		<b>99,102,059</b>	<b>51,294,475</b>
<b>Investing activities:</b>			
Additions to bearer plants	21	(4,762,227)	(2,970,110)
Proceeds from sale of property, plant and equipment		2,000	78,069
Purchase of property, plant and equipment	20	(18,329,281)	(10,269,214)
Finance income	15	4,543	5,287
<b>Net cash flows used in investing activities</b>		<b>(23,084,965)</b>	<b>(13,155,968)</b>
<b>Financing activities:</b>			
Payment of principal on borrowings	33.1	(1,937,874)	(1,948,125)
Payment of principal on lease liabilities	26.1	(13,060,702)	(3,577,800)
Payment of interest on lease liabilities	26.1	(3,517,590)	(2,522,887)
Dividend paid	32	(62,958,060)	(22,893,840)
Interest paid	33.1	(675,165)	(831,337)
<b>Net cash flows used in financing activities</b>		<b>(82,149,391)</b>	<b>(31,773,989)</b>
Net (decrease)/increase in cash and cash equivalents		<b>(6,132,298)</b>	<b>6,364,518</b>
Net foreign exchange difference		1,743,875	2,519,451
Cash and cash equivalents at 1 January		17,334,904	8,450,935
<b>Cash and cash equivalents at 31 December</b>	<b>28</b>	<b>12,946,481</b>	<b>17,334,904</b>

The accompanying notes to the financial statements are an integral part of these financial statements.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements

#### For the year ended 31 December 2025

#### 1 Corporate information

##### 1.1 Reporting entity

The Okomu Oil Palm Company Plc was incorporated as a Private Limited Liability Company on 3 December 1979. It was converted to a Public Limited Company on 19 September 1997 under the Company and Allied Matters Act 2020.

The Company is located at Okomu Oil Palm Estate, Okomu-Udo, Edo State.

##### 1.2 Principal activities

The Company is principally engaged in the cultivation of oil palm, processing of fresh fruit bunches into crude palm oil for resale, rubber plantation, and processing of rubber lumps to rubber cake for export.

#### 2 Basis of preparation

##### 2.1 Statement of compliance

The financial statements of The Okomu Oil Palm Company Plc have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in compliance with the provision of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and explanatory notes.

The financial statements have been prepared on a historical cost basis except for biological assets measured at fair value less costs to sell, defined benefits obligation and lease liabilities measured at the present value of the obligation and inventories measured at lower of cost and net realizable value.

The audited financial statement covers the financial period from 1 January 2025 to 31 December 2025, with the comparatives for the year ended 31 December 2024.

##### 2.2 Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand (N'000).

##### 2.3 Going concern

The financial statements have been prepared in accordance with the going concern principle. The Directors believe that there is no intention or threat to liquidate the entity or cease trading after 12 months from the statement of financial position date.

##### 2.4 Presentation of financial statements

The Company classifies its expenses by nature.

The Company has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the statement of financial position.

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The cash flows from operating activities are determined using the indirect method. The Company's assignment of the cash flows to operating, investing and financing category depends on the Company's business model and the applicable standard.

# THE OKOMU OIL PALM COMPANY PLC

## Notes to the financial statements - continued

### 2 Basis of preparation - continued

#### 2.5 Current versus non-current classification

The Company presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is presented as current when it is

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are presented as non-current.

A liability is presented as current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 3 Summary of Material Accounting Policies

The following accounting policies applied consistently in the preparation of these financial statements and applied to all the years presented.

#### 3.1 Revenue from contract with customers

The Company is in the business of cultivating oil palm, processing of fresh fruit bunches into crude palm oil for resale, rubber plantation, and processing of rubber lumps to rubber cake for export. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration (net of value added tax, discounts and rebates) to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

Revenue is recognized when (or as) a performance obligation is satisfied. Performance would be regarded as being achieved when all of the following criteria have been met;

- Company's performance is complete, when (or as) a performance obligation is satisfied.
- The benefit of the revenue will flow to the Company.

There are no judgement that significantly affect the determination of the amount and timing of its revenue from contracts with customers.

##### 3.1.1 Rubber sales

This comprises revenue from sales of rubber or sales of rubber cake and other agricultural produce. Revenue is recognized when rubber has been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Depending on the terms of the contract with the customer, control is transferred either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer, or upon delivery of the goods on board vessels or tankers for onward delivery to the customer.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.1 Revenue from contract with customers - continued

###### 3.1.2 Sales of palm oil produce

This comprises revenue from sales of crude palm oil related products. Revenue is recognized when the products have been sold. Revenue is recognized at a point in time when control of goods has been transferred to the customer. Control is transferred upon pick up of the goods by the customer at the Company's premises and acceptance of the goods by the customer.

Invoices are generated at a point in time and are paid before goods are transferred.

###### 3.1.3 Palm oil processing

These comprise of revenue from palm oil processing for other Companies. Revenue is recognized at a point in time when services have been rendered in respect to processed palm produce through the Company's palm oil mill processing equipment.

###### *(i) Variable consideration*

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts may provide customers with a right to return the goods within a specified period.

###### ▸ *Rights of return*

The company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover the goods from the customer. The Company's sales terms do not permit the return of goods sold and services rendered to customers.

###### *(ii) Significant financing component*

The company receives advance payments from customers for the sale of crude palm oil related products after approval of sales order has been made. There may be a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the goods, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

The company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

###### *(iii) Non-cash consideration*

The company does not receive non-cash considerations for sale of produce.

#### **Contract balances**

##### *Contract assets*

The company does not have contract asset in its books.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.1 Revenue from contract with customers - continued

###### *Trade receivables*

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.8.1.

###### *Contract liabilities*

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

##### 3.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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 by the Company.

The fair value of an asset or a liability is measured using the assumptions that 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 company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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 recognized in the financial statements at fair value on a recurring basis, the company 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 were involved for valuation of significant and complex liabilities, such as defined benefits obligations. Involvement of external valuers is determined annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.3 Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss as part of net operating gain/(losses) in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

##### 3.4 Taxes

###### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### Tertiary Education tax

Tertiary education tax is based on 3% of the assessable profit for each year of assessment.

###### Police Trust Fund Levy

Police trust fund levy is based on 0.005% of the net profit of companies operating business in Nigeria.

###### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

# THE OKOMU OIL PALM COMPANY PLC

## Notes to the financial statements - continued

### 3 Summary of Material Accounting Policies - continued

#### 3.4 Taxes - continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in the correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### 3.5 Cash dividend

The Company recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders in the Annual General meeting. A corresponding amount is recognized directly in equity.

#### 3.6 Property, plant and equipment

##### 3.6.1 Recognition and measurement

Property, plant and equipment's are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. An asset is recognized when it is probable that the economic benefits associated with the item flow to the entity and cost can be reliably measured.

##### 3.6.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

##### 3.6.3 Depreciation

Depreciation is calculated to write off the cost or revalued amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.6 Property, plant and equipment - continued

The estimated useful life of items of property, plant and equipment are as follows:

	%
Building	5-10
Palm Oil mill	5-20
Machinery and equipment	10-20
Furniture and equipment	12.5
Vehicle	20
Land	Not depreciated.

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in profit or loss.

##### 3.6.4 De-recognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

##### 3.7 Leases

At inception of a contract, the Company 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.

###### As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

###### Right of use

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.7 Leases - continued

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- ▶ fixed payments, including in-substance fixed payments.
- ▶ variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- ▶ amounts expected to be payable under a residual value guarantee; and
- ▶ the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment. Lease liabilities are presented separately on the face of the statement of financial position.

##### **Short-term leases and leases of low-value assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### 3.8 Financial instruments

IFRS 9 provides guidance on 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 financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

###### 3.8.1 Financial assets

##### ***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

#### 3.8 Financial instruments - initial recognition and subsequent measurement - continued

##### 3.8.1 Financial assets - continued

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### ***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### ***Financial assets at amortized cost (debt instruments)***

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables and related parties receivables

##### ***Financial assets at fair value through OCI (debt instruments)***

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have any debt instrument at fair value through OCI.

##### ***Financial assets designated at fair value through OCI (equity instruments)***

Upon initial recognition, the Company 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 IFRS 7 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. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any equity instrument at fair value through OCI.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.8 Financial instruments - initial recognition and subsequent measurement - continued

###### 3.8.1 Financial assets - continued

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

###### *Derecognition*

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 Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered 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 Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

###### *Impairment*

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.3

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

#### 3.8 Financial instruments - initial recognition and subsequent measurement - continued

##### 3.8.1 Financial assets - continued

###### *Impairment - continued*

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 (a 12-month 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 (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company uses the ratings from reputable credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company has no debt instrument at fair value through OCI

The Company's debt instrument includes Intercompany receivables. The Company sells its products mainly in cash hence, trade receivables is not significant.

##### 3.8.2 Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, lease liabilities and loans and borrowings.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

#### 3.8 Financial instruments - initial recognition and subsequent measurement - continued

##### 3.8.2 Financial liabilities - continued

###### ***Subsequent measurement***

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

###### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

###### ***Financial liabilities at amortized cost (loans and borrowings)***

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 33.

###### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### 3.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

# THE OKOMU OIL PALM COMPANY PLC

## Notes to the financial statements - continued

### 3 Summary of Material Accounting Policies – continued

#### 3.9 Inventories

Inventories are stated at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- ▶ Raw materials: purchase cost on a weighted average basis.
- ▶ Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs on a weighted average basis.
- ▶ General stores and maintenance: weighted average cost.
- ▶ Spares: weighted average cost.
- ▶ Goods in transit: Purchase cost incurred to date.

Initial cost of inventories of harvested agricultural produce is measured at fair value less cost to sell while refined products are measured using weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Harvested Fresh Fruit Bunches are transferred to inventory at fair value less costs to sell when harvested.

#### 3.10 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above.

#### 3.11 Provisions

##### *General*

Provisions are recognized when the Company 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 Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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 net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

##### *Onerous contracts*

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.11 Provisions

###### *Contingent assets and liabilities*

A contingent asset is a potential economic benefit that is dependent on some future event(s) largely out of a company's control while 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 Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

##### 3.12 Employee benefits

###### 3.12.1 Short term employee benefits

Short term employee benefits consist of salaries, bonuses e.t.c. Short-term employees' benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid as cash bonus if the Company 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.

###### 3.12.2 Defined contribution plan

The Company operates a defined contribution-based retirement benefit scheme for their staff, in accordance with the Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments (basic salaries, housing and transport allowances). Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contributions. Employees contributions are deducted through the payroll. The Company operates a defined benefit pension plan in Nigeria, which requires contributions to be made to a separately administered fund.

###### 3.12.3 Other post-employment benefits

The Company also provides certain additional post employment healthcare benefits to employees in Nigeria. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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 recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under 'employee benefits expense' in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

# THE OKOMU OIL PALM COMPANY PLC

## Notes to the financial statements - continued

### 3 Summary of Material Accounting Policies - continued

#### 3.13 Finance income and cost

Finance income comprises interest income on short-term deposits with banks. Interest income on short-term deposits is recognized using the effective interest method. When the transaction price of the instrument differs from the fair value at origination and fair value is based on a valuation technique using only inputs observable in market transactions, the entity recognizes the difference between the transaction price and fair value in profit or loss.

In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

The finance cost is made up of interest expense on lease liabilities and interest on loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

#### 3.14 Share Capital and reserves

##### Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the proceeds of the equity instruments.

#### 3.15 Earnings per share (EPS)

##### Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and on the basis of weighted average of issued and fully paid ordinary shares at the end of the year.

##### Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

##### Dividend

Dividends on ordinary shares are recognized as a liability in the period in which they are approved.

#### 3.16 Bearer plants

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses.

Bearer plants comprise of palm and rubber plantation. These assets are initially recognized at their historic cost. The historic costs comprise the amount incurred from the stage of pre-cropping, land clearing, agricultural labour, the cost of material and the other expenditure incurred to bring the bearer plants to the point of maturity.

Each group of bearer plants is grouped into the year in which the cultivation of the plant commences. The group of assets are segregated according to the year and the product type. The bearer plants are first recognized as an immature until classified as mature.

The estimated useful life of items of bearer plants are as follows:

	%
Palm plantation	5-20
Rubber plantation	5-20

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.16 Bearer plants- continued

Bearer plants are recognized as mature when the following events occur:

Palm oil plantations are treated as mature when 60% of palm per block are bearing fruits with an average weight of 3kg or more.

Rubber plantations are treated as mature when 40% of the trees can be tapped during the year.

Bearer plants are stated at cost less accumulated depreciation and accumulated impairment losses. Cost include expenditure that are directly attributed to the planting and nurturing of the bearer plant prior to the asset being tapped and harvested. All other costs incurred for maintenance after recognition as matured plantation are charged to profit or loss during the financial period in which they are incurred.

The Company recognizes immature bearer plants at cost less any impairment losses under capital work in progress. Immature bearer are then classified as bearer plants when they reach the stage of maturity. Depreciation of bearer plants commence when they are available for use.

##### 3.17 Biological Assets

Biological assets are measured at fair values less estimated costs to sell. Palm oil and rubber trees are bearer plants and are therefore presented and accounted for as bearer plants. However, the Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested Fresh Fruit Bunches are transferred to inventory at fair value less costs to sell when harvested. Any gains or losses arising on subsequent changes in fair values less estimated cost to sell are recognized in profit or loss in the year in which they arise.

Rubber(latex) and Fresh Fruit Bunches at the point of harvest are accounted for under IAS 41 and measured at fair value less cost to sell.

All costs of upkeep and maintenance of biological assets are recognized in profit or loss under cost of production in the period in which they are incurred.

##### 3.18 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.3

The Company 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 Company estimates the assets asset's recoverable amount. An asset's recoverable amount is the higher of an assets 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 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculated are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 3 Summary of Material Accounting Policies - continued

##### 3.18 Impairment of non-financial assets- continued

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project the future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the profit or loss in expense categories consistent with the function of the impaired asset, except for the properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding the goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously impairment losses no longer exist or have decreased. If such indication, exists, the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined net of depreciation had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### 4. Changes in accounting policies and disclosure

##### 4.1 New and amended standards and interpretations

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not opted to adopt early, any other standard, interpretation or amendment that has been issued but is not yet effective.

###### ***Lack of exchangeability - Amendments to IAS 21***

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of 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.

This amendment has no material impact on the Company's financial statements.

##### 4.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

###### ***IFRS 18 Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 4.2 Standards issued but not yet effective - continued

##### ***IFRS 18 Presentation and Disclosure in Financial Statements - continued***

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on the Company's financial statements are, as follows:

- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

##### ***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 amendments are not expected to have a material impact on the Company's financial statements.

##### ***Amendments to the Classification and Measurement of Financial Instruments - Amendment to IFRS 9 and IFRS 7***

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognized on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 4.2 Standards issued but not yet effective - continued

##### ***Amendments to the Classification and Measurement of Financial Instruments - Amendment to IFRS 9 and IFRS 7 - continued***

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The Company does not anticipate that the amendments will have a material effect on the Company's financial statements.

##### ***Annual Improvements to IFRS Accounting Standards - Volume 11***

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

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

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Company does not expect that the amendments will have a material impact on its financial statements.

##### ***Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21***

Effective for annual periods beginning on or after 1 January 2027.

##### **Key requirements**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 4.2 Standards issued but not yet effective - continued

##### ***Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21 - continued***

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.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

##### **Transition**

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.

The Company does not expect that the amendments will have an impact on its financial statements.

#### 4.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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. 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.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- |  |             |
|--|-------------|
| ▸ Capital management                                 | Note 6      |
| ▸ Financial instruments risk management and policies | Note 5.2    |
| ▸ Sensitivity analyses disclosures                   | Notes 5.2.1 |

##### **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 recognized in the consolidated financial statements:

##### ***Determining the lease term of contracts with renewal and termination options - Company as lessee***

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 4.3 Significant accounting judgements, estimates and assumptions - continued

##### **Judgements - continued**

lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

##### **Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation 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 Company 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 changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### ***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. There were no indicator of impairment noted in the course of our review hence, no impairment were recorded by the Company.

##### ***Provision for expected credit losses of intercompany receivables***

The Company uses a provision matrix to calculate ECLs for intercompany trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

Notes to the financial statements - continued

4.3 Significant accounting judgements, estimates and assumptions - continued

Estimates and assumptions - continued

***Provision for expected credit losses of intercompany receivables - continued***

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's Intercompany receivables are disclosed in Note 5.2.2.

***Defined benefit plans (pension benefits)***

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. 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, mortality rates and future pension increases. 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 calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about pension obligations are provided in Note 34.

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Notes to the financial statements - continued

4.3 Significant accounting judgements, estimates and assumptions - continued

Estimates and assumptions - continued

***Useful lives and residual values of property, plant and equipment***

The Company reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, it determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Company's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on its buildings and office properties.

***Leases - Estimating the incremental borrowing rate***

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

***Going concern***

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

***Fair value of biological assets***

The Company carries its biological assets (produce on bearer plants), Fresh Fruit Bunches (FFB) and tapped rubber (cup lumps) at the time of harvest at fair value less costs to sell.

The fair value of produce growing on bearer plants is determined by reference to market prices of FFB and tapped rubber and adjusted for expected costs to reach maturity. Significant estimates include the expected fruit and rubber yields and quality, costs to incur until harvest and the expected market price for the harvested produce.

The key assumptions used to determine the fair value of biological assets are provided in Note 7.4.

The fair value of harvested FFB and tapped latex at the point of harvest is determined by reference to the market prices for each variety of product grown in the local area and the market price paid to independent palm and rubber tree growers. Any gains or losses on remeasuring fair value are included within profit or loss.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 5 Risk management objectives and policies

##### 5.1 Overview

Risk management is carried out in line with policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Managing Director, which aims to effectively manage the financial risk of Okomu Oil Palm Company Plc, according to the policies approved by the Board of Directors.

##### 5.2 Financial Risk

The Company's financial instruments consist of trade and other receivables and trade and other payables, cash and cash equivalents and loans. The main risks arising from the Company's financial instruments are.

- ▶ Market risk
- ▶ Credit risk
- ▶ Liquidity risk

##### 5.2.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of the Company's holdings of financial instruments.

##### Foreign Exchange Risk

The Company is exposed to foreign exchange risks from some of its commercial transactions and recognized assets. The Company buys and imports some of the equipment used for production, the payments for which are made in Euro and US Dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in Euro. See below for balances at year end that are in Euro and dollars.

##### Sensitivity Analysis Assumptions

The percentage used for the sensitivity analysis on foreign exchange fluctuations was determined based on the historical volatility of the Naira against major foreign currencies (EUR and USD) during the reporting period. Additionally, significant fluctuations in Nigeria's foreign exchange market, influenced by macroeconomic conditions, monetary policies, and exchange rate adjustments by the Central Bank of Nigeria, were considered.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

5 Risk management objectives and policies - continued

5.2.1 Market risk - continued

Foreign Currency Sensitivity Continued

	EUR	USD
<b>31-Dec-25</b>		
Cash and bank balance ('000)	831	6,903
Due from related parties ('000)	-	2,351
Due to related parties ('000)	(1,069)	(5)
Payables ('000)	-	(43)
<b>Net FCY Exposure ('000)</b>	<b>(238)</b>	<b>9,206</b>
<b>Net exposure (NGN'000)</b>	<b>(402,448)</b>	<b>13,217,064</b>
Sensitivity at 10% Naira appreciation	<b>(40,245)</b>	<b>1,321,706</b>
Sensitivity at 10% Naira depreciation	<b>40,245</b>	<b>(1,321,706)</b>
	EUR	USD
<b>31-Dec-24</b>		
Cash and bank balance ('000)	2,015	6,607
Due from related parties ('000)	587	1,303
Due to related parties ('000)	(7)	-
Payables ('000)	(427)	(2,710)
<b>Net FCY Exposure ('000)</b>	<b>2,167</b>	<b>5,199</b>
<b>Net exposure (NGN'000)</b>	<b>3,457,248</b>	<b>7,984,716</b>
Sensitivity at 35% Naira appreciation	<b>758</b>	<b>1,820</b>
Sensitivity at 35% Naira depreciation	<b>(758)</b>	<b>(1,820)</b>

5.2.2 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding Intercompany receivables from sales of rubber. Payment for sales of palm produce are made in advance

The Company ensures that sales of its products are made to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The continuous credit worthiness of the existing customers is monitored periodically based on history of performance of the obligations and settlement of their debt. Appropriate provision for impairment losses is made for specific credit risks.

Credit risk arises from bank balances and Intercompany receivables. 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 sales on palm produce are insignificant or minimal as the Company predominantly has cash sales therefore ECL is immaterial on trade receivables. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 5 Risk management objectives and policies - continued

##### 5.2.2 Credit risk - continued

Credit risk from balances with banks and financial institutions is managed by the Company treasury department in accordance with the Company's policy. The Company maintains its bank balances with reputable bank and financial institution with high quality credit ratings and considered low risk. Cash and cash equivalent are subject to the expected credit loss impairment model however the impairment loss is assessed as immaterial.

Credit risk from balances with related parties is managed by the Company in accordance with the Company's policy. The Company has receivables through transactions with its related parties. Related party receivables are subject to the expected credit loss impairment model however the impairment loss is assessed as immaterial.

Set out below is the information about the credit risk exposure on the Company's trade receivables and cash and bank using a provision matrix.

The Company's maximum exposure to credit risk is as follows:

31 December 2025	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Trade and other receivables *	24	3,388,363	-	(12,675)	3,375,688
Cash and short-term deposit	28	12,933,346	-	-	12,918,237
		<u>16,321,709</u>	<u>-</u>	<u>(12,675)</u>	<u>16,309,034</u>

\*Other receivables consist of WHT and VAT and are therefore excluded as they are not considered as financial assets.

31 December 2024	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Trade and other receivables*	24	2,981,234	-	(10,626)	2,970,608
Cash and short-term deposit	28	17,320,284	-	-	17,320,284
		<u>20,301,518</u>	<u>-</u>	<u>(10,626)</u>	<u>20,290,892</u>

\*Other receivables consist of WHT and VAT and are therefore excluded as they are not considered as financial assets.

##### 5.2.3 Liquidity Risk

Financial assets at reporting period are disclosed below.

		2025 ₦'000	2024 ₦'000
Cash and bank	28	12,946,481	17,334,904
Trade receivables	24	16,354	44,061
Related parties	24	3,359,334	2,926,547
		<u>16,322,169</u>	<u>20,305,512</u>

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 5 Risk management objectives and policies - continued

##### 5.2.3 Liquidity Risk - continued

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times to enable the Company not to breach borrowing limits on any of its borrowing's facilities. The Company manages liquidity risk by effective working capital and cash flow management.

Analysis of financial liabilities by remaining contractual maturities.

The analysis shows the undiscounted contractual cash flows on the Company's financial liabilities and on the basis of their earliest possible contractual maturity.

The table below summarizes the maturity profile of the cash flows of the Company's liabilities.

In thousands of Naira	Carrying amount	Note	On Demand	Less than 1 year	Over 1 year	Undiscounted contractual amount
<b>31-Dec-25</b>						
<b>Financial liabilities:</b>						
Interest-bearing loans and borrowings	6,419,970	33	-	2,737,590	7,568,907	10,306,496
Lease liabilities	18,278,026	26	-	15,118,084	5,780,237	20,898,321
Trade payables	4,929,404	35	-	4,929,404	-	4,929,404
Other liabilities	473,233	35.2	-	473,233	-	473,233
Accruals	108,717	35.2	-	108,717	-	108,717
Related parties	6,776,008	35.4	-	6,776,008	-	6,776,008
	<b>36,985,358</b>		<b>-</b>	<b>30,143,036</b>	<b>13,349,144</b>	<b>43,492,180</b>
<b>31-Dec-24</b>						
<b>Financial liabilities:</b>						
Interest-bearing loans and borrowings	7,932,155	33	-	2,540,744	8,550,354	11,091,098
Lease liabilities	12,463,582	26	-	5,130,691	10,913,180	16,043,871
Trade payables	3,002,730	35	-	3,002,730	-	3,002,730
Other liabilities	1,783,070	35.2	-	1,783,070	-	1,783,070
Accruals	79,936	35.3	-	79,936	-	79,936
Related parties	3,654,427	35.4	-	3,654,427	-	3,654,427
	<b>28,915,901</b>		<b>-</b>	<b>14,191,598</b>	<b>20,463,534</b>	<b>35,655,132</b>

From the above table, the Company's expected cash flows on the financial assets do not vary significantly from the contractual cash flows apart from interest bearing loans and borrowings.

There has been no breach to the loan covenant.

As part of the management of its liquidity risk, the Company holds liquid assets comprising of cash and cash equivalents and financial assets to meet its liquidity requirements.

##### 5.2.4 Interest Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have exposure to the risk of change in market interest rates as the Company interest -bearing loans and borrowings are all fixed interest rates. Furthermore,

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 5 Risk management objectives and policies - continued

##### 5.2.4 Interest Risk - continued

the Company does not account for any fixed rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date has no impact on the profit or loss.

##### 5.2.5 Commodity Price Risk

Commodity price risk is the risk that fluctuations in market prices of key raw materials and finished goods will impact the Company's financial performance. The Company is exposed to price volatility in crude palm oil, rubber, and other agricultural commodities, which could affect revenue and operating margins. To mitigate this risk, the Company monitors market trends, engages in strategic pricing, and explores long-term supply agreements where feasible.

#### 6 Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

		2025 ₦'000	2024 ₦'000
Lease liabilities		18,278,025	12,463,582
Interest bearing loans and borrowings		6,419,970	7,932,155
Trade and other payables		13,461,336	10,368,540
Less: Cash and cash equivalents		<u>(12,946,481)</u>	<u>(17,334,904)</u>
Net debt	(A)	<u>125,212,850</u>	<u>13,429,374</u>
Equity	(B)	<u>48,871,165</u>	<u>55,478,295</u>
Gearing ratio	(A/B)	<u>52%</u>	<u>24%</u>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Company does not have formal gearing ratio target. The Company includes within net debt, interest bearing loans and borrowings, lease liability, trade and other payables, less cash and bank balances. The Company is not subject to externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025 and 31 December 2024.

#### 7 Fair value of financial assets and liabilities

##### 7.1 Financial instruments not measured at fair value

The fair value of cash and bank balances, trade and other receivables, creditors and other liabilities approximate their carrying value due to their short-term nature.

##### 7.2 Financial instruments measured at amortized cost

The interest-bearing loans and borrowings were recorded at amortized cost using the effective interest rate method. The terms are below-market rate as they are received from government as part of its grant initiatives.

				In thousands of Naira	
	Level 1	Level 2	Level 3	Total fair value	Carrying amount
31 December 2025		7,405,108		7,405,108	6,419,970
31 December 2024	-	8,203,918	-	<u>8,203,918</u>	<u>7,932,156</u>

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 7 Fair value of financial assets and liabilities- continued

##### 7.2 Financial instruments measured at amortized cost - continued

The fair value of the interest-bearing loans and borrowing is estimated by discounting the future contractual cashflows at the current market interest rate.

##### 7.3 Fair value measurement

The following table presents the Company's biological assets that are measured at fair value at 31 December 2025 and 31 December 2024. The Company's biological assets are measured at fair value less cost to sell and are classified under level 2 (valuation based on observable market data) and level 3 (valuation based on unobservable data) of the fair value hierarchy. There are no items in level 1 (valuation based on quoted prices) and there were no transfers between levels.

Biological Assets:	Level 1	Level 2	Level 3	Total fair value	Carrying Amount
	In thousands of Naira				
31 December 2025	-	-	5,195,434	5,195,434	5,195,434
31 December 2024	-	-	1,793,158	1,793,158	1,793,158

##### 7.4 Valuation of biological assets

The fair value less costs to sell of growing palm oil and rubber is determined based on estimates of yield, costs to incur until harvest, expected market prices at harvest and products quality. Market price of palm fruit and latex ranges through the year depending on the variety, current price and grade quality of palm oil and rubber in the region.

###### Analysis of production

###### Oil Palm

The Company harvested a total of 313,461 tons of Fresh Fruit Bunches (FFB) during the year, including third-party purchases (2024: 309,358 tons). Additionally, it sold 86,763 metric tons of palm oil (2024: 76,420 metric tons).

###### Rubber

The Company harvested 10,420 tons of cup lumps during the year (2024: 9,197 tons) and sold 10,962 metric tons of rubber cake (2024: 9,503 metric tons).

The plantation covers the following areas

- \* Palm plantation covers a total of 19,044 hectares.
- \* Rubber plantation covers a total of 7,335 hectares.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 7 Fair value of financial assets and liabilities- continued

##### 7.4 Valuation of biological assets - continued

Significant unobservable inputs used in fair value measurements of palm fruits and untapped rubber growing on bearer plants are the following:

	2025	2024	
<b>Palm fruit growing on palm trees:</b>			
Production allocation for growing produce on bearing plants(tons)			The higher the palm fruit yield the higher the fair value
Estimated cost + margin (N/ton)	1,978	1,748	
	808,081	451,147	
<b>Untapped cup lumps growing on rubber tress:</b>			
Production allocation for growing produce on bearing plants(tons)			The higher the yield in cup lump the higher the fair value
Estimated cost + margin (N/ton)	194	184	
	339,936	250,882	

##### 7.4.1 Valuation processes

###### i) Produce growing plants (Palm fruits and latex)

The Company has a team within the external reporting department that performs the valuation of biological assets.

When considering the appropriate market prices for fruits to use, the team reviews available information, including: the quantity of fruits growing on the bearer plants; expected yield; current health of the trees on which they grow; current market prices for the fruits; expected harvest costs through to harvest; and the expected timing of harvest; climate induced variations such as severe weather events, plant losses and new areas coming into production, age of plantation.

The valuation policies and procedures, as well as changes in the fair value measurements, are reviewed by the Finance Director annually.

###### ii) Harvested produce (Fresh Fruit Bunches and Harvested cup lumps)

Management makes reference to the market price which is adjusted for cost to sell. e.g., transport cost.

The market price or the fair value measurement is based on the presumption that the transaction to sell the asset takes place in the principal market for the asset. In the absence of a principal market, the entity makes reference to the most advantageous market for the asset.

#### 8 Segment reporting

For management purposes, the Company is organized into business units based on its products and services and has three reportable segments, as follows:

- ▶ The palm plantation segment, which produces fresh fruit bunches.
- ▶ The rubber plantation segment, which produces cup lumps.
- ▶ The palm and rubber processing segments, which renders palm and rubber processing from the Company's mill and factory processing equipment processes FFB into crude palm oil and crude palm kernel and rubber cake from rubber cup lumps, respectively.

Thus, no operating segments have been aggregated to form the above reportable operating segments. Major customers include Sogescol, Agri Palm.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 8 Segment reporting- continued

measured consistently with profit or loss in the financial statements.

Also, the Company's financing (including finance costs, finance income and other income) are managed on an entity basis and are not allocated to reportable segments.

8.1	Segment revenue		2025 ₦'000	2024 ₦'000
	Palm oil produce	9	172,382,838	107,538,909
	Rubber sales	9	25,525,206	22,522,069
	Palm oil processing	9	244,833	149,686
			<u>198,152,877</u>	<u>130,210,665</u>
8.2	Segment profit			
	Palm oil produce	8.2.1	49,085,134	33,365,501
	Rubber sales	8.2.2	8,648,027	6,491,955
	Palm oil processing	8.2.3	218,554	100,290
			<u>57,951,715</u>	<u>39,957,746</u>
8.2.1	Palm oil produce			
	Profit before tax		80,633,244	42,856,537
	Income tax expense		(31,548,110)	(13,164,250)
	Profit for the year		<u>49,085,134</u>	<u>33,365,501</u>
8.2.2	Rubber sales			
	Profit before tax		9,628,670	7,064,753
	Income tax expense		(980,643)	(572,798)
	Profit for the year		<u>8,648,027</u>	<u>6,491,955</u>
8.2.3	Palm oil processing			
	Profit before tax		323,683	149,686
	Income tax expense		(105,129)	(49,396)
	Profit for the year		<u>218,554</u>	<u>100,290</u>

None of the customers contribute more than 10% of the total revenue.

#### 9 Revenue from contracts with customers

The Company's revenue is disaggregated below as follows:

	2025 ₦'000	2024 ₦'000
Palm oil produce	172,382,838	107,538,909
Rubber sales	25,525,206	22,522,069
Palm oil processing	244,833	149,686
Total revenue from contracts with customers	<u>198,152,877</u>	<u>130,210,665</u>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

9 Revenue from contracts with customers - continued

	2025 ₦'000	2024 ₦'000
<b>Disaggregation of revenue:</b>		
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	197,908,044	130,060,979
Services transferred at a point in time	244,833	149,686
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>198,152,877</b>	<b>130,210,665</b>
<b>Primary geographical markets:</b>		
Revenue from customers is disaggregated by geographical market as follows:		
Nigeria	172,627,671	107,688,595
Outside Nigeria	25,525,206	22,522,069
	<hr/>	<hr/>
	<b>198,152,877</b>	<b>130,210,665</b>

**Performance obligation**

Information about the Company's performance obligations are summarized below:

**Palm sales**

The performance obligation is satisfied when customers pick their goods from the plantation usually on same day. Customers pay in advance for products.

**Rubber sales**

The performance obligation is satisfied upon delivery of the rubber bales and payment is generally due within 1 to 30 days from delivery.

**Oil palm processing**

The performance obligation is satisfied when customers pick their goods from the plantation. Payment is generally due within 1 - 30 days.

10 Other income

		2025 ₦'000	2024 ₦'000
Realized foreign exchange gains	10.1	8,744,849	11,331,959
Unrealized foreign exchange gains	10.1	2,324,555	2,570,103
Grant income	10.2	445,383	426,710
Export Expansion grant income		-	458,197
Gain on disposal of property and equipment		2,000	78,069
Sales of scrap and obsolete items	10.3	1,060,839	470,996
		<hr/>	<hr/>
		<b>12,577,626</b>	<b>15,336,034</b>

10.1 Realized and unrealized foreign exchange gain arose from translation and settlement of foreign denominated bank and vendor balances respectively.

10.2 Grant income relates to income from government assisted loans which are recognized as part of other income on a systematic basis over the tenor of the loan.

10.3 Miscellaneous income relates to the sale of scrap iron metals, scrap spare parts.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

<b>11</b>	<b>Raw materials and consumables used</b>	<b>2025</b>	<b>2024</b>
		<b>₦'000</b>	<b>₦'000</b>
	Cost of rubber lumps and Fresh Fruit Bunches consumed	9,297,740	2,952,935
	Consumables expenses	9,069,168	10,237,433
	Upkeep of mature plantation expenses	10,979,625	9,295,140
	Harvesting and collection expenses	230,657	183,812
		<b>29,577,190</b>	<b>22,669,320</b>
11.1	Consumables mainly include materials in the plantation such as fertilizers, drugs and agro-chemicals.		
<b>12</b>	<b>Employee benefits expense</b>	<b>2025</b>	<b>2024</b>
		<b>₦'000</b>	<b>₦'000</b>
	Pension cost (employer contribution)	92,537	59,509
	Training	189,697	116,474
	Staff salaries and allowances (excluding Director's remuneration)	8,649,625	7,092,919
	Contract staff wages	21,329,925	18,328,762
	Production bonus	142,758	130,397
	<b>Post employment benefits obligations:</b>		
	Interest cost	531,305	350,853
	Service cost	95,406	87,247
		<b>31,031,253</b>	<b>26,166,161</b>
12.1	Number of employees (excluding contractors) of the Company as at 31 December 2025, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration excluding pension contributions and certain benefits) are as follows:		
	<b>Amount (₦)</b>	<b>2025</b>	<b>2024</b>
		<b>Number</b>	<b>Number</b>
	2,200,002 - 4,200,000	139	113
	4,200,001 - 6,200,000	74	36
	6,200,001 above	91	31
		<b>304</b>	<b>180</b>
12.2	The average number of full-time personnel directly employed by the Company during the year are as follows:		
	Manager	8	8
	Senior	72	71
	Junior	200	235
		<b>280</b>	<b>314</b>
12.3	The number of Directors (excluding the Chairman and highest paid Director) who received emoluments excluding pension contributions and certain benefits were within the following range:		
		<b>2025</b>	<b>2024</b>
		<b>Number</b>	<b>Number</b>
	₦700,001 - ₦3,000,000	-	-
	₦3,000,001 - ₦10,000,000	-	-
	₦10,000,000 - above	8	8
		<b>8</b>	<b>8</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

**12 Employee benefits expense - continued**

12.4 Director remuneration	2025 ₦'000	2024 ₦'000
Directors' remuneration paid during the year comprises:		
Director fees	347,430	271,247
Other emolument	95,013	84,456
	<u>442,443</u>	<u>355,703</u>

12.5 The Directors' remuneration shown above includes:

Highest paid Director:		
Chairman remuneration	<u>66,938</u>	<u>56,525</u>

**13 Depreciation expense**

Depreciation of property, plant and equipment	20	4,705,902	3,794,148
Depreciation of bearer plants	21	1,038,007	1,073,793
Depreciation of right-of-use assets	26.2	<u>16,161,011</u>	<u>4,793,243</u>
		<u>21,904,926</u>	<u>9,661,183</u>

**14 Finance costs**

Interest expense on lease liabilities	26.1	3,517,590	3,281,811
Interest expense on loans and borrowings	33.1	<u>1,100,855</u>	<u>1,317,175</u>
		<u>4,618,445</u>	<u>4,598,986</u>

Interest income and expenses are measured under the effective interest rate method.

15 Finance income	2025 ₦'000	2024 ₦'000
Interest expense on deposit with banks	4,543	5,287
	<u>3,822</u>	<u>5,287</u>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

16	Other expenses	2025 ₦'000	2024 ₦'000
	Auditor's remuneration	78,943	48,500
	Bank charges	109,031	170,166
	Rental expense	255,182	3,814,934
	Corporate social responsibilities	702,207	308,499
	Courier services	114,353	86,127
	Other external charges	4,637,941	3,677,576
	Directors' remuneration	442,443	355,703
	Impairment of related parties' receivables	2,049	10,626
	Insurance third party	466,715	413,264
	Internet and communication expenses	64,270	103,817
	Local travel and accommodation	674,265	640,887
	Loss on disposal of bearer plant	24,792	54,254
	Management fees	8,714,885	5,602,042
	Medical	251,288	125,624
	Other Directors' fees	341,821	149,510
	Other expenses	4,960	1,157
	Overseas travel	546,660	513,795
	Power and electricity	1,245,015	988,558
	Printing and office supply	99,845	63,511
	Realized foreign exchange loss	12,569,976	8,757,002
	Professional fees	878,297	746,233
	Rent and rates	100,461	89,107
	Repairs and maintenance	1,730,832	1,811,985
	Security and safety expenses	526,529	380,520
	Subscription for professional membership	423	35
	Transport	149,249	320,502
		34,732,393	29,233,934

Included in professional fees is assurance services provided in connection with the independent attestation of the Company's Internal Control over Financial Reporting (ICFR) as required by the Financial Reporting Council of Nigeria amounting to ₦12 million (2024: ₦10 million).

16.1 Rental expenses relate to short-term rentals on building.

16.2 Other external charges:  
This represents other tax charges on custom duties and other indirect taxes and rates.

16.3 Management fees are chargeable for technical support, administrative and managerial services provided by SOCFINCO. refer to (Note 38.2 for details)

16.4 Other expenses comprise cost incurred on road taxes, commercial fair activities, vehicle licenses and property taxes.

16.5 Realized foreign exchange gain arose from translation and settlement of foreign denominated bank and vendor balances respectively.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

16 Other expenses - continued

16.6 Professional fees paid for refers as follows:

Details of non-audit services provided in relation to the financial statements are as follows.

Name of professional	FRC Number of the professional	Name of firm	FRC number of firms	Nature of services	Amount ₦'000
Lateef A. Emiola	FRC/2017/ICAN/00000016070	Grant Thornton	FRC/2013/ICAN/00000004923	Corporate governance report	3,600
Irivboje A. Ojeikere	FRC/2016/ICAN/00000015493	Grant Thornton	FRC/2013/ICAN/00000004923	Tax consultant	92,920
Wayne van Jaarsveld	FRC/2021/PRO/DIR/003/00000024507	Alexander Forbes	FRC/2012/0000000000504	Actuary report on defined benefit obligation	2,500

<b>17 Profit before tax</b>	<b>2025</b>	<b>2024</b>
	<b>₦'000</b>	<b>₦'000</b>
Profit before tax includes the following charges:		
Auditors' remuneration	78,943	48,500
Directors' remuneration	442,443	355,703
Depreciation of property, plant and equipment, bearer plants and ROU assets	21,904,926	9,661,183
Exchange loss	12,569,976	8,757,002
Staff salaries (excluding Director's remuneration)	8,649,625	7,092,919
Realized foreign exchange gain	8,744,849	11,331,959
Unrealized foreign exchange gain	2,324,555	2,570,103
	<hr/>	<hr/>

**18 Taxation**

The income tax for the year is arrived at after adjusting for certain items of expenditure and income which are deductible in accordance with the statutory tax laws and are stated as follows:

<b>18.1 Income tax expense</b>	<b>2025</b>	<b>2024</b>
	<b>₦'000</b>	<b>₦'000</b>
Company income tax	24,286,926	11,779,060
Tertiary education tax	2,797,605	1,490,918
Police Trust Fund levy	4,532	2,678
Capital Gain Tax	25,862	3,619
	<hr/>	<hr/>
Total income tax	27,114,925	13,276,275
Adjustments in respect of current income tax of previous year	697,337	190,881
Deferred tax:		
Relating to origination and removal of temporary differences	4,882,677	130,556
	<hr/>	<hr/>
<b>Income tax related to items expense reported in profit or loss</b>	<b>32,694,939</b>	<b>13,597,712</b>
	<hr/>	<hr/>
Deferred tax recognized in OCI during the year:		
Tax effect of remeasurement loss on actuarial gains and losses	(856,101)	(197,203)
	<hr/>	<hr/>
<b>Total deferred tax charged to OCI</b>	<b>(856,101)</b>	<b>(197,203)</b>
	<hr/>	<hr/>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

18 Taxation - continued

18.2 Reconciliation of effective tax rate

	2025 ₦'000	2024 ₦'000
Profit before income tax expense	90,646,654	53,555,458
Income tax based on statutory tax rate of 30% (2024:30%) (A)	27,193,996	16,066,637
Tax effects of:		
- Non- taxable income	(8,824,656)	(8,573,604)
- Adjustment in respect of current income tax of previous years	697,337	190,881
- Disallowed expense	11,438,434	4,416,582
- Nigerian Police Trust Fund Levy	4,532	2,678
- Capital Gain Tax	25,862	3,619
- Tertiary education tax (3% of assessable profit)	2,797,605	1,490,918
<b>Income tax expense recognized in profit or loss</b> (B)	<b>32,694,939</b>	<b>13,597,712</b>
<b>Effective tax rate (B/A)</b>	<b>36%</b>	<b>25%</b>
18.3 Income tax payable		
As at 1 January.	13,671,412	11,590,347
Charge for the year	27,114,925	13,276,275
Adjustment in respect of current income tax of previous year	697,337	190,881
Payment during the year	(13,962,222)	(11,386,091)
As at 31 December.	<b>27,521,451</b>	<b>13,671,412</b>
18.4 Deferred tax liability		
As at 1 January	13,023,744	13,090,391
Deferred tax credit - OCI	(856,101)	(197,203)
Deferred tax charge - Profit or loss	4,882,677	130,556
As at 31 December	<b>17,050,321</b>	<b>13,023,744</b>
18.5 Deferred tax liabilities/(assets)		
Net deferred tax liabilities reflected in the statement of financial position as follows:		
	2025 ₦'000	2024 ₦'000
Deferred tax assets	(9,816,348)	(5,213,029)
Deferred tax liabilities	26,866,669	18,236,773
Net deferred tax liabilities	<b>17,050,321</b>	<b>13,023,744</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

18 Income tax- continued

18.6 Deferred tax (assets)/ liabilities in relation to:

	Statement of financial position	Income statement	OCI	Liabilities	Assets	Statement of financial position (Net Liabilities)
2025	01-Jan ₦'000	₦'000	₦'000	₦'000	₦'000	31-Dec ₦'000
Property, plant & equipment	15,359,672	2,814,614	-	18,174,286	-	18,174,286
Right of Use Assets	2,767,193	1,291,765	-	4,058,957	-	4,058,957
Post-employment benefits obligation	(935,537)	(894,978)	-	-	(1,830,515)	(1,830,515)
Expected credit loss on intercompany receivables	-	(4,310)	-	-	(4,310)	(4,310)
Loan payment	(159,463)	159,463	-	-	-	-
Exchange difference	-	1,961,131	-	2,872,025	(910,894)	1,961,131
Fair value gain on biological assets	109,908	(1,876,356)	-	1,766,448	-	1,766,448
Lease liabilities	(4,112,982)	(2,101,547)	-	-	(6,214,529)	(6,214,529)
Remeasurement loss on defined benefit plan	(5,047)	-	(856,101)	(5,047)	(856,101)	(856,101)
	<u>13,023,744</u>	<u>4,882,677</u>	<u>(856,101)</u>	<u>26,866,669</u>	<u>(9,816,348)</u>	<u>17,050,321</u>
2024	01-Jan ₦'000	₦'000	₦'000	₦'000	₦'000	31-Dec ₦'000
Property, plant & equipment	13,474,804	1,884,868	-	15,359,672	-	15,359,672
Right of Use Assets	3,016,091	(248,899)	-	2,767,193	-	2,767,193
Post-employment benefits obligation	(700,945)	(234,592)	-	-	(935,537)	(935,537)
Expected credit loss on intercompany receivables	(390,077)	390,077	-	-	-	-
Loan payment	-	(159,463)	-	-	(159,463)	(159,463)
Exchange difference	1,204,063	(1,204,063)	-	-	-	-
Fair value gain on biological assets	29,529	80,379	-	109,908	-	109,908
Lease liabilities	(3,735,230)	(377,752)	-	-	(4,112,982)	(4,112,982)
Remeasurement loss on defined benefit plan	192,156	-	(197,203)	-	(5,047)	(5,047)
	<u>13,090,391</u>	<u>130,555</u>	<u>(197,203)</u>	<u>18,236,773</u>	<u>(5,213,029)</u>	<u>13,023,744</u>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

19 Earnings per share (EPS)

Basis earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	2025 ₦'000	2024 ₦'000
Profit for the year attributable to ordinary shareholders	57,951,715	39,957,746
	<b>Number</b> (‘000)	<b>Number</b> (‘000)
Weighted average number of ordinary shares as at 31 December	953,910	953,910
Basic earnings per ordinary share (Naira)	60.75	41.89
Diluted earnings per ordinary share (Naira)	60.75	41.89

Diluted EPS is the same as basic earnings per share as there are no potential dilutive securities or instruments convertible to ordinary shares.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

20	Property, plant and equipment	Land ₦'000	Building ₦'000	Palm Oil Mill ₦'000	Machinery and equipment ₦'000	Furniture and equipment ₦'000	Vehicle ₦'000	Work - in - progress ₦'000	Total ₦'000
	<b>Cost:</b>								
	At 1 January 2024	2,051,165	12,110,846	30,619,455	8,030,911	1,461,175	3,840,831	1,406,210	59,520,593
	Additions	-	-	-	-	-	-	10,269,214	10,269,214
	Disposal	-	-	-	-	-	(255,008)	-	(255,008)
	Transfer	-	1,546,851	4,017,947	4,982,284	17,308	3,034	(10,567,424)	-
	<b>At 31 December 2024</b>	<b>2,051,165</b>	<b>13,657,697</b>	<b>34,637,402</b>	<b>13,013,195</b>	<b>1,478,483</b>	<b>3,588,857</b>	<b>1,108,000</b>	<b>69,534,799</b>
	Additions	41,418	3,007,946	1,605,860	6,762,673	-	57,209	6,854,176	18,329,281
	Transfer	-	1,464,052	349,406	1,471,381	-	62,372	(3,347,212)	-
	Disposal	-	-	-	-	-	(4,725)	-	(4,725)
	<b>At 31 December 2025</b>	<b>2,092,583</b>	<b>18,129,695</b>	<b>36,592,668</b>	<b>21,247,249</b>	<b>1,478,483</b>	<b>3,703,712</b>	<b>4,614,964</b>	<b>87,859,355</b>
	<b>Depreciation and impairment:</b>								
	At 1 January 2024	-	2,878,601	8,105,300	3,139,319	632,338	2,991,587	-	17,747,145
	Depreciation charge for the year	-	730,162	1,664,593	898,272	176,479	324,643	-	3,794,148
	Disposal	-	-	-	-	-	(255,008)	-	(255,008)
	<b>At 31 December 2024</b>	<b>-</b>	<b>3,608,762</b>	<b>9,769,893</b>	<b>4,037,591</b>	<b>808,817</b>	<b>3,061,222</b>	<b>-</b>	<b>21,286,408</b>
	Depreciation charge for the year	-	874,965	1,765,356	1,604,295	172,936	288,351	-	4,705,902
	Disposal	-	-	-	-	-	(4,725)	-	(4,725)
	<b>At 31 December 2025</b>	<b>-</b>	<b>4,317,640</b>	<b>11,234,907</b>	<b>5,308,598</b>	<b>953,230</b>	<b>3,305,256</b>	<b>-</b>	<b>25,987,585</b>
	<b>Carrying Amount</b>								
	At 31 December 2025	2,092,583	13,645,968	25,057,419	15,605,362	496,730	358,742	4,614,964	61,871,770
	At 31 December 2024	2,051,165	10,048,935	24,867,509	8,975,605	669,665	527,635	1,108,000	48,248,391

- (i) There are no restrictions on title to the items of property, plant and equipment. The Company has not pledged any items of property, plant and equipment as security for liabilities. There are no contractual commitments for the acquisition Property, plant and equipment during the reporting and comparative year.
- (ii) There are no impairment recognized in PPE during the year.
- (iii) The company capital commitments which are approved and contracted amount to ₦21.6 billion (2024: ₦19.4 billion). Capital commitments approved and not contracted amounted to Nil (2024: Nil).

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

20 Property, plant and equipment - continued

20.1 Disposals of property, plant and equipment

In 2025, the Company sold motor vehicles with a nil carrying amount and a cash consideration of ₦2 million (2024: ₦78million). The net gain on this disposal is recognized as part of other income in profit or loss (Note 10).

20.2 The Company capital work in progress comprises:

	2025 ₦'000	2024 ₦'000
Buildings	4,425,043	1,108,000
Plant & machinery	2,429,133	-
	<u>3,506,966</u>	<u>1,108,000</u>

21 Bearer plants

	Oil palm plantation ₦'000	Rubber plantation ₦'000	Work - in - progress ₦'000	Total ₦'000
<b>Cost:</b>				
At 1 January 2024	17,023,530	5,343,266	2,060,884	24,427,680
Additions	-	-	2,970,110	2,970,110
Transfer	-	394,988	(394,988)	-
Disposal	(3,855)	(526,369)	-	(530,224)
	<u>17,019,675</u>	<u>5,211,885</u>	<u>4,636,006</u>	<u>26,867,566</u>
At 31 December 2024	17,019,675	5,211,885	4,636,006	26,867,566
Additions	-	-	4,762,227	4,762,227
Transfer	-	309,734	(309,734)	-
Disposal	(14,652)	(127,256)	-	(141,908)
	<u>17,005,023</u>	<u>5,394,363</u>	<u>9,088,498</u>	<u>31,487,885</u>
At 31 December 2025	17,005,023	5,394,363	9,088,498	31,487,885
<b>Depreciation:</b>				
At 1 January 2024	4,578,439	2,171,771	-	6,750,210
Charge for the year	817,704	256,089	-	1,073,793
Disposal	(3,855)	(472,115)	-	(475,969)
	<u>5,392,288</u>	<u>1,955,745</u>	<u>-</u>	<u>7,348,033</u>
At 31 December 2024	5,392,288	1,955,745	-	7,348,033
Charge for the year	817,476	220,532	-	1,038,007
Disposal	(14,652)	(102,464)	-	(117,116)
	<u>6,195,112</u>	<u>2,073,812</u>	<u>-</u>	<u>8,268,924</u>
At 31 December 2025	6,195,112	2,073,812	-	8,268,924
<b>Carrying Amount</b>				
At 31 December 2025	<u>10,809,910</u>	<u>3,320,551</u>	<u>9,088,498</u>	<u>23,218,961</u>
At 31 December 2024	11,627,386	3,256,141	4,636,006	19,519,533

Immature palm and rubber bearer plants are capitalized in work in progress and transferred to the respective bearer plant category on maturity. Carrying amount of immature palm and rubber bearer plants amounted to ₦9.088billion (2024: ₦4.636billion) at year end.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

22 Biological assets

	2025			2024		
	Palm	Rubber	Total	Palm	Rubber	Total
At 1 January	788,757	1,004,401	1,793,158	479,280	1,034,278	1,513,558
Harvested	37,276,179	4,017,041	41,293,220	36,060,319	3,005,111	39,065,430
Transfer to inventory	(36,111,523)	(3,555,237)	(39,666,760)	(36,060,319)	(3,058,567)	(39,118,886)
Total changes in fair value on biological assets (P or L)	809,611	966,205	1,775,816	309,477	23,579	333,056
At 31 December	2,763,024	2,432,410	5,195,434	788,757	1,004,401	1,793,158
Current	2,763,024	2,432,410	5,195,434	788,757	1,004,401	1,793,158
At 31 December	2,763,024	2,432,410	5,195,434	788,757	1,004,401	1,793,158

22.1 Movement in Biological Asset

	2025	2024
	₦'000	₦'000
01-Jan	1,793,158	1,513,558
Harvested	41,293,220	39,065,430
Transfer to inventory	(39,666,760)	(39,118,886)
Change in fair value on biological assets (P and L)	1,775,816	333,056
31-Dec	5,195,434	1,793,158

This represents produce (palm fruits and latex) growing on bearer plant as well as harvested fresh fruit bunches (FFB) and cup lumps valued at fair value less cost to sell at the point of harvest.

22.2	2025	2024
	₦'000	₦'000
Fair value gain on biological assets		
Fair value gain arising from product growing on trees	829,529	10,056
Fair value gain arising from produce at the point of harvest	946,287	323,000
	1,775,816	333,056

The Company's biological assets consist of produce growing on bearer plants (palm fruit and untapped latex) as well as harvested Fresh Fruit Bunches (FFB) and raw rubber (cup lump).

**Security**

Palm and rubber plantation were not pledged as security for any of the Company's loans or borrowings in 2025 ₦ Nil (2024: ₦ Nil). At 31 December 2025, the Company had no commitments in relation to its growing plantation (2024: Nil). No government grants were received in relation to the Company's agricultural activities in 2025 ₦ Nil (2024: ₦ Nil).

**Financial risk management strategies**

The Company is exposed to risks arising from environmental changes, changes in palm and rubber prices as well as the financial risk in respect of agricultural activity.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

22 Biological assets - continued

22.2 Total fair value gain on biological assets - continued

► The Company manages environmental risks, such as droughts, floods and disease outbreak, by diversifying its plantation in two different plantations. The measures taken by management also include consultation with experts in the plantation industry and the managing agent.

► The primary financial risk associated with the Company's agricultural activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of plantation and on harvesting and production, and ultimately receiving cash from the sale of products to third parties. The Company's strategy to manage this financial risk is to actively review and manage its working capital requirements.

No events occurred in the current and prior periods that give rise to material items of income or expense as a result of climate, disease or other natural risks.

23	Inventories		2025	2024
			₦'000	₦'000
	Finished goods	23.1	6,415,931	2,752,521
	General stores and agricultural consumables	23.2	9,429,808	9,126,286
	Goods - in - transit (inbound)		2,474,057	87,976
			<u>18,319,796</u>	<u>11,966,783</u>

23.1 Finished goods include Crude Palm Oil, Banga, Rubber Cake, and Crude Palm Kernel, among other products.

23.2 General stores and agricultural commodities include spare parts and other consumables.

There was no write down or reversal of previously recognized inventory for the year ended 31 December 2025. Inventories recognized as expense during the year amounted to ₦20.2 billion (2024: ₦12.2 billion).

24	Trade and other receivables		2025	2024
			₦'000	₦'000
	Trade receivables	24.1	16,354	44,061
	Other receivables	24.2	8,569	445
	Staff loan and advances		208,459	150,055
	Amount due from related parties	24.3	3,359,334	2,926,547
			<u>3,592,716</u>	<u>3,121,109</u>

24.1 The company requires payment upfront from its customer before sales of its products are transferred. Receivables and the corresponding allowance for receivables are considered immaterial by the Directors of the company.

24.2 Other receivables comprise mainly of Value Added Tax, Withholding Tax receivable during the period.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

24 Trade and other receivables - continued

24.3 Amount due from related parties - continued

	Note	Carrying Amount (Gross) ₦'000	Note	12 months ECL Allowance ₦'000	Lifetime ECL Allowance ₦'000	Carrying Amount (Net) ₦'000
<b>31 December 2025</b>						
Sogescol	24	3,372,009	24.4	-	(12,675)	3,359,334
		<u>3,372,009</u>		<u>-</u>	<u>(12,675)</u>	<u>3,359,334</u>
<b>31 December 2024</b>						
Sogescol	24	2,937,173	24.4	-	(10,626)	2,926,547
		<u>2,937,173</u>		<u>-</u>	<u>(10,626)</u>	<u>2,926,547</u>

For terms and conditions on related parties refer to Note 38.

24.4	Movement in Expected Credit Loss		2025 ₦'000	2024 ₦'000
	01-Jan		10,626	-
	Charge for the year	16	<u>2,049</u>	<u>10,626</u>
	31-Dec		<u>12,675</u>	<u>10,626</u>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

25 Right of use assets:

	Property ₦'000	Motor Vehicle ₦'000	Total ₦'000
<b>ROU Cost:</b>			
1 January 2024	-	13,117,151	13,117,151
Lease modification	-	3,061,397	3,061,397
Additions	-	902,183	902,183
<b>31st December 2024</b>	-	<b>17,080,730</b>	<b>17,080,730</b>
Lease modification	-	2,138,739	2,138,739
Additions	16,736,407	-	16,736,407
<b>31st December 2025</b>	<b>16,736,407</b>	<b>2,138,739</b>	<b>18,875,146</b>
<b>ROU-Accum Dep:</b>			
1 January 2024	-	3,063,512	3,063,512
Depreciation	-	4,793,243	4,793,243
<b>As at 31 December 2024</b>	-	<b>7,856,755</b>	<b>7,856,755</b>
Depreciation	8,368,203	7,792,808	16,161,011
<b>As at 31 December 2025</b>	<b>8,368,203</b>	<b>15,649,563</b>	<b>24,017,766</b>
<b>Net Book Value (31 Dec 2025)</b>	<b>8,368,203</b>	<b>3,569,906</b>	<b>11,938,110</b>
<b>Net Book Value (31 Dec 2024)</b>	-	<b>9,223,975</b>	<b>9,223,975</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

26 Lease liability:

		Property ₦'000	Motor Vehicle ₦'000	Total ₦'000
<b>1 January 2024</b>			<b>11,318,878</b>	<b>11,318,878</b>
Lease modification		-	3,061,397	3,061,397
Additions		-	902,183	902,183
Accretion of interest		-	3,281,811	3,281,811
Rental payments	26.1	-	(6,100,687)	(6,100,687)
<b>31 December 2024</b>		-	<b>12,463,582</b>	<b>12,463,582</b>
Lease modification		-	2,138,739	2,138,739
Additions		16,736,407	-	16,736,407
Accretion of interest		994,703	2,522,887	3,517,590
Rental payments	26.1	(9,085,445)	(7,492,847)	(16,578,292)
<b>31 December 2025</b>		<b>8,645,665</b>	<b>9,632,361</b>	<b>18,278,026</b>
<b>As at 31 December 2024</b>				
Current		-	4,130,691	4,130,691
Non-current		-	8,332,891	8,332,891
		-	<b>12,463,582</b>	<b>12,463,582</b>
<b>As at 31 December 2025</b>				
Current		8,645,665	4,269,380	12,915,045
Non-current		-	5,362,980	5,362,980
		<b>8,645,665</b>	<b>9,632,361</b>	<b>18,278,025</b>

26.1 Rental Payment.

The following are the details of lease payments:

	Property ₦'000	Motor Vehicle ₦'000	Total ₦'000
<b>31 December 2025</b>			
Payment of principal on lease liabilities	8,090,742	4,969,960	13,060,702
Payment of lease interest on lease liabilities	994,704	2,522,887	3,517,590
	<b>9,085,445</b>	<b>7,492,847</b>	<b>16,578,292</b>
<b>31 December 2024</b>			
Payment of principal on lease liabilities	-	3,577,800	3,577,800
Payment of lease interest on lease liabilities	-	2,522,887	2,522,887
	-	<b>6,100,687</b>	<b>6,100,687</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

26 Lease liability - continued

26.2 Recognized in profit or loss

The following are the amounts recognized in profit or loss;

	Property ₦'000	Motor Vehicle ₦'000	Total ₦'000
<b>31 December 2025</b>			
Depreciation expense of right-of-use-asset	8,368,203	7,792,808	16,161,011
Interest expense on lease liabilities	994,703	2,522,887	3,517,590
	<u>9,362,906</u>	<u>10,315,695</u>	<u>19,678,601</u>
<b>31 December 2024</b>			
Depreciation expense of right-of-use-asset	-	4,793,243	4,793,243
Interest expense on lease liabilities	-	3,281,811	3,281,811
	<u>-</u>	<u>8,075,054</u>	<u>8,075,054</u>

The company has lease contracts for motor vehicles and building. The lease terms range from four (4) to six(6) years while the lease term for property (Guest house) is one (1) to two (2) years.

Lease modification relates to an increase in monthly rental during the period.

27 Prepayments and other assets		2025 ₦'000	2024 ₦'000
Prepaid Rent		488	-
Advances to suppliers	27.1	1,769,189	5,830,085
		<u>1,769,676</u>	<u>5,830,085</u>

27.1 Advances to suppliers relates to advance payment to suppliers for spares and equipment.

28 Cash and bank balance		2025 ₦'000	2024 ₦'000
Cash balance		13,136	14,620
Bank balances		12,933,346	17,320,284
		<u>12,946,481</u>	<u>17,334,904</u>

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand. Expected Credit Loss for bank balances was assessed but not material.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following;

	2025 ₦'000	2024 ₦'000
Cash at banks (Note 28)	12,933,346	17,320,284
Cash and cash equivalents	<u>12,946,481</u>	<u>17,320,284</u>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

<b>29</b>	<b>Share capital</b>	<b>2025</b>	<b>2024</b>
	Issued called up share capital:	<b>₦'000</b>	<b>₦'000</b>
	Number of shares: 953,910,000 ordinary shares, at N0.5 each	476,955	476,955
		<b>476,955</b>	<b>476,955</b>
<b>30</b>	<b>Share Premium</b>		
	Share premium	<b>1,867,096</b>	<b>1,867,096</b>

The Share premium represent excess amount received over and above the per value of the shares. It forms part of non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, 2020.

<b>31</b>	<b>Other reserves</b>	<b>2025</b>	<b>2024</b>
		<b>₦'000</b>	<b>₦'000</b>
	At 1 January	822,966	362,825
	Actuarial loss on defined benefit obligation	1,661,842	460,141
	At 31 December	<b>2,484,808</b>	<b>822,966</b>

Other reserves represent actuarial loss on defined benefit obligation, net of tax through OCI

<b>32</b>	<b>Dividend</b>	<b>2025</b>	<b>2024</b>
		<b>₦'000</b>	<b>₦'000</b>
	Final dividend for 2024: N26 per share (2023: N14 per share)	24,801,660	13,354,740
	Interim dividend for 2025: N40 per share (2024: N10 per share)	38,156,400	9,539,100
	Total dividend declared	62,958,060	22,893,840
	Dividend Paid	(62,958,060)	(22,893,840)
		-	-

The Directors approved and paid an interim dividend of ₦40.00 per 50 kobo ordinary share during the year 2025 (2024: interim dividend of N10.00 per ordinary share of 50 kobo each). The Board of Directors further recommend, in respect of the year ended 31 December 2025, a final dividend ₦10.00 per ordinary share of 50 kobo each (2024: ₦26.00 per ordinary share of 50 kobo each) subject to the deduction of withholding tax at the appropriate rate. This proposed dividend will only be recognized as a liability after approval by the shareholders at the Annual General Meeting (AGM).

<b>33</b>	<b>Interest-bearing loans and borrowings</b>	<b>2025</b>	<b>2024</b>
		<b>₦'000</b>	<b>₦'000</b>
	Commercial Agriculture Credit Scheme (CACS)	693,851	1,051,081
	Real Sector Support Facility (RSSF)	5,726,119	6,881,074
		<b>6,419,970</b>	<b>7,932,155</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

33 Interest-bearing loans and borrowings - continued

33.1 Movement in borrowings during the period - Interest bearing loans and borrowings

	2025 ₦'000	2024 ₦'000
At 1 January	7,932,155	9,394,443
Principal repayment	(1,937,874)	(1,948,125)
Accrued interest	1,100,855	1,317,175
Interest paid	(675,165)	(831,337)
	<hr/>	<hr/>
At 31 December	6,419,970	7,932,155
	<hr/>	<hr/>
33.2 Current	1,793,027	1,540,744
Non-current	4,626,943	6,391,411
	<hr/>	<hr/>
	6,419,970	7,932,155
	<hr/>	<hr/>

**Commercial Agriculture Credit Scheme (CACS) - Zenith Bank**

This loan relates to 2billion naira loan obtained in October 2021 by The Okomu Oil Palm Company Plc from Central Bank of Nigeria (CBN) under the Commercial Agriculture Credit Scheme to finance the purchase, construction and installation of a second 30 ton/hour ultra-modern oil mill at Okomu Extension 2 at the rate of 5% per annum payable till February 28, 2022, and subsequently 9% per annum with effect from March 1 2021, till maturity. CBN gave 12-month moratorium to The Okomu Oil Palm Company Plc to start repaying the principal one year after the disbursement was made to the lender and it is expected to be paid for over 60 months consecutively, while the interest covers the entire 72 months of the loan tenor. Also, there is a 7-day grace period given for late repayment before penal charge is made by the lender. The loan terms was modified in September 2022.

**Real Sector Support Facility (RSSF) - Zenith Bank**

This loan related to a 10billion naira loan obtained in August 2019 by The Okomu Oil Palm Company Plc from Central Bank of Nigeria (CBN) under the scheme of Real Sector Support Facility (RSSF)/CBN Differentiated Cash Reserve Requirement to finance the development of an oil palm plantation at the rate of 8% per annum. CBN gave a 36-month moratorium commencing from the first date of disbursement to The Okomu Oil Palm Company Plc so as to enable them to start repaying the principal after 3 years from the date of the first disbursement. The tenor of the loan is 120 months with 28 equal and consecutive quarterly installments commencing immediately after the moratorium period has ended. It is worthy to note that the loan was disbursed by Zenith Bank Plc on behalf of CBN to the Company. The loan terms was modified in September 2022.

The loans obtained from Bank of Industry (BOI) and Central Bank of Nigeria (CBN) are government assisted facilities obtained at a reduced rate of interest and are unsecured. The differences between the market rate of interest for an equivalent loan at the inception date and the rates granted by BOI and CBN respectively have been recognized as government grant. See further details in note 34.

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

33 Interest-bearing loans and borrowings - continued

33.3 Changes in liabilities arising from financing activities

	Loans and borrowings ₦'000	Lease liabilities ₦'000	Dividend payable ₦'000	Total ₦'000
<b>1 January 2025</b>	<b>7,932,156</b>	<b>12,463,582</b>	<b>-</b>	<b>20,395,738</b>
<b>Changes from financing cashflows</b>				
- Proceeds from borrowings	-	-	-	-
- Repayments of borrowings	(1,937,874)	-	-	(1,937,874)
- Repayment of lease liabilities	-	(16,578,292)	-	(16,578,292)
- Dividend declared	-	-	(62,958,060)	(62,958,060)
<b>Other changes</b>				
- Addition to lease	-	16,736,407	-	-
- Modification of lease	-	2,138,739	-	2,138,739
- Interest expense	425,689	3,517,590	-	3,943,279
- Dividend paid	-	-	62,958,060	62,958,060
<b>31 December 2025</b>	<b>6,419,970</b>	<b>18,278,026</b>	<b>-</b>	<b>24,697,997</b>

	Loans and borrowings ₦'000	Lease liabilities ₦'000	Dividend payable ₦'000	Total ₦'000
<b>1 January 2024</b>	<b>9,394,443</b>	<b>11,318,878</b>	<b>-</b>	<b>20,713,321</b>
<b>Changes from financing cashflows</b>				
- Proceeds from borrowings	-	-	-	-
- Repayments of borrowings	(1,948,125)	-	-	(1,948,125)
- Repayment of lease liabilities	-	(6,100,687)	-	(6,100,687)
- Dividend declared	-	-	22,893,840	22,893,840
<b>Other changes</b>				
- Addition to lease	-	902,183	-	902,183
- Modification of lease	-	3,061,397	-	3,061,397
- Interest expense	485,838	3,281,811	-	3,767,649
- Dividend paid	-	-	(22,893,840)	(22,893,840)
<b>31 December 2024</b>	<b>7,932,156</b>	<b>12,463,582</b>	<b>-</b>	<b>20,395,738</b>

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

34	Post-employment benefits obligations		2025	2024
			₦'000	₦'000
	Defined benefit obligation	34.1	5,383,869	2,834,962
			<u>5,383,869</u>	<u>2,834,962</u>

34.1 Defined benefit obligation

The Company operates a defined benefit scheme for employees directly employed by the Company based on the number of years of service before retirement or death. An employee must have spent over three (3) years in service before he or she is qualified for the gratuity. The table below contains the amount of the monthly gross salary in function of the number of service years.

The Company shall pay gratuity benefits as follows

Completed years of service	Gratuity benefit
3 - 5 years	180%
6 - 8 years	200%
9 - 11 years	220%
12 - 14 years	240%
15 - 17 years	260%
18 - 20 years	280%
21 - 24 years	300%
25 years and above	350%

34.2	Present value of the obligation		2025	2024
			₦'000	₦'000
	01-Jan		2,834,961	2,227,844
	Recognized in profit or loss:			
	Service cost	12	95,406	87,247
	Interest cost	12	531,305	350,853
			<u>626,711</u>	<u>438,100</u>
	Remeasurement recognized in Other Comprehensive Income:			
	Change in economic assumptions		-	-
	Change in financial assumptions		2,517,943	657,344
	Remeasurement loss	30	<u>2,517,943</u>	<u>657,344</u>
	Benefit paid		<u>(595,747)</u>	<u>(488,327)</u>
	31-Dec		<u>5,383,869</u>	<u>2,834,962</u>

Notes to the financial statements - continued

34 Post-employment benefits obligations - continued

The actuarial valuation of the gratuity scheme as of 31 December 2025 and the comparative periods was reviewed by Alexander Forbes (FRC/2021/PRO/DIR/003/00000024507). The projected unit credit (PUC) method was used to determine the actuarial valuation arising from the defined benefit pension plan. The Company is exposed to several risks, the most significant of which are detailed below.

		2025	2024
The principal assumptions used in determining the defined benefit obligations are shown below:			
Discount rate		16%	20%
Salary increase rate		11%	11%
<b>Sensitivity analysis</b>		<b>2025</b>	<b>2024</b>
<b>Sensitivity: Increase of DBO</b>			
		₦'000	₦'000
Discount rate + 0.5%		(99,394)	(48,361)
Discount rate - 0.5%		103,081	50,047
Salary increase + 0.5%		99,565	49,469
Salary increase - 0.5%		(96,739)	(48,104)

		2025	2024
Year		₦'000	₦'000
34.3	Expected benefits		
	2026	894,040	517,131
	2027	1,299,161	561,304
	2028	825,703	830,226
	2029	874,150	541,961
	2030-2035	5,705,201	3,259,913

THE OKOMU OIL PALM COMPANY PLC

Notes to the financial statements - continued

<b>35</b>	<b>Trade and other payables</b>		<b>2025</b>	<b>2024</b>
			<b>₦'000</b>	<b>₦'000</b>
	Trade payables		5,291,589	3,002,730
	Contract liabilities	35.1	895,713	1,597,454
	Other payables	35.2	473,233	1,783,070
	Statutory liability	35.3	294,073	250,923
	Accruals	35.5	108,719	79,936
	Amount due to related parties	35.4	6,776,008	3,654,427
			<b>14,569,335</b>	<b>10,368,540</b>
<b>35.1</b>	<b>Contract liabilities</b>			
	At 1 January		1,597,454	1,262,939
	Advance received from Customer		171,681,097	107,873,425
	Transfer to Revenue		-172,382,838	-107,538,909
			<b>895,713</b>	<b>1,597,454</b>
	At 31 December		<b>895,713</b>	<b>1,597,454</b>
	These are short- term advances received from customers to deliver palm products.			
35.2	Other payables comprise non-interest bearing and short-term obligations.			
35.3	Statutory liabilities include withholding tax, value added tax withheld, and others.			
<b>35.4</b>	<b>Amount due to related parties</b>		<b>2025</b>	<b>2024</b>
			<b>₦'000</b>	<b>₦'000</b>
	Société Financière Des Caoutchoucs (Socfinco)		6,654,030	3,654,427
	Société des Caoutchoucs de Grand-Béréby (SOGB)		89,223	-
	Plantations Socfinaf Ghana (PSG) Limited		8,298	-
			<b>6,776,008</b>	<b>3,654,427</b>
	For terms and conditions with related parties, refer to note 38.			
35.5	Accruals consist of professional fees in relation to tax and audit fees.			
<b>36</b>	<b>Government grants</b>		<b>2025</b>	<b>2024</b>
			<b>₦'000</b>	<b>₦'000</b>
	<b>At 1 January</b>		<b>1,265,248</b>	<b>1,691,958</b>
	Released to profit or loss	10.2	(445,383)	(426,710)
			<b>819,865</b>	<b>1,265,248</b>
	<b>At 31 December</b>		<b>819,865</b>	<b>1,265,248</b>
	Current		427,766	530,395
	Non-current		392,099	734,853
			<b>819,865</b>	<b>1,265,248</b>

Government grants arose as a result of benefits received from below-market interest rate government assisted loans (See note 33) granted to date. The benefit of the below-market rate is measured as the difference between the initial carrying value of the loan and the proceeds received. There are no conditions attached to the grant, and it is released to profit or loss on a systematic basis over the loan term.

## THE OKOMU OIL PALM COMPANY PLC

### Notes to the financial statements - continued

#### 37 Contingent liabilities

The Company is subject to some pending litigations amounting to ₦ 17.6 million arising in the normal course of business (2024: ₦ 17.6 million). The Company is currently contesting these litigations, and the Directors are of the opinion that no material loss is expected to arise from the claims.

#### 38 Related party transactions.

The following table provides the total amount of transactions that have been entered into with related parties for the year ended 31 December 2025.

Details of transactions between the Company and its related parties are disclosed below.

Amounts due from related parties	Note	Nature of relationship	of	Nature of transaction	Balances	
					2025 ₦ 000	2024 ₦ 000
Sogescol	38.1	Sister company		Sales of rubber	3,372,009	2,926,547
					<b>3,372,009</b>	<b>2,926,547</b>
<b>Amounts due to related parties</b>						
Société Financière Des Caoutchoucs (Socfinco)	38.2	Ultimate Parent company		Management and technical expertise	(6,654,030)	(3,654,427)
Société des Caoutchoucs de Grand-Béréby (SOGB)	38.3	Sister company		Test and analysis for palm	(114,220)	-
Plantations Socfinaf Ghana (PSG) Limited	38.4	Sister company		Cost for SOCFIN Industrial meetings	(7,758)	-
					<b>(6,776,008)</b>	<b>(3,654,427)</b>

#### Nature of transactions

##### 38.1 SOGESCOL

SOGESCOL FR S. A. is an agent for the Company that assists in selling the Company's rubber. Sales during the year amounted to ₦25.525 billion (2024: ₦22.522billion). There are no purchases from SOGESCOL FR S.A during the year. The amount due to the Company from SOGESCOL FR S.A as at year end was ₦3.372billion (2024: ₦2.926billion).

##### 38.2 SOCIÉTÉ FINANCIÈRE DES CAOUTCHOUCS (SOCFINCO)

SOCFINCO FR S.A. has exclusive right to know how and manages the affairs of the Company. In consideration of the provision to the Company of this technical know-how, management fee and other support charges are paid to SOCFINCO FR S.A. The technical fees are calculated at aggregate rate equal to 3% of the Company's net sales and management fees are 3% of profit before tax. The technical know-how and management services agreement are made with the approval of the national office for technology acquisition and promotion (NOTAP). The Company incurred costs of ₦8.714 billion (2024: ₦5.602 billion) which did not include withholding tax and value added tax of ₦ 1.759 Billion (2024: ₦797.7 million) separately paid on management and technical fees during the year. The amount due from the Company to SOCFINCO FR S.A at the year-end was ₦6.654 million (2024: ₦3,654 million).

Notes to the financial statements - continued

**38 Related party transactions - continued**

**38.3 SOCIÉTÉ DES CAOUTCHOUCS DE GRAND-BÉRÉBY (SOGB)**

Société Des Caoutchoucs De Grand-Béréby. provides internet services for the Company. The Company incurred ₦114.2 million (2024: Nil) in cost to procure internet services. As at the end of the financial year, the Company's payables amounted to ₦114.2 million (2024: Nil).

**38.4 PLANTATIONS SOCFINAF GHANA (PSG) LIMITED**

Plantations Socfinaf Ghana (PSG) Limited. provides technical mission service for the Company. As at the end of the financial year, the Company's payables amounted to ₦7.757 million (2024: Nil).

**38.5 Transactions with key management personnel.**

There was no transaction with key management personnel during the year.

**38.6 Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

Key management personnel services are provided by SOCFINCO FR S.A. under a Technical Know-How and Management Services Agreement.

The total amount incurred by the company for key management personnel services provided under the terms of the agreement amounted to ₦8.714 billion (2024: ₦5.602 billion).

**38.7 Parent and ultimate controlling party**

SOCFINAF S.A. is the majority shareholder and has 62.94% holding in The Okomu Oil Palm Company Plc as at 31 December 2025.

SOCFINAF S.A. is the immediate parent company, while SOCFINCO FR S.A. is the ultimate controlling party.

**38.8 Terms and conditions of transactions with related parties**

Outstanding balances from related parties at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables.

For the year ended 31 December 2025, the Company assessed impairment of related party receivables of ₦12.6 million (2024: 10.6 million).

**39 Events after reporting date**

The Directors are of the opinion that there were no events after the reporting date that could have material effect on the financial statements of the Company that have not been adequately provided for or disclosed in these financial statements.

**40 Going concern assessment**

The Company had a profit for the year of ₦57.9 billion (2024: ₦39.9 billion) and as at the reporting date, the Company's current liabilities exceeded its current assets by ₦15.4 billion (2024: Current asset exceeded its current liabilities by ₦9.8 billion) while its total assets exceeded its total liabilities ₦48.8 billion (2024: ₦55.4 billion).

A significant portion of the current liabilities is largely due to related parties. The Directors have assessed that the Company continues to generate positive operating cashflows and continues to meet its obligations as they fall due. The Directors have also concluded that based on the cashflow projections, the Directors are satisfied that the Company has adequate resources to meet its obligations as they fall due.

Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to going concern.

## Other National Disclosures

THE OKOMU OIL PALM COMPANY PLC

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

For the year ended 31 December 2025

	2025 ₦ '000	%	2024 ₦ '000	%
Revenue from contracts with customers	198,152,877		130,210,665	
Bought in materials and services:				
-Local	(45,824,212)		(35,915,151)	
-Foreign	(17,928,955)		(15,368,955)	
	134,399,710		78,590,284	
Other income	12,577,626		15,336,034	
Finance Income	4,543		5,287	
<b>Value added</b>	<b>146,981,879</b>	<b>100</b>	<b>93,931,605</b>	<b>100</b>
<b>Applied as follows:</b>				
<b>To Employees:</b>				
- as salaries, wages and other staff costs	31,031,253	21%	26,166,161	28%
- Director's remuneration	442,443	0%	355,703	0%
<b>To Providers of funds:</b>				
- Finance cost and similar charges	4,618,445	3%	4,598,986	5%
<b>To Government as:</b>				
- Income tax expense	27,114,925	18%	13,276,275	14%
- Additional tax liability from prior period	697,337	0%	190,881	0%
- Deferred tax expense	4,882,677	3%	130,556	0%
<b>Retained in the business:</b>				
To maintain and replace				
- Depreciation	21,904,926	15%	9,715,438	10%
- To augment reserves	56,289,873	38%	39,497,605	42%
<b>Value added</b>	<b>146,981,879</b>	<b>100</b>	<b>93,931,605</b>	<b>100</b>

The value-added statement represents the wealth created by the efforts of the Company and its employees. The statement shows the allocation of that wealth to employees, government, providers of funds and retention for creation of more wealth in the future.

THE OKOMU OIL PALM COMPANY PLC

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2025

Statement of profit or loss and other comprehensive income

	2025 ₦ '000	2024 ₦ '000	2023 ₦ '000	2022 ₦ '000	2021 ₦ '000
Revenue from contracts with customers	198,152,877	130,210,665	75,107,842	59,323,723	37,394,507
Profit before taxation	90,646,654	53,555,458	33,838,649	23,517,434	16,114,778
Profit for the year	57,951,715	39,957,746	20,646,527	16,230,805	11,538,968
Total comprehensive income for the year	56,289,873	39,497,605	20,566,630	16,198,379	12,099,655

Statement of financial position

	2025 ₦ '000	2024 ₦ '000	2023 ₦ '000	2022 ₦ '000	2021 ₦ '000
Property, plant and equipment	61,871,770	48,248,391	41,773,448	38,068,029	30,549,557
Bearer Plants	23,218,961	19,519,533	17,677,470	18,399,055	19,109,312
Biological Assets	-	-	501,883	536,639	289,523
Right-of-use asset	11,938,110	9,223,975	10,053,639	63,415	126,830
Current asset	41,824,103	40,046,039	25,093,943	15,431,153	15,697,223
Current liability	57,226,622	30,241,782	23,117,230	13,919,978	8,844,843
Net current (liability)/assets	(15,402,520)	9,804,257	1,976,713	1,511,175	6,852,380
Non- current liabilities	(32,816,212)	(31,317,861)	(33,108,623)	(24,544,446)	(22,875,645)
Net assets	48,810,108	55,478,295	38,874,530	34,033,866	34,051,956
Funds Employed					
Share capital	476,955	476,955	476,955	476,955	476,955
Share premium	1,867,096	1,867,096	1,867,096	1,867,096	1,867,096
Retained earnings	48,950,865	53,957,210	36,893,304	31,972,743	31,958,408
Other reserve	(2,484,808)	(822,966)	(362,825)	(282,928)	(250,502)
	48,810,108	55,478,295	38,874,530	34,033,866	34,051,956