



Oando

RC 6474

...the energy to inspire

ANNUAL REPORT 2023



HUMANS
OF OANDO



Oando

RC 6474

...the energy to inspire

Introduction

Oando Plc, as the largest integrated energy solutions group in Sub-Saharan Africa, holds a primary listing on the Nigerian Exchange Limited and a secondary listing on the Johannesburg Stock Exchange. Being Nigeria's premier indigenous, integrated energy company, Oando possesses the scale and expertise necessary to pursue new projects and seize acquisition opportunities. With its strategic positioning, Oando is poised to leverage the growth potential within the Nigerian energy sector.

Vision

To be the premier company driven by excellence.

Mission

To be the leading integrated energy solutions provider.



With unmatched scale and expertise, Oando harnesses Africa's energy potential, embodying a vision of strength and opportunity.

We are Africa, We Are Oando



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As Nigeria's premier indigenous energy leader, Oando drives bold innovation and growth across Africa's energy landscape.

We are Africa, We Are Oando

Corporate History





2004

Oando Trading Limited and Oando Supply & Trading Limited was incorporated

Oando Gas & Power (OGP) emerged as a result of Gaslink's gas distribution franchise and Oando's customer base



2005

Oando became the first African company to achieve a cross-border inward listing on the JSE

Oando Energy Services (OES) was incorporated



2007

Gaslink laid 100km gas distribution pipeline in Lagos

OES acquired 2 drilling rigs



2008

Oando emerged Nigeria's first indigenous oil company with interest in producing deepwater assets by the acquisition of 15% equity in OMLs 125 & 134

OES acquired an additional drilling rig



2009

2 swamp rigs acquired; bringing the total rig count to 5

Gaslink phase 3 gas pipeline completed



2010

OGP launched it's first Independent Power Plant, Akute IPP, a 12.15MW power plant for Lagos Water Corporation

The company successfully completed a \$140 million rights issue which was 128% oversubscribed



2011

Central Horizon Gas Company (CHGC) is awarded mandate for River State gas distribution

Completed construction and commissioned of the 128KM Eastern Horizon Gas Company (EHGC) Pipeline

FGN awards Oando/Agip consortium \$3 billion Central Processing Facility

Axxela

2017

Oando PLC further divested 5% stake in midstream business to Helios Investment Partners

Oando PLC divested its stake in Alausa Power Limited to Elektron Petroleum and Energy Mining Limited

Oando completed 100% divestment of its downstream marketing business to OVH Energy

Completed restructuring of \$40million facility, extending the tenor by a minimum of 30 months



2018

Oando Commissions State-of-the-Art Head Office, The Wings Office Complex

Oando completed 100% divestment of its midstream business to Axxela Limited



2019

Oando and its Joint Venture Partners NNPC and NAOC makes significant gas & condensates discovery onshore Niger Delta

Oando successfully signs two Gas Supply Agreements (GSA) with the Nigeria Liquefied Natural Gas Ltd (NLNG), for the renewal of gas supply for Trains 1-3 and Train 7

\$425m Reserve Based Lending (RBL) refinancing with Afrexim



2020

\$100m accordion top-up facility with Afrexim



2021

Oando Energy Resources launches its renewable energy subsidiary, Oando Clean Energy



2023

Oando Clean Energy in collaboration with Lagos State and LAMATA launches the Proof of Concept for electric mass transit buses in Lagos State.

2023 Highlights

FINANCIAL HIGHLIGHTS

Profit/Loss After Tax

60.3B | **▲ 174%**



Gross Profit

N85.0B | **▲ 8%**



Turnover

N2.8T | **▲ 43%**



OPTIMISED BALANCE SHEET

Total Borrowings

N818.3B | **▲ 61%**





UPSTREAM - OPERATIONAL HIGHLIGHTS

Oil Production

23,258 bbls/day

▲
12%



During the twelve months ended December 31, 2023, production was in line with prior year at

23,258boe/day, compared with **20,703boe/day** in the same period of 2021. Oil production in particular increased by **22%** from **4,939bbls/day** in 2022 to **6,024bbls/day** in 2023.

2P Reserves

503 mmboe

▲
56%



Working interest 2P Reserves, as assessed by the independent qualified reserves evaluator, stood at **503mmboe** as at December 31 2023 compared to **321.162mmboe** in the comparative prior year period. This represents an increase in overall 2P reserves of **56%** year on year, above the Group reserve replacement ratio.

DOWNSTREAM - OPERATIONAL HIGHLIGHTS

32.8 million

In 2023, Oando Trading traded over

barrels of crude oil under various contracts with the Nigerian National Petroleum Corporation (NNPC) and delivered

1,645,535 MT

of refined products.

Core Activities

EXPLORATION & PRODUCTION

~20,837
kboepd FYE 2023
Net Production

TRADING

~8%

of Nigeria's Fuel Requirement
is supplied by Oando

Market Capitalization

₦130.53bn

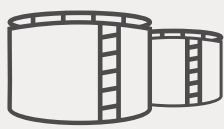
Upstream Infrastructure



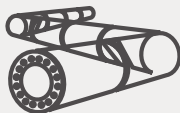
 **22,447** km²
Combined Acreage

 **483** kbopd
Oil Handling Capacity

 **3,663** mmscf/d
Gas Handling Capacity

 **3.5** mmbbls
Terminal Capacity

OVER
 **1,255** km
Pipeline Network

 **14**
Flow Stations

Our Corporate Culture

At Oando, our investment in people is based on the belief that success in any situation is built around a strong gathering of minds. From the start of our journey, audacity, innovation and tenacity were at the heart of our philosophy. We combined these traits to create a company culture driven by 5 core values known as **TRIPP**.

eamwork

At Oando, all employees work together to actualise the organisation's common purpose of solving energy problems with bold and innovative solutions.

espect

Employees show empathetic consideration to one another, promoting inclusivity by appreciating others and valuing their contributions

ntegrity

Our intrinsic values are embodied in our commitment to good corporate governance and transparency. This is evident not only in all our business dealings, but promoted as integral for strong employee interpersonal relationships and extended to our relationships with partners and the communities we operate in.

assion

Some say passion is what separates good companies from great ones. We agree. The will to work with enthusiasm to realise each employee's full potential, and the Company's collective capacity is at the heart of everything we do.

rofessionalism

We champion excellence - as the partner of choice, we go the extra mile to ensure that our operations meet the highest professional standards and are diligently carried out whilst adhering to industry best practice.



Our Global Footprint

Oando operates globally with a strong presence in various locations worldwide. Our primary focus in the upstream sector is currently concentrated in West Africa. As pioneers in all facets of our operations, we continuously strive to lead the way in our industry. Our transformative nature as a company is reflected in our exceptional workforce, dedicated to upholding the highest standards, ensuring a promising future for all stakeholders.

- 
- 1 Nigeria
 - 2 São Tomé & Príncipe
 - 3 South Africa
 - 4 United Kingdom
 - 5 United Arab Emirates

-  Primary Listing - NGX
-  Secondary Listing - JSE





Directors and Professional Advisers

The Board of Directors oversees the management of Oando's business operations and ensures that the long-term interests of stakeholders are served.

Oando's Board of Directors is drawn from different facets of society and comprises successful individuals in their respective professional fields, bringing a wealth of knowledge and experience to the Company. The Board met regularly during the year to discuss, review and deliberate on reports on the business and strategic plans for the Group.

Directors

HRM. Oba Adedotun Gbadebo, CFR

Chairman, Non-Executive Director

Mr. Jubril Adewale Tinubu, CON

Group Chief Executive

Mr. Omamofe Boyo

Deputy Group Chief Executive

Mr. Adeola Ogunsemi

Group Chief Financial Officer, Executive Director

Dr. Ainojie Alex Irune

Group Executive Director

Mr. Tanimu Yakubu

Non-Executive Director

Mr. Ike Osakwe

Non-Executive Director

Mr. Ademola Akinrele, SAN

Non-Executive Director

Mrs. Ronke Sokefun

Non-Executive Director

Mrs. Fatima Nana Mede

Non-Executive Director

Company Secretary and Chief Compliance Officer

Ayotola Jagun (Ms)

Bankers

- Access Bank PLC
- The Access Bank UK Limited
- African Export-Import Bank (Afrexim)
- Ecobank Nigeria Plc
- Ecobank Sao Tome e Principe
- Emirates NBD
- Fidelity Bank Plc
- First Bank of Nigeria Limited
- First City Monument Bank Limited (FCMB)
- Globus Bank Limited
- Guaranty Trust Bank PLC
- Heritage Bank PLC
- ING Bank
- Investec Bank
- Keystone Bank Limited
- The Mauritius Commercial Bank Limited
- National Bank of Fujairah (NBF)
- Polaris Bank Limited
- Providus Bank PLC
- Stanbic IBTC Holdings PLC
- Standard Bank of South Africa Ltd
- Sterling Bank PLC
- Suntrust Bank Nigeria Limited
- Union Bank of Nigeria PLC
- United Bank for Africa PLC
- United Bank for Africa, New York
- Wema Bank PLC
- Zenith Bank PLC

Registered Office

The Wings Office Complex
17a Ozumba Mbadiwe Avenue
Victoria Island
Lagos

Auditors

BDO Professional Services
Chartered Accountants
ADOL House
15, CIPM Avenue Central Business District
Alausa, Ikeja
Lagos, Nigeria

The Registrars & Transfer Offices:

First Registrars & Investor Services Limited

Plot 2, Abebe Village Road
Iganmu, Lagos, Nigeria.

Computershare Investor Services (Pty) Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132
or email to proxy@computershare.co.za)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting (the "Meeting") of Oando PLC (the "Company") will be held on Tuesday, December 17, 2024, at 10:00am at the Zinna Hall, Eko Hotels and Suites, Plot 1415, Adetokunbo Ademola Street, Victoria Island, Lagos, Nigeria for the purposes of:

ORDINARY BUSINESS

1. Transacting the following ordinary business:

- 1.1. To receive the audited financial statements of the Company and of the Group for the year ended December 31, 2022 and the Reports of the Directors, Auditors and Audit Committee thereon.
- 1.2. To receive the audited financial statements of the Company and of the Group for the year ended December 31, 2023 and the Reports of the Directors, Auditors and Audit Committee thereon.
- 1.3. To re-elect the firm of BDO Professional Services as the Company's Auditors in relation to the audit of the financial statements of the Company for the year ended December 31, 2024 and the year ended December 31, 2025 to hold office until the next general meeting of the Company; and to authorise the directors of the Company to fix their remuneration.
- 1.4. To elect Mr. Ken Igbokwe and Mr. Bashir Bello to the Board of Directors of the Company with effect from November 25, 2024, as Directors whose term expires in accordance with Article 88 of the Article of Association of the Company but being eligible, offer themselves for election.

Biographical details of the directors to be elected are available in the 2023 Annual Report and on the Company's website <http://www.oandopl.com>

- 1.5. To consider the re-election of the following Directors who, in accordance with Articles 91 and 93 of the Company's Articles of Association, retire by rotation, but are eligible and offer themselves for re-election:

- Mr. Ike Osakwe as a Director
- Mr. Ademola Akinrele, SAN as a Director
- Mr. Adeola Ogunsemi as a Director

Biographical details of the directors standing for re-election are available in the 2022 and 2023 Annual Report and on the Company's website <http://www.oandopl.com>

- 1.6. To elect members of the Statutory Audit Committee.
- 1.7. To disclose the remuneration of managers of the Company.

SPECIAL BUSINESS

2. Transacting the following special business:

Resolution 1: Directors Remuneration

To consider, and if approved, to pass with or without modification, the following ordinary resolution to fix the remuneration of the Non-Executive Directors of the Company:
"It is hereby resolved that the fees, payable quarterly in arrears, remain N5,000,000 per annum for the Chairman and N4,000,000 per annum, for all other Non-Executive Directors."

Resolution 2: Mandates Authorizing Transactions with Related Parties/Interested Persons

To consider and if thought fit pass, with or without modifications, the following resolution as an ordinary resolution of the Company:

- 2.1. "That, pursuant to the Rules Governing Related Party Transaction of Nigerian Exchange Limited, a general mandate be and is hereby given authorizing the Company to procure goods, services and financing and enter into such incidental transactions necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy and all relevant Transfer Pricing Regulations in force in Nigeria.
- 2.2. That all transactions falling under this category which were earlier entered into prior to the date of this meeting are hereby ratified."

Resolution 3:

Financial Restructuring

- 3.1. To consider, and if thought fit, pass with or without modifications, the following resolution as a special resolution of the Company that:
 - (i) In order to address and improve the Company's financial health and long-term viability, the Board be and is hereby authorized to implement the following remedial actions and undertake all necessary and incidental activities required to effect the proposed restructuring and complete the following transactions:
 - a. Debt Transfer and Modification: That the repayment of long-term receivables owed to Company's subsidiaries by related entities be accelerated and novated to the Company (with or without modifications), to consolidate receivables within the Group and improve financial clarity and management.
 - b. Debt-to-Equity Swap and Settlement: That the Company accepts shares as settlement for the debts owed to it by the borrowers, further to sub-resolution (a) above, thereby reducing overall receivables and enhancing financing clarity.
 - c. Distribution: That the Company causes the shares received pursuant to sub-resolution (b) above to be distributed to its existing shareholders as of the date of the passing of this resolution, on a pro-rata basis."

Explanatory Note: Ocean and Oil Development Partners Limited and its ultimate beneficial owners will not exercise their right to vote on Resolutions 2 and 3 at the meeting in compliance with the provisions of Rule 19.13 NGX Rulebook.

NOTES

Voting and Proxies

On a show of hands, every member present in person or by proxy shall have one vote, and on a poll, every member shall have one vote for each share of which he is the holder.

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company.

In line with the provisions of the Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on Resolution 2 and 3.

Registered holders of certificated shares and holders of dematerialised shares in their own name who are unable to attend the Meeting and who wish to be represented at the Meeting, must complete and return the attached form of proxy in accordance with the instructions contained in the form of proxy so as to be received by the share registrars, First Registrars Nigeria Limited at Plot 2, Abebe Village Road, Iganmu, Lagos, Nigeria or Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132; or email to proxy@computershare.co.za), not less than 48 hours before the time of the Meeting.

Holders of the Company's shares in South Africa (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant ("CSDP") or broker to enable them attend and vote at the Meeting or to enable their votes in respect of their shares to be cast at the Meeting by that nominee or a proxy.

A. Closure of Register of Members

The Register of Members and Transfer Books of the Company (Nigerian and South African) will be closed between November 27, 2024 and November 29, 2024 (both days inclusive) in accordance with the provisions of Section 114 of CAMA.

B. Nominations for the Audit Committee

In accordance with Section 404(6) of CAMA, any member may nominate a shareholder as a member of the Audit Committee, by giving notice in writing of such nomination to the Chief Compliance Officer and Company Secretary at least 21 days before the Meeting.

The Consolidated Rules of the Securities and Exchange Commission, 2013 (as amended) and the Nigerian Code of Corporate Governance, 2018 stipulates that members of the Audit Committee should have basic financial literacy and should be able to understand Financial Statements. Additionally, at least one committee member should be a financial expert with up-to-date knowledge in accounting and financial management, capable of interpreting financial statements.

C. Right of Shareholders to Ask Questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting. For the good and orderly conduct of the meeting, shareholders are encouraged to submit their questions in writing ahead of the AGM and those questions will be acknowledged and answered in full at the AGM. Such questions should be addressed to the Company Secretary and submitted to the Registered Office or by electronic mail at info@oandopl.com not later than 7 days before the Meeting.

D. Electronic Annual Report

Annual Reports for 2022 and 2023 are available online for viewing and can be downloaded from the Company's website at www.oandopl.com. The electronic copy of the Annual Reports are sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2022 and 2023 Annual Reports should send their request via email to: info@oandopl.com.

E. Live Streaming of the Annual General Meeting

The Annual General Meeting will be streamed live via the Company's website: <http://www.oandopl.com>. This will enable shareholders who will not be attending the meeting physically to be part of the proceedings.

The link for live streaming can be found on the Company's website.

F. Profile of Directors

The Profile of Directors are available on the Company's website: <http://www.oandopl.com>.

G. Unclaimed Dividend Warrants and Share Certificate

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. The list of all unclaimed dividends would be published on our website and shareholders are advised to contact the Registrar, First Registrars & Investor Services Limited at Plot 2, Abebe Village Road, Iganmu, Lagos, Nigeria.

November 26, 2024

By the Order of the Board

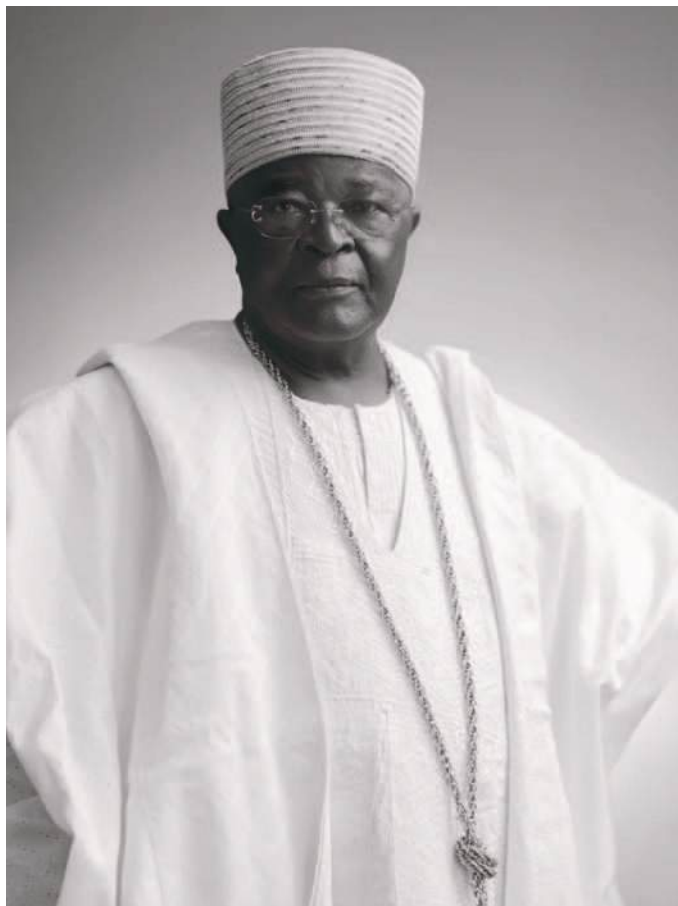


Ayotola Jagun
Chief Compliance Officer and Company Secretary
FRC/2013/NBA/00000003578

Registered Office
9th -12th Floor
17a Ozumba Mbadawe Avenue
Victoria Island, Lagos, Nigeria



Chairman's Statement



HRM Oba Michael Adedotun Gbadebo, CFR
Chairman, Non-Executive Director



Through unwavering commitment to proactive risk management, Oando safeguards its journey of African excellence

We are Africa, We Are Oando

Dear Shareholders,

I am pleased to present our Annual Report for the year ended 31 December 2023.

Global Macroeconomic & Political Landscape

In 2023, economic growth slowed relative to pre-pandemic years with a GDP growth rate of 3.3%, primarily due to persistent inflation, elevated borrowing costs, and ongoing trade uncertainties. In Europe, countries heavily dependent on Russian energy faced significant challenges securing alternative energy sources. This shift drove up energy prices and prompted adjustments in energy policies, including increased reliance on renewable energy and non-Russian suppliers. Western sanctions on Russia further disrupted global trade, particularly in the energy sector, creating ripple effects through global supply chains.

To combat inflation, central banks globally—most notably the U.S. Federal Reserve and the European Central Bank—implemented a series of interest rate hikes throughout 2023. Although necessary to control inflation, this tightening of monetary policy also tempered economic growth in several regions.

Oil Price

Following the price volatility of 2022, oil and natural gas markets experienced relative stability with Brent crude averaging \$83/bbl in 2023, down from over \$100/bbl in the previous year. Driven by reduced demand, OPEC+ maintained its commitment to stabilizing oil prices through record production cuts, marking the sixth consecutive year of such measures. However,

collectively many countries especially across Europe, accelerated interest and investment in renewables underscored by a push to reduce reliance on fossil fuels, marking a shift toward more resilient energy sources in response to past energy crises.

Nigeria

Nigeria's GDP growth slowed to approximately 2.9%, down from 3.3% in 2022¹, reflecting the weight of several structural challenges on the economy. While the oil and gas sector continued to provide crucial revenue support, high debt levels, limited foreign exchange availability, and ongoing subsidy costs put pressure on economic resilience.

The year was pivotal due to the national elections, which resulted in a change of government with the resultant implementation of transformative policies and reforms. Most notably, the government took the bold step to unify exchange rates by floating the naira, resulting in an initial sharp devaluation of over 50% against the dollar by year-end as well as the removal of fuel subsidies. While these reforms posed short-term challenges, they are intended to build a foundation for long-term economic stability and growth.

The Finance Act 2023 also implemented during the year introduced progressive tax policies promoting equitable growth, streamlining tax collection, and enhancing transparency. The Financial Reporting Council of Nigeria (Amendment) Act further strengthened corporate governance and reporting standards across industries.

The oil & gas industry was marked by a persistent oil theft and vandalism which continued to plague the sector, with nearly 5,000 illegal pipeline connections and 700 illegal refining sites discovered in the Niger Delta region. These security challenges, alongside a global shift towards cleaner energy sources, resulted in several International Oil Companies (IOCs) indicating their interest to divest from their onshore and shallow water assets in Nigeria.

Amidst these challenges, the landmark Electricity Act of 2023 brought transformative change to the energy sector ending the federal monopoly on power distribution. This pivotal reform empowers states to independently generate and distribute electricity paving the way for significant private investment, enhancing Nigeria's power infrastructure marking a progressive step toward sustainable economic growth.

Operations

We achieved several significant milestones during the year, reflecting growth and transformation across our operations. A key highlight was the signing of the Sales Purchase Agreement with Eni for the acquisition of the Nigerian Agip Oil Company's (NAOC) 20% stake in Oil Mining Leases (OMLs) 60-63, poised to substantially enhance our oil and gas production capabilities. Oando Clean Energy Limited completed its Lagos State Electric Bus Proof of Concept, a critical step towards broader EV adoption, and signed a Memorandum of Understanding with Cross River State to deploy sustainable transportation solutions, reinforcing our commitment to clean energy initiatives.

Despite challenges such as security breaches and pipeline vandalism in the Niger Delta, production rose by 12% to 23,258 boepd, while crude oil trading volumes surged by 50% to 32.8 million barrels. Turnover increased by 43% to N2.9 trillion, and a sharp turnaround in profitability saw a Profit-After-Tax of N60.3 billion compared to the previous year's Loss-After-Tax of N81.2 billion. These achievements reflect our unwavering focus on sustainable growth and value creation for all stakeholders.

Oando Foundation

In partnership with Sumitomo Chemical, the Oando Foundation successfully completed the third phase of its Clean Our World (COW) project in Lagos State, making a significant impact on environmental education. The initiative reached over 26,000 beneficiaries, including 24 public primary schools and 10 communities, promoting sustainable practices, waste management, and upcycling. The Foundation provided more than 500 educational materials and strengthened the capacity of 258 teachers, community members, and officials in areas such as gardening, composting, and environmental education. Additionally, over 1,978kg of recyclable plastic waste was collected, and Environmental Clubs were established in 24 schools. A community clean-up campaign was also executed in Anibaba, raising awareness and encouraging responsible environmental behaviours.

The Oando Foundation continued its commitment to education by supporting the Ebola Education Support Fund, helping Nigerian children who lost parents to the Ebola Virus Disease. Six recipients have benefited, with three completing tertiary education and securing employment. The Foundation also played a pivotal role in enhancing early grade education through partnerships with USAID-LEARN To Read and FCDO PLANE, supporting over 18,000 learners across six pilot states with mother-tongue-based teaching materials. Additionally, the Foundation funded Teach for Nigeria's Incubation Hub, helping scale Edtech and climate action solutions. Through its co-sponsorship of the 2023 Africa Social Impact Summit, the Foundation further highlighted its efforts to promote education and climate adaptation, contributing to sustainable outcomes in Africa's development ecosystem.

With the support of the foundation our employee-led TAP initiative, driven by our commitment to supporting SDG 2: Zero Hunger addressing food insecurity in Nigeria, expanded its impact in 2023. We were able to reach three Lagos communities, providing support to 350 households in Isheri-Berger, 400 in Igbo-Efon, and 350 at the Okobaba Home of Destitute in Ebute-Meta.

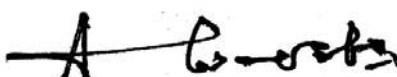
Governance

Our company continues to uphold transparency, ethical practices, and accountability, cementing our reputation as a governance leader. Our robust materiality assessment ensures alignment with stakeholder expectations and the United Nations Sustainable Development Goals (SDGs), positioning Oando as a driving force for sustainability in Nigeria. We successfully convened our 44th Annual General Meeting and concluded the development of an integrated ESG Framework for Oando PLC, reinforcing our commitment to sustainable and responsible operations.

2023 Outlook

As we close the year, we stand at a promising juncture with opportunities for sustainable growth as we navigate future challenges and capitalize on new prospects in Nigeria's evolving energy landscape.

With a strong focus on operational excellence and financial prudence, we are confident in our ability to deliver value to our stakeholders and contribute positively to the communities we serve. Thank you for your continued support and trust in our vision for the future.



HRM Oba Michael Adedotun Gbadebo, CFR
Chairman, Non-Executive Director

¹ IMF Real GDP Growth

Jubril Adewale Tinubu CON
Group Chief Executive



In navigating Nigeria's transformative policies and global energy shifts, Oando exemplifies bold leadership, championing African resilience and progress

We are Africa, We Are Oando

Dear Shareholders

It is with great pleasure that I present to you, your company's operational and financial performance for the year ended 31 December 2023, as well as our strategic outlook for 2024.

2023 in Review

Global growth slowed in 2023 compared to 2022, primarily due to tighter monetary policies aimed at curbing inflation and lingering effects of the Russia-Ukraine conflict.

In a bid to combat inflation Central Banks globally, shifted their focus from accommodative to restrictive monetary policies leading to higher debt-servicing costs, particularly effecting emerging markets with USD-denominated debt. While inflation indeed began to ease 6.7% vs 9%¹ the previous year, it remained elevated compared to pre-pandemic levels.

Russia's ongoing invasion of Ukraine remained a central driver in global oil and gas markets. Europe, which had previously relied heavily on Russian energy, alongside other countries were prompted to seek alternative energy supplies driving up demand for oil and new interests in LNG from other regions, especially the Middle East and Africa and major LNG exporters like Qatar. As oil prices stayed high averaging \$82.49/bb², oil majors resumed investments in upstream projects, particularly across Africa, the Middle East, and North America, marking a shift from previous capital restraints. Though investments continued, oil and gas, companies sought to balance short-term profitability pressures with long term sustainability by intensifying investments in renewable energy and carbon reduction technologies.

² Brent Crude Price

Nigeria

The Nigerian economy experienced a turbulent 2023, marked by substantial policy changes, high inflation, and currency devaluation. Following the 2023 presidential elections the new administration introduced several economic policies aimed at addressing long-standing fiscal and structural challenges.

One of the most impactful measures was the removal of Nigeria's longstanding fuel subsidy. While this move was intended to free up funds for public investment, it led to a sharp increase in fuel prices, affecting transportation and the cost of goods across the country. Additionally, the government implemented tax reforms to streamline the tax structure, reduce the tax burden, and improve the ease of doing business in Nigeria. These measures have enhanced fiscal stability and boosted government revenue, aiding infrastructure and public service funding.

However, the impact on the broader economy has been mixed. While revenue generation has improved, businesses and individuals face higher tax burdens, adding to inflationary pressures.

Another significant shift in policy was the unification of Nigeria's multiple exchange rates by the floating the naira. This resulted in a significant currency devaluation further fuelling inflation despite its aim of seeking to create a market-driven exchange rate and attract foreign investment. These measures, though intended to address structural economic issues, intensified short-term economic pressures for businesses and consumers alike across the nation.

In the Oil & Gas sector, executive orders were signed to implement sector reforms including the introduction of fiscal incentives for non-associated gas, midstream and deepwater developments, streamlining of contracting process to reduce the contracting cycle to six months, and the application of the local content requirements without hindering investments or the cost of competitiveness. Collectively the impact of these reforms is already being felt, with more streamlined operations, enhanced investor confidence, increased local participation and a closer alignment with global efficiency and sustainability goals.

The Electricity Act of 2023 was also introduced, replacing the 2005 Electricity and Power Sector Reform Act, championing across-board changes to Nigeria's power sector. This new legislation empowered states, private companies, and individuals to oversee the generation, transmission, and distribution of electricity within their regions. With a strong emphasis on renewable energy, the act established clear guidelines for licensing and oversight while also safeguarding the assets and rights of licensed operators.

People

In 2023, we were committed to ensuring that Oando maintained its reputation as a great place to work, focusing on employee wellbeing and financial wellness amid economic challenges. This was achieved through the optimization, automation, and updating of policies, processes, and procedures, driving improvements in organizational capacity, employee development, morale, and productivity. These efforts, coupled with Oando's broader commitment to sustainability, earned the company the prestigious ESG Company of the Year award at the Africa Energy Week Awards.

I am immensely proud of what our employees have accomplished with The Aggregator Platform (TAP), a remarkable initiative born out of their dedication and commitment. Launched in April 2020, TAP reflects our collective effort to support SDG 2: Zero Hunger by mitigating the impact of food insecurity in Nigeria. Through the distribution of relief food supplies, the initiative has provided vital assistance to the most vulnerable households, starting in Lagos State.

With technical support from the Oando Foundation—beneficiary verification, and community engagement—TAP expanded its reach in 2023, touching lives in three Lagos communities: 350 households in Isheri-Berger, 400 in Igbo-Efon, and 350 in Okobaba Home of Destitute, Ebute-Meta. This initiative stands as a testament to the power of collaboration and the unwavering commitment of our people to creating meaningful impact.

Financial Performance

In 2023, the company's revenue surged by 43%, reaching N2.8 trillion. This growth was driven by a significant increase in our trading activities and favourable exchange rate translations, higher oil and natural gas production, offset by lower NGL production volumes and realized prices. As a result, we achieved a Profit-After-Tax of N60.3 billion, marking a significant turnaround from the challenging position recorded in the previous year.

Exploration & Production

We achieved notable milestones, highlighting growth and transformation across its operations. Among these was the signing of a Sales Purchase Agreement with Eni to acquire the Nigerian Agip Oil Company's (NAOC) 20% stake in Oil Mining Leases (OMLs) 60 to 63, a move set to significantly boost our oil and gas production capacity.

Despite significant operational hurdles including security breaches and ongoing pipeline vandalism in the Niger Delta, a 12% increase in production with average production rising to 23,258bbl/day from 20,703boe/day the previous year driven by increased security intervention measures.

Average production from our NAOC JV rose by 11% to 21,045 boe/day, Qua Ibo's output declined to 486 bbls/day while Ebendo's production rose by 29% to 1,727 bbls/day, attributable to the commencement of production from two new wells drilled in Ebendo North, underscoring our focus on strengthening infrastructure and ensuring sustainable growth.

During the twelve months to December 31, 2023, the Group incurred \$52.3 million on capital expenditures related to the development of oil and gas assets and exploration and evaluation activities, compared to \$101.9 million in the twelve months to December 31, 2022.

Group Chief Executive's Report



Through bold strides in clean energy and sustainable mining, Oando leads Africa's transition to a resilient and prosperous future.

We are Africa, We Are Oando

Oando Trading DMCC (“OTD”)

OTD expanded its crude oil trading by 50% year-on-year, supported by innovative pre-financing structures. Trading volumes for refined products (MT), however, declined by 14%. Turnover held steady at \$4.3 billion, with a 24% increase in traded volumes offset by lower oil prices, and net profit decreased to \$8.9 million from \$12.4 million in 2022. OTD also secured its first non-oil trading contract for the delivery of tin concentrates to the Far East.

The trading company also deepened its partnerships with both global oil majors and Nigerian companies, aimed at increasing traded volumes and achieving sustainable growth objectives. Advancements were made in our joint ventures across West Africa, focusing on feedstock supply and infrastructure investments supporting our integrated business approach.

Furthermore, crude pre-financing structures were utilized to optimize trading operations, bolstering crude oil volumes and capturing additional market opportunities despite volatile conditions.

Oando Clean Energy Limited (“OCEL”)

Oando Clean Energy made commendable strides in advancing Nigeria's transition to cleaner, more sustainable energy solutions. We successfully completed a 90-day Proof of Concept within Lagos pioneering the use of high-capacity electric passenger buses for mass transportation in Sub-Saharan Africa with a fleet of 2 electric vehicles (EVs). These buses travelled a total of 66,867 kilometers, showcasing the fleet's potential for high-impact urban transit and achieved an impressive energy regeneration milestone of 28,447 MWh over 3,520 hours of operation, mitigating the use of 51,115 litres of diesel, avoiding the emission of 139,662kg of CO₂ exemplifying the efficacy, sustainability, and commercial viability of this transit model. Additionally, an MOU was signed with Cross River State to deploy sustainable transportation initiatives.

OCEL's growth trajectory extended to other renewable energy fronts, particularly in geothermal and solar. In partnership with NNPC E&P Limited (NEPL), we secured a formal agreement to explore geothermal resources, marking a significant step in diversifying Nigeria's energy sources. In the same vein, recognizing the shift in Nigeria's energy mix towards solar energy, a strategic partnership was secured with the Rural Electrification Agency (REA) to develop solar mini grids in rural areas. OCEL continued to mature its 1.5GW Solar Assembly Plant project and has engaged several leading solar original equipment manufacturers (OEM) to bring this vision to life, aiming to support Nigeria and the broader Sub-Saharan market's expanding need for renewable energy solutions.

OCEL also advanced its wind energy venture, completing Phase 1A desktop studies for a wind profile with plans to deploy onshore turbines for large-scale wind power generation to support Nigeria's low-carbon transition. Through these multi-faceted initiatives, OCEL is reinforcing its role in fostering energy resilience and sustainability across Africa.

Oando Mining

Oando Mining advanced its bitumen and lithium ventures from initial studies to detailed resource evaluation and feasibility analyses. The company provisionally secured Block A15 for bitumen with a fully paid signature bonus. Block A15 extends from Epe Local Government Area in Lagos State to Ijebu Ode and Odogbolu Local Government Areas in Ogun State. Additionally, it obtained an exploration licence in Kwara State for Lithium, with further applications submitted for other promising lithium sites.

2024 Outlook

With the momentum of initiatives in place, we are confident about the future. 2024 holds great promise for our industry and for Nigeria as we continue to adapt to the evolving global landscape.

Our primary focus for the upstream division is the timely completion of our acquisition of the Nigerian Agip Oil Company's (NAOC) 20% stake in OMLs 60-63. This acquisition is poised to increase our reserves by over 75% and double our proven and probable (2P) reserves. Following which we will seek to promptly integrate the Asset and Company, ensuring zero disruptions to operations.

Securing our existing production is critical to us, as such, we will continue working with our JV partners towards deploying innovative solutions to curb the rising negative trend of crude oil theft and vandalism whilst deploying additional production uplift initiatives.

We aim to broaden our trading portfolio to address evolving market demands and capitalize on growth opportunities across Africa and beyond. Our focus will include expanding partnerships and market reach in Nigeria to unlock additional value through strategic investments in infrastructure while further strengthening financial capacity to participate in crude oil-backed prepayment facilities across the continent.

Oando Clean Energy (OCEL) will continue scaling its electric mobility projects by expanding the fleet with an additional 50 buses, advancing our solar infrastructure projects, pursuing wind projects and waste-to-value projects positioning us at the forefront of Nigeria's energy transition.

Our Mining division will initiate pre-FEED development for bitumen in Ondo State, accompanied by further resource drilling to validate identified reserves. Lithium exploration efforts will continue, with expanded field evaluations and exploratory test work. We are also in negotiations to acquire gold exploration licenses, with plans to begin field mapping reinforcing our role in Nigeria's mining sector.

As we balance energy security with our sustainability objectives, we remain committed to shareholder value, resilient partnerships, and long-term growth across all sectors.

Post Period Highlight

On August 22nd, 2024, we proudly announced the successful completion of the acquisition of 100% of the shareholding interest in the Nigerian Agip Oil Company (NAOC) from the Italian energy company, Eni, for a total consideration of US\$783 million comprised of consideration for the asset and reimbursement (the "Transaction").

This acquisition is a significant milestone in our company's long-term strategy, it is a culmination of ten years of toil, resilience, and an unwavering belief in the realization of our ambition since the 2014 entry into the Joint Venture via the acquisition of Conoco-Philips Nigerian Portfolio. It is a win for Oando, and every indigenous energy player, as we take our destiny in our hands, and play a pivotal role in this next phase of the nation's upstream evolution.

Transaction Highlights

- The Transaction increases Oando's current participating interests in OMLs 60, 61, 62, and 63 from 20% to 40%.
- It increases Oando's ownership stake in all NEPL/NAOC/OOL Joint Venture assets and infrastructure which include forty discovered oil and gas fields, of which twenty-four are currently producing, approximately forty identified prospects and leads, twelve production stations, approximately 1,490 km of pipelines, three gas processing plants, the Brass River Oil Terminal, the Kwale- Okpai phases 1 & 2 power plants (with a total nameplate capacity of 960MW), and associated infrastructure.
- Based on 2023 reserves estimates, Oando's total reserves stand at 505.6MMboe and the transaction will deliver a 98% increase of 493.6MMboe, bringing the total reserves to 1.0Bnboe.
- The Transaction is immediately cash generative and will contribute significantly to the cashflows of the Company.



Jubril Adewale Tinubu CON
Group Chief Executive





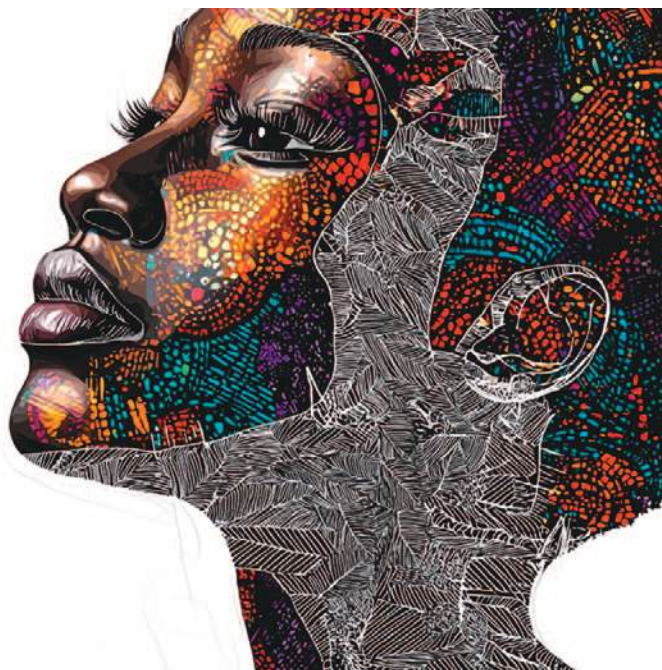
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With innovation and adaptability, we navigate complex energy dynamics, securing sustainable growth and long-term value.

We are Africa, We Are Oando



Despite global uncertainties and domestic challenges, Oando remains steadfast, leveraging strategic partnerships and innovation to drive growth and resilience in Africa's energy sector.

We are Africa, We Are Oando

2023 Global Oil & Gas Industry Review

The global economy experienced a slight decline in growth to 3.2% compared to 3.5% in 2022. The global oil industry experienced a gradual recovery following the dual impacts of the Covid-19 pandemic and Russia's invasion of Ukraine, both of which further affected the volatility of crude prices. Russia increased exports to China, India, Turkey, Egypt, and the United Arab Emirates, following sanctions on Russian oil exports.

Global crude oil demand was lower than expectations but was offset by the impacts from OPEC+ supply cuts of 1.2MMbbls/day in 2023, resulting in a decline in prices. Brent crude oil prices averaged \$83/bbl in 2023, down from \$101/bbl in 2022.

According to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigeria's total production for 2023 was 552,841,582 barrels (457,866,880 barrels of oil and 94,974,702 barrels of condensate) with an estimated daily average of 1,515,353 Million barrels per day (1,255,159 barrels of oil per day and 260,194 barrels of condensate per day). This was a 6.5 % increase in cumulative oil production and 1.5% decrease in cumulative condensate production compared to 2022.

Although Nigeria reclaimed its position as Africa's top crude oil producer in H1 2023, surpassing Angola, Libya, and Algeria, it fell short of meeting the OPEC+ quota by the end of 2023. This was however an improvement in production values in from 2022.

In 2023, Oando experienced increased daily production of 23.3kboe/day from 20.7kboe/day in 2022. The increase is majorly attributed to increased gas production and improvements in crude production. This was however offset by declining NGL production arising from shut-ins because of sabotage on the delivery pipeline.

2024 Outlook

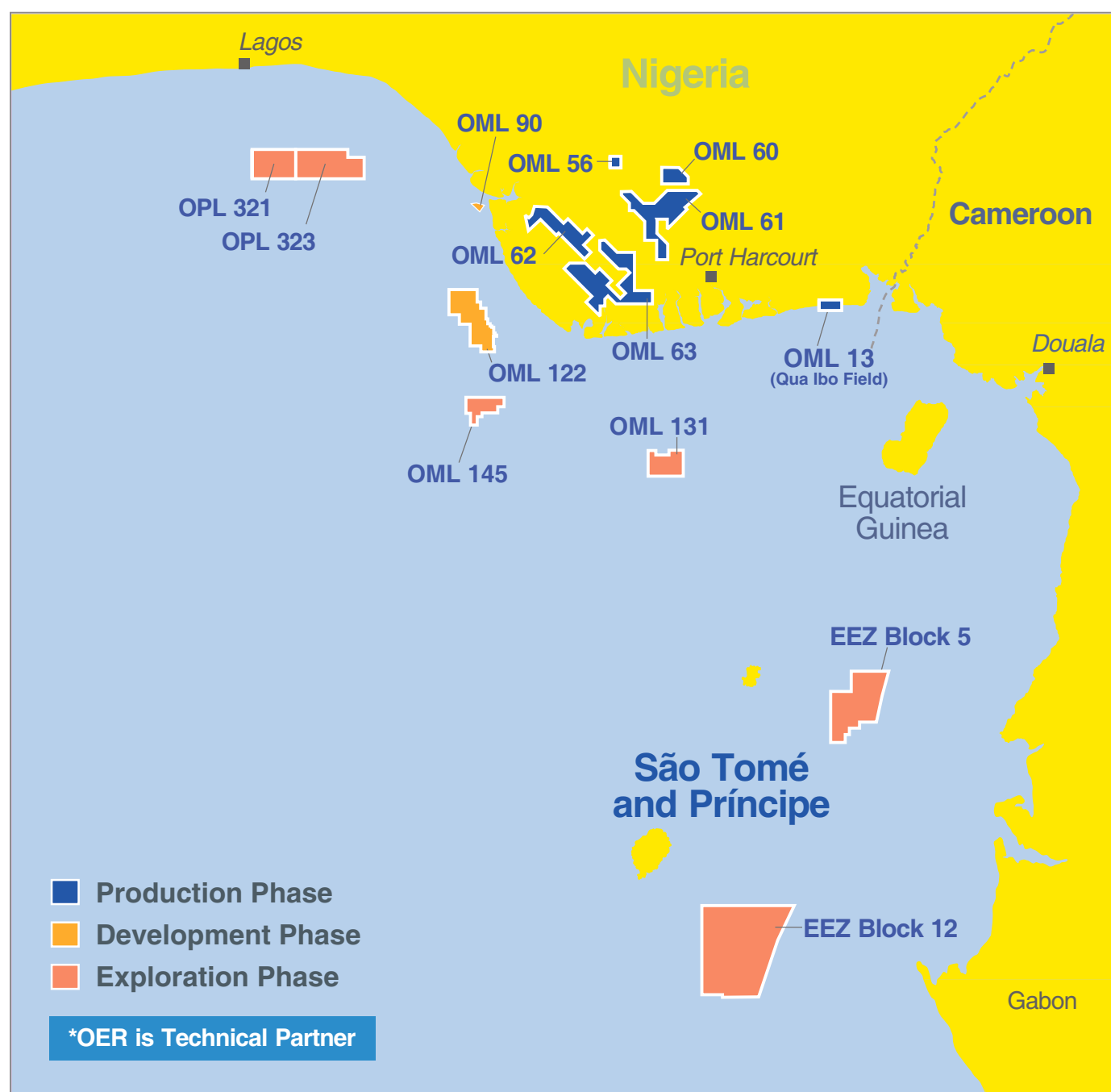
According to the International Energy Agency (IEA), global oil demand is expected to slow down to 900kbbbls/day in 2024 resulting from China's slowing oil demand and the completion of the impact of the post-pandemic recovery growth. The global oil supply is projected to rise by an average of 1.5MMbbls/day in 2024. The growth will be dominated by the Americas, with the United States, Brazil, Guyana, and Canada contributing significantly, as they did in the previous year.

OPEC+ cut Nigeria's output target for 2024 to 1.38MMbbls/day from 1.74MMbbls/day in 2023, amid failure to meet its production quotas. The group, however, agreed to revise Nigeria's 2024 quota to 1.58MMbbls/day pending independent verification of the country's ability to meet the production target.

Nigeria has also witnessed the ongoing divestments of upstream assets by the IOCs. IOCs are divesting for several reasons, including insecurity, sabotage, and hostile host communities. This results in high costs and operational risks. This also presents opportunities for indigenous companies to expand their asset portfolio.

The Company remains protected from sales risk from volatility in prices with offtake arrangements which guarantee continuous volumes offtake with a new hedge strike price of \$59/bbl.

Oando Energy Resources - Asset Portfolio



ASSET	WORKING INTEREST	OPERATOR
OML 60	20%	ENI/NAOC
OML 61	20%	ENI/NAOC
OML 62	20%	ENI/NAOC
OML 63	20%	ENI/NAOC
OML 56	42.75%	Energia
OML 13*	40%	Network E&P

ASSET	WORKING INTEREST	OPERATOR
OML 90*	40%	Sogenal
OML 122*- Bilabri	4.08% Oil	Peak
OML 122*- Owanare	9.8% Gas	Peak

ASSET	WORKING INTEREST	OPERATOR
EEZ 5	26.2%	Kosmos
EEZ 12	46.3%	Galp
OPL 321 & 323	24.5%	OER
OML 131	100%	OER
OML 145	21.05%	ExxonMobil

Business Review

Oando Energy Resources - Asset Profiles

OML 60-63

Overview

The NAOC JV (20% OER Working Interest "WI"; NAOC, (now Oando Petroleum and Natural Gas Company Limited "OPNGL") 20% and operator; NEPL 60%) holds OMLs 60, 61, 62 and 63, located onshore in the Niger Delta and the licenses have an expiry date of June 14, 2027, to be renewed per the terms of the PIA.

OML 60 is located on land, in the northern Niger Delta and covers an area of 358 km² (88,464 acres). OML 61 is also located on land, in the northern Niger Delta and covers an area of 1,499 km² (370,410 acres). OML 62 terrain varies eastwards from swamp to land and is located in the central Niger Delta, covering an area of 1,221 km². OML 63 is located along the coastal swamp area of the Niger Delta and covers an area of 2,246 km² (554,998 acres). OML 60-63 includes forty discovered oil and gas fields, of which twenty-four are currently producing.

The assets of the JV also includes extensive infrastructure, comprising 12 Flow stations, an oil processing center, an oil export terminal, two gas plants (Kwale, Ob-Ob and Ogbainbiri), the Okpai IPP, a network of approximately 1,190 km of pipelines and associated infrastructure including, roads, power stations and heliports. Some of the JV's main export pipelines are used by third parties and agreements are in place for transportation and processing.

Production

Production in 2023 at OMLs 60 to 63 averaged 21,045 boe/day, consisting of 3,998 bbls/day of crude oil, 239 boe/day of NGLs and 100,850 mcf/day (16,808 boe/day) of natural gas, as compared to combined average production of 18,975 boe/day in 2022. The 11% daily production increase at OMLs 60 to 63 is primarily related to improved gas operations offset by shut-ins from incidences of sabotage and general repairs and maintenance.

Reserves

As of December 31, 2023, OER's estimated net share in the JV 2P reserves was 490 MMboe (and comprised of 171.2 MMbbls of oil, 15.3 MMbbls of natural gas liquids and 1,821 Bscf of gas), compared to 490 MMboe in 2022.

Capital Projects Expenditure:

In 2023, the Company spent \$46.9 million on capital expenditures related to the development of oil and gas assets and exploration and evaluation activities, lower than \$101.9 million in 2022. Capital expenditure during the period included \$45.3 million on oil and gas properties and \$1.6 million on exploration and evaluation.

The Joint Venture approved a budget of \$723.0 million for 2024. Oando Oil Limited (OOL)'s share - \$144.6 million comprises of \$47.3 million CAPEX and \$97.3 million OPEX.

OML 56 (EBENDO)

Overview

Ebendo Marginal Field License (45% OER WI; Energia, an indigenous company and operator, 55% WI), was carved from OML 56 in the central Niger Delta, approximately 100 km north-west of Port Harcourt. The License covers an area of 65 km² (16,062 acres). The License includes two fields, the Ebendo field (producing), Obodeti field (undeveloped) and one prospect, Ebendo North. Ebendo operates under Marginal Field terms that benefit from advantageous fiscal terms.

First Oil was achieved in 2009 and 6 wells have been drilled on the field. Production from the Ebendo field began in 2010.

Production

Ebendo's 2023 daily crude oil production increased by 29% to 1,727 bbls/day from 1,140 bbls/day in the corresponding 2022 period. The increase was as a result of improved operations.

Reserves

As of December 31, 2023, the Ebendo License held net 2P reserves of 7.1 MMboe (comprised 6.9 MMbbls oil and 19.0 Bscf of gas), compared to 8.4 MMboe in 2022.

Capital Projects Expenditure

In 2023, the Company spent \$3.2 million on capital expenditure related to exploration and evaluation and the development of oil and gas assets compared to an expenditure of \$22.6 million in 2022. \$22.0 million was spent on drilling two wells at Ebendo North in 2022.

The Joint Venture approved a budget of \$42.8 million for 2024. OML 56's share of \$22.8 million comprised of \$20.3 million for Capital expenditure and \$22.5 million for Operating expenses respectively.

OML 13 (QUA IBO)

Overview

Qua Ibo Marginal Field License (40% OER WI and technical partner; NEPN, an indigenous company, 60% WI and Operator) is located onshore Nigeria, near the mouth of the Qua Iboe River, immediately adjacent to the ExxonMobil Qua Iboe Terminal. The License covers an area of 14 km² (3,459 acres) and includes one producing field (Qua Ibo). The Qua Iboe License was acquired by OER in 2013 and it operates under Marginal Field terms.

In its capacity as Technical and Financial services provider, Oando Reservoir and Production Services Ltd (ORPSL) oversees, together with NEPN, the operations on the Qua Ibo Field. ORPSL agreed to fund NEPN's costs on the Qua Ibo field until first oil, following which ORPSL will be entitled to 90% of NEPN's sales proceeds from its 60% share of crude oil production until NEPN's obligation is paid in full. NEPN has fully paid this obligation as at the date of this report.

First Oil was achieved by drilling 2 wells and installing the associated production facility in 2014. Production from the Qua Ibo field began in 2015.

Production

2023 Production at Qua Ibo averaged 486 bbls/day, lower than 588 bbls/day in the same period in 2022. The decrease was a result of a shut-in from pump and power failures at the Group Gathering Facility (GGF), suspected pipeline leaks at FUN and instrument failure.

Reserves

As of December 31, 2023, Qua Ibo License held net 2P reserves of 4.7 MMbbls of oil, compared to 4.2 MMboe in 2022.

Capital Projects Expenditure

In 2023, the Company recorded a write-back of \$1.09 million and an expenditure of \$0.10 million (net write back position of \$0.98 million) at Qua Ibo on oil and gas properties compared to an expenditure of \$0.23 million in 2022.

The Joint Venture approved a budget of \$43.7 million for 2024. OER's share of \$17.5 million comprised of \$9.7 million for Capital expenditure and \$6.8 million for Operating expenses respectively.

OML 145

Overview

OML145 (21.05% Oando WI; operator, Exxon Mobil) is located offshore 110 km south of the Niger Delta coastline near the Shell Bonga field in water depth of between 800m to 2,000m. The OML 145 license covers an area of approximately 1,288km² within which four (4) discoveries have been made including Uge, which is currently in the development planning stage, three other discoveries, namely, Orso, Uge North and Nza.

The OML 145 joint venture partners on the license are Exxon Mobil (21.05%), Chevron (21.05%), Svenska (21.05%), Oando (21.05%) & NPDC (15.8%).

The pre-FEED study commissioned by the OML 145 joint venture was completed in 2018. The study was geared towards a development concept for the Uge field with specific focus on delivering production in a timely and cost-effective manner utilizing a leased Floating, Production, Storage and Offloading ("FPSO") vessel for hydrocarbon evacuation and export from the field.

Following the 2018 pre-FEED study, the OML 145 joint venture progressed the review of the development concepts in a bid to firm up on a development concept on the block based on the discovered resource volumes in 2019. This culminated in a tripartite workshop between the NNPC and the OMLs 140 and 145 joint venture partners. The development concept proposed by Oando and the non-operator partners via an Early Production Facility ("EPF") on a leased FPSO will bring the Uge field to production in a shorter time frame than previous concepts reviewed.

The Joint Venture commenced discussions with the NNPC on the PSC stabilization because of the impact of the Deep Offshore and Inland Basin, Production Sharing Contract Act passed in late 2019 (DIBPSA 2019).

The PSC stabilization discussions were stalled in 2021 with the NNPC focusing on closing out negotiations with Producing Blocks. Stabilization negotiations resumed in 2022 with a couple of engagements to review the structure and form of the stabilization agreement. Operational activities in 2022 have been focused on engaging with a seismic contractor for a new 3D seismic survey over the OML 145 acreage area to firm up the subsurface understanding, improve overall imaging and identify deeper prospects within the block.

The OML 145 Co-Venture partners reviewed options to improve the commerciality of the block with specific focus on new seismic data acquisition. TGS was awarded a Petroleum Exploration License ("PEL") to cover the deepwater Niger Delta. The acquisition covered a substantial part of OML 145 including several blocks in the area on a license basis. Chevron, having already engaged with TGS on its block in the area, was tasked with coordinating the negotiations on behalf of the OML 145 Co-Venture partners. The modalities of acquiring the data on license basis is still being assessed by the OML 145 Co-Venture partners.

OML 131

OML131 (100% OER WI; operator OER) is located offshore in water depths ranging from 500m to 1,200m approximately 70km from the western Nigerian coast. OML 131 covers an area of 1,204km² and includes two undeveloped discoveries (Chota and Ebitemi) and a number of prospects including Chota East and Ebipre in South of the Block and the Pulolulu in the North of the Block.

The Chota discovery is under Unitization discussions with OML 135, west of OML 131 with the Bolia discovery. The Bolia-Chota unit area has an executed Pre-Unit Agreement ("PUA") and Contractor Pre-Unit Agreement ("CPUA") with the provisional party share of 40% allotted to OML 131.

The Bolia Chota unit area has a combined 2C contingent resources volume of 241mmbbls of oil and 1 tcf of Gas. The Bolia Chota Unit is being assessed as an integrated co-development with the adjacent Nnwa-Doro Unit (Nnwa – OML 129 and Doro – OML 135). The development concept focused on oil production from the Bolia-Chota unit and Gas production from Nnwa- Doro unit to develop circa 310mmbbls of Oil/condensate and 3.6tcf of Gas.

The Bolia-Chota Unit partners are reviewing the stand-alone development of the Unit looking at either a Leased FPSO development for the Oil resources and third-party evacuation for gas or alternatively a tie-back evacuation concept for both oil and gas. The technical and feasibility review continued into 2023.

On the Non-unit side, Oando's agenda for the Non-Unit Area is delineating the entire OML 131 license area with a focus on validating the understanding of resources within the license area with specific focus on low hanging opportunities with lower exploration risk in the Southwest of the Block and within proximity of the Bolia-Chota unit.

There are several identified leads and prospects including: the Chota East, Chota North and Ebipre prospects with sizeable unrisks resources that can be developed as a standalone or developed as a tie-back into the Bolia-Chota Unit or the Preowei Discovery in OML 130, an adjacent block south of the license area, which has proven reserves of 300 MMbbls and is believed to straddle into OML 131.

Oando continues to push a stand-alone or Tie back development agenda with the partners in a bid to improve the prospectivity of the block and examine possible co-development options with the added leads and prospects within the larger Chota East and Ebipre structure identified in the Non-Unit side of the block of the block.

Capital Projects Expenditure

During the year, \$0.12 million was incurred on OML 131 to advance exploration of the respective properties with geological and technical studies.

BLOCKS 5 AND 12, EEZ OF Sao Tome & Principe (STP)

OER holds its interest in EEZ Blocks 5 and 12 through its 81.5% interest in Equator Exploration Limited ("EEL"). EEZ Block 5, operated by Kosmos, and EEZ Block 12, operated by Galp, are in water depths ranging from 2,000m to 3,000m within the Exclusive Economic Zone ("EEZ") of the Democratic Republic of São Tomé and Príncipe (STP). EEL maintains W.I. of 26.2% and 41.2% in the blocks respectively.

Block 5 contract area has an area of 2,134km² and the Block 12 contract area has an area of 5,272km² (712km² and 1760 km² were relinquished from the original acreage size of 2,844km² and 7,940km² respectively as part of the requirement to enter the Phase II of the Exploration period on each of the blocks).

EEL was awarded two (2) licenses within the Exclusive Economic Zone ("EEZ") in February 2010 based on seismic data acquisition agreements signed in 2001 and 2003. At the time EEL partnered with Petroleum Geo-Services (PGS) to acquire 2D seismic data over the EEZ.

The 2D seismic data over Block 5 were reprocessed in 2014 and interpreted to identify several prospects and leads. In 2015, EEL acquired and processed 1,400km² of 3D seismic data. Interpretation of the data acquired continued into Q1 2015.

Additional data was acquired in 2017 after Kosmos Energy São Tomé and Príncipe ("Kosmos") and Galp Energia STP Unipessoal Limited ('Galp') entry into the Blocks 5 and 12 joint ventures. The acquisition was part of a four (4) block acquisition campaign which covered 16,800km² within the Exclusive Economic Zone and covered acreage on four (4) blocks (Blocks 5,6,11 and 12). The seismic vendor CGG acquired 2,567km² and 4,117 km² in Blocks 5 and 12 respectively.

In 2018, PGS progressed and concluded the processing of the 3D seismic data products acquired in 2017. Interpretation of the 3D seismic products were integrated into the Regional Basin model to reassess the resource volumes and derisk the most attractive targets. The leads and prospects inventory for both blocks were compiled, with focus on identifying drillable prospects within Block 5 towards the Phase II decision gate on Block 5 in Q1 2019.

In January 2019, the Block 5 operator submitted the notice of surrender area and a recommendation to proceed into Phase II of the Block 5 exploration period to the joint venture partners as part of its obligation as operator to deliver on the requirements for the Block 5 End of Phase by May 2019. Galp opted out of Block 5 and submitted a withdrawal notice on April 1, 2019, which took effect from May 31, 2019.

The National Petroleum Agency of São Tomé and Príncipe (ANP-STP) opted out of taking its prorated share of the Galp's relinquished participating interest and retains its 15% carried interest. However, Equator and Kosmos taking up their pro rata share of Galp's interest translates to 26.2% and 58.8% participating interest for the parties respectively.

Throughout 2020, operational activities on Block 5 focused on improving the G&G understanding with a more detailed systematic mapping and evaluation of Block 5 prospects, identified from the regional mapping, definition, and characterization of the individual prospects on the merged PSDM 3D seismic data. The detailed analyses further defined the trapping configuration and provided a better understanding of the reservoir facies, and the associated relative risk of each prospect. The prospects were also evaluated in the context of the regional clastic fairways, as mapped over regional data sets, to understand the risk for reservoir presence and quality. A preliminary evaluation of the AVO characteristics of the prospects and prospect evaluation was ongoing at year-end.

Due to the pandemic, operational activities were impacted and as a result a formal request to modify to Block 5 Minimum Work Obligations was submitted to the Regulator on March 13, 2020. Discussions related to the Block 5 Minimum Work Obligation for Phase III continued in the second quarter of the year and on July 1, 2020, ANP-STP approved the amendments to the Minimum Work program. The 5th PSC Amendment on Block 5 was agreed and approved on August 13, 2020.

Throughout 2021, work continued integrating the prospects within Block 5 with the Rio Muni regional depositional systems, provenance, and tie with the inboard wells. This integration will enhance the understanding of play elements (reservoir, source and migration) and relative risk of each prospect. Due to disrupted operations in São Tomé caused by the pandemic, a six-month extension request for the much-anticipated Jaca 1 well was submitted to the Regulator on September 30th. The request was approved on December 30, 2021. The sixth amendment to the Production Sharing Contract reflecting the six-month extension was executed by the joint venture partners.

Block 12 operational activities in 2019 focused on high grading the Leads and Prospects within the block and delivering drillable prospects as per the deliverables under the Block 12 End of Phase I requirements. On November 29, 2019, Kosmos, as operator, issued a Vote by Notice (VBN) for the Entry into Phase II of the Exploration Period on Block 12. Kosmos voted against the resolution of the VBN while Galp, the ANP-STP and Equator voted for the resolution. Kosmos further gave a notice of exit from the Block effective as at Jan 31st, 2020.

Following Kosmos' notice of withdrawal from the Block, the Block 12 Joint Venture partners, Galp, Equator and ANP-STP held a workshop on 12th and 13th February to discuss the distribution of participating interest, the minimum work commitments, and the minimum financial commitments for Phase II under the Block 12 PSC. Subsequently, Galp was designated as operator and the Kosmos' interest distributed on a pro rata basis between Equator and Galp i.e., taking up 46.3% and 41.2% participating interest respectively with the ANP-STP retaining its 12.5% participating interest in Block 12.

Due to the COVID-19 outbreak and the macroeconomic downturn, the Jaca 1 Well in Block 6 (Operated by Galp) was delayed, not allowing the integration and incorporation of its results in the prospectivity of Block 12 and interfering with the decision to proceed to the next phase. As a result, the Block 12 Joint Venture engaged with ANP-STP, in its capacity as Regulator, to request a twelve-month extension of Phase II of the Exploration Period. The essence of the extension is to provide ample time for understanding from the outcome of the

Jaca well to be integrated with Block 12 data prior to the decision to enter the next phase of the Exploration Period. The Jaca well spud date was moved from Q4 2020 to Q4 2021.

The formal request for granting a twelve-month extension to Phase II of the Exploration Period was submitted to ANP-STP on May 19, 2020. ANP-STP formally replied to Galp's request on July 1, 2020. In addition to the extension, the ANP-STP also granted approval of the amendment to the PSC which includes the removal of the Exploration Well commitment for Phase II and the reduction of the minimum financial commitment to \$2.5m. The amendment was executed in December 2020.

Operational activities were limited significantly in 2020 by the COVID-19 pandemic. As a result, operational activities were wound down to a minimum and all face-to-face meetings, particularly the Joint Venture meetings, were done virtually.

Operational activities picked up in 2021. Geological work progressed with Galp, as operator, focusing on updating the petroleum system modelling with additional geological data and performing geophysical studies, which included seismic preconditioning and quantitative interpretation (AVO studies) that could de-risk the hydrocarbons presence in the mapped reservoirs and/or find new targets. These studies were fundamental to making an informed decision for the entrance or otherwise in the next exploration by end of December 2021.

In São Tomé, the much-awaited Jaca 1 well, the first deepwater well drilled in the EEZ of São Tomé, was spudded and concluded in Q3, 2022. The well was a technical success confirming the presence of an active petroleum system and further de-risking the region.

In 2023, both Block 5 and Block 12 joint ventures progressed their seismic reprocessing projects, aiming to high-grade the identified prospects and leads in Block 5 with updated regional data from Kosmos' Equatorial Guinea assets (1,800 km²). On Block 12, Galp, the operator on Block 6 which drilled the Jaca 1 well, is updating its subsurface understanding across the blocks in which it holds a participating interest, including Block 12.

The joint venture partner received approval to extend the exploration phase for both Blocks 5 and 12 through to May 2025 and August 2025 respectively.

In 2023, The Company incurred capital expenditure of \$1.24 million at EEZ block 5 and 12 compared to an expenditure of \$0.19 million in 2022.

Social Projects and Training

As part of its social projects obligation to infrastructure improvements in São Tomé and Príncipe, Oando has, to date, donated nineteen (19) 30-seater buses for student transportation, three (3) state-of-the-art ambulances to augment medical facilities, and contributed its share to multi-location construction projects. These include two (2) projects to add new classrooms to existing schools in Neves and São Marçal, as well as two (2) projects to build new secondary schools in Monte Café and Santana.

The school in Monte Café was inaugurated in July 2020, while the schools in Neves and Santana were formally inaugurated in

Business Review

Oando Energy Resources - Asset Profiles

October 2020. All three schools are now being utilized by the Ministry of Education, completing the Phase I CSR obligation for Block 5.

Furthermore, funds were allocated to social project training as part of the contingency plan for the COVID-19 pandemic in São Tomé, efforts to support São Tomé, scholarships covering tuition fees at Universidade Lusíada de São Tomé e Príncipe/Fundação Atena, and the training of Saotomean citizens.

The construction projects came to an official close with all outstanding close out activities delivered in 2022.

In 2023, Block 5 partners approved additional funds under the Social Projects to implement the Library B Program to deliver the much-needed books and computing equipment for the school libraries and make final payments on the guarantees held by the construction companies that built the schools in Monte Café, Neves, and Santana.

The Block 12 joint venture partners are considering providing additional support through social projects funding for the library project as well as funding the outstanding budgets required to complete the construction of new schools in São Tomé.

Post Period Activities

OML 131 expires in 2025. The Petroleum Industry Act (PIA 2021) which was passed in August 2021 is still a major consideration for the industry in Nigeria. The interpretation and consequent implementation of the provisions of the Act is still unfolding. The OML 131 PSC and Lease renewal processes commenced in Q1 2024 as per the stipulated requirements under the PIA.

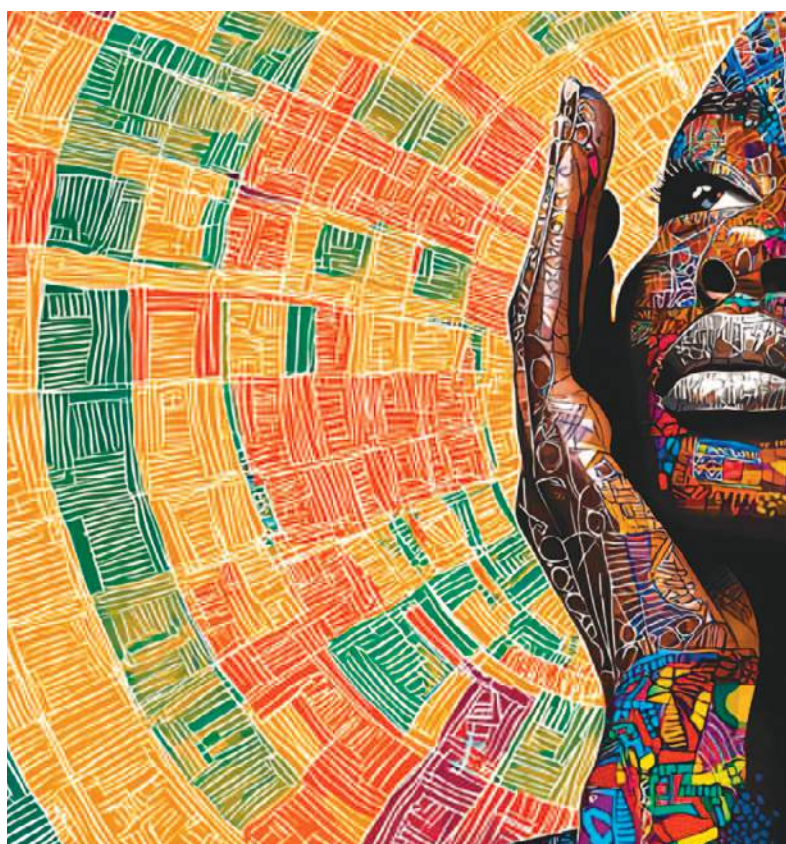
The OML 145 Co-Venture partners continue to engage with the regulators on closing out on the PSC stabilization agreement with NNPC.

Both Block 5 and 12 joint ventures have concluded the seismic reprocessing projects and currently interpreting the reprocessed data with the aim to improve the geological view on the block and deliver drill ready prospects in 2024. Both Block 5 and 12 have received further approval to extend the exploration phase through to May and August 2025 respectively.

OML 90 (AKEPO)

Overview

Akepo Marginal Field License (40% OER WI and technical partner; Sogenal, operator, 60% WI) was carved from OML 90 and located in shallow waters (<20m) of the western Niger Delta. The License covers an area of 26 km² (6,425 acres). The License includes one undeveloped field (Akepo) and two prospects (A and B, collectively referred to as Akepo North).



OML 122

OML 122 (12.5% gas OER WI and 5.0% oil OER WI; Peak, an indigenous company, 87.5% gas WI and 95.0% oil WI) is located in the offshore Niger Delta, 40 km from the coastline of southern Nigeria, at a water depth of between 40 m to 300 m. The License covers an area of 1,599 km² (395,122 acres). The License includes three discoveries (Bilabri, Orobiri and Owanare). There has been no production from OML 122 to date.

In September 2007, Equator agreed terms with Peak by entering into the Bilabri Settlement Agreement ('BSA') for Peak to take responsibility for operations and to fund the remainder of the Bilabri oil development. Peak also assumed the existing and future project liabilities and an obligation to make an upfront payment to Equator. In return, Equator's interest in Bilabri and Owanare was reduced to a carried interest of 5% in the oil project and a paying interest of 12.5% in any gas development.

Peak did not meet any of its obligations under the BSA. Equator therefore served a notice of arbitration on Peak in the London Court of International Arbitration (LCIA). Peak responded by obtaining an order from the Federal High Court in Lagos restraining the continuation of the Arbitration Proceedings being held at LCIA. Equator nevertheless, continued with the proceedings, and on the 27 May 2008, the tribunal awarded the total sum of US\$ 123 million plus interest to Equator.



Following continuous legal actions, In February 2012, a liquidator was appointed to take custody and control of the assets of Peak. Peak responded with a series of appeals and applications, many of which were struck out by the courts.

In 2014, Equator agreed to work with the Peak shareholders in developing an opportunity to again settle. In September 2014, Equator and the Peak shareholders signed an agreement that outlined the terms of the new settlement.

The Settlement agreement required Peak to acknowledge and pay Equator the sum of \$52.24m to settle agreed debts owed solely to Equator. Peak was also required to honour Equator's other rights under the BSA, namely a carried interest of 5% in the oil project and a paying interest of 12.5% in any gas development.

Peak and Equator signed the Settlement Agreement in May 2015 and all court actions were suspended. The agreement granted Peak a period of 6 months to source the funding required to pay its outstanding project debts and to finance the development of the field. The agreement provided a further 3 month period for Peak to make payment into an escrow account of the outstanding renegotiated debt to Equator.

As at the date of this report, Peak has failed to secure funding. In 2017, Equator returned to the Appeal Court seeking for the remaining appeals to be struck out so that the liquidation can continue. The Appeal Court has remained adjourned while Equator has monitored various initiatives for refinancing the project.

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Through resilience and persistence, Oando navigates complex challenges, safeguarding its rights and investments to drive value creation and innovation in Africa's energy landscape.

We are Africa, We Are Oando



OPL 321 AND OPL 323

Overview

OPL 321 and OPL 323 (24.5% OER WI; operator KNOC) are located adjacent to OML 125, offshore from the Nigerian coast, at a water depth of 950 m to 2,000 m. The Licenses cover a combined area of 2,147 km² (530,535 acres). The Licenses have been the subject of a dispute between the operator, KNOC, and the Nigerian Government. The License includes five sizeable prospects (Gorilla, Lobster, Octopus and Whale (OPL 323) and Elephant (OPL 321)).

On 3 March 2017, the Supreme Court reached a judgment on the litigation initiated by KNOC in March 2009 to challenge the government's decision to void the awards of the blocks made in 2006.

It affirmed the decision of the Court of Appeal, ruling that the action taken by the President in 2009 to void the award of the Blocks was within his executive powers. The remedy for KNOC was therefore a suit for breach of contract and damages and not a writ of certiorari. The Supreme Court did not rule on the merits of KNOC's case. KNOC could have chosen to return to the High Court with a contractual lawsuit, but it has become clear that they have decided to withdraw from the blocks, seeking a refund of their partial payment of the signature bonuses of US\$ 92.3 million.

The Department of Petroleum Resources (DPR) re-offered the blocks to the ONGC Consortium. Equator tried to reach agreement with the other remaining claimants in order to present the government with a joint solution. However, Owel, NJ

Exploration and Tulip continued to press government with their individual claims.

Faced with this, Equator has decided to concentrate on its claim to at least 30% of the blocks and is vigorously pursuing it.

In 2019, the Federal Ministry of Petroleum Resources issued a directive to the DPR on the award of OPLs 321 and 323 to Equator Exploration Limited, Owel Petroleum Services Limited, Tulip Energy Limited for OPL 321 and NJ Exploration Limited for OPL 323.

The Consortium confirmed its continued interest in the Blocks, acceptance to submit a Financial and Technical Partner with the requisite deep-water capability and experience to be the operator of the Blocks and its commitment for the DPR to conduct Due Diligence on the preferred Technical and Financial Partner.

Upon a successful completion of the due diligence exercise on the technical and financial competence of the potential Operator, the consortium would engage with the Ministry of Petroleum Resources on the commercial terms of the award.

The Consortium is yet to conclude negotiations with the Ministry of Petroleum Resources on the fiscal and commercial terms of the award.

The Company has maintained that it is entitled to at least a 30% participating interest in the two blocks, despite the return of its share of the signature bonuses, totaling US\$ 161.7 million, in October 2009. At the time, the government acknowledged receipt of the Company's letter stating this position.

OPL 236

Oando Exploration and Production Limited (OEPL) was awarded this block in May 2007 and the PSC was signed with NNPC in February 2008. This conferred OEPL with a 95% working interest and operatorship of the block. RFO Ventures is the local content vehicle (LCV) with a 5% participatory interest. The block is located onshore Akwa Ibom State with a total acreage of 1,650 km². A Global Memorandum of Understanding (GMOU) was signed with the Ukana community in August 2008. The GMOU is centred around promoting peace and security in the region by engaging the local communities.

OPL 236 is currently in the exploration stage. In 2010, 2D seismic data for OPL 236 was purchased and digitized.

OPL 278

In January 2006, OEPL acquired a 60% working interest in OPL 278. OPL 278 is operated by OEPL under a joint operating agreement ("JOA") made between OEPL, CAMAC, Allied Energy and First Axis. OPL 278 is located offshore of Rivers State in a transition zone (swamp to shallow marine) on an area of 91.9 km². Three prospects have been identified in OPL 278, which are key, Prospect A and Prospect B.

OPL 282

On August 8, 2006, Oando Plc entered the OPL 282 Production Sharing Contract (PSC) through a 40% equity ownership in Alliance Oil Producing Nigeria Limited ("AOPN") which is the LCV partner in the OPL 282 PSC between NNPC and Nigerian Agip Oil Company Limited ("NAOC") and AOPN. The PSC Contractor group is/was made up of NAOC with a 90% interest and designated Operator and AOPN at 10%.

Following the acquisition of NAOC in September 2024, Oando acquired NAOC's 90% interest effectively holding 94% of the Contractor interest, and is the designated Operator of the PSC. OPL 282 is located in a transition zone (onshore to shallow marine) in Bayelsa State, on an area of 695 km², a distance of 15km from the Oando JV Clough Creek flow station.

An exploratory drilling campaign in the block was kicked off with the Tinpa 1 well, which spudded in Q4, 2011. Tinpa 1 was successfully drilled to a TD of 3700 MD, and it encountered oil and associated gas in three sands, which were successfully tested and completed. Tinpa 2 was drilled in Q2, 2013 but did not encounter hydrocarbon bearing sands. The well was subsequently plugged and abandoned.



From fostering local partnerships to advancing explorations, we are committed to creating value while promoting peace and security in our host communities.

We are Africa, We Are Oando



Overview

Oando Trading DMCC (OTD), a wholly owned subsidiary of **Oando PLC**, stands as a key player in the oil and gas industry across West Africa. As a critical part of one of Africa's largest integrated energy providers, OTD is deeply involved in the supply and trading of crude oil and refined petroleum products, including Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), Aviation Turbine Kerosene (ATK), Naphtha, Low Pour Fuel Oil (LPFO), and Liquefied Petroleum Gas (LPG). Leveraging its substantial capital base, international partnerships, and local expertise, OTD remains committed to enhancing market performance and positioning itself as a leader in the region's energy sector.

2023 Operating and Financial Highlights

2023 was dominated by notable changes in the global oil markets, including fluctuating oil prices, which saw Brent crude price hit a low of \$71.705/bbl in March and surging to \$97.915/bbl in September 2023 primarily due to supply chain disruptions. The concerns eased towards the end of the year which led to more normalised conditions and a more favorable trading environment.

OTD's operating environment was undoubtedly affected by these conditions, which, in the near term, led to reduced trading margins across certain divisions. Despite the challenging and volatile year for the global economy and for commodity markets, OTD enjoyed another good year, with considerable growth achieved in its crude oil trading division while continuing its expansion to new markets.

Key Performance Metrics:

- **Crude Oil Trading:** Traded volumes grew by 50% over the previous year, reflecting OTD's strengthened market position supported by the company's successful participation in crude oil pre-financing structures.
- **Refined Petroleum Products:** A market shift in the supply framework, heavily reliant on balance sheet financing, forced a decline in refined products' trading volumes of 14% year-on-year.
- **Turnover:** Turnover remained stable year-on-year at USD 4.3 billion. The revenue impact of a 24% net Increase in traded volumes was offset by a comparable decline in oil prices during the period.
- **Net Profit:** OTD recorded a net profit of USD 8.9 million, down from USD 12.4 million in 2022.

These results highlight OTD's ability to adapt to the global economic landscape while capturing value across its operations.

Strategic Initiatives and Key Developments

In 2023, OTD executed several strategic initiatives aimed at sustaining growth, enhancing resilience, and capturing value across the supply chain:

1. Expansion of Refined Product Imports

OTD implemented a strategic framework to increase its market share in Nigeria's refined product imports. The goal was to achieve a 10% increase in market growth within the sector, enhancing OTD's ability to meet domestic demand.

2. Strengthening Partnerships with Oil Majors and Local Companies

Deepening relationships with both international oil majors and local entities in Nigeria, OTD worked to increase traded volumes and deliver value across the supply chain. This effort is expected to bring long-term benefits, supporting OTD's sustainable growth goals.

3. Joint Ventures and Strategic Partnerships in West Africa

OTD expanded its joint venture partnerships with both private and state-owned entities across West Africa. Leveraging its deep market expertise, these partnerships focused on feedstock supply and infrastructure investments, supporting OTD's integrated approach and unlocking value through greater supply chain involvement.

4. Crude Pre-Financing Structures

To optimize trading activities amid market volatility, OTD leveraged its regional expertise and finance relationships to implement crude pre-financing structures. These structures enabled OTD to boost crude oil volumes and capture additional value from the market.

2024 Outlook

OTD is optimistic about 2024, as the company continues to position itself to meet rising demand across its markets. Several strategic initiatives, launched in 2023, will enter advanced stages, including enhanced regional partnerships, increased import capabilities, and deeper market penetration.

Key focus areas for 2024 include:

- Increasing the scope of OTD's trading portfolio to support evolving market needs and capitalize on growth opportunities across Africa.
- Expanding partnerships and market reach in Nigeria to capture additional value from infrastructure and supply chain investments.
- Maintaining resilience by adapting to external challenges and leveraging OTD's experience to navigate market uncertainties.
- Further develop the financial capacity to participate in oil-backed prepayment facilities across the continent.

With a strategic focus on innovation, efficiency, and sustainability, OTD is well-positioned to achieve continued growth and reinforce its role as a leading energy solutions provider in the African market.

Conclusion

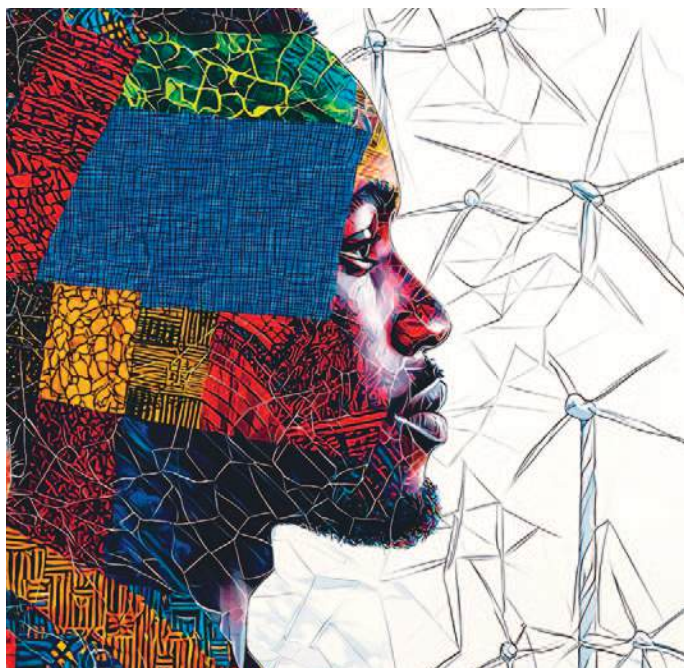
Oando Trading DMCC's performance in 2023 demonstrates its commitment to resilient growth, strategic partnerships, and sustainable operations. Through its ongoing initiatives and market-driven approach, OTD is poised to enhance its contribution to Oando PLC and the African energy landscape in 2024 and beyond.



From expanding market share in Nigeria to forging transformative West African partnerships, Oando Trading DMCC is powering growth and unlocking value across the supply chain.

We are Africa, We Are Oando

Business Review - Oando Clean Energy (OCEL)



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From solar to electric buses, Oando Clean Energy is driving Nigeria's green revolution, aligning innovation with the nation's climate goals.

We are Africa, We Are Oando

GLOBAL GREEN ENERGY SPACE

The global green energy sector continues to experience rapid growth, driven by accelerating investments, technological advancements, and strong policy support for sustainability. Governments worldwide are increasingly prioritizing clean energy to meet ambitious carbon reduction goals, spurred by international climate agreements and mounting pressure from environmental organizations.

In alignment with Nigeria's Nationally Determined Contributions (NDC's), Oando Clean Energy Limited (OCEL), continues to be active in implementing projects at various stages aimed at reducing greenhouse gas emissions, particularly within the transport sector. These projects encompass a range of initiatives, including solar, wind, solid waste management, abattoir waste recycling, geothermal energy, and efforts to curb emissions from the transport sector, reflecting OCEL's commitment to sustainable development and climate action.

PROJECT PROFILES

Sustainable Transport

Overview

The OCEL sustainable transport vertical, comprising of mass transport and taxi hailing projects, is OCEL's initiative to decarbonize Nigeria's transportation sector with electric vehicles (EVs), particularly focusing on electric buses and taxis. Having successfully completed a 90-day Proof of Concept (PoC) within the Lagos Metropolitan Area, OCEL is expanding the fleet with an additional 50 buses as committed to in our Memorandum of Understanding (MoU) with the Lagos State Government through the Lagos Metropolitan Area Transport Authority (LAMATA). The PoC tested the technical, operational, environmental and commercial viability of the use of EVs for public transportation and consequently pioneered the use of high-capacity electric passenger buses for mass transportation in Sub-Saharan Africa.

Concurrently, OCEL progressed with the incubation of a taxi hailing project, signing an MoU with key technology execution partners in championing the use of EV taxis in Nigeria. These projects align with OCEL's broader strategy to promote clean energy and reduce carbon emissions in the transport sector, while simultaneously driving the adoption of e-mobility infrastructure solutions across Nigeria and Sub-Saharan Africa.

Operational Activities

Key operational activities for the sustainable transport projects have progressed rapidly, with several significant milestones. The operational activities of the electric buses delivered impressive results with a total distance of 66,867km covered by the fleet as at the end of 2023. Over the course of 3,520 operating hours, the buses have successfully regenerated 28,447MWh of energy, contributing to improved energy efficiency. Total ridership stood at 127,219 rides, reflecting good demand for eco-friendly transportation options. In terms of environmental impact, the project averted 90,270kg of carbon emissions, underscoring its significant contribution to reducing the region's carbon footprint. Additionally, the use of electric buses saved approximately 33,433 liters of diesel, further

enhancing the project's sustainability and demonstrating the feasibility of large-scale adoption of electric mobility in the public transport sector.

Waste-to-Value

Overview

OCEL continued to mature the projects in its Waste-to-Value vertical, specifically the PET (polyethylene terephthalate) bottle recycling, abattoir and other municipal waste to value projects. The aim is to build a 10,000 tonnes per month PET recycling plant commencing with 2,750 tonnes in the first phase and a 10-tonne per day abattoir waste processing facility, both of which are crucial steps toward reducing environmental impact while generating valuable products from waste and contributing significantly to waste management solutions in Nigeria. The project aligns with national and global efforts to reduce waste and carbon footprints. The completion of the UK Dept of Energy Security and Net Zero Climate Finance Accelerator Program (CFA) program has provided access to potential investors, enabling OCEL to engage in funding discussions with key financial institutions in the sector.

Geothermal

Overview

The Geothermal project aims at deploying geothermal plants by repurposing end-of-life oil wells within the OERNL JV, leveraging existing oil and gas infrastructure to tap into this source of renewable energy. This project provides a sustainable solution for energy generation while reducing environmental impact. OCEL secured alignment with NNPC E&P Limited (NEPL), a critical step in executing the co-development MoU with NNPC-RTI. Additionally, a preliminary desktop assessment was conducted to assess the feasibility and potential of the project, laying the groundwork for further technical and operational evaluations.

Wind

Overview

OCEL continued to develop its wind energy vertical with sustained focus on the deployment of onshore wind turbines to harness clean, renewable energy from wind resources. With a focus on large-scale wind power generation, the project aims to install wind turbines at key regions in Nigeria, contributing to the country's transition to a low-carbon energy mix. Phase 1A desktop studies for the wind profile study were completed, providing a solid foundation for the next steps which will include wind speed measurement in select States in the Niger Delta area.

Solar (Solis)

Overview

In the same vein, recognising the shift of the Nigeria energy mix toward solar energy, OCEL continued to mature its 1.5GW Solar Assembly Plant project and has engaged several leading solar original equipment manufacturers (OEMs) to bring this vision to life, aiming to support Nigeria and the broader Sub-Saharan market's expanding need for renewable energy solutions. Through these multi-faceted initiatives, OCEL is reinforcing its role in fostering energy resilience and sustainability across Africa. By localizing the manufacturing of solar panels, the project seeks to reduce costs, enhance supply chain efficiency, and promote energy independence. The plant will play a critical role in the regional solar energy ecosystem, providing high-

quality, locally assembled solar panels to support a wide range of solar initiatives, from residential installations to large-scale solar farms. The project is designed to boost renewable energy adoption, create jobs, and contribute to Nigeria's energy transition while addressing power access challenges in underserved areas.

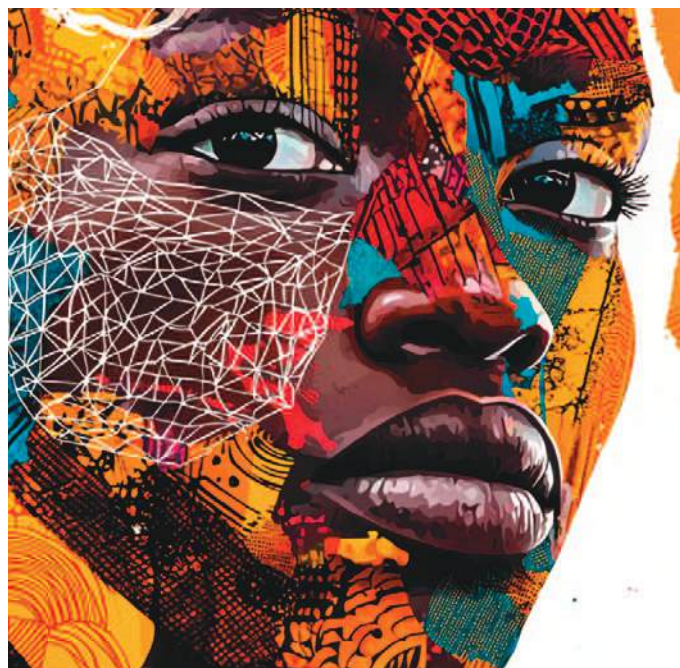
STRATEGIC OUTLOOK

OCEL's strategic outlook focuses on driving innovation, growth, liquidity, and stability to solidify its position in the green energy sector. The company will leverage big data technology to demonstrate the social impact and value of its projects, while strengthening partnerships with foreign technical collaborators to provide tailored, localized solutions. Growth initiatives include expanding our Sustainable Transport Projects into new states across Nigeria, maturing projects in various business segments, and exploring Sub-Saharan market entry for some of our more advanced projects. Strategic partnerships with state governments will be pursued such that OCEL can work closely with the states to achieve their net-zero commitment. To ensure liquidity, OCEL will prioritize swift project roll-outs for guaranteed cash inflows, secure medium- to long-term off-take agreements, and explore alternative funding sources for pre-operational costs, while utilizing technology for cost efficiencies and maintaining a lean workforce. Stability will be bolstered through securing external funding for working capital and project delivery, and successfully transitioning projects from conceptual and feasibility stages to execution.

CONCLUSION

In conclusion, OCEL's strategic outlook is centered on innovation, sustainable growth, financial liquidity, and operational stability, all aimed at reinforcing its leadership in the green energy sector. By leveraging technology, expanding partnerships, and exploring new markets, the company is poised to deliver impactful, tailored solutions while ensuring strong financial performance and long-term success in a rapidly evolving energy landscape.

Oando Mining and Infrastructure Development (Oando Mining)



From bitumen exploration to lithium development, Oando Mining is unlocking Nigeria's mineral wealth, driving energy transition, and building strong community partnerships.

We are Africa, We Are Oando

Overview

In 2023, **Oando Mining and Infrastructure Development (Oando Mining)** sustained strong momentum in its bitumen and lithium ventures, transitioning from initial studies into advanced resource evaluation and feasibility analyses. Noteworthy achievements included the first-phase drilling completion at the Ososa Project and the acquisition of additional licenses, broadening Oando's asset portfolio across bitumen and lithium resources.

Key Acquisitions and Licenses

- **Bitumen License:** Block A15 was provisionally awarded, with the signature bonus fully paid to secure ownership.
- **Lithium License:** An exploration license was awarded in Kwara State, with further applications submitted for promising lithium sites.

Operational Activities

Pre-FEED Development and Drilling Program in Ogun State

- **Drilling Operations:** At the Ososa Project, located within Block A of Nigeria's bitumen belt, the team completed drilling of 15 core boreholes (over 2,000 cumulative metres), which revealed substantial bitumen volumes.
- **Community Engagement:** Compensation agreements were negotiated with affected landowners, ensuring smooth progression of operations.
- **Geophysical Logging:** Advanced geophysical tools logged all 15 wells, with initial analyses indicating bitumen-rich zones.

Export Feasibility Study

An export feasibility study was conducted, confirming the potential to export 1,000,000 metric tons of bitumen annually. This strategic plan aims to split production between local supply and export markets, positioning Nigeria as a key bitumen supplier in West Africa.

Lithium Exploration and Evaluation

Initial field evaluations began in Ifelodun, Kwara State, with plans underway to conduct detailed data reviews, field mapping, and material testing. Further field evaluations on additional licenses are scheduled for 2024.

Financial Highlights

In 2023, Oando Mining allocated resources to advance its mining and exploration strategy, with primary investments directed toward license acquisitions, followed by comprehensive exploration and drilling efforts.

To secure provisional awards for bitumen and lithium licenses, Oando invested N250 million, securing mineral rights and enabling further activities. Following acquisition, the company intensified exploration and drilling activities, with geophysical logging and core storage of 15 wells in Ogun State incurring an expenditure of N950 million. An additional N32.2 million was spent on geological mapping and mineral analysis for lithium prospects in Kwara State.

Community engagement remained a priority, reflected in resources allocated to lithium license applications and community approvals, alongside N10.5 million spent on community engagement initiatives across bitumen sites. Crop compensation payments in Ogun State further added N16.7 million to ensure continued community support.

Technical consultancy services reached N76.8 million, covering Pre-FEED development, technical planning, and advisory services to support the comprehensive drilling program. License-related fees for statutory maintenance totaled N51.3 million, ensuring ongoing compliance with exploration regulations. Additionally, environmental and social impact assessments (ESIA) were conducted at a cost of N16.7 million (to date), demonstrating Oando's commitment to regulatory standards and sustainable mining practices.

These targeted financial investments validates our approach to resource development, community partnerships, and regulatory compliance in Nigeria's mining sector.

Technical consultancy and professional services amounted to N63.6 million, supporting Pre-FEED development, geological studies, and technical planning. Additionally, feasibility studies accounted for N29 million, which focused on assessing the export potential for Nigeria's bitumen resources.

These targeted investments underscore Oando Mining's commitment to long-term project success and its dedication to building strong community and stakeholder partnerships.

Strategic Outlook for 2024

Looking ahead, Oando Mining aims to initiate pre-FEED development for bitumen in Ondo State, accompanied by further resource drilling to validate identified reserves. In Ogun State, additional bitumen licenses will undergo field evaluations.

Lithium exploration efforts will continue, with expanded field evaluations and exploratory test work. The company is also in negotiations to acquire gold exploration licenses, with plans to begin field mapping and community engagement in a bid to diversify our portfolio thus reinforcing our role in Nigeria's mining sector.

Conclusion

The progress achieved in 2023 reflects our focus on sustainable mining practices and resource development. With a series of greenfield projects and methodical exploratory activities, Oando Mining is poised to capitalize on Nigeria's mineral wealth. This aligns with the company's objective to deliver long-term shareholder value and contribute meaningfully to Nigeria's mining industry growth and development.

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With strategic investments and a vision for sustainable growth, Oando Mining is paving the way for Nigeria to emerge as a global resource leader. We are Africa, We Are Oando.

We are Africa, We Are Oando







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With accountability, fairness, and transparency at our core, we build a foundation for sustainable growth and shared value.

We are Africa, We Are Oando

Report on Corporate Governance

Business Review

The Company is required by CAMA to set out in the Annual Report, a fair review of the business of the Group during the financial year ended December 31 2023, the position of the Group at the end of the year and a description of the principal risks and uncertainties facing the Group (the Business Review). The information that fulfils these requirements can be found within the Chairman's Report and the Group Chief Executive's Report.

Corporate Governance Report

At Oando, we are dedicated to upholding the highest standards of corporate governance. Our practices support inclusive growth and are essential to maintaining robust governance, which is critical to our long-term success and sustainability.

The Board of Directors offers strategic oversight and leadership, aiming to enhance shareholder value while balancing the interests of our diverse stakeholders. Our governance framework is crafted to foster accountability, fairness, and transparency across the Company.

This corporate governance report outlines Oando's key governance policies, the roles and responsibilities of our Board and its committees, as well as our approach to risk management and internal controls. We believe that strong corporate governance underpins our ability to create long-term value for our shareholders and contribute to the overall development of the Nigerian society.

PILLAR 1

Sustainable leadership - Board of Directors

At Oando, we believe in sustainable leadership that inspires and supports action towards a better world, driven by vision, courage, resilience, integrity, innovation and empathy.

Oando's Board of Directors provides entrepreneurial and strategic leadership, oversees the management of Oando's business operations and promotes an ethical culture and responsible corporate citizenship. The Board also exercises its powers and discharges its duties, in good faith and in the best interest of the Company, to ensure the interests of stakeholders are served, while sustaining the prosperity of the Company. While embracing opportunities, the Board manages risks prudently, ensuring that the organisation's risk appetite aligns with sustainable growth.

The Board is also committed to ethical leadership, demonstrated through its approved code of conduct, whistleblowing policies, and established ethics training programs. This defines the highest standards of ethics committed to by the Board and stakeholders of Oando.

Oando's Board of Directors are drawn from different facets of the society, and are successful individuals in their various professional fields, bringing a diverse wealth of competence, knowledge, and experience to the Company, thereby dispelling group think.

The Board met regularly during the year to discuss, review, and deliberate on reports on the business and strategic plans for the Group.

Corporate Governance Structure

The Board of Directors of the Company is responsible for setting the strategic direction for the Company and overseeing its business affairs. The Board develops and implements sustainability policies, which reflect the Company's responsibility to all its stakeholders. The affairs of the Board are tailored to the requirements of relevant corporate governance principles and international best practice.

The Company is dedicated to the protection and promotion of shareholder interests. The Company recognises the importance of the adoption of superior management principles and its resulting valuable contribution to sustainable business prosperity and overall accountability to its shareholders. Our policies also reflect our duty to our stakeholders, ranging from our shareholders to our employees, customers, suppliers,

regulators, and the communities we serve. We act responsibly and in our stakeholders' best interests.

The Company observes the highest standards of transparency, accountability and good corporate governance in its operations by complying with the requirements of Nigerian and international corporate governance regulations, particularly, the Companies and Allies Matters Act, 2020, the Securities and Exchange Commission's Corporate Governance Guidelines and the Nigerian Code of Corporate Governance 2018.

Board of Directors as at 31st December 2023

HRM Oba Michael Adedotun Gbadebo, CFR
The Alake of Egbaland
Chairman, Non-Executive Director

Mr Jubril Adewale Tinubu, CON
Group Chief Executive

Mr Omamofe Boyo
Deputy Group Chief Executive

Mr Adeola Ogunsemi
Group Chief Financial Officer

Dr. Ainojie Alex Irune
Group Executive Director/COO, OER

Mr. Tanimu Yakubu
Non-Executive Director

Mr. Ike Osakwe
Independent Non-Executive Director

Mr. Ademola Akinrele, SAN
Non-Executive Director

Mrs. Fatima Nana Mede, OON
Independent Non-Executive Director

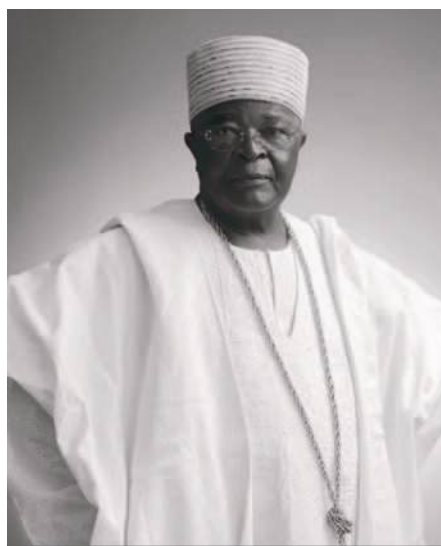
Mrs. Ronke Sokefun
Independent Non-Executive Director

Ms. Ayotola Jagun
Chief Compliance Officer and Company Secretary

Oando PLC Board of Directors

PILLAR 1 - continued

Non-Executive Chairman



HRM Oba Michael Adedotun Gbadebo, CFR

Chairman, Independent Non-Executive Director

(The Alake of Egbaland)

HRM Oba Michael Adedotun Gbadebo, CFR, is the Alake (King) of Egbaland, Ogun State, Nigeria and Chairman of the Board.

He was appointed as a Non-Executive Director of the Company on April 10, 2006. Prior to his coronation as the Alake of Egbaland in 2005, HRM Gbadebo had a successful career in the Nigerian Army culminating in his appointment as the Principal Staff Officer to the Chief of Staff, Supreme Headquarters from January 1984 to September 1985. He was also awarded military honours such as the Forces Service Star and the Defence Service Medal. He has served on the boards of several companies including Ocean and Oil Services Limited and currently serves on the boards of Global Haulage Resources Limited and Dolphin Travels Limited.

HRM Oba Gbadebo obtained a Bachelor of Arts degree from the University of Ibadan, Nigeria in 1969 and he graduated from the Staff College of the Nigerian Armed Forces in 1979.

Executive Directors



Mr Jubril Adewale Tinubu, CON

Executive Director

Mr. Jubril Adewale Tinubu is the Group Chief Executive of Oando PLC and an Executive Director on the Board.

He has been responsible for leading the successful transformation of Oando as a leading indigenous integrated energy solutions group. Widely recognised as a leading business executive and entrepreneur in Africa. Mr. Tinubu has at different times, received several accolades including, the award for Africa's Business Leader of the Year from African Business Magazine, Africa Investor and the Commonwealth Business Council for his contributions to the development of the African oil and gas industry.

Mr Tinubu obtained a Bachelor of Laws degree from the University of Liverpool, United Kingdom in 1988 and a Master of Laws degree from the London School of Economics and Political Science, United Kingdom in 1989 where he specialised in International Finance and Shipping. He is a member of the Institute of Directors, Nigeria and the Nigerian Bar Association and he serves on the boards of various blue-chip companies as Chairman and Director.



Mr Omamofe Boyo

Executive Director

Mr. Omamofe Boyo is the Deputy Group Chief Executive of Oando PLC and an Executive Director on the Board.

Prior to his appointment as Deputy Group Chief Executive in 2006, Mr Boyo held a number of senior positions at Oando PLC including Executive Director, Marketing from 2000 to 2002 and Deputy Managing Director/Chief Operating Officer from 2002 to 2006. He was also the Chief Executive Officer of Oando Supply and Trading where he spearheaded initiatives for the representation of the industry's position on the proposed changes to the trade union laws. He started his career with the leading law firm of Chief Rotimi Williams' Chambers specialising in shipping and oil services and has worked on several joint venture transactions between the Nigerian National Petroleum Corporation and major international oil companies.

Mr. Boyo obtained a Bachelor of Laws degree from Kings College, London, United Kingdom in 1989. He is a member of the Institute of Directors of Nigeria and a member of the Nigerian Bar Association. He currently serves on the boards of several companies.

Oando PLC Board of Directors

PILLAR 1 - continued

Executive Directors



Mr Adeola Ogunsemi

Executive Director

Mr Adeola Ogunsemi is the current Chief Financial Officer of Oando PLC and an Executive Director on the Board.

Mr Ogunsemi joined Oando in March 2009 as the Financial Controller of Oando Exploration & Production Limited and on January 01, 2012, was promoted as the Chief Financial Officer of Oando Energy Resources. He was appointed as an Executive Director and Group Chief Financial Officer on February 18, 2022.

Prior to this, Mr. Ogunsemi worked in BP America for 5 years where he rose to become Assistant Controller. He has extensive experience in fundraising, mergers, acquisitions and divestments, joint venture management, financial reporting, process improvement, internal control evaluation and design, as well as financial management. Prior to joining BP America, he worked for Northern Illinois Gas in Chicago, USA, for four years, where he rose to become Head, Disbursement. In addition, he was previously employed by the Chicagoland Chamber of Commerce and Midas International in Illinois, USA occupying accounting and treasury roles.

Mr Ogunsemi obtained a Master of Business Administration (MBA) in Finance and Strategic Management from the University of Chicago Booth School of Business in 2003 and a Bachelor of Science in Accounting and Finance from DePaul University in Chicago in 2000. He has been a member of the American Institute of Certified Public Accountants for 22 years and has been an Associate Chartered Accountant in Nigeria for over 15 years.



Dr. Ainojie Alex Irune

Executive Director

Dr. Ainojie 'Alex' Irune has over 15 years' experience garnered in both the oil and gas and automotive industries. He joined Oando PLC in 2011 and is currently an Executive Director on the Board as well as the Chief Operating Officer, Oando Energy Resources (OER); Africa's leading exploration and production company and the Upstream subsidiary of Oando PLC. Prior to his current role, Dr. Irune occupied senior management positions across the Oando Group where he led a range of transformational change programs; notable amongst these, spearheading strategic initiatives aimed at restructuring the business and reducing the Group's debt obligations, including partial business divestments to Vitol and Helios Investment Partners that generated inflows of over US\$330 million as well as implementation of the global communications strategy for Oando's \$1.5bn acquisition of ConocoPhillips Nigeria upstream assets.

Dr. Irune began his career as a research consultant in the United Kingdom, driving innovation and studies focused on human computer interaction with automobile companies such as Jaguar Land Rover, Nissan and Honda.

He earned a Bachelor of Science degree and a PHD in computer science from the University of Nottingham. He is also a member of the Institute of Directors and an advocate for a more just and equitable society with strong focus on youth development and empowerment.

Non-Executive Directors



Mr. Tanimu Yakubu

Non-Executive Director

Tanimu Yakubu has held key positions in both the private and public sectors in Nigeria, the most notable being as Chief Economic Adviser to the President, Commander in Chief of the Federal Republic of Nigeria, during which he also served as a member of the National Economic Management team from 2007 – 2010. He was also appointed as the Deputy Chief of Staff to the then President, Umaru Yar-Adua in 2007. His other notable public service appointment was as the Honourable Commissioner, Ministry of Finance, Budget and Economic Planning, Katsina State from 1999 to 2002. He was Managing Director/Chief Executive Officer of the Federal Mortgage Bank from 2003 - 2007. He currently serves on the boards of The Infrastructure Bank Plc and APT Pension Funds Managers Limited.

Tanimu Yakubu holds a first degree in Economics and an MBA in Finance from Wagner College Staten Island, New York, USA. He also obtained certificates in Commercial Loans to Business and Commercial Lending and Bank Management, from Omega, USA; Marketing Research from the University of Ibadan; and Housing and Infrastructure Finance from the World Bank, Fannie Mae & Wharton School of the University of Pennsylvania, USA.

PILLAR 1 - continued

**Mr. Ike Osakwe****Independent Non-Executive Director**

Ike Osakwe is a Chartered Accountant and practicing Management Consultant. He holds bachelor's and master's degrees in chemistry from the University of Oxford and is an associate member of the Institutes of Chartered Accountants both for Nigeria, and for England and Wales. Initially trained for four years at KPMG Audit in London, he returned to Nigeria in 1980 and established a firm which specializes in financial management advisory for commerce, industry, governments and NGOs. In 2018, he retired and sold this firm to an American Corporation, on whose US Board he now sits.

Mr. Osakwe has over 40 years' experience in financial, strategic and corporate planning, as well as organisational and financial management systems development, both in Nigeria and internationally. He has brought his vast experience in the dynamics of most major industrial sectors to bear in his work on corporate governance.

He has held several board appointments and currently serves on the boards of Notore Chemical Industries Plc., Proton Energy Ltd., and DAI Global LLC (a US-based global development aid corporation). He is a Member of the Governing Board of the Federal Inland Revenue Service (FIRS). In this non-executive (part-time) role, he chaired the FIRS Board committee for Revenue and Finance.

He previously served on the boards of Leadway Pensure PFA, Red Star Express Nigeria Ltd (the Nigerian FedEx operator); and chaired the boards of Thomas Wyatt Nig. Plc. and UBA Trustees Ltd.

**Mr. Ademola Akinrele, SAN****Non-Executive Director**

Mr. Ademola Akinrele is the Managing Partner, F. O. Akinrele & Co., Mr. Akinrele is a commercial advocate who traverses all aspects of Commercial Law and represents a variety of national and multinational entities before Nigerian Courts and international arbitral tribunals. He was described in the Chamber Global directory for international lawyers as a "cerebral and focused" Senior Advocate of Nigeria (SAN) with vast experience in litigation. A "forceful and persuasive" advocate, who has built up a reputation in aviation and maritime-related matters.

Mr. Akinrele is a graduate of University College, London, LL.B (Hons.) 1982; University of Cambridge, LL.M. 1984. Admitted to the Nigerian Bar in 1983. He was an Associate Counsel in Chief Rotimi Williams Chambers 1984 – 1987. Co-Editor, Nigerian Legal Practitioners Review; Former Country Correspondent, Euromoney International Financial Practice Law Files 1990; Recipient of Award of Fifteen Legal Practitioners of Distinction in Nigeria by body of Nigerian Universities and Law School Students 1990. Former Secretary Oxford and Cambridge club of Nigeria and was Commodore of Lagos Motor Boat Club. He was elevated to the rank of Senior Advocate of Nigeria in 1999, making history as the youngest SAN at that time. Mr. Ademola Akinrele is a Fellow of the Chartered Institute of Arbitrators.

**Mrs. Ronke Sokefun****Independent Non-Executive Director**

Mrs. Sokefun graduated with LLB (Hons.) in 1987 and was called to the Nigerian Bar (also with honours) in November 1988.

Between 1990 and 1993 she worked in Ighodalo & Associates – a Company Secretarial firm – while there, she qualified as a member of the Institute of Chartered Secretaries & Administrators. In 1993, she joined the prestigious firm of Aluko & Oyeboode as an Associate and was made a partner in 2001. Her practice focus was Business Advisory Services and she worked with several blue-chip companies in this regard.

In 2002, she moved to the Oando Group, where within a few years she rose to the position of Chief Legal Officer. During this period, she also sat on the Board of the telecom's giant – Celtel/Zain (now Airtel) as an alternate Director. She served in this position until 2011 when she was called to public service in Ogun State and proceeded to serve as a 2-term Commissioner – holding diverse portfolios – under Senator Ibikunle Amosun's 2-term administration as Ogun State Governor. In January 2019, Mrs. Sokefun was appointed Chairman of the Board of Directors of the Nigeria Deposit Insurance Corporation ('NDIC') by President Muhammadu Buhari, GCFR; she continues to serve in this capacity.

Mrs. Sokefun is a fellow of the Institute of Directors, a member of the Institute of Chartered Secretaries & Administrators, the Nigerian Bar Association, the International Bar Association, and the Association of International Petroleum Negotiators.

PILLAR 1 - continued

Non-Executive Directors



Mrs. Nana Fatima Mede, OON

Independent Non-Executive Director

Mrs. Nana Fatima Mede is an Accountant by profession with a BSc degree in accounting as well as an MBA, both from the Alabama A&M University. She also possesses a certificate in public financial management from the prestigious John F Kennedy School of Government, Harvard University. She joined the Nigerian Television Authority (NTA) Abuja in 1982, where she rose through the ranks to become a Principal Accountant before transferring her service to Benue State Government in 1991.

From 1991 to 2007, Mrs. Mede deployed her expertise working for the Benue State Government at various levels. During her time there, she worked as a Director of Finance & Supplies in the Ministry of Works, Housing and Transport before being made the Director of Project Operations in Benue State Treasury in 1998. In 2001, she became the Permanent Secretary Treasury/Accountant General, where she was in charge of managing the state's finances, amongst other key responsibilities.

Mrs. Mede moved to the Office of the Accountant General of the Federation in 2007, serving as a Director of Finance and the pioneer Director/National Coordinator of the Integrated Personnel Payroll Information System (IPPIIS). In 2014, she was sworn in as a Federal Permanent Secretary in the Ministry of Environment. Afterwards, Mrs. Mede was transferred as a Permanent Secretary to the Ministry of Budget & National Planning before gracefully retiring after attaining the mandatory 35 years of service in 2017. In December 2021, Mrs. Mede was appointed a member of the National Judicial Council.

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With integrity, innovation, and empathy at the core, our Board drives ethical leadership and sustainable progress for all stakeholders.

We are Africa, We Are Oando

Board Composition and Independence

The Board is made up of a group of individuals from diverse academic and professional backgrounds. The composition of the Board also reflects gender diversity, which demonstrates a commitment to inclusive decision-making. The Board's size is in line with the prescriptions of Article 78 of the Company's Articles of Association, which stipulates that the number of directors shall not be less than 10 or more than 15. In line with the principles of the Nigerian Code of Corporate Governance, the Board size is also sufficient to effectively undertake and fulfil the business objectives of the organization to oversee, monitor, direct, and control the company's activities.

The positions of the Chairman and Group Chief Executive are vested in different individuals in accordance with corporate governance best practice. The Board also has an appropriate mix of Executive, Non-Executive, and Independent Non-Executive members. Neither the Chairman of the Board, nor the Group CEO, nor any Executive Director serves as a chairman of any Board committees.

The Board and its Committees receive support from the Company Secretary and Chief Compliance Officer who, as an officer of the company, provides guidance on their duties and responsibilities.

Re-election of Directors

Annually, a maximum of one-third of the Directors who are longest in office since their last appointment or election, are required to retire by rotation and, if eligible, offer themselves for re-election. The Board has the power to appoint a new director and any director so appointed is subject to shareholder election at the next Annual General Meeting (AGM).

In accordance with Section 285 (1) and (2) of CAMA and Articles 91-93 of the Company's Articles of Association, the following Directors, who are longest in office since their last election are retiring by rotation and present themselves for re-election at this AGM:

- Mr. Ike Osakwe
- Mr. Demola Akinrele
- Mr. Adeola Ogunsemi

Board Appointment Process

To ensure the highest standards of corporate governance, the Company has in place a Board Appointment Process to guide the appointment of its directors (executive and non-executive). The policy is in line with corporate laws, rules, regulations, Codes of Corporate Governance, international best practice and the Company's Articles of Association.

The Governance and Nominations committee has the overall responsibility for the appointment process subject to approval by the Board. The fundamental principles of the process include the evaluation of the current balance of skills, knowledge and experience on the Board and identification of any gaps that are required to be filled, Commercial and leadership requirements of the Company and ability of the candidate to fulfil his/her duties and obligations as a director.

Induction, Training and Access to Advisers

The Company has a mandatory induction programme for new directors covering aspects of the Company's business, regulatory and legislative requirements and other information that will assist them in discharging their duties effectively. The Company believes in and provides continuous training and professional education to its Directors. The Board of Directors and Board Committees can retain external counsel to advise on matters, as they deem necessary. Further, through a regular formal reporting process and timely sharing of updates on the Company, it ensures that our Directors stay updated about any significant changes on a continual basis.

The Company believes in and provides continuous training and professional education to its directors. During the year under review, members of the Board attended the training detailed in the table below:

S/N	Training	Organiser/ Date of Training	Attendees
1	Effective Government Relations for the Oil & Gas Sector: Influencing People and Policy	Glomacs 24th – 28th April 2023	Mr. Ademola Akinrele Mr. Tanimu Yakubu
2	Advanced Company Direction Programme-ACDP	IOD –Institute of Directors 8th- 10th August, 2023	HRM Oba Gbadebo Mr. Ike Osakwe
3	Environmental, Social and Governance Leadership: A Pathway to Business Sustainability	Cambridge Judge Business School 13-16 November 2023	Mrs. Fatima Mede Mrs. Ronke Sokefun
4	ESG Designation Program for Board of Directors	Competent Board	Dr. Alex Irune

Report on Corporate Governance

Board Authority

A range of decisions is specifically reserved for the Board to ensure it retains proper direction and control of the Oando Group. These are listed in the Schedule of Matters Reserved for the Board. The Board is authorised to delegate some of these functions to Executive Directors who are responsible for the day-to-day management of the business or to Committees of the Board. The Delegation of Authority Policy sets the financial limits on the decisions that can be taken by Management, Executive Directors, and the various Committees of the Board.

The day-to-day operational management of the Group's activities and operations is delegated to the Group Chief Executive (GCE), who has direct responsibilities. He is supported by the Deputy Group Chief Executive (DGCE) and the Group Leadership Council which comprises, in addition to the GCE and DGCE, the Chief Executive Officers and Chief Operating Officers of operating subsidiaries, the Chief Financial Officer, Chief Human Resources Officer, Chief Compliance Officer and Company Secretary and Chief Legal Officer.

Board Duties and Responsibilities

The Directors act in good faith, with due care and in the best interest of the Company and all its stakeholders. Each Director is expected to attend and actively participate in Board meetings.

Subject to the provisions of the Nigerian Code of Corporate Governance, the Company does not prohibit its Directors from serving on other boards. However, Directors ensure that other commitments do not interfere with the discharge of their duties and shall not divulge or use confidential or inside information about the Company.

The Board adopts the following best practice principles in the discharge of its duties:

- The Company believes that the Chairman of the Board should be a Non-Executive Director;
- To maintain an appropriate balance of interest and ensure transparency and impartiality, a number of the Directors are independent. The independent directors are those who meet the criteria set out in the NCCG and have no material relationship with the Company beyond their directorship;
- Directors are to abstain from actions that may lead to conflict of interest situations; and shall comply fully with the Company's Related Party Transactions Policies.

Protection of shareholder rights

The Board ensures that the statutory and general rights of shareholders are protected at all times and ensures that all shareholders are treated equally. In this regard, shareholders are given equal access to information and no shareholder is given preferential treatment.

Remuneration

The remuneration of Non-Executive Directors is competitive. The Board, through its Governance & Nominations Committee, periodically reviews the remuneration package for Directors, which is structured in a manner that does not compromise a Director's independence.

The Company does not provide personal loans or credit to its Non-Executive Directors and publicly discloses the remuneration of each Director on an annual basis. In addition, the Company does not provide stock options to its Non-Executive Directors unless approved by shareholders at a general meeting.

Working Procedures

The Board meets at least once every quarter to discuss and decide on business policy and strategy, in addition to statutory and other matters. Additional meetings are scheduled whenever matters arise which require the attention of the Board or its committee. The Board and Committee meetings are pre-scheduled, and an annual calendar of the meetings is circulated to the Directors well in advance to facilitate planning of their schedules and to ensure meaningful participation in the meetings.

Prior to meetings, the Governance Office circulates the agenda for the meeting along with all documents the Directors would be required to deliberate upon. This enables the Directors to contribute effectively at Board meetings. In certain business exigencies, resolutions are passed through circularisation or additional meetings are conducted.

The Board, through the Chief Compliance Officer and Company Secretary, keeps detailed minutes of its meetings that adequately reflect Board discussions.

Board Committees

Under the Company's Articles of Association, the Directors may appoint committees consisting of members of the Board and such other persons as they think fit and may delegate any of their powers to such committees. The committees are required to use their delegated powers in conformity with the regulations laid down by the Board.

The Board reserves the right to deliberate upon and decide on any matter which it may have previously delegated to any board committee, instead of referring the matter to the committee. committee members are expected to attend each committee meeting unless exceptional circumstances prevent them from doing so. All the committees have terms of reference which guide members in the execution of their duties.

All committees report to the Board of Directors and provide recommendations to the Board on matters reserved for Board authorisation. The following committees are currently operating at Board level:

- Statutory Audit Committee
- Governance and Nominations Committee
- Risk, Environmental, Social and Governance Committee
- Board Audit, Strategic Planning and Finance Committee

Audit Committee (Statutory Committee with shareholder members)

The Audit Committee was established in compliance with Sections 404 (3) of CAMA, which requires every public company to have an audit committee made up of three members and two (2) non-executive directors.

As of 31st December, 2023, the Audit Committee was made up of five members, two Non-Executive Directors and three shareholders' representatives of the Company.

The Audit Committee members meet at least four times a year, and the meetings are attended by appropriate executives of the Company, including the Group Chief Financial Officer and the Head of Internal Control and Audit. In the financial year ended 31st December, 2023, the Audit Committee held seven meetings.

The Audit Committee's duties include keeping under review the scope and results of the external audit, as well as the independence and objectivity of the auditors. The committee exercises oversight in relation to financial reporting, the effectiveness of the system of risk management, and robustness of internal financial controls and risk management framework, compliance with laws and regulations, processes for the safeguarding of Company assets and the adequacy of the internal audit unit plans and audit reports.

The members of the Audit Committee as at 31st December, 2023 were:

- Mr. Ike Osakwe – (Chairman) Independent Non-Executive Director
- Mr. Tanimu Yakubu – Non-Executive Director
- Dr. Joseph Asaolu - Shareholder Member
- Mr. Segun David Oguntoye – Shareholder Member
- Dr. Anthony Omojola – Shareholder Member

Curriculum Vitae of shareholder members of the Audit Committee

Dr. Joseph Asaolu – Shareholder Member

Dr. Joseph Asaolu is a chartered accountant with close to 40 years' working experience. He retired in March 2013 as the Managing Partner of Balogun Badejo & Co. (now BBC Professionals), a reputable firm of Chartered Accountants after working from 1973 to 2013. He is currently the Managing Partner of JOA Professional Services (Chartered Accountants).

He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), Fellow of the Chartered Institute of Taxation of Nigeria (FCTI) and Associate Member of the Nigerian Institute of Management (NIM).

Mr. Olusegun David Oguntoye – Shareholder Member

Mr. Olusegun David Oguntoye is a certified fellow of the Association of National Accountants of Nigeria (ANAN) and an associate member of the Nigerian Institute of Management. He bagged a B.Sc. (Hon) in Zoology from the University of Lagos and an MBA degree in financial management from the Lagos State University.

He started his accounting career in 1990 as a senior auditor in a leading tax consulting firm and has worked in various capacities within the accounting and audit fields in the last twenty years. He has undergone numerous IFRS training courses for audit committee members of listed companies thereby gathering a wealth of experience in the accounting profession.

Currently, he is the managing director/ chief executive officer of Wale Ayo Nigeria Limited.

Prince (Dr.) Anthony Omojola – Shareholder Member

Prince (Dr.) Omojola is an investment banker, management and pension consultant. He is a member of the Chartered Institute of Bankers of Nigeria and United Kingdom. He started his banking career with ICON Limited (Merchant Bankers) in 1976 and served in the Corporate Finance, Stockbroking and Registrar Departments. He moved to City Securities Limited in 1981 where he played the role of registrar for four years and later became a pioneer staff of First City Merchant Bank where he served for ten years until 1991. He was the Manager, Capital Market, Negotiable Finance Ltd and pioneer Manager/Registrar

of Perfection Nominees Limited from 1992-1996.

He was the Manager, Corporate Finance of Midland Investments and Securities Ltd from 1997 till 2002. He was also the Managing Director of Credible Associates Ltd which specializes in recruitment and training of operators of the Nigerian Capital Markets.

Dr. Omojola has attended many courses locally and internationally and he played prominent roles in the development of the Nigerian Capital Market. He is an author of many bestselling books on Capital Market Operations.

For the curriculum vitae of the Board of Directors, including the Non-Executive Director members of the Audit Committee please see pages 47 and 50.

Governance and Nominations Committee

The Governance and Nominations Committee is responsible for ensuring compliance and periodic review of the Company's corporate governance policies and practices, the review and monitoring of policies concerning shareholder rights, conflict resolution, ethics, disclosure and transparency, evaluation and review of the Company's internal documents (organisation and process), the review and setting of the by-laws of all Board Committees, and ensuring that the Company's policies, including the remuneration policy, support the successful identification, recruitment, development and retention of directors, senior executives and managers.

The members of the Governance and Nominations Committee as at 31st December 2023 were:

- Mr. Ademola Akinrele (Chair) – Non-Executive director
- Mrs. Ronke Sokefun – Independent Non-Executive director
- Mrs. Fatima Nana Mede, OON – Independent Non-Executive Director

Risk, Environmental, Health, Safety, Security and Quality Committee

The Risk, Environmental, Social and Governance (RESG) Committee is responsible for reviewing the policies and processes established by management, which are designed to implement the risk, environmental, social and governance policies of the Company and ensuring the Company's compliance with international standards of risk, environmental, social and governance issues.

The members of the Risk, Environmental, Social and Governance Committee as at 31st December 2023 were:

- Mrs Ronke Sokefun (Chair) - Independent Non-Executive director
- Mr Ademola Akinrele – Non-executive director
- Dr. Alex Irune – Executive Director

Report on Corporate Governance

Strategic Planning and Finance Committee

The Strategic Planning and Finance Committee is responsible for defining the Company's strategic objectives, determining its financial and operational priorities, making recommendations to the Board regarding the Company's dividend policy and evaluating the long-term sustainability of the Company's operations. The committee was established to assist the Board in performing its guidance and oversight functions efficiently and effectively.

The members of the Board Audit, Strategic Planning and Finance Committee as at 31st December, 2023 were:

- Mr Tanimu Yakubu (Chair) – Independent Non-executive Director
- Ike Osakwe – Independent Non-executive Director
- Mrs. Fatima Nana Mede – Independent Non-executive Director

Dates of Board/Committee meetings held for year 2023

Board Meetings

20th February, 2023
21st March, 2023
29th March, 2023
4th May, 2023
21st July, 2023
21st August, 2023
21st September, 2023
6th November, 2023
19th December, 2023

Statutory Audit Committee Meetings

1st February, 2023
20th February, 2023
21st of March, 2023
3rd May, 2023
21st August, 2023
21st September, 2023
18th December, 2023

Governance and Nominations Committee Meetings

24th January, 2023
2nd May, 2023
10th August, 2023
21st September, 2023
30th October, 2023

Risk, Environmental, Social and Governance Committee Meetings

24th January, 2023
2nd May, 2023

Board Audit, Strategic Planning and Finance Committee Meetings

25th January, 2023
20th February 2023
21st March, 2023
3rd May, 2023
21st July, 2023
21st August, 2023
21st September, 2023
19th December, 2023



With precision and purpose, our committees ensures operational priorities align with sustainable success.

We are Africa, We Are Oando

Committee Membership during the year ended 31st December, 2023

Board and Board Committee members 2023

Audit Committee	Governance & Nominations Committee	Strategic Planning & Finance Committee	Risk, EHSSQ Committee	Board
Ike Osakwe (Chair)	Ademola Akinrele (Chair)	Tanimu Yakubu (Chair)	Ronke Sokefun(chair)	Executive Directors • Jubril Adewale Tinubu • Omamofe Boyo • Adeola Ogunsemi • Dr. Alex Iruhe
Tanimu Yakubu	Ronke Sokefun	Ike Osakwe	Ademola Akinrele	Non-Executive Directors • Oba Micheal Adedotun Gbadebo • Ike Osakwe • Ademola Akinrele • Tanimu Yakubu • Nana Fatima Mede • Ronke Sokefun
Joseph Asaolu *	Nana Fatima Mede	Nana Fatima Mede	Dr. Ainojie Alex Iruhe	
Segun Oguntoye *				
Dr. Anthony Omojola*				

*Shareholder members

Attendance at meetings during the year ended 31st December 2023

Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
1. HRM Oba M.A Gbadebo, CFR The Alake of Egbaland	9	9	None	N/A	N/A	N/A
2. Jubril Adewale Tinubu	9	8**	None	N/A	N/A	N/A
3. Omamofe Boyo	9	8**	None	N/A	N/A	2
4. Adeola Ogunsemi	9	9	None	N/A	N/A	7 – BASPFC 1 – GNC 2 – RESG 6 – SAC
5. Mrs. Fatima Nana Mede	9	9	Board Audit, Strategic Planning & Finance Committee (BASPFC) Governance & Nominations Committee (GNC)	Member Member	7 4	7 4
6. Ainojie Iruhe	9	9	Risk, Environmental, Social, & Governance Committee (RESG)	Member	2	2
7. Tanimu Yakubu	9 -	8** -	Statutory Audit Committee (SAC) Board Audit, Strategic Planning & Finance & Committee	Member Chairman	7 7	7 7
8. Ademola Akinrele, SAN	9	9	Governance & Nomination Committee Risk, Environmental, Social, & Governance Committee	Chairman Member	4 2	4 2
8. Ike Osakwe	9 -	9 -	Statutory Audit Committee Board Audit, Strategic Planning & Finance Committee	Chairman Member	7 7	6 7
10. Mrs. Ronke Sokefun	9 -	9 -	Risk, ESG Committee Governance & Nominations Committee	Chairman Member	2 4	2 4

** Recused from the Meeting held 29th March 2023, due to interest in a transaction considered.

PILLAR 2

Sustainability

Oando PLC recognises the importance of meeting the needs of the present, without compromising the ability of future generations to meet their own needs. It seeks to align its strategy, decision-making and operations with the United Nations' 2030 Agenda for Sustainable Development and the UN Global Compact Ten Principles.

As a responsible corporate citizen, the Company acknowledges the interconnectedness of the systems and pressures affecting the economy and society and embraces nexus thinking to solve problems that will assist in creating innovative, sustainable solutions that address system-wide issues. In this way, Oando consistently seeks to enhance its current Environmental, Social and Governance ("ESG") proposition and performance, mitigate ESG risks and capitalize upon ESG value creation opportunities, to maximise value for its key stakeholders. As an impact driven organisation, concern for ESG including the Environment, Health and Safety, Community, Diversity and Good Governance, remains a vital priority for the Company.

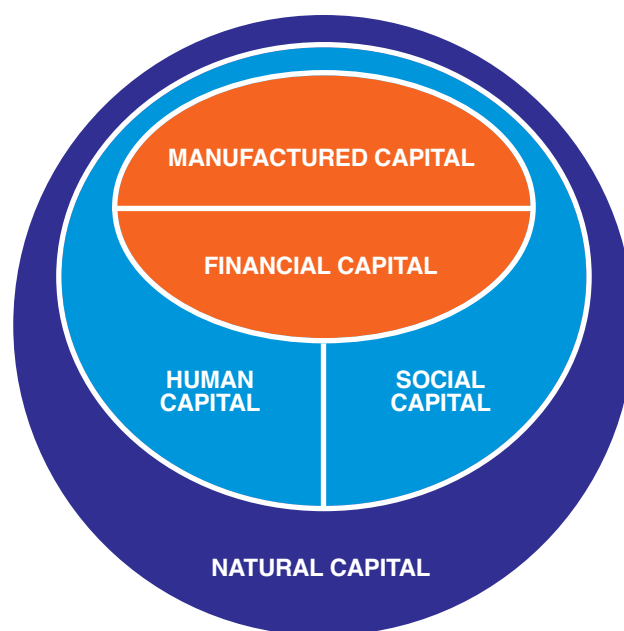


The Company depends on the five forms of capital to run a sustainable establishment.

- (a) **Natural Capital** – Natural assets.
- (b) **Human Capital** – surpassing the physical presence of employees but their health, well-being, knowledge, skills and abilities, motivation to work, relational skills and intellectual capacity.
- (c) **Social Capital** – leveraging the value that members of society can add to the Company.

The Company has established a community of people and partners who are willing to abide by and champion values and practices to help the Company achieve its sustainability goals.

- (d) **Manufactured Capital** – Infrastructure and tangible goods that the Company owns or leases to produce its outputs.
- (e) **Financial Capital** i.e., financial resource



In its Sustainability Policy, the Company has articulated and affirmed its philosophy on and commitment to sustainability to ensure that Oando continues to adopt and implement responsible policies, practices and strategies, and incorporate sustainability performance alongside other key performance indicators of the Company.

Oando's material issues in the year under review continue to be shaped by stakeholder concerns, our commitment to the SDGs, matters important to the success of our business, and issues of global and national importance.

Oando commenced sustainability reporting in 2013, a practice it has prioritised and sustained, to measure and report on our ESG performance and impacts and to manage change more effectively. Through this process, we are also able to identify and reduce risks, seize new opportunities, and take action towards remaining a responsible and purposeful organisation. Oando issues its annual sustainability reports in accordance with the Global Reporting Initiative Standards, with clear alignment to the Sustainable Development Goals.

PILLAR 3

Values, Ethics and Anti-corruption - Corporate Governance Structure and Statement of Compliance

Oando PLC's Governance Office is responsible for setting up, implementing and monitoring the general corporate governance structures of the Company and its subsidiaries. The Governance Office also measures the Company's level of compliance and periodically reviews the Company's policies to ensure they continually align with best global corporate governance practice.

The Company is committed to the global fight against corruption and actively participates in this fight through its membership and active participation in the following local and international organisations.

1. Partnering Against Corruption Initiative (PACI) of the World Economic Forum

Oando joined PACI, an initiative of the World Economic Forum, in 2008 and continues to be an active member. This forum offers a risk mitigation platform to help companies design and implement effective policies and systems to prevent, detect and address corruption issues.

The PACI Principles for Countering Corruption as revised in 2013 and launched at the 2014 World Economic Forum's Annual Meeting in Davos, aims to expand the focus beyond bribery and is intended to be a guiding framework for businesses ready to assume a leading role in combating corruption in all its forms. The core aspirational principles reinforce the drive for transparency, integrity and ethical conduct among businesses.

2. United Nations Global Compact (UNGC)

The UNGC is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles covering the areas of human rights, labour, environment and anti-corruption and reporting publicly on progress made in implementing these principles in their business operations. Oando became a signatory to the UNGC in July 2009 and has been an active participant in the Local Network of the Global Compact in Nigeria. Oando PLC is also a pioneer member of the Global Compact LEAD platform. The Company continues to be an active participant in several UNGC initiatives at the global and country level.

3. Convention on Business Integrity (CBI)

Oando is a member of the Core Group of signatories to the CBI and became its 21st member on November 16, 2009. CBI is a declaration for the maintenance of ethical conduct, competence, transparency, and accountability by private sector operators. It was established to empower business transactions within Nigeria by combatting corruption and corrupt practices.

Corporate Code of Business Conduct and Ethics

Oando, together with its subsidiaries, maintains a Corporate Code of Business Conduct and Ethics (the "Code"), which is a central ethical and policy document applicable to all Directors, Managers, Employees and those who work for or on behalf of Oando (e.g. contractors, consultants etc.), setting out the minimum standards of ethical behaviour expected of all such persons in the conduct of the Company's business.

Oando's Internal Policies and Processes Governing Ethics and Compliance

In order to provide guidance on Corporate Governance issues, the Company has implemented several internal policies and practices, which are reviewed periodically and revised as appropriate to ensure continued currency and relevance. The Governance Office supports the business units and entities in implementing unit specific policies and monitoring compliance. The following governance policies and practices have been developed, approved, and implemented. This list is not exhaustive:

- Group Corporate Governance Framework
- Anti-Corruption Policy
- Blacklisting Policy
- Board Appointment Process
- Corporate Code of Business Conduct and Ethics
- Delegation of Authority
- Dividend Policy
- Environmental, Health, Safety and Security Policy
- Gift and Benefits Policy
- Information Disclosure Policy
- Insider Trading Policy
- Know Your Customer Policy
- Matters Reserved for the Board
- Records Management Policy
- Related Party Transactions Policies
- Remuneration Policy
- Whistle Blowing Policy
- Complaint Management Policy

Whistle Blowing Hotline

The Hotline was set up as an avenue for employees and other stakeholders to confidentially report unlawful and/or unethical conduct involving the Company, members of staff, or directors.

KPMG Professional Services manages the Whistle Blowing Hotlines and weblink and ensures that all reports are kept confidential and channelled to the appropriate authorities for investigation and resolution.

Report on Corporate Governance

PILLAR 3 - continued

Employees are also encouraged to report grievances through any of the following channels:

- Visits, calls or emails to members of the Governance Office;
- Escalation of issues through appointed TRIPP Champions, who are volunteer employees assisting the Governance Office in entrenching Oando's core values in the entities or business units to which they belong.

The details of the KPMG Ethics hotline are as follows:

Toll free numbers for calls from MTN numbers only:

+234 703 000 0026
+234 703 000 0027

(8.00 am – 5.00 pm on weekdays only)

Toll free numbers for calls from Airtel numbers only:

+234 808 822 8888

(8.00 am – 5.00 pm on weekdays only)

Toll free numbers for calls from Etisalat numbers only:

+234 809 993 6366

(8.00 am – 5.00 pm on weekdays only)

Toll free numbers for calls from Globacom numbers only:

+234 705 889 0140

(8.00 am – 5.00 pm on weekdays only)

Email: kpmgethicsline@ng.kpmg.com

Weblink: <http://apps.ng.kpmg.com/ethics>

Complaint Management Policy

In compliance with the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework (the 'Framework'), which requires every listed company to establish a clearly defined Complaint Management Policy to resolve complaints arising from issues covered under the Investment and Securities Act 2007, the Company has complied by developing its Complaint Management Policy in line with the Framework. The Policy is available on the Company's website.

Due Diligence Process

The Company is committed to doing business with only reputable, honest and qualified business partners. Oando, through its employees, exercises due care and takes reasonable steps and precautions, geared towards evaluating business partners' tendencies towards corruption in making

selections and/or choosing who to transact business with.

In an increasingly complex global business environment, it is crucial for us as a company to know exactly who our business partners are and the possible risks when dealing with them, as the integrity of a business partner could have a huge impact on our Company's reputation.

The Company has licences to Thomson Reuters' World-Check One Risk Screening solution, a source of intelligence on heightened risk individuals and companies covering aspects of Know Your Customer (KYC) and Anti-Money Laundering (AML). This tool augments the Company's existing policies and procedures that identify and manage financial, regulatory and reputational risks associated with doing business with new business partners, suppliers and counterparties.

Anti-Corruption Initiatives

In order to fully inculcate an ethical culture in the organisation, new entrants into the Group are trained on the Company's policies and practices through a compliance on-boarding process.

Furthermore, there is an annual re-certification exercise for all directors and employees of Oando PLC and its subsidiaries which involves a refresher course on the relevant policies and anti-corruption principles, with tests conducted online. Certificates of compliance are generated for all participants who pass the tests.

The Company also ensures that all employees in sensitive business units such as Sales and Marketing, Procurement, Legal, Finance and Human Resources are specifically trained on ways of dealing with the different ethical dilemmas that may arise in the execution of their duties.

Employees and business partners are periodically sensitised on ethical and compliance issues and the need to promote a culture of doing the right thing even when no one is watching.

Diversity

The Board continues to recognise that an appropriate mix of diversity and skills is key to introducing perspectives into Board deliberations. Each member of the Board offers a range of core skills and experience that is relevant to the successful operation of the Group. We pride ourselves as an equal opportunity employer by ensuring our policies and procedures are poised to continuously propagate inclusion and diversity.

The Company has a Board Diversity Policy, and is guided by its Board Appointment Policy, which reflects the Board's approach to diversity to promote an inclusive and diverse culture through diversity of thought, skills, experience, knowledge, alongside criteria such as gender, ethnicity and age.

PILLAR 3 - continued

Summary of Corporate Governance Evaluation for 2023

In line with the requirements of the Nigerian Code of Corporate Governance 2018, a corporate governance evaluation which covered the extent of the application of NCCG in the year under review was carried out. In addition, the Internal Audit unit carried out a review of the Group's current governance structures and practices against applicable best practice from the NCCG in order to ensure compliance with the NCCG and other applicable corporate governance codes in 2023.

A summary of the report is as set out below.

(a) Principle 1: Role of the Board

The Board has an approved Charter, which sets out the responsibilities of the board. This charter is reviewed annually.

(b) Principle 2: Board Structure and Composition

The Board has a diversity policy for its directors, which sets out the Board's approach to diversity in relation to the Board of the Company.

(c) Principle 3: Chairman

The Chairman of the company is responsible for providing overall leadership of the Company and the Board. He is a Non-executive director and is neither a member nor chair of any Board Committees.

(d) Principles 4, 5 and 6: Managing Director/Chief Executive Officer/Executive Directors/Non-executive directors

The Group Chief Executive and all other executive and non-executive directors declare conflicts of interests annually and as they occur. All matters in which the Group Chief Executive or any director has an interest such as a related party interest or conflict of interest are disclosed at the first possible opportunity. All directors do not participate in deliberations or decision-making regarding matters they have an interest in.

(e) Principle 7: Independent Non-Executive Directors

The Independent Non-Executive Directors meet the independence criteria prescribed under section 7.2 of the NCCG.

(f) Principle 8: Company Secretary

The Company Secretary is an employee of the Company and a member of senior management.

(g) Principle 9: Access to Independent Advice

The Board has the power to obtain advice and assistance from, and to retain at the Group's expense, subject to the prior approval of the Chairman, such independent or outside professional advisors and experts as it determines necessary or appropriate to carry out its duties.

(h) Principle 10: Meetings of the Board

Attendance at board meetings is taken into consideration in re-electing directors.

(i) Principle 11: Board Committees

All Board Committees have Board-approved charters, which set out their responsibilities and terms of reference.

(j) Principle 12: Appointment to the Board

There is a Board-approved policy for the appointment of Directors.

(k) Principle 14: Board Evaluation

An internally facilitated Board evaluation was conducted for the year ended 31st December 2023, to assess the extent to which each Director, the committees of the Board and the Board were committed to their roles, and how effectively they work together and continue to contribute effectively to the achievement of the Company's objectives.

(l) Principle 16: Remuneration Governance

There is a Board-approved Directors' Remuneration Policy, and the remuneration of non-executive directors is presented to shareholders for approval. No portion of the non-executive directors' remuneration is linked to company performance.

(m) Principle 17: Risk Management

A risk assessment is conducted for each quarter and presented to the Risk, Environmental, Social and Governance Committee.

(n) Principle 18: Internal Audit

The Company has a board-approved internal audit charter, which is reviewed and approved by the Board annually.

(o) Principle 19: Whistleblowing

The Company has a Board approved whistleblowing framework. The details are set out on page 57.

(p) Principle 22 – Shareholder Engagement

There is a Board-approved Stakeholder Engagement policy, which is reviewed periodically. Throughout the year, we utilized a variety of channels to share information and receive feedback from our shareholders. This includes regular updates through the NGX as well as direct communication via email, investor presentations, and other meetings where appropriate.

(q) Principle 25 – Ethical Culture

The Company has a Code of Conduct and Business Ethics that details business ethics and acceptable conduct, which is an integral part of the Company's value and method of conducting business. The Company is guided by its core values of Teamwork, Respect, Integrity, Professionalism and Passion. The Code also covers areas such as conflict of interest, gift declaration, related party declaration, use of company's assets, insider trading etc.

Report on Corporate Governance

PILLAR 3 - continued

Remuneration Policy and remuneration of all Directors

The key objective of the Remuneration Policy is to ensure that competitive and fair rewards are linked to key deliverables and are also aligned with market practice and shareholders' expectations.

The Governance and Nominations Committee ensures that remuneration policies and practices are designed to attract, retain, and motivate the Executive Directors and the senior management. These practices also align the interests of the Executive Directors and Senior management group with those of shareholders, fostering a sustainable performance culture.

The key elements of direct compensation for the executive officers are Fixed Annual Remuneration (salary) and Variable Compensation. This mix of pay represents a belief that executive officers should have portions of their remuneration tied to both short and long-term organizational objectives. The remuneration Policy has a claw back provision where the Company reserves the right to recover all unearned benefits or amounts that an executive may have received while in the employ of the Company. If the executive is on contractual notice or has exited the Company, the claw back provision remains applicable.

Non-Executive Directors are remunerated by way of directors' fees, sitting allowance and other benefits. The Company does not provide personal loans or credit to its Non-Executive Directors and does not provide stock options to its Non-Executive Directors unless approved by shareholders at a general meeting.

Details about the remuneration of Directors are contained on Note 11 of the consolidated and separate financial statements on Page 151.

A list of all the fines and penalties (including date, amount, and subject matter) imposed on the Company by regulators at the end of the reporting period.

Statement of Compliance

The Company strives to maintain transparency, accountability, and sound corporate governance standards in its operations. In 2023, Oando did not fully adhere to specific provisions in the Securities and Exchange Commission's Corporate Governance Guidelines, NGX Listing Rules and the Nigerian Code of Corporate Governance 2018, in respect of meeting statutory deadlines regarding the filing of its financial statements.

Appointment of New Directors in 2024

The Company appointed Mr. Ken Igbokwe and Mr. Bashir Bello as Independent Non-Executive Directors, in accordance with Article 88 of its Articles of Association, effective November 25, 2024. The profiles of the newly appointed Directors are provided below.

Mr. Ken Igbokwe

Ken Igbokwe is a highly experienced management and consulting professional with over 35 years of expertise in various sectors, including oil & gas, financial services and the public sector. During his distinguished career at PwC Nigeria, Ken held key top leadership roles in Assurance, Tax and Consulting. His experience spans a wide range of areas such as statutory, financial and process audits & assurance, business valuations, dispute resolution, financial and information systems risk management, corporate strategy development, corporate performance management, and tax planning.

In his role as Country Leader of PwC Nigeria, Ken had responsibility for driving strategic thinking and the visioning that underpinned the growth of the firm. He was in this leadership position for 10 years during which PwC Nigeria business recorded tremendous growth with PwC becoming the leading "Big 4" brand. He led the PwC West Africa business into the Africa-wide PwC merger in 2012. Ken contributes to public discourse and debates on public sector transformation in Nigeria and on matters which focus on corporate governance and the strengthening of the investment climate.

Ken holds a B.Sc. (Eng) degree in Mechanical Engineering from Imperial College, London University, which he attended as a Shell Scholar and graduated from, in 1978. He is a current member of the Institutes of Chartered Accountants England & Wales, and Nigeria. He is also a current member of the Chartered Institute of Taxation of Nigeria.

Mr. Bashir Bello

Bashir Bello is an Oil & Gas Professional with over 32 years of experience in Technical and Executive Management positions across the industry. His expertise spans all sectors, from Downstream (Refining) to Midstream (LNG) and Upstream (Exploration and Production), with a strong focus on Operations, Engineering, Project Management, and Corporate Governance.

Bashir has served as a Board Member for Shell Petroleum Development Company of Nigeria Limited, Bonny Gas Transport Company, NLNG Ship Manning Company Limited, and various Board Committees of Nigeria LNG.

With a proven ability in Interface and Stakeholder Management, Bashir is skilled at delivering business value in Joint Ventures with diverse shareholder agendas, managing projects with complex interfaces and stakeholder expectations, and overseeing operations with diverse functional requirements and limited resources.

Bashir holds a Bachelor of Engineering (B.Eng.) in Mechanical Engineering from Bayero University Kano, Nigeria. Bashir is a Fellow of the Nigeria Society of Engineers (NSE), and a Registered Engineer with the Council for the Regulation of Engineering in Nigeria (COREN).

Report of the Directors

Report of the Directors

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Board of Directors of Oando PLC hereby present to the members of the Company, the audited consolidated financial statements for the year ended 31st December 2023.

The preparation of the annual financial statements is the responsibility of the Board, and it should give a true and fair view of the state of affairs of the Company.

The Directors declare that nothing has come to their attention to indicate that the Company will not remain a going concern for at least twelve (12) months from the date of this report.

Directors

The Board

The names of Directors who held office during the year and at the date of this report are as follows:

Non-Executive Directors

1. HRM Oba Michael Adedotun Gbadebo, CFR (Independent)
2. Mr. Tanimu Yakubu
3. Mr. Ademola Akinrele, SAN
4. Mr. Ike Osakwe (Independent)
5. Mrs Ronke Sokefun (Independent)
6. Mrs Fatima Nana Mede (Independent)

Executive Directors

7. Mr. Jubril Adewale Tinubu, CON
8. Mr. Omamofe Boyo
9. Mr. Adeola Ogunsemi
10. Dr. Ainojie Alex Irune

Directors Interest

None of the directors have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or sequestered in any jurisdiction;
- at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever been barred from entry into a profession or occupation;
- ever been convicted in any jurisdiction of any criminal offence or an offence under any Nigerian or South African legislation.

Directors' shareholdings

The direct holdings of ordinary shares by the Directors of Oando as of December 31, 2023, being the end of Oando's immediately preceding financial year, are set out in the table on Page 80.

Interests of Oando's Directors in terms of the Equity Incentive Scheme

The Executive Directors stand to benefit from the Oando Employee Equity Incentive Scheme. For further details please see page 168.

Directors' interests in transactions

The Company has a policy on Related Party Transactions, which regulates all the related party transactions entered into by the Company.

The Company's Related Party Transactions have adhered to the provisions of the Companies and Allied Matters Act 2020, as well as the Listing Rules of the NGX, and have been conducted on an arm's length basis as part of the ordinary course of business. Further information on these transactions can be found in Note 42 on Page 176.

Some of the Directors hold directorships in other companies or are partners in firms with which Oando had material transactions during the current financial year.

According to the Register of members as at December 31, 2023, no individual shareholder held more than 5% of the issued share capital of the Company except for the following:

Shareholder	Percentage of shareholding	No of shares held
Ocean and Oil Development Partners Limited	57.37	7,131,736,673
Leaf Equity Investments Limited	15.83	1,968,452,614



With integrity and transparency at the forefront, our Board ensures accountability and a clear path for sustainable growth.

We are Africa, We Are Oando

Report of the Directors

Risk Management Report

Risk management organisation

Risk Management is an integral part of Oando's business activities. The Board, through the Risk and ESG Committee, has the primary responsibility for reviewing the adequacy and overall effectiveness of the company's risk management process and its implementation by executive management. All risk information, including risk data, risk analysis, risk registers and reports prepared by the Risk Management and Controls function is reviewed, approved and presented to the Board by the Risk Committee.

The Group Risk Management and Control (GRM&C) function is headed by the GM Risk Management and Operations Integrity. The function facilitates the identification and assessment of any downside risk that may impact on the organisation's ability to meet its corporate objectives. The function also monitors the controls established to mitigate identified risks and identifies opportunities that may improve the overall risk culture within the company.

The key risks relating to each business unit are managed by the respective unit and primary department/ function with input from the Group Risk Management and Control department. The GRM&C assists the Board with its oversight role and established policies and procedures ensuring that the organisation has a structured approach to identifying and managing risks inherent in day-to-day operations, by designing effective controls to mitigate these risks.

A risk register is updated throughout the year in line with current realities and flags emerging risks on the horizon. The execution of control activities specified and agreed against each risk is reviewed by our internal auditors periodically. The top risks assessed as high are reported to the board including the current mitigation controls adopted and our assessment of the effectiveness of these controls.



Through unwavering commitment to proactive risk management, Oando safeguards its journey of African excellence

We are Africa, We Are Oando

Enterprise Risk Management

The execution of the Group's business strategy, financial performance, operational results, and reputation could be significantly affected by industry-specific risk factors, whether individually or in combination. The geopolitical conflict between Ukraine and Russia continued to raise concerns about oil supply, particularly as recent Ukrainian drone strikes on Russian refineries heightened supply risks.

Throughout the year, voluntary production cuts by Saudi Arabia led to a tightening of oil supply from OPEC, with oil prices rising to around \$84 per barrel starting in July. Additionally, the Federal Government fully deregulated the oil industry by removing subsidies on petroleum products. This deregulation was anticipated to benefit Nigeria in the long term, especially with the 650,000 bpd capacity of the Dangote refinery, which was expected to enhance import substitution and support the country's energy needs.

Key events impacting the Group's risk profile during FY2023 are as follows:

During FY 2023, production experienced a significant decline, with only 1.73 million barrels of crude lifted, falling 44% short of the planned 3.09 million barrels. The exit production for FY 2023 was 15,861 barrels of oil equivalent per day (boepd) and 7,188 barrels of oil per day (bopd), compared to FY 2022 figures of 20,932 boepd and 5,349 bopd. Overall, Q4 2023 saw production performance drop further, with an average of 21,061 boepd, down from the prior quarter's 22,137 boepd and significantly below the target of 27,919 boepd, achieving only 75% of the target.

Moreover, the Sales and Purchase Agreement (SPA) for the acquisition of 20% of NAOC's interest in the OML 60-63 asset was signed by both parties, and by November 2023, a Mandate Letter Agreement (MLA) for a \$800 million syndicated dual facility was finalized with Afrexim as the lead arranger.

Additionally, the Group faced significant risk due to potential Politically Exposed Person (PEP) exposures and related party issues stemming from the recently concluded presidential and gubernatorial elections. This related party risk likely led to increased scrutiny and monitoring by regulatory bodies.

Against this background, we continue to identify and assess key risks that could impact on the organisation's ability to meet its strategic objectives. The key risks that impacted Oando PLC Group are as follows:

Business sustainability risks due to declining production numbers for a major part of FY 2023.

- This is primarily attributed to the overarching security challenges within the Niger Delta, coupled with challenges of the Joint Venture operations with respect to reservoir management initiatives to arrest natural decline on ageing assets. An analysis of FY 2023 consolidated production numbers showed a decline in average production which stood at 21,061boepd against a target of 27,919 boepd (75% performance). This negatively affected revenues and cashflow projections during the year, and consequently overall performance. The current production deferrals are due to the following issues on the E&P operations
 - Overriding security issue – Increased downtime due to pipeline and well vandalization. Major flowlines and trunklines down for extended periods due to vandalization
 - Delayed implementation of an efficient long-term solution to

the security situation and the impact of constant shut ins on the capacity of the reservoirs in the mid to long term.

- Natural decline on the assets and declining well performance due to age (high water cuts)
- Oando Clean Energy Limited (OCEL) closely tracked key performance indicators for the two electric vehicles deployed during the year. These vehicles covered a total distance of 42,862 kilometres, resulting in the prevention of 57,864 kilograms of CO₂ emissions.
- Management recognised that the current lease model and fare structure posed challenges to the commercial viability of the business, largely due to FX-based capital expenditures and Naira-based revenue streams, particularly considering the recent devaluation of the Naira. Consequently, management restructured the business plan to address critical variables, ensuring long-term sustainability. The new strategic direction involves operating the electric buses in Lagos and generating additional revenue through carbon credit trading.

Compounded liquidity risk due to the drastic decline in the production numbers with a direct impact on revenues and free cash flows.

Liquidity continued to pose a significant risk for the Group, a challenge that intensified during the period due to the direct impact of declining production on anticipated cash flows. With 1.73mmbbls of crude oil lifted vs 3.09mmbbls budget (44% below budget) this resulted in a 50% negative variance in total crude oil revenues for the year.

Major key risk indicators leading to the assessment of compounded liquidity risk are as follows:

- Low production numbers during the period directly impacting revenues and cash flow
- Working capital inadequacies.
- Significant unpaid regulatory liabilities
- Heightened risk of default on critical debt payment and operational obligations
- Potential working capital funding constraints post-acquisition

The Group faces substantial financing, credit, and liquidity risks due to its current liabilities, debt profile, breaches of loan restructuring and repayment terms, and production shortfalls from its primary subsidiary. These factors increase the likelihood that the Group may struggle to meet its current and future cash flow and loan repayment obligations, potentially impacting daily operations or further weakening its financial condition.

The Group had in place economic hedges using financial commodity contracts on crude. The economic hedges cushioned/reduced the exposure to fluctuations in crude oil prices and the associated financial risk/effect. These hedges helped limit the value erosion triggered by the volatility in oil prices to the Group's investment. Management continues to review for appropriateness and sufficiency.

Transition and Post acquisition Risk

Following the Sales and Purchase Agreement (SPA) for acquiring 20% of NAOC's interest in the OML 60-63 asset, the group faced operational challenges, including backlash from vendors, joint venture (JV) partners, and staff unions following the announcement of the acquisition. A key issue was reconciling NEPL's proposal for an Asset Management team structure with OOL's proposal for a Joint Optimization team structure.

During the interim period, potential operational inefficiencies risked impacting the asset's infrastructure and subsurface conditions. Other concerns included managing critical vendor availability, overseeing payables, addressing IT transition risks, ensuring data completeness, and the timely purchase of IT infrastructure, which was liquidity dependent.

To mitigate these risks, executive management reviewed critical function transition plans, and an independent consultant was engaged to develop the post-acquisition organisational model, manage talent, integrate culture, and analyse the asset's full potential. The IT transition workstream focused on preventing disruptions, and the Transition Services Agreement (TSA) was defined to ensure seamless business continuity from Day 1 until the transition to new systems was completed.



Empowering our operations with integrity and foresight, Oando epitomizes bold African leadership

We are Africa, We Are Oando

Report of the Directors

Politically exposed persons (PEP) and Related Party Risk

Potential risks related to Politically Exposed Persons (PEPs) and related party issues emerged from the GCEO's affiliation with the President, leading to increased scrutiny and monitoring by regulatory bodies and critical business partner. To mitigate these risks, management continuously monitored the situation and took necessary actions at the executive level to limit exposures. This included updating the PEP Policy, Anti-Corruption Policy, and Policy on Transparent Interactions with Ministries, Departments, and Agencies (MDAs), which were approved by the Board and implemented by the Governance and Compliance unit.

Critical procedures were put in place, such as conducting enhanced due diligence on all potential PEPs and related parties. The Governance and Compliance unit ensured ongoing review and disclosure of potential conflicts of interest and related party transactions to maintain transparency and regulatory compliance.

From a corporate communications perspective, deliberate efforts were made to minimise the focus on the GCEO as a singular brand representation. Additionally, the organisation employed scenario planning to better prepare for various outcomes and mitigate political risks, aligning with the overall strategic intent.

Regulatory and Compliance Risk

This is the risk that current regulatory policies/legislation or changes in legislation, fiscal and regulatory policies may threaten the group's competitive position and capacity to conduct business efficiently. It is also the risk of reputational loss resulting from violation or non-compliance with the law.

Oando has a presence in multiple jurisdictions (Africa, Europe, and Dubai). Any changes to the laws of these countries including tax laws could adversely affect the group. Non-compliance with FCPA rules, UK anti-bribery, anti-corruption laws and ethical standards could lead to legal liability, reputational damage and adversely affect the advantages derived from the company's current structure.

The group's governance department ensure access to specialist advice in all jurisdictions. The department monitors events in all jurisdictions the company has a presence in and ensures the company's commitment to high ethical standards and compliance with the laws of the land where it operates.

Macroeconomic Risk

This is the risk that changes in national and international economic factors (such as interest rates, exchange rates, commodity prices, inflation, systemic financial crisis etc.) will negatively affect corporate performance and business sustainability.

Saudi Arabia and Russia extended their voluntary supply cuts of a combined 1.3 million barrels per day (bpd) through the end of the year, leading to higher oil prices due to tighter supply while OPEC+ also prolonged these supply cuts through the end of the first half of 2024. Brent crude oil prices averaged \$83.72 per barrel in Q4 2023, down from \$86.80 in Q3 2023, reflecting volatility in oil prices.

The Group experienced reduced margins because of high inflation, which surged to 24.66% in 2023, adversely affecting margins and costs.

To manage price volatility, management addressed the issue by promptly negotiating new hedging agreements for its legacy and NAOC assets.

Reputational Risk

Reputational risk encompassed changes in stakeholder opinions, shifts in perceptions of the company's corporate behavior, or failures to comply with standards, all of which could impact the company's ability to achieve its strategic objectives.

This risk was exacerbated by the group's financial obligations to meet lenders' and regulatory authorities' requirements promptly. Potential defaults on critical debt obligations raised the possibility of losing financing opportunities and facing increased scrutiny from tax authorities.

In response, management actively engaged with regulators, providing a roadmap to address all outstanding payments. Additionally, management held several discussions with relevant parties to explore restructuring the agreement concerning its critical obligations.

Niger Delta militants' attacks and threats expose the company to the risk of shut down of the joint venture assets.

The risk of sabotage to Brass Terminal and other Oando joint venture oil installations in the Niger Delta by agitating militants has escalated significantly, with incessant attacks on the pipelines.

Continuous and frequent engagement with the local communities remain key to resolving the community conflict. There is no certainty that there will be an end to restiveness in the Niger Delta. This will depend largely on joint effort of the government and the oil companies to combat the spate of vandalism and banditry in the Niger Delta.

Cyber risk

Organizations rely on information technology as an essential tool for meeting business objectives as well as safeguarding intellectual property, financial information, and the company's reputation. Critical digital assets are being targeted and the potential impact on businesses has never been greater with the threat landscape constantly changing.

The Information Technology/digital space has seen a rise in cyber-attacks. The Group's approach to cybersecurity has kept pace with on-going developments within the cyber security spectrum. In mitigating cyber risk, management has been proactive with the security of IT infrastructure; ISO 27001 activities to ensure IT risk exposure are minimised, undertaking remediation activities for issues noted from vulnerability and penetration testing activities, ensuring that IT systems are updated with the latest patch releases from security vendors, and a general improvement in enterprise security awareness, including training sessions held for staff. Oando continues to employ the latest developments in Information Technology security to combat these cyber risks.



Report of the Directors

Human Capital Management Report

The emphasis for 2023 was on sustaining Oando's reputation as a great place to work, with a particular focus on enhancing employee wellbeing and financial wellness due to the economic downturn. The team dedicated efforts to achieve this by optimizing, automating, and updating various policies, processes, and procedures such as the Compensation Workbench tool and Remote Work Policy. All these improved organizational capacity, employee development, employee well-being, morale, and productivity.

Talent & Performance Management

We believe that providing appropriate growth and development opportunities contributes to both employee retention and increased business prospects. Therefore, the initiatives undertaken in 2023 were directed towards strengthening the company's dedication to talent management and development.

In 2023, the Organisation appointed three (3) employees at Senior Management level and in addition, implemented employee rewards and positions according to the outcome of the Job Evaluation exercise conducted in 2022. These aided in strengthening employee morale and further increased productivity across the organisation.

In its usual practice, the company carried out a bi-annual objective setting in 2023 in line with set Corporate Objectives and conducted performance evaluations at the end of each period to ensure overall alignment. The company, through ongoing employee engagement efforts and annual sensitisation, persistently promotes clear communication channels between managers and their direct reports to enhance engagement and productivity, fostering a healthy work environment for all.

Learning and Development

The company's steadfast commitment to development continued to drive the deployment of a blended approach to Learning and Development. The gaps identified during the bi-annual performance evaluations played a pivotal role in the establishment of the in-house Learning hub – "Oando Academy's" curriculum. Throughout 2023, the Oando Academy successfully delivered 16 trainings sessions, covering Technical and Business Essential Courses under its Technical, Business Essential and Global Affairs Faculties. A total of 83 employees, on average, benefited from Oando Academy's training initiatives during the year. In addition to the Academy, the Organisation continued to drive "on the Job Training" through stretch assignments, formation of cross functional project groups and the existing Job Mobility Program.

Also, in a bid to continually build a sustainable organisation and position it to engage or deal with the everchanging business, social economic and human factors, a cross section of employees were enrolled in several external learning interventions such as Oil and Gas Industry Fundamentals, Upstream oil and gas development lifecycle costing, oil field corrosion management, Drilling Well control programme and Oil and Gas and petrochemical Accounting & performance management.

Finally, we deployed 3 distinct financial wellness programs not only in response to the economic downturn in the country but as a proactive measure to equip and empower Humans of

Oando with the skills to effectively manage their income, particularly considering the Cost-of-Living adjustment that was implemented during the year.

Talent Acquisition and Attrition Management

Effective Talent acquisition and alignment continued to be top focus for HCM team at Oando. As an equal opportunity employer our selection and recruitment process are competency based primarily assessing skills, competencies and experience in alignment with the identified need. In 2023, the team facilitated the recruitment of sixteen (16) full time hires, and these include four (4) managerial roles and eleven (11) senior roles, five (5) of which were trainees under the Oando Graduate Accelerated Program (OGAP) aimed at developing the oil and Gas pipeline not just in Nigeria but in Africa generally.

In 2023, of the total number of 144 full time employees, we recorded an attrition rate of 13.3% owing to global mobility, new opportunities, unsuccessful probation, and retirement.

Remuneration, Benefits and Employee Welfare

As part of our goal to enhance and entrench a manager led Talent Management culture, we successfully deployed and utilised the compensation workbench tool for all employee movements in the year 2023. This tool empowers managers to appropriately recognise and reward employees under their supervision.

In addition, we increased the limits of our employee benefits such as the telephone allowance and social subscription to allow employees enjoy spa treatments, music/dance classes, additional professional subscriptions for better work-life effectiveness and to better align our strategic goal of fostering Oando as a great place to work.

Finally, in line with Oando's steadfast commitment to prioritising its employees always, we implemented a substantial Cost-Of-Living Adjustments for all Humans of Oando in response to economic changes. This action garnered significant attention within our industry, reaffirming our dedication to our workforce.

Environmental Health Safety Security Quality Report

The year 2023 commenced with several EHSQ campaigns to drive safety culture improvements within the company. The EHSQ performed a Charity Walk campaign with Marcel Ruth Foundation to raise awareness for cervical cancer.

Several other health and wellness campaigns were carried out for various other forms of cancers on World Cancer Day and breast cancer awareness campaigns in October.

Monthly EHSQ meetings were held monthly to review EHSQ performance and other operational inform. External Resources Persons were invited to speak on health and safety related topics.

The EHSQ department continued to provide support to operations and various Legacy assets, monitoring safety programs engaging in performance reviews.

In line with commitment to improve organisational EHS culture through awareness and safety communication programs, the following safety campaigns were performed during the period:

S/N	Health Initiatives 2023	Description	Period
1	Walk for Cancer	Charity walk with Marcel Ruth Foundation to raise awareness for cervical cancer	Feb
2	World Cancer Day	General awareness about cancer to all employees	Feb
3	World Kidney Day	An educative session on kidneys, preventive measures to ensure we all have healthy kidneys	March
4	World Day for Safety	1. Health screening for all employees and Health at Work 2022 2. Trivia games to educate all employees	April
5	World No Tobacco Day	Creative awareness on the dangers of nicotine addiction and how to achieve a tobacco free environment	May
6	World Environmental Day	Awareness on keeping our environment safe and pollution free	June
7	Security Awareness Sessions	Personal Security Tips	July
8	Security Awareness Sessions	Travel Security Tips	August
9	Security Awareness Sessions	Kidnap Security Tips	September
10	Breast Cancer Awareness	An educative and awareness driving session on Breast Cancer	October
11	Ember Month Sessions	Stay Vigilant- Educate session for all employees on how to stay vigilant during the ember months	November
12	Ember Month Sessions	Stay Safe- Educate session for all employees on how to stay vigilant during the ember months	December

The company continues to sustain the established target of zero Lost Time Injury (LTI) and zero Total Recordable Incident Rate (TRIR) as part of sustaining its Environment Health Safety (EHS) culture.

Report of the Directors

Oando PLC EHS Statistics:

	2017	2018	2019	2020	2021	2022	2023	Comments
Man hours	213,922	311,088	322,912	357,024	383,376	353,375	324,480	Man hours from Oando divested entities is not included
Fatalities	0	0	0	0	0	0	0	There were no fatalities among employees, contractors or 3rd party
LTI	0	0	0	0	0	0	0	LTI has consistently remained at Zero (0) for the last 7 years of reporting
LTIF	0	0	0	0	0	0	0	Zero LTIF recorded for the Oando Operations
TRIR or TRCF	0	0	0	0	0	0	0	Zero (0) TRIR achieved because of awareness, adherence to processes, ownership by employees and active participation in the health & safety programs organized by the company
Product Spills (Litre)	0	0*	0*	0*	0*	0	0	No spills recorded within Oando's EHS management include spills recorded from operations in which Oando has partnerships
Fire	6	0	0	0	0	0	0	There has been no fire incident in the company over the last three years
HIR	57	237	104	53	28	84	105	HIR reporting for 2023 includes activities from other projects (Bitumen Mining).

Report of the Audit Committee

We have exercised our statutory functions in compliance with the Companies and Allied Matters Act and we, the members of the Oando PLC Audit Committee have on the basis of all the documents and information made available to us:

- Reviewed the scope and planning of the audit requirements and found them satisfactory,
- Reviewed the External Auditors' Management Controls Report for the year ended 31st December, 2023 as well as the Management response thereto,
- Appraised the Financial Statements for the year ended 31st December 2023 and are satisfied with the explanations provided.

We ascertain that the accounting and reporting policies of the Company for the year ended December 31, 2023 are in accordance with legal requirements and agreed ethical practices.

Dated this 29th day of October 2024



Ike Osakwe
Chairman, Audit Committee
FRC/2017/ICAN/00000016455

Members of the Audit Committee as at the date of this report are:

Mr. Ike Osakwe Non-Executive Director (Chairman)

Mr. Tanimu Yakubu Non-Executive Director

Dr. Joseph O. Asaolu Shareholder

Mr. Segun Oguntoye Shareholder

Dr. Anthony Omojola Shareholder





“

Through innovation, collaboration, and unwavering commitment, we are shaping a brighter future for generations to come.

We are Africa, We Are Oando

WHO WE ARE

The Oando Foundation stands as a beacon of hope and progress, dedicated to transforming the landscape of basic education and sustainable development across Nigeria. Established in 2011 as an independent charity by Oando PLC, Nigeria's leading indigenous energy solutions provider, the Foundation has consistently demonstrated a deep commitment to social development by enhancing learning outcomes and creating opportunities for children to thrive and contribute meaningfully to society.

The Foundation, through the Adopt-A-School Initiative (AASI) and other education initiatives spanning over a decade, has increased learning opportunities for children across 113 public primary schools (88 adopted and 25 supported) in underserved communities in Nigeria; thus, empowering the future workforce with relevant skills for lifelong learning and better economic opportunities long term.



The Foundation's LEARNOVATE programme places emphasis on improving the quality of foundational learning across supported schools, to address more holistically the learning crisis, nurture essential skills crucial for ecosystem preservation, and ensure sustained access to quality education for children. The primary objective is to foster innovative learning methods that enable children to attain proficiency in foundational literacy and numeracy; STEAM (Science, Technology, Engineering, Arts and Mathematics); and green skills for early learners and youths. We continue to advocate for increased private sector investment in the education sector and strive to raise awareness and promote the adoption of sustainable practices within our schools and their communities.

This year, significant progress was achieved across the Learning, Planet and Advocacy components of the LEARNOVATE programme. We empowered young learners and community members to play an active role in environmental protection, provided support for innovators to expand their creative solutions for enhanced learning, and we deepened our thought-leadership footprint, galvanizing action for increased private sector investment in education.

We are grateful to all our partners and donors for their continued support. Together, we hope to take more strides towards increased accessibility and quality of education in Nigeria.

“

For over a decade, we have championed inclusive, equitable quality education across Nigeria, empowering children to thrive and communities to prosper.

We are Africa, We Are Oando

Oando Foundation 2022 Annual Report

Highlights of 2023

Educating for a Greener Future: Expanding the Clean Our World (COW) Project to 24 Schools

The Oando Foundation in partnership with Sumitomo Chemical successfully completed the third phase of the Clean Our World (COW) project in Lagos State. This initiative targeted 24 public primary schools and 10 communities, focusing on promoting environmental education and sustainable practices.

An extensive master training workshop was organised for 86 teachers and education managers in the state. They were equipped with essential skills to deliver environmental education effectively, becoming a resource pool for step-down training at the school level. The workshop emphasised the use of 'edutainment' as a teaching approach by incorporating the Climate Action Superheroes concept to enhance engagement and retention.

This phase of the COW project included the deployment of an 8-module environmental education syllabus, practical sessions in waste management and gardening, and the establishment of environmental clubs in schools. To standardise climate action lessons, the Foundation collaborated with the Lagos State Universal Basic Education Board (LASUBEB) and technical consultant - GreenHub Africa Foundation to develop the Climate Action Environmental Education Syllabus and Lesson Plan. This established a sustainable and structured framework for incorporating environmental education into the fabric of public primary schools across the country.

Environmental clubs were established in participating schools and students recruited as environmental champions. These clubs focused on environmental awareness and responsible action in a fun and interactive manner, complementing the in-class structured lesson delivery.

Key Achievements

- Directly reached 26,000+ beneficiaries with knowledge of sustainable environmental practices, proper waste management approaches and upcycling.
- Provided over 500 relevant teaching and learning materials in target schools and communities to support knowledge transfer.
- Strengthened capacity of 258 teachers, community members, and LGEA officials in environmental education, upcycling, gardening, and composting.
- +1,978kg of recyclable plastic waste collected across target communities.
- Established and supported Environmental Clubs in 24 schools.
- Clean-up and sensitisation campaign executed in Anibaba Community, Kosofe Local Government Area, encouraging environmentally responsible behaviors among residents

Directly reached

26,000+

beneficiaries with knowledge of sustainable environmental practices, proper waste management approaches and upcycling.



Highlights of 2023

Oando Scholars' Programme

Approximately 35% of Nigerian primary school students do not proceed to secondary education (UNICEF 2022). The Oando Foundation Scholars Programme not only addresses this problem but also equips children with the necessary knowledge, skills, and character to seize future economic opportunities.

Through our scholarship programme, we have provided opportunity for 1,153 awardees to move beyond basic education by supporting the transition and retention of intellectually gifted pupils from our adopted schools into secondary (and in some cases) tertiary education. In 2023, 40 scholars at different levels of their education benefitted from the programme.

Scholars' testimonials



Thank you so much Oando Foundation for allowing God use you to be of great help in my life. I am a graduate today because of the vision and the love the Foundation has for young people in my community

Asuquo Unwana (Cross River State)

Provided opportunity for

1,153

awardees to move beyond basic education

Ebola Education Support Fund

The Ebola Education Support Fund was launched in the wake of the deadly Ebola Virus Disease (EVD) to support the education of Nigerian children who have lost one or both parents to the virus and require financial assistance to stay in school until they graduate from university. So far, 6 recipients have benefitted from the initiative, 3 of whom have successfully completed tertiary education and are gainfully employed. In 2023, we continued support for the 3 remaining beneficiaries from the education fund set up for their tuition and related expenses.

Scaling Foundational Learning Opportunities

Oando Foundation, in partnership with the US Agency For International Development's Leveraging Education Assistance Resources in Nigeria To Read (USAID-LEARN To Read) and the Foreign, Commonwealth and Development Office's Partnership for Learning for All Nigerian Education (FCDO PLANE) is leading a transformative initiative to enhance early grade learning and delivery across six pilot states: Adamawa, Bauchi, Ebonyi, Gombe, Niger, and Sokoto.

The LEARNOVATE Foundational Literacy and Numeracy Programme focuses on training pre-service teachers using the updated national minimum standards to effectively deliver foundational skills. It also provides direct support to education managers, in-service teachers, and learners in 26 adopted schools to improve foundational learning outcomes (literacy and numeracy) using mother-tongue-based early grade teaching, learning and assessment materials. To ensure seamless implementation, the Foundation is collaborating with key stakeholders, including respective State Universal Basic Education Boards (SUBEBs) and Colleges of Education (CoEs) in target states; and the National Commission for Colleges of Education (NCCE). The pilot phase of the programme targets over 18,000 learners in 26 primary schools, with plans to scale the programme across over 200 schools nationwide.

Oando Foundation 2023 Annual Report

Highlights of 2023

Employee Volunteer Programme (EVP)

The Oando Foundation recognizes the power of volunteerism as a significant force for creating social impact globally. To mark the 2023 United Nations International Volunteer Day, we organized a volunteer initiative led by Oando employees at one of our adopted schools, Archbishop Taylor Memorial Nursery and Primary School in Lagos State. Through our Employee Volunteer Programme, we offer the opportunity for employees to volunteer their skills and resources to make a lasting impact on the lives of children within our communities. This event provided an occasion for the 'Humans of Oando' to interact with and inspire the students, creating an engaging learning environment through artistic expressions such as painting and arts and crafts sessions. In addition to the practical activities, general renovation was carried out to ensure a more conducive learning environment for the children. This included upgrade of two Early Childhood Care and Development (ECCD) classrooms with age-appropriate furniture and learning materials, as well as refurbishment of the digital learning center with a new solar inverter, projector and computers.

Between 2013 and 2018, the Foundation extensively renovated the school, established a fully equipped solar-powered digital learning center, trained 36 teachers and SBMC members in effective classroom and school management, donated teaching and learning materials, and provided age-appropriate furniture and sanitation facilities.



Highlights of 2023

The Aggregator platform (TAP) represents a special initiative led by Oando employees. Launched in April 2020, TAP is focused on supporting the realization of SDG 2: Zero Hunger, by cushioning the impact of the looming food insecurity in Nigeria through distribution of relief food supplies to the most vulnerable households, starting from Lagos state.

The Foundation provides technical support for this initiative, including partner selection, beneficiary verification, community engagement, monitoring and evaluation etc. In 2023, TAP expanded its outreach to three communities in Lagos State, reaching 350 households in Isheri-Berger; 400 households in Igbo-Efon; and 350 households in Okobaba Home of Destitute, Ebute-meta.



Oando Foundation 2023 Annual Report

Highlights of 2023

Teach for Nigeria Incubation Hub Program in Partnership with Oando Foundation.

The Foundation supported the implementation of Teach for Nigeria's Incubation Hub Program. Teach for Nigeria is focused on developing a movement of leaders across the nation who are committed to ending educational inequity. They recruit Nigeria's most promising future leaders from varied disciplines to teach in under-served schools in low-income communities through a rigorous two-year fellowship.

The Incubation Hub Program is a 3-month intensive enterprise development training to bolster social impact projects founded by Teach for Nigeria alumni. It focuses on startups in Edtech, educational workforce development, climate change and environment, foundational education and others, supporting them with the funds, tools and infrastructure to grow optimally and contribute significantly towards educational advancement in Nigeria.

Twenty participants received hands-on training in building and sustaining their social innovations, while also gaining access to mentorship and networking opportunities with industry experts. The Oando Foundation granted seed funding to two innovators to scale their Edtech and Climate Action solutions following a keenly contested Pitch-a-thon. We believe the impact of this initiative extends well beyond the contest, setting the stage for transformative solutions to tackle pressing societal issues.



Strengthening Connections

Over the years, we have cultivated partnerships with key government stakeholders and forged connections to promote dialogue, exchange knowledge, and leverage resources in the areas of mutual interest.

We held strategic engagements with various government stakeholders, including the Honorable Minister of Education, Professor Tahir Mamman; and the Plateau State Universal Basic Education Board.



Voices United for Change

The Private Sector Advisory Group (PSAG) Nigeria acts as a bridge between the private sector and the government to advance policies and scale collaborative efforts on the Sustainable Development Goals (SDGs) to make positive impact in Nigeria.

As the PSAG Education Cluster Lead, the Foundation facilitated engagement with Commissioners of Education from the 36 states at a convening by the Nigeria Governors Forum (NGF), to garner support for a proposed innovative financing model aimed at accelerating private sector investments in education delivery across the country.

We also harnessed the collective expertise of cluster members to enrich the Education Transition Committee Report to guide the education priorities of the new administration. Furthermore, the group collaborated to develop the National Roadmap for the Education Sector (2024 – 2027) with the goal of transforming Nigeria's education landscape to better support national reform efforts and the development goals of the current administration.



Highlights of 2023

Advocacy

We consistently strive to raise awareness about the critical challenges confronting the environment and education sector. As part of efforts to engage on these issues and enlist multi-stakeholder support, we partnered with the Federal Ministry of Environment, the United Nations Information Center (UNIC) and GreenHub Africa Foundation to commemorate the 2023 World Environment Day themed “Solutions to Plastic Pollution.” Using evidence from our Clean Our World Project, we emphasised the critical role that education plays in attaining global environmental sustainability and effective plastic management. We co-sponsored the 2023 Africa Social Impact Summit (ASIS) organised by Sterling One Foundation and the United Nations Global Compact (UNGC) themed “Global Vision, Local Action – Repositioning the African Development Ecosystem for Sustainable Outcomes”, the event gave the Foundation a platform to discuss the role of education in promoting climate adaptation nationwide and what we have done towards achieving environmental sustainability.

In addition, we engaged targeted speaking and sponsorship opportunities for increased advocacy, in line with our strategic objectives. These include:

- Universal Basic Education Commission (UBEC) stakeholder forum on Promoting Partnership with the Organized Private Sector and other Stakeholders in the Implementation of the Universal Basic Education (UBE) Programme.
- 78th session of the United Nations General Assembly (UNGA) where insights and perspectives were shared on major challenges impacting the attainment of the SDGs at a time of unprecedented setbacks on global progress and escalating humanitarian needs, and the way forward.
- Basic Education in Nigeria Bootcamp (BEN-B) Summit with the theme “Improving Access to Inclusive Quality Education for All Children in Nigeria towards achieving SDG 4”, hosted by the Federal Ministry of Education in partnership with the US Agency for International Development (USAID), Oando Foundation, Partnership for Learning for All in Nigeria Education (PLANE), the British Council and the United Nations Children’s Emergency Fund (UNICEF).
- 11th edition of the World Innovation Summit for Education (WISE) with a focus on “Creative Fluency: Human Flourishing in the age of AI”. Critical issues reshaping our education landscape were discussed, including the importance of computational literacy, new AI-integrated pedagogical approaches that enhance the creative potential of students and teachers, equity and embedded values in the design, dissemination, and implementation of emerging technologies for education around the world.
- USAID-SCALE National Organizational Development Summit where the Foundation facilitated a session on “Strengthening collaboration between Private Sector and Civil Society Organizations.” The aim was to enhance engagement by identifying drivers and barriers to effective collaboration.
- The Foundation contributed to the design of a framework of action to tackle foundational learning crisis in Nigeria at the UNICEF National Conference on the Learning Crisis in Nigeria: The Case for Accelerating Foundational Learning.







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Directors' Report

For the year ended 31 December 2023

The directors submit their Report together with the audited consolidated and separate financial statements for the year ended 31 December 2023, which disclose the state of affairs of the Group and Company.

1 Principal Activity

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

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

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

2 Results

The Group's net profit for the year of N61.9 billion and Company's net loss of N216.2 billion for the year attributable to owners of equity have been transferred to retained earnings.

	Group		Company	
	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
Revenue	2,845,598,308	1,993,754,362	1,540,594,843	1,556,744,962
Profit/(loss) before income tax from operations	102,978,050	(61,840,466)	(208,403,444)	(33,852,292)
Income tax expense	(42,700,882)	(19,390,350)	(7,794,006)	(7,807,649)
Profit/(loss) for the year from operations	60,277,168	(81,230,816)	(216,197,450)	(41,659,941)
Profit/(loss) attributable to owners of the parent	61,996,186	(78,719,263)	(216,197,450)	(41,659,941)

3 Dividend

The directors do not propose dividend for the year ended 31 December 2023 (2022: nil).

4 Directors

- The names of the present directors and those that served on the board of Oando PLC during the year are listed on page 16.
- According to the Register of Directors' Shareholding, the interests of directors in the issued share capital of the Company for the purposes of section 301 part 1 of schedule 5 of the Companies and Allied Matters Act, 2020, are as follows:

	Direct	Indirect
HRM. Oba A. Gbadebo, CFR	437,500	Nil
Mr. Jubril Adewale Tinubu*	Nil	3,670,995
Mr. Omamofe Boyo*	Nil	2,354,713
Mr. Adeola Ogunsemi	Nil	105,941
Dr. Ainojie Alex Irune	Nil	Nil
Fatima Nana Mede	3,093	Nil
Ronke Sokefun	Nil	564,826
Mr. Ademola Akinrele	96,510	Nil
Mr. Ike Osakwe	139,343	Nil
Mr. Tanimu Yakubu	5,999,947	5,998,700

* Additional shares: Ocean and Oil Investments Limited (OOIL) owns approximately 75,000,000 (0.61% of total number of shares) shares in the Company. Mr. Jubril Adewale Tinubu and Mr. Omamofe Boyo own 0.34% and 0.13% respectively in the Company through OOIL.

* Ocean and Oil Development Partners Limited (OODP) owns 7,131,736,673 shares (representing 57.37% of the total number of shares) in the Company. OODP is ultimately owned 66.67% by the Group Chief Executive and 33.33% by the Deputy Chief Executive of the Company at year end.

According to the Register of members as at December 31, 2023, no individual shareholder held more than 5% of the issued share capital of the Company except for the following:

Shareholder	Percentage of shareholding	No of shares held
Ocean and Oil Development Partners Limited	57.37	7,131,736,673
Leaf Equity Investments Limited	15.83	1,968,452,614

5 Contracts

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

Annual Consolidated Financial Statements

Directors' Report

For the year ended 31 December 2023

6 Directors' Responsibilities

The directors are responsible for the preparation of annual consolidated financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. In doing so, the directors have the responsibilities as described on page 84 of these consolidated financial statements.

7 Shareholdings

As of 31 December 2023, the range of shareholdings of the Company was as follows:

Range of Shareholding	No of Shareholders Within Range	% of Holders	No of shares Within Range	% of Shareholding
1 – 1,000	169,332	63.09	61,453,476	0.49
1,001 – 5,000	70,476	26.26	146,831,238	1.18
5,001 – 10,000	11,574	4.31	83,617,106	0.67
10,001 – 50,000	11,949	4.45	262,467,442	2.11
50,001 – 100,000	2,073	0.77	150,189,351	1.21
100,001 – 500,000	2,200	0.82	472,548,414	3.80
500,001 – 1,000,000	347	0.13	255,288,506	2.05
1,000,001 – 5,000,000	362	0.13	749,465,584	6.03
5,000,001 – 10,000,000	42	0.02	282,080,719	2.27
10,000,001 – 50,000,000	29	0.01	571,821,076	4.60
50,000,001 – 100,000,000	4	0.00	295,460,282	2.38
100,000,001 – 12,431,412,481	3	0.00	9,100,189,287	73.21
	268,391	100.00	12,431,412,481	100.00

Oando Plc with a free float value of 26.64% and N24,838,437,195.00 as at 30 June 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

8 Property, Plant and Equipment

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

9 Donations/charitable gifts

The Company through its subsidiary, Oando Foundation, made most of the following donations during the year under review:

Description	Amount N
I Environmental & recycling education awareness project tagged 'Clean Our World' in 24 public primary schools across 10 communities in Lagos State.	29,726,955
II Scholarship award for 35 pupils to further their secondary education across 7 states and 3 university beneficiaries.	1,260,000
III Rehabilitation of ICT Centre at Archbishop Taylor Memorial Nursery and Primary School, Victoria Island, Lagos State.	5,198,925
IV Oando Employee Volunteers upgrade Early Childhood Care and Development Classes at Archbishop Taylor Memorial Nursery and Primary School, Victoria Island, Lagos State and general school refurbishment.	4,529,000
V LEARNOVATE Programme pilot targeting over 18,000 beneficiaries in 26 public primary schools and 1 College of Education across 6 states – Adamawa, Bauchi, Sokoto, Niger, Gombe & Ebonyi.	7,291,204
VI Sponsorship of the "World Environment Day" event organized by the Federal Ministry of Environment.	1,935,000
VII Sponsor of the National Basic Education in Nigeria – Bootcamp (BEN-B) Summit 2023.	2,650,000
VIII Seed grants award to fund the two best performing social innovators at the Teach For Nigeria's 2023 Alumni Hackathon Pitch Competition in the Edtech and Climate Innovation categories.	2,000,000
IX Sponsorship of the 2023 Africa Social Impact Summit (ASIS).	5,000,000
X Sponsor of the Nigeria Governors Forum (NGF) Education Summit.	2,000,000
XI Advocacy support for the World Environment Day event.	500,000
XII Donation to Right to Play Foundation	21,645,653
XIII Donation to The Petroleum Club	10,000,000
XIV Sponsorship/Advert at the Investiture of the 29th President of The Institute of Chartered Secretaries and Administrators	1,000,000
XV Bronze sponsorship of the 17th Annual General Conference of the NBA section on business law	750,000
XVI Bronze sponsorship/advert of the Lagos Motor Boat Club 2023 events	10,000,000
XVII Sponsorship of Alake of Egband's 80th Birthday Golf Tournament	28,000,000
XVIII Sponsorship of Motorsport	20,057,748
XIX Sponsorship for Intra-African trade fair 2023	230,275,000
XX Sponsorship of the Africaribbean Trade and Investment Forum (ACTIF) 2023	11,624,040
XXI Sponsorship of the Intra-African trade fair (IATF) and conference for 2023	440,765,500
XXII Payment to Nigeria Solidarity Support	11,987,018
	848,196,043

Directors' Report

For the year ended 31 December 2023

10. Employment and Employees

Equal Employment Opportunity

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

Employment of Physically Disabled Persons

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

Industrial/Employees Relation

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

Training and Development

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

11 Audit Committee

In accordance with section 404(3) of the Companies and Allied Matters Act, 2020 the following shareholders and directors were members of the Audit Committee during the year ended 31 December 2023:

a) Mr. Ike Osakwe	Non-Executive Director (Chairman)
b) Mr. Tanimu Yakubu	(Non-Executive Director (Resigned August 23, 2024)
c) Dr. Joseph O. Asaolu	Shareholder
d) Mr. Segun Oguntoye	Shareholder
e) Dr. Anthony Omojola	Shareholder

12 Auditors

The Company's auditors, BDO Professional Services were appointed on 6 November 2023 by the shareholders during the 44th Annual General Meeting and have indicated their willingness to continue in office in accordance with section 401(1) of the Companies and Allied Matters Act, 2020.

Dated this 29th Day of October 2024

By Order of the Board



Ayotola Jagun (Ms.)

Chief Compliance Officer and Company Secretary
17a The Wings Office Complex, Ozumba Mbadiwe Avenue, Victoria Island, Lagos
FRC/2013/NBA/00000003578

Annual Consolidated Financial Statements

Corporate Responsibility for Financial Reports

For the year ended 31 December 2023

Certification Pursuant to Section 405 of CAMA 2020

We the undersigned have reviewed the audited consolidated and separate financial statements for the year ended 31 December 2023 and based on our knowledge we confirm that:

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



.....
Group Chief Executive

Mr. Jubril Adewale Tinubu
FRC/2013/NBA/00000003348



.....
Group Chief Financial Officer

Mr. Adeola Ogunsemi
FRC/2016/ICAN/00000014639

Statement of Directors' Responsibilities

For the year ended 31 December 2023

i. Responsibilities in respect of financial statements

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

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

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

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

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

ii. Responsibilities in respect of Corporate Governance

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

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



Director

8th April 2024
Mr. Jubril Adewale Tinubu
FRC/2013/NBA/00000003348

The Board of Directors

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

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

The Audit Committee

The Audit Committee (the "Committee") is made up of five members – two non-executive directors and three shareholders in compliance with section 404(3) of the Companies and Allied Matters Act, 2020. The Committee members meet at least four times a year.

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

Systems of Internal Control

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

Code of Business Ethics

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



Director

8th April 2024
Mr. Adeola Ogunsemi
FRC/2016/ICAN/00000014639

Annual Consolidated Financial Statements

Report of the Audit Committee

For the year ended 31 December 2023

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

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

We ascertain that the accounting and reporting policies of the Company for the year ended December 31, 2023 are in accordance with legal requirements and agreed ethical practices. We also ascertain review of audit plan, effectiveness of internal controls and system of accounting and made appropriate recommendations to the board as they relate to our functions.

Dated this 29th day of October 2024



Ike Osakwe
FRC/2017/ICAN/00000016455

Members of the Audit Committee are:

Mr. Ike Osakwe	Non-Executive Director (Chairman)
Mr. Tanimu Yakubu	(Non-Executive Director, Resigned August 23, 2024)
Dr. Joseph O. Asaolu	Shareholder
Mr. Segun Oguntoye	Shareholder
Dr. Anthony Omojola	Shareholder

Management's Certification on Internal Control over Financial Reporting

For the year ended 31 December 2023

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

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



Group Chief Executive

29th October 2024
Mr. Jubril Adewale Tinubu
FRC/2013/NBA/00000003348



Group Chief Financial Officer

29th October 2024
Mr. Adeola Ogunsemi
FRC/2016/ICAN/00000014639

Report of the Independent Auditors

For the year ended 31 December 2023



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Lagos, Nigeria

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Oando Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis of 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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and 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 Consolidated and Separate 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.

Emphasis of Matters-

i) Oando Servco Nigeria Limited and OODP Loan Agreement and Disbursement

We draw attention to Note 42 (item x) which indicates that on 10 February 2023, Oando Servco Nigeria Limited (an indirect subsidiary of Oando PLC), entered into a \$20 million loan agreement (the "2023 Agreement") with OODP BVI (a subsidiary of Whitmore Asset Management Limited), owned by the Group Chief Executive and Deputy Chief Executive of Oando Plc, for the purpose of providing funds for OODP BVI corporate activities. From the \$20 million loan facility, Oando Servco instructed Oando PLC to pay \$250,000 on 8 August 2023 and \$250,000 on 24 October 2023 to OODP BVI. Additionally, Oando Servco further requested Oando Trading DMCC and Oando PLC to pay \$1 million and \$1.1 million on 3 July 2023 and 24 October 2023 respectively to Ansbur Investments Inc. The total drawdown of \$2.6 million is due from OODP BVI to Oando Servco Nigeria Limited as at the date of this report.

ii) Forex Forward contract between Oando Servco Nigeria Limited ("OSNL") and Argentil Asset Management Limited

We draw attention to Note 44 (item h) which indicates that "OSNL" and Argentil Asset Management Limited entered into a forward contract on August 23, 2024 where Argentil agreed to advance the sum of NGN16 billion to OSNL between the 23 August, 2024 and the 28 August 2024 at a spot rate of N1600:US\$1 and a cost of carry of SOFR plus 8.5% per annum till settlement date. The N16 billion was credited to OSNL by various parties including OODP (an indirect subsidiary of Whitmore Asset Management Limited), owned by the Group Chief Executive and Deputy Chief Executive of Oando Plc. As at 25 October 2024 OSNL has partly paid USD5,500,000 to the Group Chief Executive based on Argentil's instruction, from the advanced sum, with a total of USD 4,500,000 outstanding as payable to Argentil.

iii) Compliance with OFAC and United Kingdom Sanctions and Regulations

We draw attention to Note 45(item v) which indicates that Oando Trading DMCC (a subsidiary of the Parent Company), using the signed Novation Agreement among OTD, NNPC and Litasco SA, purchased four PMS cargoes which were originated from Russia. These cargoes were sold by the Company to NNPC. Purchase of cargoes from Russia falls under the OFAC and United Kingdom sanctions and Regulations. We understand that there are sanctions on crude oil and related products originating from Russia by the US, EU and UK governments that include application of price cap and prohibition by United Kingdom on her citizens regardless of where they are from being involved in the execution or operations of such transactions.

The note includes among others, management's position based on independent legal opinion that OTD being a non United Kingdom national is not subject to the United Kingdom Sanction Regime and Regulation.

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

iv) Material Uncertainty Related to Going Concern

We draw attention to Note 49 of the consolidated and separate financial statements which indicates that the Company recorded total comprehensive loss for the year ended 31 December 2023 of ₦216.2 billion (2022: total comprehensive loss of ₦41.7 billion) and as at that date, its current liabilities exceeded current assets by ₦469.2 billion (2022: net current liabilities of ₦267 billion). The Company also reported net liabilities of ₦460.1 billion (2022: net liabilities of ₦243.9 billion). The Group recorded total comprehensive loss for the year ended 31 December 2023 of ₦70.0 billion (2022: total comprehensive profit of ₦56.8 billion) and as at that date, the Group's current liabilities exceeded its current assets by ₦1.6 trillion (2022: net current liabilities of ₦816.8 billion). The Group also reported net liabilities of ₦267.2 billion (2022: net liabilities of ₦197.2 billion). The Group and the Company continue to incur losses and the reversal of this trend is dependent on successful outcomes of its planned actions to refinance its debts in order to manage the funding gap of ₦3.0 trillion and ₦1.4 trillion and the attainment of revenue in the Group's forecast for the years ending 31 December 2024 and 31 December 2025 respectively. As stated in the note, if the planned actions are successful, it will only address 53.60% of the Group's projected funding gap for the year ending 31 December 2024. Management has additional plans to address the 46.4% funding gap shortfall through equity raises until such a time that profit and healthy cash flows from profitable operations will be achieved. Management is currently making efforts to sign a binding agreement with each prospective equity provider. Management is hopeful, yet uncertain of the success and timing of the bond and equity raises.

These conditions together with other matters, indicate the existence of significant uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

These consolidated and separate financial statements are yet to include any adjustments relating to the recoverability and classification of recorded assets amount noted in paragraph 20 of the note 49 and, or the classification of the remaining non-current liabilities in the statement of financial position that may be necessary if the Group is unable to continue as a going concern as there is no intention by the directors to liquidate or cease the operations of the Group, nor is there any formal event of default declared by lenders or legislation to cause the same.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

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

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

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

Key Audit Matter - Group	How the matter was addressed in the audit
Risk 1: Carrying value of exploration and evaluation assets We identified and assessed the value of exploration and evaluation assets as one of the significant risks of material misstatement due to error. The carrying value of exploration and evaluation ("E&E") assets as at 31 December 2023 is ₦58.4 billion (2022: ₦30.8 billion). This is in respect of some projects where the Group is currently in the exploration phase. These costs are being capitalized. Management has to consider the specific recognition criteria under IFRS 6: Exploration and Evaluation for Mineral Resources for which costs can be capitalized and management judgement is required to determine which costs fall under the IFRS 6 capitalization criteria. The E&E assets have been accumulating over several years and the projects are not yet in the production phase. As a result, there is the risk that carrying value of assets may not be recoverable and impairment may be required.	We performed the following audit procedures: - considered management's assessment of any indicators of impairment as outlined in IFRS 6: Exploration and Evaluation of Mineral Resources and their assertion that none are applicable, including the status and expiration dates of the various licenses; - challenged management on the CGUs and the key assumptions used in the impairment assessment of E&E assets; by independently verifying the forecast crude, Natural gas and NGL prices and the discount rate applied on the cash flows; - We assessed the accuracy and relevance of management's forecasts, judgements including Competent Person Report challenging the recognition of the assets; and - performed substantive testing on a sample of additions to E&E assets during the year to assess if these were in line with capitalization criteria per IFRS 6.
Relevant disclosures in the Consolidated and separate 2023 Financial statements: Note 16(a), Exploration and evaluation assets impairment losses.	Key observations The assessment above resulted into ₦3.9 billion impairment loss in 2023 (2022: ₦16.8 billion).
Risk2: Oil and gas revenue recognition We identified manual adjustments to oil and gas revenue recognition as one of the most significant assessed risks of material misstatement due to fraud. OML 56, OML 13 and OML 60-63 are currently the crude oil and gas producing assets while Oando PLC engages in supply and trading of crude, refined and unrefined petroleum products. These entities account for 100% of Group revenue recognized being ₦2.85 trillion for the year ended 31 December 2023 (2022: ₦2 trillion). IFRS 15: Revenue from Contracts with customers was applicable to the above noted entities, there is a risk around the appropriate recognition of revenue in the current year due to contract modification which could result in manual adjustments to revenue.	We performed the following audit procedures: - agreed the inputs within the calculation of revenue and contract liability to the underlying contracts for the contractual values; - performed substantive testing of inputs for the calculation to relevant third-party evidence including Bill of Lading or Gas Consumption Certificates; - assessed management's application of IFRS 15 requirements and challenged them on their assessment of the contract modification; and - we assessed the appropriateness of the manual journals that were recorded in revenue against the results of the substantive work performed.
Relevant disclosures in the Consolidated and separate financial statements: Note 5, Other significant accounting policies; and Note 8, Revenue from contracts with customers.	Key observations The substantive test performed did not identify any material misstatements in the occurrence of revenue. We did not identify any inappropriate contract modification; hence no adjustment was processed.

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

Risk 3: Accuracy of the decommissioning provision We identified the accuracy of the decommissioning provision as one of the most significant assessed risks of material misstatement due to error. The decommissioning provisions balance as of 31 December 2023 is ₦426.7 billion (2022: ₦142.3 billion) with the movement being an adjustment due to change in assumptions and revision of estimates. The change in assumptions was management judgement which caused a material change to the provision calculation. The estimate is sensitive to changes in assumptions due to the time period the assessment was performed.	We performed the following audit procedures: - considered the expert report commissioned by management on the determination of the basis of the provision for decommissioning including challenging underlying assumptions; - assessed the competence of management's expert and the report prepared by management to inform our work in particular around industry expectations; - substantive testing of the inputs to the provision calculation, re-performance of calculations and management's judgements were carried out; and - ensured appropriate correction of material misstatement identified in our reperformance of the calculations.
Relevant disclosures in the Consolidated and separate financial statements: Note 35, Decommissioning provisions	Our results: As a result of the work performed above there were no material misstatements in the accuracy of the decommissioning provisions in the financial statements.
Risk 4: Going Concern The Group and Company have going concern indicators which include reporting consistent total comprehensive losses in the last 3 years, negative working capital, inability to settle loan facilities as at when due and net liabilities (negative shareholders' fund at the end of the reporting year. The assessment of going concern status includes significant judgements and assumptions made by the management	Our specific procedures in this area included: - Obtaining going concern assessment from the management for a period not less than 12 months - Evaluation of management's method of assessing going concern; it's appropriateness in the context of the applicable financial reporting framework and our understanding of the entity. - Evaluation of the reliability of underlying data used by the management in their going concern assessment. - Evaluation of assumptions used in management's going concern assessment. - Evaluation of management's strategic plans for future actions toward changing the current performance trajectory of the Company and that of the Group.
Relevant disclosures in the Consolidated and separate financial statements: Note 49, Going Concern	Our results: See conclusion on "Material Uncertainty Related to Going Concern" section of our report above.

Annual Consolidated Financial Statements

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

Risk 5: Carrying value of the upstream assets We identified the carrying value of upstream assets as one of the most significant assessed risks of material misstatement due to error. The balance as at 31 December 2023 is ₦1.02 trillion (2022: ₦452.6 billion). We have assessed the likelihood of a significant risk around the valuation of upstream assets within Oando Oil Limited ("OOL") as a result of the reduction of global oil prices in 2023, which indicates potential for impairment of these assets. Upstream assets value in OOL is ₦948.2 billion as at 31 December 2023 (2022: ₦425.3 billion).	We performed the following audit procedures: - considered management's impairment assessment including challenging and corroborating inputs and assumptions in the calculation; - challenged management on the assessment of the CGU's forming the impairment calculation; - assessed management's sensitivity analysis to confirm if the most judgmental areas were changed that the outcome still indicates headroom; - assessed management's forecasts in relation to production expectations and calculation for depletion amounts including challenging any assumptions; - performed substantive testing on a sample of additions to oil and gas assets during the year to confirm existence and accuracy; and - understood the nature and form of the transfer from receivables from a joint arrangement to oil and gas assets to confirm that it was appropriate to reclassify in the current year.
Relevant disclosures in the Consolidated and separate financial statements: Note 15, Property, plant and equipment and Note 48a, Details of upstream assets	Our results: Based on our audit work, we are satisfied that the assumptions made in management's impairment calculations were appropriate.

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, 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 the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Annual Consolidated Financial Statements

Report of the Independent Auditors

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OANDO PLC - CONTINUED

- evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the 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 Group and Company, in so far as it appears from our examination of those books.
- iii) the consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income agree with the books of account; and
- iv) in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020, so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Henry B. Omodigbo
FRC/2013/ICAN/00000003977
For: BDO Professional Services
Lagos, Nigeria
30 October 2024



Report of the Independent Auditors

For the year ended 31 December 2023



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Lagos, Nigeria

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

We have performed a limited assurance engagement on Oando Plc ("the Company") and its subsidiaries (together "the Group") internal control over financial reporting as of 31 December 2023, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting and Securities and Exchange Commission (SEC) Guidance on Management Report on Internal Control Over Financial Reporting. Oando Plc's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

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

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

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

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

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

Annual Consolidated Financial Statements

Report of the Independent Auditors

For the year ended 31 December 2023



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

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

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

A handwritten signature in blue ink, appearing to read 'Henry B. Omodigbo'.

BDO Professional Services - FRC/2024/COY/398515
Henry B. Omodigbo, FCA - FRC/2013/ICAN/00000003977
For: BDO Professional Services
Lagos, Nigeria
30 October 2024



Statement of Profit or Loss

For the year ended 31 December 2023

	Notes	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Revenue from contract with customers	8c	2,845,598,308	1,993,754,362	1,540,594,843	1,556,744,962
Cost of sales	10a	(2,760,578,218)	(1,915,160,238)	(1,536,000,592)	(1,556,278,796)
Gross profit		85,020,090	78,594,124	4,594,251	466,166
Other operating income	9	399,986,733	28,479,819	331,590,706	20,139,934
Impairment of non-financial assets	10d	(3,915,645)	(16,810,883)	(19,006,439)	–
(Impairment of)/reversal of impairment of financial assets, net	10d	(1,431,880)	12,493,545	(28,433,699)	3,542,491
Administrative expenses	10c	(261,353,712)	(82,172,353)	(469,311,634)	(27,585,160)
Operating profit/(loss)		218,305,586	20,584,252	(180,566,815)	(3,436,569)
Finance costs	12a	(133,380,885)	(97,372,852)	(31,446,197)	(32,722,053)
Finance income	12b	16,903,484	15,772,960	3,609,568	2,306,330
Finance costs, net		(116,477,401)	(81,599,892)	(27,836,629)	(30,415,723)
Share of profit/(loss) of associate	19	1,149,865	(824,826)	–	–
Profit/(loss) before income tax		102,978,050	(61,840,466)	(208,403,444)	(33,852,292)
Income tax expense	13a	(42,700,882)	(19,390,350)	(7,794,006)	(7,807,649)
Profit/(loss) for the year		60,277,168	(81,230,816)	(216,197,450)	(41,659,941)
Profit/(loss) attributable to:					
Equity holders of the parent		61,996,186	(78,719,263)	(216,197,450)	(41,659,941)
Non-controlling interest		(1,719,018)	(2,511,553)	–	–
		60,277,168	(81,230,816)	(216,197,450)	(41,659,941)
Profit/(loss) per share attributable to ordinary equity holders of the parent during the year (expressed in Naira per share):					
Basic and diluted profit/(loss) per share					
From profit/(loss) for the year	14	5	(6)	(17)	(3)

The statement of significant accounting policies, notes and other national disclosures on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Annual Consolidated Financial Statements

Statement of other Comprehensive Income

For the year ended 31 December 2023

	Notes	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Profit/(loss) for the year		60,277,168	(81,230,816)	(216,197,450)	(41,659,941)
Other comprehensive income:					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(132,694,274)	24,285,911	–	–
Share of associate's foreign currency translation reserve	33	2,149,356	38,760	–	–
		(130,544,918)	24,324,671	–	–
Items that may not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain on defined benefit plan	33,37c	294,797	104,857	–	–
Other comprehensive (loss)/profit for the year		(130,250,121)	24,429,528	–	–
Total comprehensive loss for the year		(69,972,953)	(56,801,288)	(216,197,450)	(41,659,941)
Attributable to:					
– Equity holders of the parent		(59,823,683)	(53,795,166)	(216,197,450)	(41,659,941)
– Non-controlling interests		(10,149,270)	(3,006,122)	–	–
Total comprehensive loss for the year		(69,972,953)	(56,801,288)	(216,197,450)	(41,659,941)

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

The statement of significant accounting policies, notes and other national disclosures on pages 103 to 194 form an integral part of these consolidated and separate financial statement

Consolidated Statement of Financial Position

As at 31 December 2023

Assets	Notes	Group 2023 N'000	Group 2022 N'000
Non-current assets			
Property, plant and equipment	15	1,034,448,760	462,706,448
Intangible assets	16	622,436,397	312,500,299
Right-of-use assets	17	6,069,139	7,818,960
Investment properties	18	12,060,900	4,450,000
Investment in associates	19	5,046,606	1,747,385
Deferred income tax assets	20	–	633,750
Finance lease receivables	22	175,975,895	86,559,211
Prepayments	27	46,320	102,103
Restricted cash	31b	4,484,430	3,600,838
		1,860,568,447	880,118,994
Current assets			
Inventories	24	7,615,208	1,807,163
Finance lease receivables	22	2,314,138	1,899,482
Derivative financial assets	21	–	620,549
Trade, other receivables and contract assets	25	710,388,989	340,522,170
Deposit for shares	26	6,295,751	1,796,200
Prepayments	27	13,367,822	3,750,894
Financial assets at fair value through profit or loss	28	138,654	59,560
Short-term investments	30	2,111,292	923,701
Cash and cash equivalents	31a	73,317,626	20,831,769
		815,549,480	372,211,488
Total assets		2,676,117,927	1,252,330,482
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Share capital	32	6,215,706	6,215,706
Share premium	32	176,588,527	176,588,527
Retained loss		(506,007,516)	(568,003,702)
Other reserves	33	74,012,855	195,832,724
		(249,190,428)	(189,366,745)
Non controlling interest		(17,988,293)	(7,839,023)
Total equity		(267,178,721)	(197,205,768)
Liabilities			
Non-current liabilities			
Borrowings	34	46,945,871	110,465,837
Deferred income tax liabilities	20	16,459,336	3,680,666
Decommissioning provisions	35	426,661,861	142,287,995
Lease liabilities	36	3,544,602	3,575,711
Retirement benefit obligations	37	1,556,851	470,826
		495,168,521	260,481,035
Current liabilities			
Trade and other payables	38	1,478,619,056	705,848,499
Borrowings	34	771,397,980	396,870,904
Lease liabilities	36	2,336,333	41,498
Current income tax liabilities	13b	194,124,481	84,644,037
Dividend payable	39	1,650,277	1,650,277
		2,448,128,127	1,189,055,215
Total liabilities		2,943,296,648	1,449,536,250
Total equity and liabilities		2,676,117,927	1,252,330,482

The financial statements and notes on pages 103 to 194 were approved and authorised for issue by the Board of Directors on 29th October 2024 and were signed on its behalf by:

.....
Group Chief Executive
 Mr. Jubril Adewale Tinubu
 FRC/2013/NBA/00000003348

.....
Group Chief Financial Officer
 Mr. Adeola Ogunsémi
 FRC/2016/ICAN/00000014639

The statement of significant accounting policies and notes on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Annual Consolidated Financial Statements

Statement of Financial Position

As at 31 December 2023

	Notes	Company 2023 N'000	Company 2022 N'000
Assets			
Non-current assets			
Property, plant and equipment	15	1,467,590	1,499,606
Intangible assets	16	–	14,964
Right-of-use assets	17	2,905,040	4,311,850
Investment properties	18	12,060,900	4,450,000
Finance lease receivables	22	16,717,079	11,463,411
Investment in subsidiaries	29	3,483,170	22,467,109
Prepayments	27	–	9,463
		36,633,779	44,216,403
Current assets			
Finance lease receivables	22	16,934,283	6,982,724
Trade, other receivables and contract assets	25	357,684,712	263,701,319
Prepayments	27	431,984	57,169
Financial assets at fair value through profit or loss	28	138,654	59,560
Short-term investments	30	2,111,292	923,701
Cash and cash equivalents (excluding bank overdrafts)	31a	999,848	618,792
		378,300,773	272,343,265
Total assets		414,934,552	316,559,668
Equity and Liabilities			
Equity attributable to equity holders			
Share capital	32	6,215,706	6,215,706
Share premium	32	176,588,527	176,588,527
Retained earnings		(642,877,529)	(426,680,079)
Total Equity		(460,073,296)	(243,875,846)
Liabilities			
Non-current liabilities			
Borrowings	34	7,964,855	6,026,823
Decommissioning provisions	35	122,325	146,010
Lease liabilities	36	19,429,700	14,913,824
		27,516,880	21,086,657
Current liabilities			
Trade and other payables	38	708,813,482	422,343,573
Borrowings	34	97,026,866	95,939,571
Current income tax liabilities	13b	20,468,369	12,674,363
Lease liabilities	36	19,531,974	6,741,073
Dividend payable	39	1,650,277	1,650,277
		847,490,968	539,348,857
Total liabilities		875,007,848	560,435,514
Total equity and liabilities		414,934,552	316,559,668

The financial statements and notes on pages 103 to 194 were approved and authorised for issue by the Board of Directors on 29th October 2024 and were signed on its behalf by:



.....
Group Chief Executive
 Mr. Jubril Adewale Tinubu
 FRC/2013/NBA/00000003348



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

The statement of significant accounting policies and notes on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Group	Share capital & Share premium ¹ N'000	Other reserves ² N'000	Retained earnings N'000	Equity holders of parent N'000	Non controlling interest N'000	Total equity N'000
Balance as at 1 January 2022	182,804,233	172,937,110	(480,619,594)	(124,878,251)	(4,139,440)	(129,017,691)
Loss for the year	–	–	(78,719,263)	(78,719,263)	(2,511,553)	(81,230,816)
Transfer of share based payment reserve to retained earnings	–	(2,980,644)	2,980,644	–	–	–
Other comprehensive income/(loss) for the year	–	24,924,097	–	24,924,097	(494,569)	24,429,528
Total comprehensive income/(loss)	–	21,943,453	(75,738,619)	(53,795,166)	(3,006,122)	(56,801,288)
Non controlling interest arising in business combination						
Change in ownership interests in subsidiaries that do not result in a loss of control (Note 46c)	–	952,161	(11,645,489)	(10,693,328)	(693,461)	(11,386,789)
Balance as at 31 December 2022	182,804,233	195,832,724	(568,003,702)	(189,366,745)	(7,839,023)	(197,205,768)
Balance as at 1 January 2023	182,804,233	195,832,724	(568,003,702)	(189,366,745)	(7,839,023)	(197,205,768)
Profit/(loss) for the year	–	–	61,996,186	61,996,186	(1,719,018)	60,277,168
Other comprehensive loss for the year	–	(121,819,869)	–	(121,819,869)	(8,430,252)	(130,250,121)
Total comprehensive loss for the year	–	(121,819,869)	61,996,186	(59,823,683)	(10,149,270)	(69,972,953)
Balance as at 31 December 2023	182,804,233	74,012,855	(506,007,516)	(249,190,428)	(17,988,293)	(267,178,721)

¹ Share capital includes Ordinary Shares and share premium (Note 32)² Other reserves include currency translation reserves and share based payment reserves (SBPR). See Note 33.

The statement of significant accounting policies and notes on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Annual Consolidated Financial Statements

Separate Statement of Changes in Equity

For the year ended 31 December 2023

Company	Share Capital & Share premium N'000	Retained earnings N'000	Equity holders of parent/ Total equity N'000
Balance as at 1 January 2022	182,804,233	(385,020,138)	(202,215,905)
Loss for the year	–	(41,659,941)	(41,659,941)
Total comprehensive loss	–	(41,659,941)	(41,659,941)
Balance as at 31 December 2022	182,804,233	(426,680,079)	(243,875,846)
Balance as at 1 January 2023	182,804,233	(426,680,079)	(243,875,846)
Loss for the year	–	(216,197,450)	(216,197,450)
Total comprehensive loss for the year	–	(216,197,450)	(216,197,450)
Balance as at 31 December 2023	182,804,233	(642,877,529)	(460,073,296)

The statement of significant accounting policies and notes on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Cash flows

For the year ended 31 December 2023

	Notes	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	40	197,848,291	19,978,288	1,379,220	(2,571,914)
Interest paid		(47,729,047)	(34,628,406)	(19,307)	(87,437)
Income tax paid	13b	(1,902,729)	(1,797,109)	–	–
Gratuity benefit paid	37c	(8,671)	(34,946)	–	–
Net cash generated from/(used in) operating activities		148,207,844	(16,482,173)	1,359,913	(2,659,351)
Cash flows from investing activities					
Purchases of property plant and equipment 1	15	(45,454,880)	(46,137,352)	(381,741)	(555,012)
Deposit for shares	26	(2,698,179)	(2,594,859)	–	–
Purchase of intangible exploration assets	16	(1,834,443)	(173,544)	–	–
Premium paid on hedges (Note 21)	21	(552,257)	(1,047,615)	–	–
Recoveries on non-current receivables	23b	–	10,250,035	–	–
Finance lease received	22iii	22,217,942	10,822,439	5,957,642	4,509,298
Interest received		124,578	101,696	123,487	101,694
Net cash (used in)/generated from investing activities		(28,197,239)	(28,779,200)	5,699,388	4,055,980
Cash flows from financing activities					
Proceeds from borrowings	40b	310,007,796	600,032,089	450,000	8,398,100
Repayment of borrowings	40b	(400,719,664)	(562,326,840)	(1,292,369)	(5,637,617)
Dividend received from an associate		–	101,036	–	–
Lease payments	36	(2,006,815)	(1,838,245)	(6,226,650)	(4,743,898)
Acquired minority interest		–	(8,200)	–	–
Restricted cash		2,727,615	1,377,478	–	–
Net cash (used in)/generated from financing activities		(89,991,068)	37,337,318	(7,069,019)	(1,983,415)
Net change in cash and cash equivalents		30,019,537	(7,924,055)	(9,718)	(586,786)
Cash and cash equivalents at the beginning of the year		20,831,769	27,876,864	618,792	1,193,819
Exchange gain on cash and cash equivalents		22,466,320	878,960	390,774	11,759
Cash and cash equivalents at end of the year		73,317,626	20,831,769	999,848	618,792
Cash and cash equivalent at year end is analysed as follows:					
Cash and bank balance	31a	73,317,626	20,831,769	999,848	618,792

¹ Purchases of property, plant and equipment exclude capitalised interest (2022: nil)

The statement of significant accounting policies and notes on pages 103 to 194 form an integral part of these consolidated and separate financial statements.

Annual Consolidated Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1. General information

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

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

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

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

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

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

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

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

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

On May 19, 2018, Oando PLC (through its subsidiary Calabar Power) acquired 8,631,225 shares in OEPH from some non-controlling interests (NCI) who were paid a cash consideration of US\$1.20 per share in accordance with the plan of arrangement executed for some NCI following the delisting of OER in 2016. As a result, Oando PLC now owns 79.27% (2018: 78.18%) shares in

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OEPH. Calabar Power (through Oando PLC) paid \$8.3 million (N3 billion) in 2018 and \$13.5 million (N4.9 billion) in 2019 to WAIL. On May 31, 2019, Goldeneye transferred 5,236,626 shares to Calabar Power amounting to \$13,349,083.59, thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 79.93%. Amounts paid up to 31 December 2019 have been reflected as deposit for shares in these consolidated financial statements. Subsequently, the company (through Oando PLC) paid the outstanding indebtedness to WAIL as follows: 2020: \$1.5 million, 2021: \$10 million while Goldeneye paid \$4.12 million in 2022 out of the indebtedness to Oando PLC of \$9.59 million. The final payment of \$4.12 million extinguished the debt to WAIL as guaranteed by Oando PLC. Upon the final payment and on April 12, 2022, the outstanding shares of 12,218,788 were transferred to Calabar Power.

On November 2, 2020, M1 Petroleum Limited (an NCI in OEPH) transferred 2,935,774 shares in OEPH (amounting to \$5 million) to Calabar Power thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 80.3%. Furthermore, on 31 March 2021 (the "effective date"), OODP Nigeria (the "Seller") agreed to sell, assign and deliver to the Calabar Power Limited (the "Purchaser") and the Purchaser agreed to purchase and accept from the Seller the Shares – 128,413,672 common shares of Oando E & P Holdings Limited ("OEPH") free from all encumbrances on the effective date for a consideration of \$225 million. The Seller and the Purchaser further agreed that costs and taxes directly related to the sale and transfer by the Seller shall be borne by the Seller; and that the consideration will be paid in full by the Purchaser within twelve months from the effective date. The Seller and Purchaser executed a Share Transfer Form on the effective date. A Share Certificate covering the 128,413,672 common shares dated the effective date was also issued to the Purchaser by Oando E & P Holdings Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 96.51% at same date. Following the transfer of 12,218,788 shares in OEPH from WAIL to Calabar Power in April 2022, Oando PLC's (direct and indirect) percentage interest in OEPH to 98.05% at same date. On November 14 2022, M1 Petroleum Limited transferred 1,761,465 shares in OEPH to Calabar Power Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.27% at same date (see Note 46c). Additional updates are available in Notes 26.

2. Basis of preparation

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

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

3. Changes in accounting policies and disclosures

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

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments were applied for the first time in 2023, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

– Definition of Accounting Estimates – Amendments to IAS 8

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. Effective for annual periods beginning on or after 1 January 2023. The amendment have no significant impact on the Group's consolidated financial statement.

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– Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by: replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Effective for annual periods beginning on or after 1 January 2023. These amendments have no significant impact on the Group's consolidated financial statement.

– Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Effective for annual periods beginning on or after 1 January 2023. These amendments have no significant impact on the Group's consolidated financial statement.

– International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. These amendments have no significant impact on the Group's consolidated financial statement.

(b) New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2023

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these consolidated financial statements. None of these is expected to have significant effect on the consolidated financial statements of the Group, except the following set out below:

– Classification of Liabilities as Current or Non-current – Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: What is meant by a right to defer settlement; That a right to defer must exist at the end of the reporting period; That classification is unaffected by the likelihood that an entity will exercise its deferral right; That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification. The amendment is not expected to have a significant impact on the Group's consolidated financial statement. It is effective for annual periods beginning on or after 1 January 2023, however, in July 2021, the Board tentatively decided to defer the effective date of the 2020 amendments to no earlier than 1 January 2024.

– Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued amendments to IFRS 16, which specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Effective for annual periods beginning on or after 1 January 2024. These amendments may apply to the Group in future.

– Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. Which specifies disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. These amendments may apply to the Group in future.

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– Lack of exchangeability – Amendments to IAS 21

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

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

– IFRS 17 Insurance Contracts – Effective 1 January 2023

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
 - The IASB has deferred the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting.

4. Basis of Consolidation

(i) Subsidiaries

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

In the separate financial statements, investment in subsidiaries is measured at cost less accumulated impairment. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value and when there are indicators of impairment.

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

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

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

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

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

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

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

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(iii) Disposal of subsidiaries

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

(iv) Investment in associates

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

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

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

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

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

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

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

(v) Joint arrangements

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

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

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

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

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

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

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Transactions with other parties in the joint operations

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

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

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

(vi) Functional currency and translation of foreign currencies

Functional and presentation currency

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

The Company's functional and presentation currency is Naira.

(vii) Transactions and balances in Group entities

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

(viii) Consolidation of Group entities

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

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

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

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

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(ix) Common control business combinations

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

A business combination is a “common control combination” if:

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

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

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

(x) Business combinations and goodwill

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

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

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

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

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

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

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5. Other material accounting policies

(a) Segment reporting

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

(b) Revenue from contracts with customers

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

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

A valid contract is recognised as revenue after:

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

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

a) Revenue recognition

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

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

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

Definition of a customer

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

• Identification of performance obligation

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

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

• Contract enforceability and termination clauses

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

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

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

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

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

b) Transaction price

Transaction price is the amount that an entity within the Group allocates to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Variable consideration not within the Group's control is estimated at the point of revenue recognition and reassessed periodically. The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. As a practical expedient, where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group may recognise revenue in the amount to which it has a right to invoice.

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

Instances when SFC assessment may be carried out include where the Group receives advance payment for agreed volumes of crude oil or receivables take or pay deficiency payment on gas sales. Take or pay gas sales contract ideally provides that the customer must sometimes pay for gas even when not delivered to the customer.

The customer, in future contract years, takes delivery of the product without further payment. The portion of advance payments that represents significant financing component will be recognised as interest revenue.

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

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c) Contract modification and contract combination

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

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

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

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

d) Portfolio expedients

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

e) Contract assets and liabilities

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

f) Disaggregation of revenue from contract with customers

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

(c) Property, plant and equipment

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

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

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

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

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

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

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

Derecognition of property, plant and equipment

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

(d) Intangible assets

(a) Goodwill

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

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

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

(b) Computer software

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

(c) Concession contracts

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

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

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

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

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

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

(e) Impairment of non-financial assets

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

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

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

(f) Financial instruments

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

a) Classification and measurement

Financial assets

It is the Group's policy to initially recognise financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group classifies its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income (OCI).

Financial assets classified at amortised cost

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

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

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

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

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

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

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

Financial assets classified at fair value through profit or loss

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

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

All the Group's financial assets as at 31 December 2023 satisfy the conditions for classification at amortised cost, fair value through profit or loss and as fair value through other comprehensive income under IFRS 9.

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

Financial liabilities

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

b) Impairment of financial assets

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

The Group applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the three-stage approach is applied to finance lease receivables, other receivables, non-current receivables and cash & cash equivalents.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates which is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

c) Significant increase in credit risk and default definition

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

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

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

d) Derecognition

• Financial assets

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

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

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

• Financial liabilities

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

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(g) Accounting for leases under IFRS 16

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

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

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

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

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

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

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

Leases in which the Group is a lessee

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

Lease liabilities

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

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

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

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

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

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

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Right of use assets

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

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

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

Short-term leases and leases of low-value assets

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

Extension and termination options

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

Leases in which the Group is a lessor

Sub-leases

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

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

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

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

(h) Inventories

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

(i) Share capital

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

(j) Cash and cash equivalents

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

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(k) Employee benefits

(i) Retirement benefit obligations

Defined contribution scheme

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

Defined benefit scheme

The Group operated a defined benefit gratuity scheme in Nigeria, where members of staff who had spent 3 years or more in employment are entitled to benefit payments upon retirement. This defined benefit plan was curtailed in 2012 and 2013 for management and non-management staff respectively.

The liability recognized in respect of the discontinued defined benefit plan at the time of curtailment was based on the final settlement amounts communicated to each employee. The settlement amounts bore an interest rate equivalent to 90 days deposit rate from the time of curtailment up until when they were paid to an external funds manager in 2017. Prior to the obligation being funded, the interest costs accruing to the employees are recorded in the statement of profit or loss and included as part of the liability in the statement of financial position.

After the settlement was paid to the fund manager in 2017, the Group no longer has any obligation on the statement of financial position.

(ii) Employee share-based compensation

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

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

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

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

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

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

(iii) Other share based payment transactions

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

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(iv) Profit-sharing and bonus plans

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

(l) Provisions

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

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

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

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

Decommissioning liabilities

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

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

(m) Current income and deferred tax

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

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2.5% of assessable profits of companies operating within Nigeria. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in OCI or equity respectively. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

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

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(n) Dividend

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

(o) Upstream activities

Exploration and evaluation assets

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

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

Pre-license cost are expensed in the profit or loss in the period in which they occur.

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

Oil and gas assets

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

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

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

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

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

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(p) Impairment

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

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

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

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

Impairment charges and reversals are reported separately in the statement of profit or loss. As of the reporting date, an impairment charge of N3.9 billion (2022: N16.8 billion) was recognised in intangible assets. See Note 16.

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

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

(r) Production underlift and overlift

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

(s) Fair value

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

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

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

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

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

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

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Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

(t) Offshore processing arrangements

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

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

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

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

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

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

Where the Group pre-delivered products in expectation of lifting of crude oil in future, it does not record the value in the statement of profit or loss in order to comply with the matching concept. Rather, it will deplete cash (where actual payment was

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done) or increase trade payables and receivables. The Group transfers the amount recognised from trade receivables to cost of sales and recognise the value of crude oil lifted as turnover, when crude oil is eventually lifted in respect of the pre-delivery.

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

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

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

(u) Investment properties

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

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

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise contingent liability but discloses it unless the possibility of an outflow of resources embodying economic benefits is remote. When the possibility of an outflow of economic benefits becomes more than remote but less than probable, contingent liability is disclosed. If it becomes probable that there will be an outflow of economic benefits, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made). When the amount and timing of the liability become certain, the obligation is presented as a trade or other payable or as a financial liability. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability while the Group recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

(w) Contingent assets

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

(x) ECL on financial guarantee contracts

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

Initial recognition

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

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Subsequent measurement

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

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

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

6. Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Joint arrangements (Note 48b)

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

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

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

(b) Determining the lease term

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

The following factors are normally the most relevant:

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

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

(c) Capitalisation of borrowing costs

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

(d) Exploration costs

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

(e) Offshore processing arrangements

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

Estimates and assumptions

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

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

i Fair value estimation

Financial instruments

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

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

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

Employee share based payments

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

Property, plant and equipment

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

The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For this appropriate deductions are made to allow for age, condition and economic or functional

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obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement.

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

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

ii Impairment of goodwill

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

If the estimated pre-tax discount rate applied to the discounted cash flows of the Exploration & Production segment had been higher by 11% (i.e. 16.5% instead of 14.9%), the Group would have recognised an impairment against goodwill of N3.5 billion. The goodwill for the Trading segment has been fully impaired (Note 16b).

iii Income taxes

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

iv Provision for environmental restoration

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

v Estimation of oil and gas reserves

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

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

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

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

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

vi Impairment of assets

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

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

Estimates of future cash flows are risk-weighted to reflect expected cash flows and are consistent with those used in the Group's business plans. A discount rate based on the Group's weighted average cost of capital (WACC) is used in impairment testing. Expected cash flows are then risk-adjusted to reflect specific local circumstances or risks surrounding the cash flows. Oando reviews the discount rate to be applied on an annual basis. The discount rate applied in 2023 was 14.9% (2022: 13.1%). Asset impairments or their reversal will impact income.

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

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

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

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

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

viii Investment properties

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

The fair value of the properties were determined during the year using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/00000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517) in March and May 2024. The direct comparison method involves the analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately to take care of the peculiarities and level of completion of the subject property in arriving at the value. This has therefore been classified under level 3.

ix Impairment of financial assets

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

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7 Financial risk management

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

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

Market risk

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

(i) Foreign exchange risk

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

Group		2023		2022	
Instrument	Sensitivity Range	Pre-tax impact on total equity		Pre-tax impact on total equity	
		Increase in variable N'000	Decrease in variable N'000	Increase in variable N'000	Decrease in variable N'000
US Dollar denominated bank balances and receivables	+/- 12%	104,052,427	(104,052,427)	47,952,120	(47,952,120)
US Dollar denominated trade payables and borrowing balances	+/- 12%	(251,142,491)	251,142,491	(125,860,722)	125,860,722

Company		2023		2022	
Instrument	Sensitivity Range	Pre-tax impact on total equity		Pre-tax impact on total equity	
		Increase in variable N'000	Decrease in variable N'000	Increase in variable N'000	Decrease in variable N'000
US Dollar denominated bank balances and receivables	+/- 12%	28,827,668	(28,827,668)	19,487,150	(19,487,150)
US Dollar denominated trade payables and borrowing balances	+/- 12%	(1,219,545)	1,219,545	(731,493)	731,493

Equity price risk

The Group is exposed to equity security price risk because of its investments in the marketable securities classified as financial assets measured at fair value through profit or loss. The shares held by the Group are traded on the Nigerian Exchange Group. A 10% change in the market price of the instrument would result in an additional N13.9 million gain/(loss) (2022: N5.9 million), to be recognised in equity.

Commodity price risk

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

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The table below provides a summary of the impact of changes in crude oil prices and interest rates on income before tax, with all other variables held constant for the year ended December 31, 2023 and December 31, 2022.

Instrument	Sensitivity Range	2023		2022	
		Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000	Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000
Financial commodity contracts	+/- \$10 per barrel change in Brent crude oil price	—	—	(246)	226

(ii) Interest rate risk

The Group had a short term, highly liquid bank deposits of N2.1 billion (Access Bank UK USD deposit N1.1 billion with a rate of 4.85% p.a. and N1.02 billion with ARM with an annual yield of 10.64%) as at 31 December 2023 (2022: N923.7 million at a fixed interest rate of 18.41%). No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

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

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

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

Group		2023		2022	
Instrument	Sensitivity Range	Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000	Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000
Variable rate borrowings	+/- 100 basis points	(6,594,497)	6,594,497	(3,775,633)	3,775,633

Company		2023		2022	
Instrument	Sensitivity Range	Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000	Income/(loss) before tax Increase in variable N'000	Decrease in variable N'000
Variable rate borrowings	+/- 100 basis points	(97,636)	97,636	(65,507)	65,507

Credit risk

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

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

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

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

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Impairment of financial assets

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

Simplified approach:

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

General approach:

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

Simplified approach

Trade receivables

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

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

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

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

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

GROUP

31 December 2023	Current	1 and 30 days past due	31 and 60 days past due	61 and 90 days past due	91 and 360 days past due	360 days past due	Total
Expected credit loss	118,321	65,277	16,082	93,517	356,348	12,305,792	12,955,337
Oando Energy Resources (OER)	5,461	132	983	6,345	292,279	3,252,559	3,557,759
Oando Trading DMCC Dubai (OTD)	40,565	45,751	10,223	—	981	1,158,943	1,256,463
Oando Logistics Services (OLS)	13,769	19,394	4,876	87,172	63,088	75,939	264,238
Company	58,526	—	—	—	—	7,818,352	7,876,878
Gross carrying amount – trade receivables	357,470,274	153,228,825	37,573,153	3,997,621	17,448,292	4,487,441	574,205,606
Oando Energy Resources (OER)	19,022,627	460,529	3,451,364	3,493,450	14,130,585	3,252,559	43,811,114
Oando Trading DMCC Dubai (OTD)	135,217,371	152,502,745	34,076,899	—	3,075,353	1,158,943	326,031,311
Oando Logistics Services (OLS)	324,289	265,551	44,890	504,171	242,354	75,939	1,457,194
Company	202,905,987	—	—	—	—	—	202,905,987

The breakdown of the above table is shown below;

	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		
Oando Energy Resources (OER)	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	Total expected credit loss
Current	9,030,982	9,991,645	19,022,627	0.03%	0.03%	2,616	2,845	5,461
1 and 30 days past due	113,915	346,614	460,529	0.03%	0.03%	33	99	132
31 and 60 days past due	—	3,451,364	3,451,364	0.03%	0.03%	—	983	983
61 and 90 days past due	—	3,493,450	3,493,450	0.03%	0.18%	—	6,345	6,345
91 and 360 days past due	169,125	13,961,460	14,130,585	0.03%	2.09%	49	292,230	292,279
360 days past due	256,902	2,995,657	3,252,559	100.00%	100.00%	256,902	2,995,657	3,252,559
Total	9,570,924	34,240,190	43,811,114			259,600	3,298,159	3,557,759

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	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Trading DMCC Dubai (OTD)								
Current	135,217,371	–	135,217,371	0.03%	–	40,565	–	40,565
1 and 30 days past due	152,502,745	–	152,502,745	0.03%	–	45,751	–	45,751
31 and 60 days past due	34,076,899	–	34,076,899	0.03%	–	10,223	–	10,223
61 and 90 days past due	–	–	–	0.03%	–	–	–	–
91 and 360 days past due	3,075,353	–	3,075,353	0.03%	–	981	–	981
360 days past due	1,158,943	–	1,158,943	100.00%	–	1,158,943	–	1,158,943
Total	326,031,311	–	326,031,311			1,256,463	–	1,256,463

	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Logistics Services (OLS)								
Current	239,355	84,934	324,289	4.24%	4.25%	10,160	3,609	13,769
1 and 30 days past due	265,290	261	265,551	7.30%	9.74%	19,369	25	19,394
31 and 60 days past due	44,678	212	44,890	10.84%	14.41%	4,845	31	4,876
61 and 90 days past due	504,171	–	504,171	17.29%	18.59%	87,172	–	87,172
91 and 360 days past due	231,729	10,625	242,354	26.16%	23.16%	60,628	2,460	63,088
360 days past due	38,942	36,997	75,939	100.00%	100.00%	38,942	36,997	75,939
Total	1,324,165	133,029	1,457,194			221,116	43,122	264,238

COMPANY	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
Current – Third parties	–	195,087,635	195,087,635	0.00%	0.03%	–	58,526	58,526
Current – Related party*	–	–	–	0.00%	0.03%	–	–	–
360 days past due – Third party	–	7,818,352	7,818,352	100.00%	100.00%	–	7,818,352	7,818,352
Total	–	202,905,987	202,905,987			–	7,876,878	7,876,878

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

31 December 2022	Current	1 and 30 days past due	31 and 60 days past due	61 and 90 days past due	91 and 360 days past due	360 days past due	Total
GROUP							
Expected credit loss	3,667,889	84,757	89,778	84,339	128,161	6,108,047	10,162,971
Oando Energy Resources (OER)	148,710	79,534	84,172	78,794	90,699	1,700,315	2,182,224
Oando Trading DMCC Dubai (OTD)	40,465	–	–	–	–	481,284	521,749
Oando Logistics Services (OLS)	4,051	5,223	5,606	5,545	37,462	24,517	82,404
Company	3,474,663	–	–	–	–	3,901,929	7,376,592
Gross carrying amount – trade receivables	286,128,184	1,779,858	1,677,211	1,447,372	1,641,427	2,206,117	294,880,169
Oando Energy Resources (OER)	5,931,019	1,692,047	1,621,753	1,420,054	1,487,672	1,700,315	13,852,860
Oando Trading DMCC Dubai (OTD)	134,884,454	–	–	–	–	481,284	135,365,738
Oando Logistics Services (OLS)	88,991	87,811	55,458	27,318	153,755	24,517	437,850
Company	145,223,720	–	–	–	–	–	145,223,720

The breakdown of the above table is shown below;

	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Energy Resources (OER)								
Current	2,558,512	3,372,507	5,931,019	0.030%	4.387%	755	147,955	148,710
1 and 30 days past due	–	1,692,047	1,692,047	0.030%	4.700%	–	79,534	79,534
31 and 60 days past due	–	1,621,753	1,621,753	0.030%	5.190%	–	84,172	84,172
61 and 90 days past due	–	1,420,054	1,420,054	0.115%	5.549%	–	78,794	78,794
91 and 360 days past due	–	1,487,672	1,487,672	0.030%	6.097%	–	90,699	90,699
360 days past due	296,151	1,404,164	1,700,315	100.000%	100.000%	296,151	1,404,164	1,700,315
Total	2,854,663	10,998,196	13,852,860			296,906	1,885,318	2,182,224

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	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Trading DMCC Dubai (OTD)								
Current	134,884,454	–	134,884,454	0.03%	–	40,465	–	40,465
1 and 30 days past due	–	–	–	99.97%	–	–	–	–
31 and 60 days past due	–	–	–	99.97%	–	–	–	–
61 and 90 days past due	–	–	–	99.97%	–	–	–	–
91 and 360 days past due	–	–	–	99.97%	–	–	–	–
360 days past due	481,284	–	481,284	100.00%	–	481,284	–	481,284
Total	135,365,738	–	135,365,738			521,749	–	521,749

	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Oil & Gas	Power & Utilities	Total	Oil & Gas	Power & Utilities	Oil & Gas	Power & Utilities	
Oando Logistics Services (OLS)								
Current	40,544	48,447	88,991	5.57%	3.70%	2,260	1,791	4,051
1 and 30 days past due	83	87,728	87,811	15.44%	5.94%	13	5,210	5,223
31 and 60 days past due	80	55,378	55,458	27.45%	10.08%	22	5,584	5,606
61 and 90 days past due	5,414	21,904	27,318	43.47%	14.57%	2,354	3,191	5,545
91 and 360 days past due	–	153,755	153,755	56.82%	24.36%	–	37,462	37,462
360 days past due	5,773	18,744	24,517	100.00%	100.00%	5,773	18,744	24,517
Total	51,894	385,956	437,850			10,422	71,982	82,404

COMPANY	Gross carrying amount – trade receivables (A)			Loss rate (B)		Expected credit loss (A*B)		Total expected credit loss
	Individuals	Oil & Gas	Total	Individuals	Oil & Gas	Individuals	Oil & Gas	
Current – Third parties	–	141,321,790	141,321,790	0.00%	2.46%	–	3,474,663	3,474,663
Current – Related party*	–	–	–	0.00%	0.03%	–	–	–
360 days past due	–	3,901,930	3,901,930	100.00%	100.00%	–	3,901,929	3,901,929
Total	–	145,223,720	145,223,720			–	7,376,592	7,376,592

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

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Balance as at 1 January	10,162,971	11,945,624	7,376,592	7,213,336
Increase/(decrease) in trade receivables loss allowance recognised in profit or loss during the year	121,128	(1,822,309)	500,286	163,256
Exchange difference	2,671,238	39,656	–	–
At 31 December	12,955,337	10,162,971	7,876,878	7,376,592

General approach – Expected credit loss measurement

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

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

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

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

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Basis of inputs to the ECL model

Probability of default (PD)

The credit rating of the countries of the counterparties was used to reflect the assessment of the probability of default on these receivables. This was derived from Standard & Poor's (S&P) 2022 annual global rating scale to arrive at a PD for the respective countries. The PD for Stage 3 receivables was 100% as these amounts were deemed to be in default using the days past due criteria. The PD was adjusted for macro economics factors.

Loss given default (LGD)

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

Exposure at default (EAD)

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

Macroeconomic indicators

The real historical gross domestic product (GDP) growth rate in Nigeria, inflation rate, unemployment rate and crude oil price were identified as the key economic variables impacting the credit risk on these receivables. Forecasts of these economic variables (the "base economic scenario") provide the best estimate view of the economy in the last thirty (30) years. In addition to the base economic scenario, two additional scenarios (upturn and downturn) were derived as the scenario weightings.

The probability weight attached to each of the scenarios was determined using the GDP growth rates. The historical GDP growth rates were evaluated at 95% confidence interval. Based on this confidence interval, 76.7% (2022:77.5%) of historical GDP growth rate observation falls within the acceptable bounds, 13.33% (2022:13.33%) of the observation relates to upturn while 10.0% (2022:9.17%) of the observation relate to periods of recession/downturn.

Staging

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

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

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

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

Definition of default and credit impaired financial assets

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

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Group

Other receivables

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

	2023				2022
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing	99,728,767	–	–	99,728,767	51,819,639
Non – performing					
Individually impaired	–	–	387,409,130	387,409,130	193,230,176
	99,728,767	–	387,409,130	487,137,897	245,049,815

The closing loss allowances for other receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	38,108	–	193,230,176	193,268,284
Impairment of assets	44,330	–	3,058,973	3,103,303
Exchange difference	–	–	191,119,981	191,119,981
At 31 December 2023	82,438	–	387,409,130	387,491,568

	2022			
Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Performing	51,819,639	–	–	51,819,639
Non – performing				
Individually impaired	–	–	193,230,176	193,230,176
	51,819,639	–	193,230,176	245,049,815

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	36,916	–	213,820,453	213,857,369
Impairment/(reversal) of impairment of assets	1,192	–	(1,995,163)	(1,993,971)
Exchange difference	–	–	(18,595,114)	(18,595,114)
At 31 December 2022	38,108	–	193,230,176	193,268,284

Non-current receivables

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

	2023				2022
Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Performing	–	–	–	–	–
Non – performing					
Individually impaired	–	–	–	–	9,292,177
Less: current portion of joint operations receivables reclassified to other receivables	–	–	–	–	(9,292,177)
	–	–	–	–	–

The closing loss allowances for non-current receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	–	–	–	–
Reversal of impairment	–	–	–	–
Exchange difference	–	–	–	–
At 31 December 2023	–	–	–	–

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Total	Group N'000	2022		
		Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
Performing	–	–	–	–
Non – performing				
Individually impaired	–	–	9,292,177	9,292,177
Less: current portion of joint operations receivables reclassified to other receivables	–	–	(9,292,177)	(9,292,177)
	–	–	–	–

The closing loss allowances for non-current receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	–	–	8,737,450	8,737,450
Reversal of impairment of assets	–	–	(10,250,035)	(10,250,035)
Exchange difference	–	–	1,512,585	1,512,585
At 31 December 2022	–	–	–	–

Finance lease receivables

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

Group	2023				2022 Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	
Performing (Note 22ii)	180,272,031	–	–	180,272,031	90,787,682
Non – performing					
Individually impaired	–	–	–	–	–
	180,272,031	–	–	180,272,031	90,787,682

The closing loss allowances for finance lease receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	2,328,989	–	–	2,328,989
Reversal of impairment of assets	(1,994,256)	–	–	(1,994,256)
Exchange difference	1,647,265	–	–	1,647,265
At 31 December 2023	1,981,998	–	–	1,981,998

Group	Group N'000	2022		
		Stage 1 N'000	Stage 2 N'000	Stage 3 N'000
Performing (Note 22ii)	90,787,682	–	–	90,787,682
Non – performing				
Individually impaired	–	–	–	–
	90,787,682	–	–	90,787,682

The closing loss allowances for finance lease receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	647,007	–	–	647,007
Impairment of assets	1,572,770	–	–	1,572,770
Exchange difference	109,212	–	–	109,212
At 31 December 2022	2,328,989	–	–	2,328,989

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Other receivables

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

Company	2023				2022 Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	
Performing	162,165,149	–	–	162,165,149	119,211,763
Non – performing					
Individually impaired	–	–	89,505,416	89,505,416	67,989,779
	162,165,149	–	89,505,416	251,670,565	187,201,542

The closing loss allowances for other receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	(2,904,607)	–	67,989,779	65,085,172
Impairment of assets	7,501,243	–	20,166,367	27,667,610
At 31 December 2023	4,596,636	–	88,156,146	92,752,782

	2022			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Performing	119,211,763	–	–	119,211,763
Non – performing				
Individually impaired	–	–	67,989,779	67,989,779
	119,211,763	–	67,989,779	187,201,542

The closing loss allowances for other receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	–	–	69,210,145	69,210,145
Reversal of impairment of assets	(2,904,607)	–	(1,220,366)	(4,124,973)
At 31 December 2022	(2,904,607)	–	67,989,779	65,085,172

Non-current receivables

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

Company	2023				2022 Total N'000
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	
Performing	–	–	–	–	–
Non – performing					
Individually impaired	–	–	–	–	–
	–	–	–	–	–

The closing loss allowances for non-current receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	–	–	–	–
Reversal of impairment	–	–	–	–
At 31 December 2023	–	–	–	–

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The table below shows the credit quality of non-current receivables as at 31 December 2022 which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	Stage 1 N'000	Stage 2 N'000	2023 Stage 3 N'000	Total N'000
Performing	–	–	–	–
Non – performing				
Individually impaired	–	–	–	–
	–	–	–	–

The closing loss allowances for non-current receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	–	–	–	–
Reversal of impairment of assets	–	–	–	–
At 31 December 2022	–	–	–	–

Finance lease receivables

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

	Stage 1 N'000	Stage 2 N'000	2023 Stage 3 N'000	Total N'000	2022 Total N'000
Company					
Performing	34,450,154	–	–	34,450,154	18,979,124
Non – performing					
Individually impaired	–	–	–	–	–
	34,450,154	–	–	34,450,154	18,979,124

The closing loss allowances for finance lease receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	532,989	–	–	532,989
Impairment of assets	265,803	–	–	265,803
At 31 December 2023	798,792	–	–	798,792

The table below shows the credit quality of finance lease receivables as at 31 December 2022 which have been assessed by reference to historical information about counterparty default rates. The amounts presented are gross of impairment allowances.

	Stage 1 N'000	Stage 2 N'000	2022 Stage 3 N'000	Total N'000
Performing	18,979,124	–	–	18,979,124
Non – performing				
Individually impaired	–	–	–	–
	18,979,124	–	–	18,979,124

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The closing loss allowances for finance lease receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	113,763	–	–	113,763
Impairment of assets	419,226	–	–	419,226
At 31 December 2022	532,989	–	–	532,989

At 31 December 2023

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

Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
Other receivables measured at amortised cost – charged to/(reversed in) statement of profit or loss	44,330	–	3,058,973	–	3,103,303
Non-current receivables measured at amortised cost – reversed in statement of profit or loss	–	–	–	–	–
Finance lease receivables measured at amortised cost – reversed in statement of profit or loss	(1,994,256)	–	–	–	(1,994,256)
Cash and cash equivalent measured at amortised cost – charged to statement of profit or loss	–	–	201,705	–	201,705
Trade receivables measured at amortised cost – charged to statement of profit or loss	–	–	–	121,128	121,128
	(1,949,926)	–	3,260,678	121,128	1,431,880

Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
Other receivables measured at amortised cost – reversed in statement of profit or loss	7,501,243	–	20,166,367	–	27,667,610
Non-current receivables measured at amortised cost – charged to statement of profit or loss	–	–	–	–	–
Finance lease receivables measured at amortised cost – charged to statement of profit or loss	265,803	–	–	–	265,803
Trade receivables measured at amortised cost – charged to statement of profit or loss	–	–	–	500,286	500,286
	7,767,046	–	20,166,367	500,286	28,433,699

At 31 December 2022

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

Group	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
Other receivables measured at amortised cost – charged to/(reversed in) statement of profit or loss	1,192	–	(1,995,163)	–	(1,993,971)
Non-current receivables measured at amortised cost – reversed in statement of profit or loss	–	–	(10,250,035)	–	(10,250,035)
Finance lease receivables measured at amortised cost – charged to statement of profit or loss	1,572,770	–	–	–	1,572,770
Trade receivables measured at amortised cost – reversed in statement of profit or loss	–	–	–	(1,822,309)	(1,822,309)
	1,573,962	–	(12,245,198)	(1,822,309)	(12,493,545)

Company	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Simplified model N'000	Total N'000
Other receivables measured at amortised cost – reversed in statement of profit or loss	(2,904,606)	–	(1,220,367)	–	(4,124,973)
Non-current receivables measured at amortised cost – reversed in statement of profit or loss	–	–	–	–	–
Finance lease receivables measured at amortised cost – charged to statement of profit or loss	419,226	–	–	–	419,226
Trade receivables measured at amortised cost – charged to statement of profit or loss	–	–	–	163,256	163,256
	(2,485,380)	–	(1,220,367)	163,256	(3,542,491)

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Liquidity risk

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

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

Group	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
At 31 December 2023:					
Borrowings*	707,470,123	75,186,973	117,230,727	98,779,747	998,667,570
Lease liabilities**	2,943,392	3,570,599	67,130	—	6,581,121
Dividend payable	1,650,277	—	—	—	1,650,277
Trade and other payables***	1,452,632,803	—	—	—	1,452,632,803
Total	2,164,696,595	78,757,572	117,297,857	98,779,747	2,459,531,771
At 31 December 2022:					
Borrowings*	390,044,555	192,894,158	70,449,207	348	653,388,268
Lease liabilities**	451,072	3,840,042	134,067	—	4,425,181
Dividend payable	1,650,277	—	—	—	1,650,277
Trade and other payables***	690,322,451	—	—	—	690,322,451
Total	1,082,468,355	196,734,200	70,583,274	348	1,349,786,177

* Included in borrowings is a total interest of N180.3 billion (2022: N146.1 billion)

** Included in lease liabilities is a total interest of N700.2 million (2022: N807.9 billion)

*** Trade and other payables excludes statutory payables.

Company	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
At 31 December 2023:					
Borrowings*	20,158,447	41,739,572	84,298,230	84,298,230	230,494,479
Lease liabilities**	22,015,524	20,963,395	—	—	42,978,919
Dividend payable	1,650,277	—	—	—	1,650,277
Trade and other payables***	700,475,176	—	—	—	700,475,176
Total	744,299,424	62,702,967	84,298,230	84,298,230	975,598,851

	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
At 31 December 2022:					
Borrowings*	16,935,687	71,587,959	61,978,605	—	150,502,251
Lease liabilities**	8,664,427	12,913,216	4,255,377	—	25,833,020
Dividend payable	1,650,277	—	—	—	1,650,277
Trade and other payables***	414,852,162	—	—	—	414,852,162
Total	442,102,553	84,501,175	66,233,982	—	592,837,710

* Included in borrowings is a total interest of N125.5 billion (2022: N48.5 billion)

** Included in lease liabilities is a total interest of N4.0 billion (2022: N4.2 billion)

*** Trade and other payables excludes statutory payables.

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Capital risk management

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

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

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

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

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

Total capital is calculated as equity plus net debt. The gearing ratios as at the end of December 2023 and 2022 were as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Total borrowings	818,343,851	507,336,741	104,991,721	101,966,394
Less: cash and cash equivalents (Note 31)	(73,317,626)	(20,831,769)	(999,848)	(618,792)
Net debt	745,026,225	486,504,972	103,991,873	101,347,602
Total equity	(267,178,721)	(197,205,768)	(460,073,296)	(243,875,846)
Total capital	477,847,504	289,299,204	(356,081,423)	(142,528,244)
Gearing ratio	156%	168%	-29%	-71%

Fair Value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2023.

Financial instruments measured at fair value	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	138,654	–	–	138,654
Investment properties	–	–	12,060,900	12,060,900
Total assets	138,654	–	12,060,900	12,199,554

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2022.

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	59,559	–	–	59,559
Derivative financial assets				
– Commodity option contracts	–	620,549	–	620,549
Investment properties	–	–	4,450,000	4,450,000
Total assets	59,559	620,549	4,450,000	5,130,108

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The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2023.

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	138,654	–	–	138,654
Investment properties	–	–	12,060,900	12,060,900
Total assets	138,654	–	12,060,900	12,199,554

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2022.

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	59,560	–	–	59,560
Investment properties	–	–	4,450,000	4,450,000
Total assets	59,560	–	4,450,000	4,509,560

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

Group	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Asset				
31 December 2023				
Finance lease receivable	–	–	190,368,786	190,368,786
31 December 2022				
Finance lease receivable	–	–	92,123,059	92,123,059
Liabilities				
31 December 2023				
Borrowings	–	–	747,459,994	747,459,994
Lease liabilities	–	–	5,028,346	5,028,346
31 December 2022				
Borrowings	–	–	499,114,565	499,114,565
Lease liabilities	–	–	3,157,610	3,157,610
Company				
Assets				
31 December 2023				
Finance lease receivable	–	–	29,326,023	29,326,023
31 December 2022				
Finance lease receivable	–	–	16,487,645	16,487,645
Liabilities				
31 December 2023				
Borrowings	–	–	123,776,903	123,776,903
Lease liabilities	–	–	33,304,052	33,304,052
31 December 2022				
Borrowings	–	–	95,691,362	95,691,362
Lease liabilities	–	–	18,521,914	18,521,914

The fair value of borrowings and finance lease receivables is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk for borrowings as at 31 December 2023 and 2022 has been considered in the determination of the fair value and is immaterial. For receivables, the models incorporate various inputs including the credit quality of counterparties. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The individual credit worthiness of the customers have been considered in the valuation. The discount rate used for finance lease receivables and borrowing are 19% (2022: 19%) and 19% (2022: 19%) respectively.

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

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(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

Specific valuation techniques used to value financial instruments include:

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

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

(c) Financial instruments in level 3

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

The tables below presents the changes in level 3 instruments for the year ended 31 December 2023.

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

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

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

On 22nd October 2018, a Convertible Note Purchase Agreement ("CNPA") was executed between Oando PLC and OES Integrated Services Limited ("OES") as part of the Management Buy Out transaction. The parties agreed to defer the payment of the debt on the terms stated in the CNPA and in consideration of this, OES agreed that it shall issue the Note to Oando PLC with a face value equal to the debt amount and no interest shall accrue on the Note. As at 31 December 2023, the debt amount of N12,485,094,736.70 was owed by OES to Oando PLC.

ii Investment properties

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

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

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

(a) Oniru Land

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At 1 January	2,900,000	2,150,000	2,900,000	2,150,000
Fair value gain	3,860,900	750,000	3,860,900	750,000
At 31 December	6,760,900	2,900,000	6,760,900	2,900,000

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

(b) Abuja Land*

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At 1 January	1,550,000	1,290,000	1,550,000	1,290,000
Fair value gain	3,750,000	260,000	3,750,000	260,000
At 31 December	5,300,000	1,550,000	5,300,000	1,550,000

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

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

The fair value of the investment properties were determined in March and May 2024 using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/00000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517). The direct comparison method involves the analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately to take care of the peculiarities and level of completion of the subject property in arriving at the value. This has therefore been classified under level 3.

Description of significant unobservable inputs to valuation:

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

2023	Valuation technique	Significant unobservable inputs	Sensitivity Range	Sensitivity of the input to fair value	
Investment properties (Abuja and Lagos, Nigeria)	Direct Market Comparism Method	Estimated value per square metre (Abuja Land – N1,025,500/ Lagos Land – N622,300)	5%	5% decrease in estimated value per sqm would result in a decrease in the fair value by N265 million (Abuja)/ N338 million (Lagos)	5% increase in estimated value per sqm would result in an increase in the fair value by N265 million (Abuja)/ N338 million (Lagos)
			10%	10% decrease in estimated value per sqm would result in a decrease in the fair value by N530 million (Abuja)/ N676 million (Lagos).	10% increase in estimated value per sqm would result in an increase in the fair value by N530 million (Abuja)/ N676 million (Lagos).
			15%	15% decrease in estimated value per sqm would result in a decrease in the fair value by N795 million (Abuja)/ N1 billion (Lagos).	15% increase in estimated value per sqm would result in an increase in the fair value by N795 million (Abuja)/ N1 billion (Lagos).

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2022	Valuation technique	Significant unobservable inputs	Sensitivity Range	Sensitivity of the input to fair value	
Investment properties (Abuja and Lagos, Nigeria)	Direct Market Comparism Method	Estimated value per square metre (Abuja Land – N300,000/ Lagos Land – N267,000)	5%	5% decrease in estimated value per sqm would result in a decrease in the fair value by N77.5 million (Abuja)/ N145 million (Lagos)	5% increase in estimated value per sqm would result in an increase in the fair value by N77.5 million (Abuja)/ N145 million (Lagos)
			10%	10% decrease in estimated value per sqm would result in a decrease in the fair value by N155 million (Abuja)/ N290million (Lagos).	10% increase in estimated value per sqm would result in an increase in the fair value by N155 million (Abuja)/ N290million (Lagos).
			15%	15% decrease in estimated value per sqm would result in a decrease in the fair value by N232.5 million (Abuja)/ N435 million (Lagos).	15% increase in estimated value per sqm would result in an increase in the fair value by N232.5 million (Abuja)/ N435 million (Lagos).

8 Segment information

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

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

The Group was re-organised following the sale of target entities in the marketing, refining and terminals segment, gas and power segment and energy services segment. The Group discontinued the energy services segment, marketing, refining and terminals segment and gas and power segment (excluding Alausa Power Ltd) effective 31 March 2016, 30 June 2016 and 31st December 2016 respectively whereas Alausa Power Ltd was discontinued 31 March 2017. At 31 December 2023, the Group has four operating segments namely:

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

(a) The segment results for the year ended 31 December, 2023 are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others N'000	Total N'000
Total gross segment revenue	126,778,214	2,856,862,877	–	1,552,154,901	4,535,795,992
Inter-segment revenue	–	(786,222,756)	–	(903,974,928)	(1,690,197,684)
Revenue from external customers	126,778,214	2,070,640,121	–	648,179,973	2,845,598,308
Operating profit/(loss)	114,061,419	(19,267,408)	(2,966,019)	126,477,594	218,305,586
Finance cost	(93,565,755)	(12,011,093)	(5,503)	(27,798,534)	(133,380,885)
Finance income	16,517,504	–	–	385,980	16,903,484
Net finance cost	(77,048,251)	(12,011,093)	(5,503)	(27,412,554)	(116,477,401)
Share of profit in associate	1,149,865	–	–	–	1,149,865
Profit/(loss) before income tax	38,163,033	(31,278,501)	(2,971,522)	99,065,040	102,978,050
Income tax expense	(20,449,273)	(2,972,498)	–	(19,279,111)	(42,700,882)
Profit/(loss) for the year	17,713,760	(34,250,999)	(2,971,522)	79,785,929	60,277,168

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

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For the year ended 31 December 2023

The segment results for the year ended 31 December, 2022 are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others N'000	Total N'000
Total gross segment revenue	120,389,376	1,836,011,025	–	1,564,379,687	3,520,780,088
Inter-segment revenue	–	(724,271,580)	–	(802,754,146)	(1,527,025,726)
Revenue from external customers	120,389,376	1,111,739,445	–	761,625,541	1,993,754,362
Operating (loss)/profit	(15,278,126)	20,262,123	(576,375)	16,176,630	20,584,252
Finance cost	(55,935,747)	(12,794,730)	(1,297)	(28,641,078)	(97,372,852)
Finance income	15,613,314	–	–	159,646	15,772,960
Net finance cost	(40,322,433)	(12,794,730)	(1,297)	(28,481,432)	(81,599,892)
Share of loss in associate	(824,826)	–	–	–	(824,826)
(Loss)/profit before income tax	(56,425,385)	7,467,393	(577,672)	(12,304,802)	(61,840,466)
Income tax expense	(11,106,513)	–	–	(8,283,837)	(19,390,350)
(Loss)/profit for the year	(67,531,898)	7,467,393	(577,672)	(20,588,639)	(81,230,816)

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

(b) Reconciliation of reporting segment information

	Revenue N'000	Operating profit N'000	Finance income N'000	Finance cost N'000	Profit before income tax N'000	Income tax expense N'000
2023						
As reported in the segment report	4,535,795,992	218,305,586	16,903,484	(133,380,885)	102,978,050	(42,700,882)
Elimination of inter-segment transactions on consolidation	(1,690,197,684)	–	–	–	–	–
As reported in the statement of profit or loss	2,845,598,308	218,305,586	16,903,484	(133,380,885)	102,978,050	(42,700,882)
2022						
As reported in the segment report	3,520,780,088	20,584,252	15,772,960	(97,372,852)	(61,840,466)	(19,390,350)
Elimination of inter-segment transactions on consolidation	(1,527,025,726)	–	–	–	–	–
As reported in the statement of profit or loss	1,993,754,362	20,584,252	15,772,960	(97,372,852)	(61,840,466)	(19,390,350)

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

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

Year ended 31 December 2023:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Depreciation (Note 10c)	26,445,144	8,394	2,271	1,621,972	28,077,781
Depreciation of right of use asset (Note 17, 10c)	6,905,171	136,701	–	(4,359,278)	2,682,594
Amortisation of intangible assets (Note 10c)	–	–	–	14,964	14,964
(Reversal of impairment)/impairment losses of assets, net (Note 10d)	(45,563,841)	2,783,923	1,283,441	46,844,002	5,347,525

* Corporate & Others include consolidation adjustments.

Year ended 31 December 2022:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Group N'000
Depreciation (Note 10c)	707,570	6,172	–	1,174,400	1,888,142
Depreciation of right of use asset (Note 17, 10c)	4,391,285	84,268	–	(1,952,608)	2,522,945
Amortisation of intangible assets (Note 10c)	–	–	(80)	181,572	181,492
Impairment losses/(reversal of impairment) of assets, net (Note 10d)	19,459,377	569,082	280,605	(15,991,726)	4,317,338

* Corporate & Others include consolidation adjustments.

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The segment assets and liabilities and capital expenditure for the year ended 31 December, 2023 are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Assets	1,977,204,523	430,308,386	607,377	267,997,642	2,676,117,928
Investment in an associate	5,046,606	–	–	–	5,046,606
Liabilities	1,956,577,988	731,613,590	308,336	254,796,735	2,943,296,649
Capital Expenditure*	46,751,664	7,232	–	530,427	47,289,323

* Corporate & Others include consolidation adjustments.

The segment assets and liabilities as of 31 December, 2022 and capital expenditure for the year then ended are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Assets	935,881,651	163,711,645	425,579	152,311,607	1,252,330,482
Investment in an associate	1,747,385	–	–	–	1,747,385
Liabilities	952,701,073	294,673,920	78,959	202,082,298	1,449,536,250
Capital Expenditure	45,740,886	4,996	–	565,014	46,310,896

* Corporate & Others include consolidation adjustments.

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

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

Segment information on a geographical basis for the year ended 31 December 2023 are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segment revenue:					
Within Nigeria	126,778,214	–	–	1,552,154,901	1,678,933,115
Other countries	–	2,856,862,877	–	–	2,856,862,877
Inter-segment revenue	–	(786,222,756)	–	(903,974,928)	(1,690,197,684)
Revenue from external customers	126,778,214	2,070,640,121	–	648,179,973	2,845,598,308
Total assets					
Within Nigeria	1,976,817,741	–	607,377	267,997,642	2,245,422,760
Other West African countries	–	32,321	–	–	32,321
Other countries	386,782	430,276,065	–	–	430,662,847
	1,977,204,523	430,308,386	607,377	267,997,642	2,676,117,928
Capital expenditure					
Within Nigeria	46,751,664	–	–	486,741	47,238,405
Other countries	–	7,232	–	43,686	50,918
	46,751,664	7,232	–	530,427	47,289,323

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

Segment information on a geographical basis for the year ended 31 December 2022 are as follows:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segment revenue:					
Within Nigeria	120,389,376	–	–	1,564,379,687	1,684,769,063
Other countries	–	1,836,011,025	–	–	1,836,011,025
Inter-segment revenue	–	(724,271,580)	–	(802,754,146)	(1,527,025,726)
Revenue from external customers	120,389,376	1,111,739,445	–	761,625,541	1,993,754,362

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

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	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Total assets					
Within Nigeria	932,433,386	—	425,579	152,311,607	1,085,170,572
Other West African countries	—	151,610	—	—	151,610
Other countries	3,448,265	163,560,035	—	—	167,008,300
	935,881,651	163,711,645	425,579	152,311,607	1,252,330,482

* Corporate & Others include consolidation adjustments.

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Capital expenditure					
Within Nigeria	45,740,886	—	—	558,377	46,299,263
Other countries	—	4,996	—	6,637	11,633
	45,740,886	4,996	—	565,014	46,310,896

Revenue are disclosed based on the country in which the customer is located. Total assets are allocated based on where the assets are located. NNPC and Glencore contributes more than 15% of the Group's revenue.

* Corporate & Others include consolidation adjustments.

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

(c) Disaggregated revenue information

Group

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2023:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segments					
Sale of crude oil	75,549,985	2,856,862,877	—	1,552,154,901	4,484,567,763
Sale of gas	35,422,318	—	—	—	35,422,318
Sale of energy	11,743,172	—	—	—	11,743,172
Sale of natural gas liquid	263,741	—	—	—	263,741
Revenue from service	3,798,998	—	—	—	3,798,998
Inter-segment revenue	—	(786,222,756)	—	(903,974,928)	(1,690,197,684)
Total revenue from contracts with customers	126,778,214	2,070,640,121	—	648,179,973	2,845,598,308
Geographical markets					
Within Nigeria	126,778,214	—	—	1,552,154,901	1,678,933,115
Other West African countries	—	—	—	—	—
Other countries	—	2,856,862,877	—	—	2,856,862,877
Inter-segment revenue	—	(786,222,756)	—	(903,974,928)	(1,690,197,684)
Total revenue from contracts with customers	126,778,214	2,070,640,121	—	648,179,973	2,845,598,308
Timing of revenue recognition:					
Goods transferred at a point in time	87,556,898	2,856,862,877	—	1,552,154,901	4,496,574,676
Services transferred over time	39,221,316	—	—	—	39,221,316
Inter-segment revenue	—	(786,222,756)	—	(903,974,928)	(1,690,197,684)
	126,778,214	2,070,640,121	—	648,179,973	2,845,598,308

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

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Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2022:

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segments					
Type of goods or service					
Sale of crude oil	81,672,759	1,836,011,025	–	1,564,379,687	3,482,063,471
Sale of gas	28,783,132	–	–	–	28,783,132
Sale of energy	6,211,158	–	–	–	6,211,158
Sale of natural gas liquid	429,178	–	–	–	429,178
Terminal service	3,293,149	–	–	–	3,293,149
Inter-segment revenue	–	(724,271,580)	–	(802,754,146)	(1,527,025,726)
Total revenue from contracts with customers	120,389,376	1,111,739,445	–	761,625,541	1,993,754,362

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segments					
Geographical markets					
Within Nigeria	120,389,376	–	–	1,564,379,687	1,684,769,063
Other countries	–	1,836,011,025	–	–	1,836,011,025
Inter-segment revenue	–	(724,271,580)	–	(802,754,146)	(1,527,025,726)
Total revenue from contracts with customers	120,389,376	1,111,739,445	–	761,625,541	1,993,754,362

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

	Exploration & Production N'000	Supply & Trading N'000	Mining & Infrastructure Development N'000	Corporate & Others* N'000	Total N'000
Segments					
Timing of revenue recognition:					
Goods transferred at a point in time	88,313,095	1,836,011,025	–	1,564,379,687	3,488,703,807
Services transferred over time	32,076,281	–	–	–	32,076,281
Inter-segment revenue	–	(724,271,580)	–	(802,754,146)	(1,527,025,726)
	120,389,376	1,111,739,445	–	761,625,541	1,993,754,362

* Corporate & Others include consolidation adjustments (excluding inter-segment revenue)

Company

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

	2023 N'000	2022 N'000
Type of goods or service		
Sale of crude oil	1,540,594,843	1,556,744,962
Geographical markets		
Within Nigeria	1,540,594,843	1,556,744,962
Timing of revenue recognition:		
Goods transferred at a point in time	1,540,594,843	1,556,744,962

(d) Assets related to contracts with customers

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Trade receivables (Note 25)	574,205,606	294,880,169	202,905,984	145,223,718
Loss allowance (Note 25)	(12,955,337)	(10,162,971)	(7,876,878)	(7,376,592)
	561,250,269	284,717,198	195,029,106	137,847,126

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(e) Performance obligations

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

Sale of oil, gas and energy

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

Terminal service revenue

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

9 Other operating income

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Foreign exchange gain (Note 10b)	388,020,535	32,906,838	321,576,958	17,661,327
Fair value loss on commodity options (Note 10b)	(1,476,194)	(6,686,546)	—	—
Fair value gain on investment properties (Note 10b, 18)	7,610,900	1,010,000	7,610,900	1,010,000
(Reversal of rental income)/rental income	(128,713)	76,388	(44,220)	159,651
Fair value gain on quoted equity instruments (Note 28)	79,094	7,304	79,094	7,304
Insurance claim received	823,864	667,430	357,861	—
Sundry income	5,057,247	498,405	2,010,113	1,301,652
	399,986,733	28,479,819	331,590,706	20,139,934

During the year, the Group realised a net derivative loss of N1.5 billion (2022 – loss of N6.7 billion) on commodity contracts see Note 21b for further details of fair value loss on the financial commodity contract.

The Group's sundry income largely relates to income from provision of JV services of N2.3 billion, income from service agreements with customers of N50.5 million (2022: N52.9 million) and miscellaneous income of N754 million (2022: N421.6 million).

The Company's sundry income largely relates to income from service agreements with customers of N2 billion (2022: N1.3 billion).

10 Expenses by nature of operating profit

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

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
(a) Cost of sales:				
Inventory cost and other directly attributable costs	2,760,578,218	1,915,160,238	1,536,000,592	1,556,278,796
(b) Included in other operating income:				
Total foreign exchange gain (Note 9)	(388,020,535)	(32,906,838)	(321,576,958)	(17,661,327)
Write off of property, plant and equipment (Note 40a)	—	60	—	—
Fair value loss on commodity options (Note 9, 21b)	1,476,194	6,686,545	—	—
Fair value gain on investment properties (Note 9, 18, 40a)	(7,610,900)	(1,010,000)	(7,610,900)	(1,010,000)
(c) Administrative expenses				
Depletion/depreciation on property plant and equipment (Note 15, 40a)	28,077,781	1,888,142	413,757	388,985
Depreciation on right of use asset (Note 17, 40a)	2,682,594	2,522,945	1,531,945	1,522,760
Amortisation of intangible assets (Note 16, 40a)	14,964	181,492	14,964	181,572
Foreign exchange loss	156,066,279	31,530,910	459,717,827	16,567,259
Employees benefit expense (Note 11b)	26,366,088	13,752,531	373,553	379,737
Auditors remuneration*	623,727	337,975	131,671	124,953
Professional fees	21,686,966	19,325,372	2,207,810	3,952,291
Rent and other hiring costs	329,877	84,761	19,076	25,360
Travelling expenses	6,689,778	2,540,671	144,359	40,334
Handling charges	3,119,866	3,276,141	—	—
ECL on financial guarantee	—	—	907,661	2,711,874
Business development expenses	—	110	—	—
Utilities and entertainment	438,874	251,732	44,327	19,412
Business communication expenses	2,513,653	1,019,430	160,289	112,971
Licences and permits	654,226	400,237	9,014	13,915
Board expenses	1,393,293	1,021,749	538,324	494,425
Subscription	1,344,330	1,731,012	226,050	703,047
Insurance	241,239	204,704	51,396	35,828
Sundry expenses	9,110,177	2,102,439	2,819,611	310,437
	261,353,712	82,172,353	469,311,634	27,585,160

Sundry expenses mainly includes repair & maintenance, stationery & consumables and cleaning expenses.

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

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

Impairment of non-financial assets

Impairment of intangible assets (Note 16, 40a)	3,915,646	16,808,595	–	–
Impairment of investment in an associate (Note 19)	(1)	2,288	19,006,439	–
Total impairment of non-financial assets	3,915,645	16,810,883	19,006,439	–
Impairment of financial assets				
(Reversal of impairment)/impairment loss of finance lease (Note 22ii, 23b)	(1,994,256)	1,572,770	265,803	419,226
Impairment losses on cash and cash equivalent (Note 31a)	201,705	–	–	–
Reversal of impairment loss of other non-current receivables (Note 23b)	–	(10,250,035)	–	–
Impairment loss/(reversal of impairment) of trade and other receivables, net (Note 25b)	3,224,431	(3,816,280)	28,167,896	(3,961,717)
Total impairment loss/(reversal of impairment loss) of financial assets	1,431,880	(12,493,545)	28,433,699	(3,542,491)
Total impairment loss of assets	5,347,525	4,317,338	47,440,138	(3,542,491)

11 Employee benefit expense

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
(a) Directors' remuneration:				
The remuneration paid to the directors who served during the year was as follows:				
Chairman fees	5,556	5,556	5,556	5,556
Other non-executive fees*	256,229	171,031	22,222	22,222
Executive directors' salaries	261,785	176,587	27,778	27,778
	2,004,954	1,488,560	1,092,227	883,940
Other emoluments*	2,266,739	1,665,147	1,120,005	911,718
	834,271	736,753	466,545	502,911
	3,101,010	2,401,900	1,586,550	1,414,629

* Included in other emoluments and other non-executive fees is the board duty allowance of N731.2 million (2022: N512.1 million) received by five executive directors of the Company and an executive director of a subsidiary during the year.

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

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
N1,000,000 – N50,000,000	2	2	3	2
Above N50,000,000	9	10	7	8

Included in the above analysis is the highest paid director at N973.2 million (2022: N743.8 million).

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
(b) Staff costs				
Wages, salaries and staff welfare cost	25,343,308	13,012,098	364,396	355,294
Gratuity (Note 37b, 40a)	757,563	114,259	–	–
Pension costs – defined contribution scheme	265,217	626,174	9,157	24,443
	26,366,088	13,752,531	373,553	379,737

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

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

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Executives	5	6	3	4
Management staff	92	86	5	4
Senior staff	64	62	–	–
	161	154	8	8

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

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
N8,000,001 – N20,000,000	31	52	–	–
Above N20,000,000	112	83	5	3
	143	135	5	3

12 Net finance costs

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
(a) Finance cost:				
On bank borrowings	(102,745,841)	(77,234,894)	(28,308,541)	(30,285,870)
Interest expenses on lease liabilities (Note 36)	(565,263)	(451,827)	(3,120,718)	(2,426,267)
Interest expense calculated using effective interest rate	(103,311,104)	(77,686,721)	(31,429,259)	(32,712,137)
Change in estimate	160,555	(482,017)	–	–
Unwinding of discount on provisions (Note 35, 40a)	(30,230,336)	(19,204,114)	(16,938)	(9,916)
Total finance cost	(133,380,885)	(97,372,852)	(31,446,197)	(32,722,053)
(b) Finance income:				
Interest income on bank deposits, loans and advances	1,550,292	5,945,473	123,487	101,694
Interest income on finance lease (Note 22iii)	15,353,192	9,827,487	3,486,081	2,204,636
Total finance income	16,903,484	15,772,960	3,609,568	2,306,330
Net finance costs	(116,477,401)	(81,599,892)	(27,836,629)	(30,415,723)

No borrowing cost was capitalised in 2023 (2022: nil). Actual borrowing rate approximate effective interest rate.

13 (a) Income tax expense

Analysis of income tax charge for the year:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Current income tax	21,699,600	10,265,175	–	–
Minimum tax	7,794,006	7,807,649	7,794,006	7,807,649
Income tax charged during the year (Note 13b)	29,493,606	18,072,824	7,794,006	7,807,649
Education tax (Note 13b)	1,710,305	859,176	–	–
	31,203,911	18,932,000	7,794,006	7,807,649
Deferred income tax				
Deferred income tax charge for the year (Note 20)	11,496,971	458,350	–	–
Income tax expense	42,700,882	19,390,350	7,794,006	7,807,649

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

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Profit/(loss) before income tax	102,978,050	(61,840,466)	(208,403,444)	(33,852,292)
Tax calculated at Nigeria's domestic rates applicable to profits in respective countries – 30% (2022: 30%)	30,893,415	(18,552,140)	(62,521,033)	(10,155,688)
Minimum tax	7,794,006	7,807,649	7,794,006	7,807,649
Education tax	1,710,305	859,176	–	–
Tax effect of income not subject to tax	(190,512,717)	(42,728,774)	(2,306,998)	(305,191)
Effect of associate tax	(344,960)	247,448	–	–
Effect of tax rate differential	(494,946,138)	(39,763,552)	–	–
Expenses not deductible for tax purposes	295,164,802	2,638,649	128,908,676	165,445
Tax losses for which no deferred tax was recognised	(58,853,693)	(1,371,824)	–	–
Impact of unutilised tax credits carried forward	451,795,862	110,253,718	(64,080,645)	10,295,434
Income tax expense	42,700,882	19,390,350	7,794,006	7,807,649
Effective tax rate	41%	–31%	–4%	–23%

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	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
(b) Current income tax liabilities				
Movement in current income tax for the year:				
At 1 January	84,644,037	64,577,004	12,674,363	4,866,714
Payment during the year	(1,902,729)	(1,797,109)	–	–
Increase/(reduction) in indemnified liability*	–	381,763	–	–
Charge for the year:				
Income tax charge during the year (Note 13a)	29,493,606	18,072,824	7,794,006	7,807,649
Education tax charge during the year (Note 13a)	1,710,305	859,176	–	–
Exchange difference	80,179,262	2,550,379	–	–
At 31 December	194,124,481	84,644,037	20,468,369	12,674,363

14 Basic and diluted earnings/(loss) per share

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

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Profit/(loss) attributable to equity holders of the parent	61,996,186	(78,719,263)	(216,197,450)	(41,659,941)
Weighted average number of ordinary shares outstanding (thousands):	12,431,412	12,431,412	12,431,412	12,431,412
Basic/diluted profit/(loss) per share (expressed in Naira per share)	5	(6)	(17)	(3)

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. However, there were no convertible debts at the year end.

15 Property, plant and equipment

	Upstream Assets ¹ N'000	Land & Leasehold improvements N'000	Plant & machineries N'000	Fixtures, fittings, computer & equipment, motor vehicles N'000	Total N'000
At 1 January 2022					
Group					
Cost or valuation					
Opening balance	712,426,925	868,929	13,995,135	6,692,855	733,983,844
Decommissioning costs (revision of estimates)	(26,289,566)	–	–	–	(26,289,566)
Additions	45,134,637	–	–	1,002,715	46,137,352
Write off of asset	–	–	–	(410)	(410)
Exchange difference	23,010,571	–	446,705	115,635	23,572,911
	754,282,567	868,929	14,441,840	7,810,795	777,404,131
Accumulated depreciation					
Opening balance	(291,625,586)	(354,914)	(5,882,160)	(5,159,730)	(303,022,390)
Depletion/depreciation charge (Note 10c, 40a)	(589,873)	(86,893)	(754,975)	(456,401)	(1,888,142)
Write off of asset	–	–	–	350	350
Exchange difference	(9,452,304)	–	(228,736)	(106,461)	(9,787,501)
	(301,667,763)	(441,807)	(6,865,871)	(5,722,242)	(314,697,683)
Net book amount at 31 December 2022					
Cost or valuation	754,282,567	868,929	14,441,840	7,810,795	777,404,131
Accumulated depreciation	(301,667,763)	(441,807)	(6,865,871)	(5,722,242)	(314,697,683)
	452,614,804	427,122	7,575,969	2,088,553	462,706,448

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	Upstream Assets ¹ N'000	Land & Leasehold improvements N'000	Plant & machineries N'000	Fixtures, fittings, computer & equipment, motor vehicles N'000	Total N'000
Group					
Year ended 31 December 2023					
Cost or valuation					
Opening balance	754,282,567	868,929	14,441,840	7,810,795	777,404,131
Decommissioning costs (revision of estimates)	101,419,031	—	—	—	101,419,031
Additions	44,011,348	—	—	1,443,532	45,454,880
Exchange difference	755,942,308	—	14,318,186	4,422,930	774,683,424
	1,655,655,254	868,929	28,760,026	13,677,257	1,698,961,466
Accumulated depreciation					
Opening balance	(301,667,763)	(441,807)	(6,865,871)	(5,722,242)	(314,697,683)
Depletion/depreciation charge (Note 10c, 40a)	(26,102,777)	(86,893)	(1,186,115)	(701,996)	(28,077,781)
Exchange difference	(311,035,059)	—	(7,182,050)	(3,520,133)	(321,737,242)
	(638,805,599)	(528,700)	(15,234,036)	(9,944,371)	(664,512,706)
Net book amount at 31 December 2023					
Cost or valuation	1,655,655,254	868,929	28,760,026	13,677,257	1,698,961,466
Accumulated depreciation	(638,805,599)	(528,700)	(15,234,036)	(9,944,371)	(664,512,706)
	1,016,849,655	340,229	13,525,990	3,732,886	1,034,448,760

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

	Land & Leasehold improvements	Plant & machineries	Fixtures, fittings, computer & equipment, motor vehicles	Total
Company				
Year ended 31 December 2022				
Cost or valuation				
Opening balance	868,929	123,641	2,852,780	3,845,350
Additions	—	—	555,012	555,012
	868,929	123,641	3,407,792	4,400,362
Year ended 31 December 2022				
Accumulated depreciation				
Opening balance	(354,914)	(111,987)	(2,044,870)	(2,511,771)
Depreciation charge (Note 10c, 40a)	(86,893)	(722)	(301,370)	(388,985)
	(441,807)	(112,709)	(2,346,240)	(2,900,756)
Net book amount at 31 December 2022				
Cost or valuation	868,929	123,641	3,407,792	4,400,362
Accumulated depreciation	(441,807)	(112,709)	(2,346,240)	(2,900,756)
	427,122	10,932	1,061,552	1,499,606
Year ended 31 December 2023				
Cost or valuation				
Opening balance	868,929	123,641	3,407,792	4,400,362
Additions	—	—	381,741	381,741
	868,929	123,641	3,789,533	4,782,103
Accumulated depreciation				
Opening balance	(441,807)	(112,709)	(2,346,240)	(2,900,756)
Depreciation charge (Note 10c, 40a)	(86,893)	(27)	(326,837)	(413,757)
	(528,700)	(112,736)	(2,673,077)	(3,314,513)
Net book amount at 31 December 2023				
Cost or valuation	868,929	123,641	3,789,533	4,782,103
Accumulated depreciation	(528,700)	(112,736)	(2,673,077)	(3,314,513)
	340,229	10,905	1,116,456	1,467,590

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16 Intangible assets

At 1 January 2022	Goodwill N'000	Software costs N'000	Exploration and Evaluation asset N'000	Total N'000
Group				
Cost				
Opening balance	464,734,422	714,842	111,367,642	576,816,906
Additions	–	–	173,544	173,544
Correction of classification of E&E asset	–	(642)	642	–
Exchange difference	14,345,590	–	3,597,047	17,942,637
	479,080,012	714,200	115,138,875	594,933,087
Accumulated amortization and impairment				
Opening balance	(191,909,997)	(517,744)	(64,455,315)	(256,883,056)
Amortisation charge (Note 10c, 40a)	–	(181,492)	–	(181,492)
Impairment (Note 10d)	–	–	(16,808,595)	(16,808,595)
Exchange difference	(5,533,674)	–	(3,025,971)	(8,559,645)
	(197,443,671)	(699,236)	(84,289,881)	(282,432,788)
Net book amount as at 31 December 2022				
Cost	479,080,012	714,200	115,138,875	594,933,087
Accumulated amortisation and impairment	(197,443,671)	(699,236)	(84,289,881)	(282,432,788)
	281,636,341	14,964	30,848,994	312,500,299
Year ended 31 December 2023				
Cost				
Opening balance	479,080,012	714,200	115,138,875	594,933,087
Additions	–	–	1,834,443	1,834,443
Exchange difference	459,817,505	–	115,468,915	575,286,420
	938,897,517	714,200	232,442,233	1,172,053,950
Accumulated amortization and impairment				
Opening balance	(197,443,671)	(699,236)	(84,289,881)	(282,432,788)
Amortisation charge (Note 10c, 40a)	–	(14,964)	–	(14,964)
Impairment (Note 10d)	–	–	(3,915,646)	(3,915,646)
Exchange difference	(177,370,215)	–	(85,883,940)	(263,254,155)
	(374,813,886)	(714,200)	(174,089,467)	(549,617,553)
Net book amount as at 31 December 2023				
Cost	938,897,517	714,200	232,442,233	1,172,053,950
Accumulated amortisation and impairment	(374,813,886)	(714,200)	(174,089,467)	(549,617,553)
	564,083,631	–	58,352,766	622,436,397
Year ended 31 December 2022				
Company				
Cost				
Opening balance				714,200
Additions				–
				714,200
Accumulated amortization				
Opening balance				(517,664)
Amortisation charge (Note 10c, 40a)				(181,572)
				(699,236)

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Net book amount at 31 December 2022	Software costs N'000
Cost	714,200
Accumulated amortisation	(699,236)
	14,964
Year ended 31 December 2023	
Cost	
Opening balance	714,200
Additions	–
	714,200
Accumulated amortization	
Opening balance	(699,236)
Amortisation charge (Note 10c, 40a)	(14,964)
	(714,200)
Net book amount at 31 December 2023	
Cost	714,200
Accumulated amortisation	(714,200)
	–

i Impairment of intangible assets

(a) Exploration and evaluation asset impairment losses

The above exploration and evaluation assets represent expenditures arising from the exploration and evaluation of oil and gas interests. The costs relate to oil and gas properties primarily located in Nigeria and São Tomé and Príncipe (“STP”). The technical feasibility and commercial viability of extracting oil and gas has not yet been determined in relation to the above properties, therefore, they remain classified as exploration and evaluation assets at December 31, 2023.

Key assumptions in the determination of cash flows from reserves include crude oil, natural gas and natural gas liquids “NGL” prices, loss factors and the discount rate. Reserves as at December 31, 2023 have been evaluated by a foreign independent and qualified reserves evaluators (Degolyer and MacNaughton). The table below summarizes the forecast prices used to determine cash flows from crude oil reserves and resources which is based on the futures market forward curve for Brent.

Year	2024	2025	2026	2027	2028	2029	2030
Dated Brent (US\$/barrel)	87.78	85.00	85.70	90.20	94.86	92.97	91.11
NGL (US\$/barrel)	9.39	9.22	9.24	9.40	9.57	9.50	9.43
Natural gas (US\$/mcf)	2.00	1.97	1.98	2.04	2.10	2.08	2.05

Year	2031	2032	2033	2034	2035	2036	Beyond
Dated Brent (US\$/barrel)	89.29	87.50	85.75	84.04	82.35	84.00	+2%
NGL (US\$/barrel)	9.37	9.30	9.24	9.18	9.12	9.18	+1%
Natural gas (US\$/mcf)	2.03	2.00	1.98	1.95	1.93	1.95	+2%

Crude oil loss factors of 20.8% on an annual basis from 2023, projected to decline from 20% to 4% from 2025 to 2029 (with the exception of Ebendo where a 15% annual loss factor was applied to the remaining field life). The discount rate applied on the cash flows was 14.9% (2022: 13.1%). For exploration and evaluation assets, OER used \$0.43/boe as the implied value/boe on 2C unrisked contingent resources based on comparable market transactions and consideration of forward price declines.

Management determined that exploration and evaluation assets are qualifying assets and therefore eligible for capitalisation of borrowing cost. However, no borrowing cost was capitalised during the year under review. The assessment above led to an impairment loss of N3.9 billion in 2023 (2022: N16.8 billion).

(b) Goodwill impairment losses

As at December 31, 2023, the Group prepared an impairment test for goodwill in which the recoverable amount was compared to the carrying value and determined that the carrying value of goodwill was not impaired (2022: nil). The recoverable amounts have been determined based on the fair value less costs of disposal using a discounted cash flow technique and comparative market transaction data. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, the discount rate, and per boe values. Reserves and resources as at December 31, 2023 have been evaluated by a foreign independent and qualified reserves evaluators. Refer to Note 16 (i)(a) above for the prices used to determine the future cash flows from reserves and the discount rates and per boe values applied to resource quantities.

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

	Group 2023	Group 2022
Nigeria OER	N'000 564,083,631	N'000 281,636,341

The goodwill for the Trading segment has been fully impaired.

17 Right-of-use assets

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Opening balance	18,464,831	17,890,728	12,185,042	12,057,228
Additions	173,862	544,301	165,758	101,128
Change in estimate of restoration cost (Note 35)	(40,623)	26,686	(40,623)	26,686
Exchange difference on translation	937,363	3,116	—	—
Closing balance	19,535,433	18,464,831	12,310,177	12,185,042
Depreciation				
Opening balance	(10,645,871)	(8,132,033)	(7,873,192)	(6,350,432)
Charge for the period (Note 10c, 40a)	(2,682,594)	(2,522,945)	(1,531,945)	(1,522,760)
Exchange difference on translation	(137,829)	9,107	—	—
Closing balance	(13,466,294)	(10,645,871)	(9,405,137)	(7,873,192)
Net book value	6,069,139	7,818,960	2,905,040	4,311,850

18 Investment properties

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

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

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

Fair value of the properties:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Land located in Abuja (5,168.14 sqm)*	5,300,000	1,550,000	5,300,000	1,550,000
Land located in Lagos (10,864.11 sqm)	6,760,900	2,900,000	6,760,900	2,900,000
	12,060,900	4,450,000	12,060,900	4,450,000
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At 1 January	4,450,000	3,440,000	4,450,000	3,440,000
Fair value gain (Note 9, 10b, 40a)	7,610,900	1,010,000	7,610,900	1,010,000
At 31 December	12,060,900	4,450,000	12,060,900	4,450,000

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

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

The fair value of the properties were determined using the direct market comparison method of valuation by Ayodeji Odeleye (FRC/2014/NIESV/00000007152), a representative of the independent estate valuer, Biodun Odeleye and Co. (FRC/2024/COY/529517) in March and May 2024.

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This carrying value represents the fair value of the properties. There was no rental income and related operating expenses from these properties during the year. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

19 Investment in associates accounted for using the equity method

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

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Investment in associates	5,046,606	1,747,385	–	–
The amounts recognised in the statement of profit or loss are as follows:				
Share of loss for the year (Note 40a)	1,149,865	(824,826)	–	–

Investment in associate

Set out below are the associates of the Group at 31 December 2023. The associates have share capital consisting solely of Ordinary Shares, which are held directly by the Group. The countries of incorporation or registration of the associates are also their principal places of business.

	Place of business	Country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
2023					
Umugini Pipeline Infrastructure Limited	Nigeria	Nigeria	11.25%	Associate	Equity Accounting
Alliance Oil Producing Nigeria Limited	Nigeria	Nigeria	40.00%	Associate	Equity Accounting
2022					
Umugini Asset Company Limited	Nigeria	Nigeria	11.25%	Associate	Equity Accounting

Umugini Pipeline Infrastructure Limited

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

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

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

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

Alliance Oil Producing Nigeria Limited

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

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

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Summarised financial information of the associate

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

Summarised statement of financial position

	Umugini Pipeline Infrastructure Limited 2023 N'000	Umugini Pipeline Infrastructure Limited 2022 N'000
Total current assets	41,442,231	14,026,975
Total non-current assets	37,358,986	20,621,723
Total current liabilities	(27,533,118)	(15,685,317)
Total non-current liabilities	(6,409,075)	(3,430,742)
Net asset/equity	44,859,024	15,532,639
Summarised statement of comprehensive income		
Revenue	24,490,510	8,774,624
Profit/(loss) after tax	10,220,091	(7,331,603)
Total comprehensive income/(loss)	10,220,091	(7,331,603)
Share of profit/(loss) in associate	1,149,865	(824,826)
Percentage holdings of the Group	11.25%	11.25%

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

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

	Umugini Pipeline Infrastructure Limited 2023 N'000	Umugini Pipeline Infrastructure Limited 2022 N'000
	11.25%	11.25%
Share of net asset	5,046,606	1,747,385
Carrying value of the associate	5,046,606	1,747,385

	Alliance Oil Producing Nigeria Limited 2023 N'000	Umugini Pipeline Infrastructure Limited 2023 N'000	Total 2023 N'000
Carrying value:			
As at beginning of the year	–	1,747,385	1,747,385
Share of profit in associate	–	1,149,865	1,149,865
Exchange difference	–	2,149,356	2,149,356
At end of the year	1.00	5,046,606	5,046,607

	Alliance Oil Producing Nigeria Limited 2022 N'000	Umugini Pipeline Infrastructure Limited 2022 N'000	Total 2022 N'000
Carrying value:			
As at beginning of the year	–	2,634,487	2,634,487
Share of loss in associate	–	(824,826)	(824,826)
Dividend paid	–	(101,036)	(101,036)
Reclassification from financial assets at fair value through profit or loss (Note 28)	2,416	–	2,416
Impairment	(2,288)	–	(2,288)
Exchange difference	(128)	38,760	38,632
At end of the year	–	1,747,385	1,747,385

The associates had no capital commitments at 31 December 2023 (2022: nil).

No dividend was received from the associates in the year under review (2022: nil).

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

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20 Deferred income tax liabilities and deferred income tax assets

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

	Group 2023 N'000	Group 2022 N'000
The analysis of deferred tax liabilities and deferred tax assets is as follows:		
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12months	16,459,336	3,680,666
Deferred tax assets		
Deferred tax assets to be recovered after more than 12months	–	(633,750)
Deferred tax liabilities, net	16,459,336	3,046,916
The gross movement in deferred income tax account is as follows:		
At start of the year	3,046,916	2,589,861
Debit to profit or loss (Note 13a)	11,496,971	458,350
Exchange difference	1,915,449	(1,295)
At end of year	16,459,336	3,046,916

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

	1.1.2022 N'000	Charged/ (credited) to P/L N'000	Exchange Differences N'000	31.12.2022 N'000
GROUP				
2022				
Deferred income tax liabilities*				
Property, plant & equipment and exploration & evaluation assets	432,965,789	–	13,493,861	446,459,650
Provisions	(458,776,031)	–	(14,327,488)	(473,103,519)
Exchange differences	3,301,042	492,618	–	3,793,660
Tax losses	(671,103)	(34,268)	–	(705,371)
Finance leases	26,384,085	–	852,161	27,236,246
	3,203,782	458,350	18,534	3,680,666
Deferred income tax assets				
Provisions	44,508,802	–	1,437,638	45,946,440
Property, plant & equipment and exploration & evaluation assets	(7,457,452)	–	(240,873)	(7,698,325)
Exchange differences	300	–	10	310
Tax losses	(37,665,571)	–	(1,216,604)	(38,882,175)
	(613,921)	–	(19,829)	(633,750)
Net deferred income tax liabilities	2,589,861	458,350	(1,295)	3,046,916

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2023	1.1.2023 N'000	Charged/ (credited) to P/L N'000	Exchange Differences N'000	31.12.2023 N'000
Deferred income tax liabilities				
Property, plant & equipment and exploration & evaluation assets	446,459,650	4,725,325	434,148,362	885,333,337
Provisions	(473,103,519)	–	(459,237,276)	(932,340,795)
Exchange differences	3,793,660	5,493,964	–	9,287,624
Tax losses	(705,371)	334,092	–	(371,279)
Finance leases	27,236,246	–	27,314,203	54,550,449
	3,680,666	10,553,381	2,225,289	16,459,336
Deferred income tax assets				
Provisions	45,946,440	–	46,080,447	92,026,887
Property, plant & equipment and exploration & evaluation assets	(7,698,325)	944,051	(7,394,789)	(14,149,063)
Exchange differences	310	(461)	151	–
Tax losses	(38,882,175)	–	(38,995,649)	(77,877,824)
	(633,750)	943,590	(309,840)	–
Net deferred income tax liabilities	3,046,916	11,496,971	1,915,449	16,459,336

Deferred tax asset relating to unutilised tax losses carried forward are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. As at 31 December 2023, the Group had deferred tax assets of N878.3 billion (2022: N428.9 billion) relating to deductible temporary differences and tax losses from Oando PLC (Company) and Oando Energy Resources Inc. which were not recognised. Management is of the view that due to the structure of the companies, sufficient taxable profit may not be generated in the nearest future to absorb the reversal of the deferred tax. Tax losses can be carried forward indefinitely. Oando PLC and OER do not have any unrecognised deferred tax liability.

At 31 December 2023, there was no recognised deferred tax liability (2022: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate or joint venture. The Group has determined that undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future.

The Company has unused tax losses of N336.2 billion (2022: N277.4 billion) for which no deferred tax was recognised. There is no time limit within which the tax assets could be utilised.

21 Derivative financial assets

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Commodity option contracts	–	620,549	–	–
Analysis of total derivative financial assets				
Non current	–	–	–	–
Current	–	620,549	–	–
Total	–	620,549	–	–

(a) Net fair value loss on financial commodity contracts in the statement of financial position*

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Net fair value loss on financial commodity contracts	(1,985,860)	(7,062,209)	–	–
Net loss on derivative financial instruments	(1,985,860)	(7,062,209)	–	–

(b) Net fair value loss on financial commodity contracts in the statement of profit or loss*

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Premium paid on hedges (Note 40a)	(552,257)	(1,047,615)	–	–
Net fair value loss on remeasurement of financial commodity contracts (Note 40a)	(923,937)	(5,638,931)	–	–
Net fair value loss on financial commodity contracts	(1,476,194)	(6,686,546)	–	–

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Classification of derivatives

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

Commodity option contracts

There was no financial commodity contract as at December 31, 2023.

Derivatives, including financial commodity contracts, are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values with the resulting gains or losses recognized as income or expense in the statement of profit or loss in the period. For the year ended December 31, 2023, OER recorded net fair value loss on financial commodity contracts of N1.9 billion/\$2.2 million including premium paid of N0.6 billion/\$0.8 million (2022: N7.1 billion/\$15.7 million including premium paid of N1.0 billion/\$2.5 million). OER also realized nil net gains (2022: nil) from monthly settlements on the financial commodity contracts. This resulted in a net loss of N1.9 billion/\$2.2 million (2022: N7.1 billion/\$15.7 million loss). The proceeds from hedge settlement is nil (2022: nil).

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

22 Finance lease receivables

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Finance lease receivable – Current	2,314,138	1,899,482	16,934,283	6,982,724
Finance lease receivable – Non current	175,975,895	86,559,211	16,717,079	11,463,411
	178,290,033	88,458,693	33,651,362	18,446,135

- (i) OER is party to a power purchase agreement which is accounted for as a finance lease. OER, as a party to the NAOC/POCNL/NNPC JV entered into a power purchase agreement with Power Holding Company of Nigeria ("PHCN") (now Nigerian Bulk Electricity Trading "NBET") in 2001, however, the agreement became effective May 2005. The agreement is to develop, finance, construct, own, maintain and operate as a joint operation an upstream gas project. The gas project is located in Kwale for the production of electric power ("the Kwale-Okpai Independent Power Plant" or "Kwale IPP"). The gas plant utilizes fuel source from the natural gas reserves in jointly operated oil fields operated by Nigeria Agip Oil Company Limited (NAOC). The agreement will continue in full force and effect for 20 years from the Commercial operations date with the option of renewal of 5 years. At the end of the 25th year, NBET shall have the option to purchase the Kwale IPP at a fair price determined by an expert. NBET will pay a contracted sum to the Joint operation partners throughout the tenure for capacity and for the purchase of electricity from the plant. The transaction has been accounted for as a finance lease.

The unguaranteed residual value has been estimated as N148.1 billion (\$164.7million). The lease payments grow over time but are lower than the interest income for the first five years and as such the finance lease receivables have been considered as non-current.

The net investment in finance lease receivables by the Group amounted to N178.3 billion/\$198.2 million at December 31, 2023 (2022: N88.5 billion/\$196.9 million) and will bear interest until their maturity dates of N119.8 billion/\$133.2 million (2022: N70.1 billion/\$156.2 million). The increase in net investment in finance lease is attributable to exchange difference. The fair value of the lease receivable at 31 December 2023 is N190.4 billion/\$211.7 million (2022: N92.1 billion/\$205.2 million).

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

	Group 2023 N'000	Group 2022 N'000	*Company 2023 N'000	Company 2022 N'000
Finance lease receivables				
Finance lease – gross receivables	300,111,125	160,932,838	37,799,331	22,992,682
Unearned finance income	(119,839,094)	(70,145,156)	(3,349,177)	(4,013,558)
	180,272,031	90,787,682	34,450,154	18,979,124
Impairment	(1,981,998)	(2,328,989)	(798,792)	(532,989)
	178,290,033	88,458,693	33,651,362	18,446,135

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	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
No later than one year: Total future value	22,774,802	11,093,000	19,627,636	8,451,855
Unearned interest income	(20,435,312)	(10,311,751)	(1,894,560)	(1,612,837)
Total impairment	(1,981,998)	(2,328,989)	(798,792)	(532,989)
Present value	357,492	(1,547,740)	16,934,284	6,306,029
Between one and five years:				
Total future value	122,708,636	59,770,924	18,171,695	14,540,827
Unearned interest income	(95,140,100)	(48,889,281)	(1,454,617)	(2,400,721)
Present value	27,568,536	10,881,643	16,717,078	12,140,106
Later than five years:				
Total future value	6,542,630	16,132,831	–	–
Unguaranteed residual value	148,085,057	73,936,083	–	–
Unearned interest income	(4,263,682)	(10,944,124)	–	–
Present value	150,364,005	79,124,790	–	–
Finance lease receivables	178,290,033	88,458,693	33,651,362	18,446,135
Gross receivables from finance lease				
Not later than one year	22,774,802	11,093,000	19,627,636	8,451,855
Later than one year but not later than five years	122,708,636	59,770,924	18,171,695	14,540,827
Later than five years	154,627,687	90,068,914	–	–
Unearned future finance income on finance lease	300,111,125	160,932,838	37,799,331	22,992,682
Opening impairment	(119,839,094)	(70,145,156)	(3,349,177)	(4,013,558)
Reversal of impairment loss/(impairment loss) of finance lease (Note 10d)	(2,328,989)	(647,007)	(532,989)	(113,763)
Reversal of impairment loss/(impairment loss) of finance lease (Note 10d)	1,994,256	(1,572,770)	(265,803)	(419,226)
Exchange difference on impairment	(1,647,265)	(109,212)	–	–
Net investment in finance lease	178,290,033	88,458,693	33,651,362	18,446,135
The net investment in finance lease is analysed as follows:				
Not later than one year	357,492	(1,547,740)	16,934,284	6,306,029
Later than one year but not later than five years	27,568,536	10,881,643	16,717,078	12,140,106
Later than five years	150,364,005	79,124,790	–	–
	178,290,033	88,458,693	33,651,362	18,446,135

(iii) Movement in finance lease receivables

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Opening balance	88,458,693	87,729,197	18,446,135	20,690,006
Reversal of impairment loss/(impairment loss) of finance lease (Note 10d)	1,994,256	(1,572,770)	(265,803)	(419,226)
Interest income (Note 12b)	15,353,192	9,827,487	3,486,081	2,204,636
Cash received	(22,217,942)	(10,822,439)	(5,957,642)	(4,509,298)
Exchange difference	94,701,834	3,297,218	17,942,591	480,017
	178,290,033	88,458,693	33,651,362	18,446,135

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

23 a) Non-current receivables

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Other non-current receivables (Note 23c)	–	9,292,177	–	–
	–	9,292,177	–	–
Less: Allowance for impairment of non-current receivables	–	–	–	–
	–	9,292,177	–	–
Less: current portion of joint operations receivables reclassified to other receivables (Note 25a)	–	(9,292,177)	–	–
	–	–	–	–

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b) Movement in allowance for impairment of non-current receivables for the year is as detailed below:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At start of the year	–	8,737,450	–	–
Reversal of impairment of non- current receivables (Note 10d, 40a)	–	(10,250,035)	–	–
Allowance for receivables impairment – Discontinued operations (Note 10)	–	–	–	–
Exchange difference	–	1,512,585	–	–
At end of year	–	–	–	–

c) Other non-current receivable

Other non-current receivables relate to joint operations receivables of N16.9 billion out of which N9.3 billion was previously impaired and N7.6 billion reclassified to current receivables in 2019. In 2021, there was a reversal of impairment of N554.7 million which was subsequently reclassified to current receivables. In 2022, the full provision was reversed and subsequently reclassified to current receivables.

24 Inventories

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Crude oil	6,320,434	1,134,363	–	–
Materials	1,285,174	657,090	–	–
Consumables and engineering stock	9,600	15,710	–	–
	7,615,208	1,807,163	–	–

The cost of inventories recognised as an expense (written down to net realisable value) and included in 'cost of sales' was nil (2022: nil).

25 a) Trade, other receivables and contract assets

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company* 2022 N'000
Trade receivables from third parties (Note 8d)	574,205,606	294,880,169	202,905,984	145,223,718
Less: impairment of trade receivables (Note 8d)	(12,955,337)	(10,162,971)	(7,876,878)	(7,376,592)
Other receivables	561,250,269	284,717,198	195,029,106	137,847,126
Withholding tax receivable	487,137,897	245,049,815	36,917,496	19,006,043
Deposit for import/asset	4,492,656	4,008,420	3,737,823	3,737,823
	44,999,735	15,021	–	–
Amount due from related parties (Note 42xiii)	–	–	214,753,069	168,195,499
Less: allowance for impairment of other receivables	(387,491,568)	(193,268,284)	(92,752,782)	(65,085,172)
	710,388,989	340,522,170	357,684,712	263,701,319

The Group's other receivables largely relate to receivable from Whitmore Asset Management Limited of N282.4 billion (2022:N177.5 billion), Cash calls from JV partners of N27.3 billion (2022:N22.8 billion), receivables from service agreements with customers (OES Integrated Services Limited, Oando Gas & Power Limited, OVH Energy BV and Gaslink Nigeria Limited) of N1.8 billion (2022:N1.1 billion), loan receivables from Lekki Refinery Funding Limited of N59.9 billion (2022: N21.1 billion), loan receivables from GANIC Foods Limited of N1.8 billion (2022: N957 million) and receivables with regards to project clearwater of N5.6 billion (2022: N2.8 billion).

The Company's other receivables largely relate to dividend receivable of N34.2 billion (2022: N17.1 billion), receivable from service agreements with customers (OES Integrated Services Limited, Oando Gas & Power Limited, OVH Energy BV and Gaslink Nigeria Limited) of N1.8 billion (2022: N1.1 billion).

The carrying amounts of trade and other receivables for 2023 and 2022 respectively approximate their fair values due to their short term nature. The fair values are within level 2 of the fair value hierarchy.

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b) Movement in provision for impairment of receivables for the year is as detailed below:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At start of the year	203,431,255	225,802,993	72,461,764	76,423,481
Impairment loss/(reversal of impairment)/of trade and other receivables, net (Note 10d, 40a)	3,224,431	(3,816,280)	28,167,896	(3,961,717)
Exchange difference	193,791,219	(18,555,458)	–	–
At end of year	400,446,905	203,431,255	100,629,660	72,461,764

Trade & other receivables are non-interest bearing and are normally settled within one year.

26 Deposit for shares

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Opening balance	1,796,200	10,875,000	–	–
Payments made during the year	2,698,179	2,594,859	–	–
Deposits converted to shares during the period	–	(11,378,589)	–	–
Exchange difference	1,801,372	(295,070)	–	–
Closing balance	6,295,751	1,796,200	–	–

Following the guarantee on page 104, Calabar Power (through Oando PLC) paid \$8.3 million (N3 billion) in 2018, \$13.5 million (N4.9 billion) in 2019, \$1.5 million (N615.4 million) in 2020 and \$10 million (N4.35 billion) in 2021. Effective 31 May 2019, Goldeneye (“Transferor”) and Calabar Power Limited (“Transferee”) executed a Share Transfer Form for 5,236,626 Ordinary shares out of the 17,455,414 Ordinary Shares expected because of the guarantee with 12,218,788 transferred in April 2022.

Following the Share Sale and Purchase Agreement disclosed on page 104, Calabar Power (through Oando PLC) paid \$5 million (N3 billion) to M1 Petroleum Limited in Q4 2020, \$5 million on 12 November 2021, \$2 million on 28 September 2022 and \$3 million in Q4 2023. Effective 14 November 2022, M1 Petroleum Limited executed another Share Transfer Form for 1,761,465 Ordinary shares to Calabar Power out of the 17,614,649 Ordinary Shares expected. The third batch of 4,110,085 shares of OEPH for a total consideration of \$7 million (N1.8 billion/\$4 million at December 2022 plus \$3 million payment made in Q4 2023) was transferred to Calabar Power on 16 February 2024.

27 Prepayments

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Non-current	46,320	102,103	–	9,463
Current	13,367,822	3,750,894	431,984	57,169
	13,414,142	3,852,997	431,984	66,632

Prepayments represent prepaid expenses such as prepaid interest, prepaid insurance, advance payment to vendors and upfront salaries paid to staff.

28 Financial assets at fair value through profit or loss

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Quoted and unquoted equity instruments – Current	138,654	59,560	138,654	59,560

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Quoted and unquoted equity instruments – Current

This represents the Company's equity investments that are listed on the Nigerian Exchange Group. Each investment is carried at fair value based on current bid price on the Nigerian Exchange Group at 31 December of the reporting year. The movement is as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At start of the year	59,560	54,835	59,560	52,256
Fair value gain (Note 9, 40a)	79,094	7,304	79,094	7,304
Reclassification to investment in associates accounted for using the equity method (Note 19)	–	(2,416)	–	–
Exchange difference	–	(163)	–	–
At the end of year	138,654	59,560	138,654	59,560

Classification of financial assets at fair value through profit or loss

The Group has classified the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

29 Investment in subsidiaries

	Company 2023 N'000	Company 2022 N'000
Investment in subsidiaries (Cost)		
Oando Exploration and Production Limited	3,898,288	3,898,288
Oando Benin	3,997	3,997
Oando Trading Limited Bermuda	3,435,950	3,435,950
OES Integrity Limited	6,538	6,538
Oando Terminal and Logistics Limited	10,000	2,500
UNITAB	20,400	20,400
Sierra Leone	4,399	4,399
Burkina Faso	6,070	6,070
Calabar Power	10,000	2,500
Oando Liberia Limited	6,538	6,538
OES Passion Limited	1,752	1,752
OES Professionalism Limited	10,000	10,000
Oando Resources Limited	10,000	2,500
Oando Trading DMCC	3,456,337	3,456,337
Oando Equator Holdings Limited	1,816	1,816
XRS 1 Limited	18	18
Oando E&P Holdings Limited	50,997,513	50,997,513
	61,879,616	61,857,116
Allowance for impairment	(58,396,446)	(39,390,007)
	3,483,170	22,467,109

	Company 2023 N'000	Company 2022 N'000
Movement in allowance for impairment of investments for the year is as detailed below:		
At start of the year	39,390,007	39,390,007
Impairment of investment (Note 10d, 40a)	19,006,439	–
At end of year	58,396,446	39,390,007

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30 Short-term investments

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Short-term investments	2,111,292	923,701	2,111,292	923,701

This relates to money market investment domiciled in Asset & Resource Management Company (ARM) and Access Bank UK. The weighted average effective interest rate on short-term investments at the year-end was 10.64% for ARM and 4.85% for Access Bank UK (2022: 18.41% for ARM).

31 Cash and bank balances

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
a Cash and cash equivalents (excluding bank overdrafts)	73,588,961	20,831,769	999,848	618,792
Impairment allowance on bank balances* (Note 10d)	(271,335)	–	–	–
	73,317,626	20,831,769	999,848	618,792
b Restricted cash	4,484,430	3,600,838	–	–

* The difference between the impairment allowance on bank balances as shown in Note 10d and Note 31 is due to foreign currency translation differences.

Management assessed that fair value of cash and cash equivalents approximates their carrying amounts.

Restricted cash relates to cash collateral and is excluded from cash and cash equivalents for cash flows statement purposes.

While cash and cash equivalents (including restricted cash; excluding petty cash) are also subject to the impairment requirements of IFRS 9, the identified impairment loss of N0.75 billion (2022: N0.36 billion) (represents 1% of the total cash and cash equivalents (including restricted cash; excluding petty cash) of the Group) was immaterial

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Cash at bank and in hand	73,317,626	20,831,769	999,848	618,792

Classification of cash and cash equivalents at amortised cost

The Group holds the cash and cash equivalents with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Details of the Group's impairment policies and the calculation of the loss allowance are provided under significant accounting policies.

32 Share capital and share premium

	Number of shares (thousands)	Ordinary shares N'000	Share premium N'000
At 31 December 2022	12,431,412	6,215,706	176,588,527
At 31 December 2023	12,431,412	6,215,706	176,588,527

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33 Other reserves

Group	Remeasurement loss on defined benefit plan N'000	Share based payment reserve N'000	Currency translation reserve ¹ N'000	Total N'000
At 1 January 2022	(38,272)	2,887,385	170,087,997	172,937,110
Exchange difference on translation of foreign operations	–	93,259	17,141,120	17,234,379
Exchange gain on net investment in foreign operations	–	–	7,546,101	7,546,101
Remeasurement gain on defined benefit plan	104,857	–	–	104,857
Change in ownership interests in subsidiaries that do not result in a loss of control	–	–	952,161	952,161
Transfer of share based payment reserve to retained earnings	–	(2,980,644)	–	(2,980,644)
Share of associate's foreign currency translation reserve	–	–	38,760	38,760
At 31 December 2022	66,585	–	195,766,139	195,832,724

Group	Remeasurement loss on defined benefit plan N'000	Share based payment reserve N'000	Currency translation reserve ¹ N'000	Total N'000
At 1 January 2023	66,585	–	195,766,139	195,832,724
Exchange difference on translation of foreign operations	–	–	245,034,153	245,034,153
Exchange loss on net investment in foreign operations	–	–	(369,298,175)	(369,298,175)
Remeasurement gain on defined benefit plan	294,797	–	–	294,797
Share of associate's foreign currency translation reserve	–	–	2,149,356	2,149,356
At 31 December 2023	361,382	–	73,651,473	74,012,855

¹ Currency translation reserve

The translation reserve comprises all foreign currency difference arising from the translation of the financial statements of foreign operations, as well as intercompany balances arising from net investment in foreign operations.

34 Share based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Share based payment reserve is not available for distribution to shareholders.

35A Borrowings

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Borrowings are made up as follows:				
(a) Non-current – Bank loans	46,945,871	110,465,837	7,964,855	6,026,823
(b) Current				
Bank loans	771,397,980	396,870,904	97,026,866	95,939,571
Total borrowings	818,343,851	507,336,741	104,991,721	101,966,394

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(c) Non-current borrowings are analysed as follows:

Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/ Lender	Available facility N'000	2023 Balance N'000	2022 Balance N'000
Group Medium Term Loan	Restructuring of Short to Long Term Debt	5 years/19% p.a.	1 June 2016	Mortgage on assets of Oando PLC and some subsidiaries	Oando PLC/MTL lenders	108,320,834	92,242,104	92,242,104
Promissory Note	Term loan	4 years/1year libor+2%	31 October 2020	None	Oando PLC/ ConocoPhillips	29,679,969	9,763,641	6,550,714
Term Loan	Medium term borrowing	5 years/8.5% + Libor p.a	11 October 2019	none	OOL/African Export-Import Bank (AFREXIM)	471,731,629	196,517,371	157,392,025
Term loans	General corporate purpose	5 years/9.5% + Libor p.a	2 January 2020	None	Oando Servco/Ecobank	44,969,650	35,196,121	17,905,469
Term Loan	General corporate purpose	5 years/24% p.a.	18 February 2021	None	Oando Servco/ Access Bank	15,000,000	6,646,083	9,555,470
Term Loan	Medium term borrowing/ Augmentation of Working capital	5 years/12.5%+Libor	29 September 2020	None	ORL/MCB	26,981,790	15,765,481	9,340,869
Term Loan	Aircraft Lease	5 years/12.5% p.a.	24 June 2022	Share Charge	XRS 11/Shearwater*	8,184,476	6,975,730	3,822,466
Less current portion						704,868,348	363,106,531	296,809,117
						–	(316,160,660)	(186,343,280)
Total non-current borrowing (See a above)						704,868,348	46,945,871	110,465,837

Security and share charge on the Bombardier Aircraft owned by XRS II

On 24 June 2022 (the effective date), XRS II Limited, a subsidiary of Oando PLC, signed an Aircraft Lease Agreement with SAC Leasing OXRS, LLC ("SAC"). The Lease Agreement provides that XRS II desires to transfer to the Bombardier Inc. Model BD-700-1A10 (Aircraft) to SAC and in turn lease it back from SAC. Whereas both parties agreed the value of the Aircraft as US\$14 million, they also agreed that SAC will provide a finance amount of US\$9.1 million to XRS II on the delivery date of the Aircraft to SAC by XRS II. The period of the lease and the agreed lease rate of return is sixty months and 12.5% respectively. On the effective date above, XRS II and SAC also entered into a Warranty Bill of Sale under which the former, for and in consideration of US\$10 and other good and valuable consideration, the receipt and sufficiency of which was conclusively acknowledged, granted, bargained, sold, transferred and assigned the legal, equitable and beneficial right, title and interest in and to Aircraft to SAC. Consequently, the Aircraft was registered in the name of SAC as the new owner vide a certificate of registration dated 27 June 2022 and issued by the Civil Aviation Authority of the Republic of San Marino as intended by the parties.

Although certain sections of the Agreement suggest a sale and leaseback transaction, the provisions of IFRS 16 para 103 in relation to whether the transfer of the Aircraft qualified as a sale under IFRS 15, was applied in accounting for the Agreement. Consequently, management has accounted for the Agreement as a financing arrangement backed up by an asset – the Aircraft. This implies that XRS II does not de-recognise the Aircraft and it accounts for the US\$9.1 million received from SAC as a financial liability. The expected credit loss (ECL) on the financial guarantee contract by Oando PLC has been accounted for and disclosed in these consolidated and separate financial statements under Note 10.

Loan type	Purpose	Tenure/ Interest rate	Loan Start Date	Security	Borrower/ Lender	Available facility N'000	2023 Balance N'000	2022 Balance N'000
Company Medium Term Loan	Restructuring of Short to Long Term Debt	5 years/19% p.a.	1 June 2016	Mortgage on assets of Oando PLC and some subsidiaries	Oando PLC/MTL lenders	108,320,834	92,242,104	92,242,104
Promissory Note	Term loan	4 years/1year libor+2%	31 October 2020	None	Oando PLC/ ConocoPhillips	29,679,969.00	9,763,641	6,550,714
Less current portion						138,000,803	102,005,745	98,792,818
						–	(94,040,890)	(92,765,995)
Total non-current borrowing (See a above)						138,000,803	7,964,855	6,026,823

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(d) Current borrowings are analysed as follows:

Loan type	Purpose	Tenure/Interest rate	Loan Start Date	Security	Borrower/Lender	Balance 2023 N'000	Balance 2022 N'000
Group							
Import finance facility	Project Finance	3 years/11.13% (3 month term SOFR+Margin+CAS)	20 October 2022	None	OTD/Mauritians Commercial Bank	59,875,640	–
Import finance facility	Working capital	30-90days (revolving) (3.5%-4.5% + SOFR p.a.)	1 December 2023	None	OTD/Mauritians Commercial Bank	66,830,993	47,360,042
Import finance facility	Working capital	30-90days (revolving) (3.5%-4.5% + SOFR p.a.)	1 December 2022	None	OTD/AFREXIM	–	38,461,358
Short-term loan	Working capital	Less than 1 year/ 7.5% p.a	7 February 2022	None	OTD/Bonnylight	–	2,245,250
Short-term loan	Working capital	Less than 1 year/ 39% p.a	1 July 2022	None	Oando PLC/Services Liquid & Gas Limited	35,976	673,575
Short-term loan	Project Finance	13.39% (3 month term SOFR+Margin)/1 year/ 9.5% p.a.	1 July 2023/ 1 November 2022	None	OTD/Glencore	35,975,720	18,710,417
Short-term loan	Working capital	3 years/12.35% (3 month term SOFR+Margin)	2 March 2023	None	OTD/BB Energy	38,129,494	–
Corporate finance facility	Acquisition of the COP assets	6 years/9.50% – 10.5% + Libor p.a.	17 January 2014	Oando legacy assets	OER/Corporate Facility	201,395,204 lenders	100,552,835
Short-term loan	Project Finance	9 months/20% p.a.	19 October 2023	None	OPNGL/Indorama	50,000,000	–
Short-term loan	Working capital	1 year/42% p.a.	16 June 2023	None	Oando PLC/Industrial Supply Venture	450,000	–
Term loan	Working capital	180 days/30% p.a.	23 November 2022	None	Oando PLC/Olatunde loan	2,500,000	2,500,000
Short-term loan	Working capital		N/A	None	Oando Logistics Services/HSBC UK	44,293	24,147
Current portion of non-current borrowings (See c above)						455,237,320	210,527,624
Total current borrowing (See b above)						316,160,660	186,343,280
						771,397,980	396,870,904

Loan type	Purpose	Tenure/Interest rate	Loan Start Date	Security	Borrower/Lender	2023 N'000	2022 N'000
Company							
Short-term loan	Working capital	Less than 1 year/ 39% p.a	1 July 2022	None	Oando PLC/Services Liquid & Gas Limited	35,976	673,576
Short-term loan	Working capital	1 year/42% p.a.	16 June 2023	None	Oando PLC/Industrial Supply Venture	450,000	–
Term loan	Working capital	180days/30% p.a.	23 November 2022	None	Oando PLC/Olatunde loan	2,500,000	2,500,000
Current portion of non-current borrowings (See c above)						2,985,976	3,173,576
Total current borrowing (See b above)						94,040,890	92,765,995
						97,026,866	95,939,571

Weighted average effective interest rates at the year end were:

	2023	2022
– Bank loans	19.0%	19.0%
– Import finance facility	4.0%	3.4%
– Other loans	15.2%	12.0%

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Fair values are based on cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the reporting date. Set out below is a comparison of the carrying amounts and fair values of the Company's borrowings that are carried in the financial statements.

Group	Carrying amounts		Fair values	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Bank loans	818,343,851	507,336,741	747,459,994	499,114,565

Company	Carrying amounts		Fair values	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Bank loans	104,991,721	101,966,394	123,776,903	95,691,362

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Nigerian Naira	151,838,188	104,297,575	104,991,721	101,966,394
US Dollar	666,461,370	403,015,019	—	—
British Pounds	44,293	24,147	—	—
	818,343,851	507,336,741	104,991,721	101,966,394

35B Decommissioning provisions

Decommissioning provisions relate to oil and gas assets abandonment restoration obligation, asset restoration obligation and other liabilities as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Oil and gas fields provision	426,539,536	142,141,985	—	—
Asset restoration obligation – leased space	122,325	146,010	122,325	146,010
	426,661,861	142,287,995	122,325	146,010

The oil and gas fields provision represent the present value of decommissioning cost relating to oil & gas assets. These provisions have been created based on internal estimates, and the estimates are reviewed regularly to take account of material changes to the assumptions.

The Group accounted for an increase in the decommissioning obligation as a corresponding increase in the value of the decommissioning asset under property, plant and equipment. IFRIC 1 requires that any increase in the decommissioning costs for assets measured under the revaluation model be recognised as a decrease in the revaluation surplus account. The key assumption upon which the carrying amount of the decommissioning obligation is based is a discount rates ranging from 15.72% to 16.25% (2022: 11.72% to 16.62%) and an inflation rate of 14.96% (2022: 21.34%). These obligations are expected to be settled over the next one to forty-four years.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Movement during the year in provisions for decommissioning cost is as follows:				
– Opening balance	142,287,995	143,139,816	146,010	109,408
Addition/(reduction) in provisions in the year:				
– Oil and gas field	101,203,052	(25,780,475)		
– Charged to the statement of profit or loss:				
– Change in estimate of restoration cost (Note 17)	(40,623)	26,686	(40,623)	26,686
– Unwinding of discount (Note 40a,12a)	30,230,336	19,204,114	16,938	9,916
Exchange differences	152,981,101	5,697,854	—	—
At 31 December	426,661,861	142,287,995	122,325	146,010

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Analysis of decommissioning provisions				
Non current	426,661,861	142,287,995	122,325	146,010

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36 Lease liabilities

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Opening balance	3,617,209	4,317,787	21,654,897	23,340,861
Additions	173,862	544,301	165,758	101,128
Interest expense (Note 12a)	565,263	451,827	3,120,718	2,426,267
Payments	(2,006,815)	(1,838,245)	(6,226,650)	(4,743,898)
Transfer to withholding tax (WHT) liability (Note 38)	(13,927)	(9,595)	(13,927)	(9,595)
Exchange difference	3,545,343	151,134	20,260,878	540,134
At 31 December	5,880,935	3,617,209	38,961,674	21,654,897

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Current lease liabilities	2,336,333	41,498	19,531,974	6,741,073
Non-current lease liabilities	3,544,602	3,575,711	19,429,700	14,913,824
	5,880,935	3,617,209	38,961,674	21,654,897

37 Retirement benefit obligations

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Oando Trading DMCC (OTD) operates an unfunded employees' end of service benefits ("EOSB") for its employees in accordance with the respective laws in Dubai. The movement in EOSB for the year ended is as follows:				
(a) Statement of financial position obligations for gratuity	1,556,851	470,826	–	–
(b) Statement of profit or loss charge (Note 11b):	757,563	114,259	–	–
(c) Other comprehensive income				
Remeasurement gain recognised in the statement of other comprehensive income in the period	(294,797)	(104,857)	–	–

The movement in the defined benefit obligation over the year is as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
At 1 January:				
Opening balance	470,826	480,327	–	–
Current service cost	757,563	114,259	–	–
Remeasurement gain recognised in other comprehensive income	(294,797)	(104,857)	–	–
Exchange loss	631,930	16,043	–	–
Benefits paid	(8,671)	(34,946)	–	–
At 31 December	1,556,851	470,826	–	–

(d) The amount recognised in the statement of profit or loss are as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Current service cost	757,563	114,259	–	–
	757,563	114,259	–	–

Key assumptions and quantitative sensitivity analyses

The cost of the defined benefit plan is determined using actuarial valuations carried out by AON Reinsurance Solutions, an United Arab Emirates actuarial firm – represented by Philippos Mannaris, on 31 December 2023. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and price inflation. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the yields on long term United States (US) corporate bonds as at reporting date since the local currency in United Arab Emirates (UAE) is heavily pegged to the US Dollar, suggesting that the liability could effectively be settled by purchasing a portfolio of US bonds of high quality. The applied rate is generally intended to represent the average yield on AA-rated bonds. Future salary increase is based on expected future inflation rate in UAE. The key assumptions and their sensitivity analyses are discussed further below:

	Group 2023 N'000	Group 2022 N'000
Discount rate	4.84%	5.01%
Salary increase rate per annum	5.0%	3.5%
Employee turnover / withdrawal rates	nil	nil
Retirement Age	60 years	60 years

The sensitivity of EOSB to changes in the weighted principal assumptions is as follows:

	2023		2022	
	Change in assumption by	Impact in N'000	Change in assumption by	Impact in N'000
Discount rate	-0.5%	(55,552)	0.5%	(20,060)
Salary increase rate per annum	0.5%	60,181	0.5%	21,398

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.43 years (2022: 10.13 years).

38 Trade and other payables

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Trade payables – Products	1,047,936,359	514,809,209	–	–
Trade payables – Other vendors	13,172,788	7,408,373	–	–
Other payables	106,362,885	50,441,218	9,540,291	9,532,369
Statutory payables (WHT, VAT, PAYE and NCDF deductions)	25,972,326	15,516,452	8,324,379	7,481,816
WHT transferred from lease liability (Note 36)	13,927	9,595	13,927	9,595
Accrued expenses	284,860,197	117,101,711	84,353,564	61,796,238
Amount due to related parties (Note 42xiv)	–	–	606,581,321	343,523,555
Deferred income	300,574	561,941	–	–
	1,478,619,056	705,848,499	708,813,482	422,343,573

Trade & other payables are non-interest bearing and are normally settled within one year. The carrying amounts of trade and other payables for 2023 and 2022 respectively approximate their fair values.

The Group's other payables largely relates to royalties payable of N98.6 billion (2022:N31.1 billion), payable to OODP nil (2022: N729 million), payable to QPR N138 million (2022:N69 million), payables overlift of N2.3 billion (2022: N9.4 billion) and bid deposits received on the attempted sale of Alausa prior to 2017 which is yet to be fully refunded to the initial buyer of N217.4 million (2022: N217.4 million).

The Company's other payables largely relates to non-trade payables to vendors N4.3 billion (2022: N3.4 billion), payable to QPR N138 million (2022:N69 million), payable to OODP nil (2022:N729 million), provision for financial guarantee of N3.6 billion (2022: N2.7 billion) and bid deposits received on the attempted sale of Alausa prior to 2017 which is yet to be fully refunded to the initial buyer of N217.4 million (2022: N217.4 million).

NAOC JV Funding, Audit Claims, Arbitration and Acquisition of NAOC

The Arrears Settlement Agreement

In 2019, OOL and NAOC entered into an Arrears Settlement Agreement to provide for the settlement of OOL's cash call arrears due to the OMLs 60-63 JV (the "JV"). for the period between 2018-2019 (the "ASA"), and a Cash Call Funding Agreement (the "CCFA") for the settlement of OOL's cash calls for the remaining period from September 2019 (not covered by the ASA) to 2021.

However, after the completion of the acquisition of Nigerian Agip Oil Company Limited (NAOC), (now known as Oando Energy Resources Nigeria Limited) by the Oando Group in August 2024, NAOC and OOL became affiliates

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Arbitration between Oando & NAOOC

In February 2021, OOL commenced arbitration proceedings against NAOOC through a notice of Arbitration “the notice” for the recovery of the sum of \$240.47 million and N13.49 billion (the “Audit Credit”) and damages for NAOOC’s willful misconduct, concealing and refusing to disclose JV information, keeping of inaccurate records and misrepresentation of OOL’s financial position.

NAOOC filed a counter claim for alleged unpaid cash calls up until October 2022 in the sum of N125.9 billion and \$366.9 million, and alleged consequential damages for loss of production in the sum of \$837.4 million as a result of OOL’s alleged underfunding since 2020.

Amicable Settlement of the dispute and Oando’s Acquisition of NAOOC:

The settlement of the dispute is a consequential result and part of a broader transaction under the Sale and Purchase Agreement (“SPA”) between the Eni Group and Oando Group, the parent companies of Nigerian Agip Oil Company Limited (“NAOOC”) and Oando Oil Limited (“OOL”) for the acquisition of NAOOC.

The transaction involves the acquisition of NAOOC’s interest in OMLs 60, 61, 62 and 63 and the JOA (the underlying asset for the dispute), among other assets. The SPA has been signed by the parties and a formal announcement issued.

The disputes between the parties encompassed activities under the Joint Operating Agreement related to the OMLs. These matters were factored into the negotiations for the SPA, resulting in a mutually agreed settlement of both parties’ claims.

Completion of the SPA constituted settlement of the dispute between OOL and NAOOC. Accordingly, one the key commercial arrangements contemplated by the parties was the suspension of the right to access the Award until the SPA was concluded seeing as the issues in dispute are part of the broader exchange of considerations for the acquisition of NAOOC. Therefore, the award was held by an escrow agent pending the completion of the SPA.

Following completion of the SPA in August 2024, and in line with the agreement between the parties, the arbitration award was destroyed by the escrow agent. At the completion of the transaction, NAOOC became an affiliate of OOL – the parties in the arbitration.

39 Dividend payable

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Unpaid dividend (Note 40b)	1,650,277	1,650,277	1,650,277	1,650,277

40 Supplementary cash flows information

(a) Cash generated from/(used in) operations

Reconciliation of profit/(loss) before income tax to cash generated from operations:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Profit/(loss) before income tax	102,978,050	(61,840,466)	(208,403,444)	(33,852,292)
Adjustment for:				
Interest income (Note 12b)	(16,903,484)	(15,772,960)	(3,609,568)	(2,306,330)
Interest expenses (Note 12a)	103,311,104	77,686,721	31,429,259	32,712,137
Depreciation (Note 10c,15)	28,077,781	1,888,142	413,757	388,985
Depreciation to right-of-use asset (Note 10c, 17)	2,682,594	2,522,945	1,531,945	1,522,760
Amortisation of intangible assets (Note 10c, 16)	14,964	181,492	14,964	181,572
Impairment of intangible assets (Note 10d, 16)	3,915,646	16,808,595	–	–
Impairment of investment in an associate (Note 10d)	(1)	2,288	–	–
Reversal of impairment on non-current receivables (Note 23b)	–	(10,250,035)	–	–
Impairment allowance/(reversal of impairment) on current receivables (Note 25b)	3,224,431	(3,816,279)	28,167,896	(3,961,717)
(Reversal of impairment)/impairment allowance on finance lease (Note 22ii)	(1,994,256)	1,572,770	265,803	419,226
Impairment allowance on bank balances (Note 31a)	201,705	–	–	–
Impairment allowance on investment (Note 29)	–	–	19,006,439	–
Share of (gain)/loss of associate (Note 19)	(1,149,865)	824,826	–	–
Write off of property, plant and equipment (Note 10b)	–	60	–	–
Unwinding of discount on provisions (Note 12a, 35)	30,230,336	19,204,114	16,938	9,916
Premium paid on hedges (Note 21)	552,257	1,047,615	–	–
Net foreign exchange (gain)/loss	(187,129,736)	(4,233,534)	8,252,467	231,410
Gratuity provisions (Note 11b)	757,563	114,259	–	–
Fair value loss on commodity options (Note 21)	923,937	5,638,931	–	–
Fair value gain on valuation of investment properties (Note 18)	(7,610,900)	(1,010,000)	(7,610,900)	(1,010,000)
Fair value gain on financial assets at fair value through profit or loss (Note 28)	(79,094)	(7,304)	(79,094)	(7,304)
	62,003,032	30,562,180	(130,603,538)	(5,671,637)

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	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Changes in working capital				
Increase in receivables and prepayments (current)	(575,017,900)	(261,789,586)	(122,516,640)	(136,670,480)
(Increase)/decrease in inventories	(4,026,905)	33,840,868	–	30,798,315
(Increase)/decrease in short-term investments	(1,187,591)	576,435	(1,187,591)	576,435
Increase in payables and accrued expenses	716,077,655	216,788,391	255,686,989	108,395,453
	197,848,291	19,978,288	1,379,220	(2,571,914)

(b) Changes in liabilities arising from financing activities

GROUP

	01-Jan-23 N'000	Cash flows – proceeds N'000	Cash flows – payment N'000	Foreign exchange movement N'000	Other N'000	31-Dec-23 N'000
2023						
Interest bearing loans and borrowings (current and non-current)	507,336,741	310,007,796	(400,719,664)	403,529,101	(1,810,123)	818,343,851
Interest bearing lease liabilities (current and non-current)	3,617,209	–	(2,006,815)	3,545,343	725,198	5,880,935
Dividends payable (Note 39)	1,650,277	–	–	–	–	1,650,277
Total liabilities from financing activities	512,604,227	310,007,796	(402,726,479)	407,074,444	(1,084,925)	825,875,063

	01-Jan-22 N'000	Cash flows – proceeds N'000	Cash flows – payment N'000	Foreign exchange movement N'000	Other N'000	31-Dec-22 N'000
2022						
Interest bearing loans and borrowings (current and non-current)	460,782,000	600,032,089	(562,326,840)	11,826,918	(2,977,425)	507,336,741
Interest bearing lease liabilities (current and non-current)	4,317,787	–	(1,838,245)	151,134	986,533	3,617,209
Dividends payable (Note 39)	1,650,277	–	–	–	–	1,650,277
Total liabilities from financing activities	466,750,064	600,032,089	(564,165,085)	11,978,052	(1,990,892)	512,604,227

COMPANY

	01-Jan-23 N'000	Cash flows – proceeds N'000	Cash flows – payment N'000	Foreign exchange movement N'000	Other N'000	31-Dec-23 N'000
2023						
Interest bearing loans and borrowings (current and non-current)	101,966,394	450,000	(1,292,369)	6,324,953	(2,457,258)	104,991,720
Interest bearing lease liabilities (current and non-current)	21,654,897	–	(6,226,650)	20,260,878	3,272,549	38,961,674
Dividend payable (Note 39)	1,650,277	–	–	–	–	1,650,277
Total liabilities from financing activities	125,271,568	450,000	(7,519,019)	26,585,831	815,291	145,603,671

	01-Jan-22 N'000	Cash flows – proceeds N'000	Cash flows – payment N'000	Foreign exchange movement N'000	Other N'000	31-Dec-22 N'000
2022						
Current interest bearing loans and borrowings	99,022,858	8,398,100	(5,637,617)	183,053	–	101,966,394
Interest bearing lease liabilities (current and non-current)	23,340,861	–	(4,743,898)	540,134	2,517,800	21,654,897
Dividend payable (Note 39)	1,650,277	–	–	–	–	1,650,277
Total liabilities from financing activities	124,013,996	8,398,100	(10,381,515)	723,187	2,517,800	125,271,568

* The 'Other' column includes provision for interest expense on lease liabilities, additions/modification of leases, transfer to withholding tax liability and amortization of transaction costs.

41 Business acquisition

Oando PLC through its wholly owned subsidiary, Bitumen Resources Limited (The Buyer), entered into a Share Sale and Purchase Agreement on 21 June 2021 with Dr. Lawrence Ajayi and Mrs. Benita Funmilayo Ajayi (The Sellers) for the acquisition of 55% equity stake in Lakel Afrik Petroleum Limited (LAPL). The Buyer received 13,750,000 ordinary shares of LAPL from the Seller for a consideration of US\$1 million (\$0.5 million payable immediately and \$0.5 million agreed as deferred consideration). The Buyer paid US\$500,000 on the transaction date. The transaction has not been accounted for as a business combination in these consolidated and separate financial statements because of migration issues.

On 4 November 2022, the Buyer further acquired the remaining equity stake of 45% in LAPL from the Seller. The Buyer agrees to pay the Seller and the Seller accepted the sum of \$20,000 as the consideration. After concluding the transaction, LAPL became a wholly owned subsidiary of BRL. LAPL owns Bitumen Exploration Licence EL 28420 and Bitumen Mining Lease ML 30585. Following the above, the Seller therefore agrees for himself (and on behalf of Shareholder B from who he warrants to have due authority to so do) that the Buyer shall not be required to pay the Original SPA Deferred Consideration (of \$0.5 million) to the Sellers under any circumstance. The Seller further waives for himself (and on behalf of Shareholder B from who he warrants to have due authority to so do), the right to any future claim or suit in relation to the Original SPA Deferred Consideration.

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42 Related party transactions

Ocean and Oil Development Partners Limited (OODP) has the shareholding of 57.37% in Oando PLC at 31 December 2022 (2022: 57.37%). The remaining 42.63% shares are widely held. OODP is ultimately owned 66.67% by the Group Chief Executive and 33.33% by the Deputy Group Chief Executive of the Company.

The following transactions existed between Oando PLC (the "Company") and some related parties during the year under review:

- (i) Shareholder Agreements dated July 24, 2012 between Oando PLC and Oando Netherlands Holding 2 BV (Holdco 2) in respect of Oando Akepo Limited (Oando Akepo); Oando PLC and Oando Netherlands Holding 3 BV (Holdco 3) in respect of Oando Petroleum Development Company Limited ("OPDC2") (which owns 95% of the shares of OPDC); Oando PLC and Oando OML 125 & 134 BVI in respect of Oando OML 125&134. Shareholder agreements dated April 30, 2013 between Oando PLC and Oando Netherlands Holding 4 BV (Holdco 4) and Oando Netherlands Holding 5 BV (Holdco 5) in respect of Oando Qua Ibo Limited (OQIL) and Oando reservoir and Production Services Limited (ORPSL), respectively. Shareholder agreements dated July 31, 2014 between Oando PLC and Oando OPL 214 Holding BV (Holdco 214), Oando OML 131 Holding BV (Holdco 131), Phillips Oil Company Nigeria Limited (POCNL – name subsequently changed to Oando Oil Limited – OOL), Phillips Deepwater Exploration Nigeria Limited (PDENL – name subsequently changed to Oando Deepwater Exploration Limited – ODEL), and Conoco Exploration and Production Nigeria Limited (CEPNL – name subsequently changed to Oando 131 Limited), respectively. Oando PLC owns Class A shares and each of Holdco 2, Holdco 3, Oando OML 125&134 BVI, Holdco 4, Holdco 5, Holdco 214, and Holdco 131 (together the "Holdco Associates") owns Class B shares, in each of Oando Akepo, OPDC2, Oando OML 125&134, OQIL, ORPSL, OOL, ODEL, and Oando 131 Limited (the "Operating Associates"), respectively. Ownership of the Class A shares by Oando PLC provides it with 60% voting rights but no rights to receive dividends or distributions from the applicable Operating Associate, except on liquidation or winding up. Ownership of the Class B shares entitles the Holdco Associates (each an indirectly wholly-owned subsidiary of the Corporation) to 40% voting rights and 100% dividends and distributions, except on liquidation or winding up. Pursuant to each of these agreements, Oando PLC, on the one hand, and the respective Holdco Associates, on the other hand, agreed to exercise their respective ownership rights in accordance with the manner set forth in the shareholder agreements.

Pursuant to the shareholder agreements, each of Oando PLC and the respective Holdco Associate is entitled to appoint two directors to the board of Oando Akepo, OPDC2, Oando OML 125&134, OQIL, ORPSL, POCNL, PDENL, and CEPNL respectively, with the Holdco Associate being entitled to appoint the Chairman, who has a casting vote. In addition, the applicable Holdco Associate has the power to compel Oando PLC to sell its Class A shares for nominal consideration. The shareholder agreements in respect of most of the Operating Associates were filed on www.sedar.com under "Oando Energy Resources Inc.". No amounts have been paid or are due to be paid by either party to the other under the shareholder agreements. During the period, the Corporation didn't incur any amounts under this agreement (2022 – Nil).

- (ii) Right of First Offer Agreement ("ROFO Agreement") dated September 27, 2011, as amended, between Oando PLC and OER. Pursuant to the ROFO Agreement, OER has the right to make an offer to Oando PLC in respect of certain assets owned by Oando PLC in accordance with the terms of the ROFO Agreement. No amounts have been paid or are due to be paid under the ROFO Agreement. On September 27, 2013, the ROFO agreement between OER and Oando PLC was amended. The amendment terminates the ROFO agreement on the first date on which Oando PLC no longer holds, directly or indirectly, at least 20% of the issued and outstanding common shares of OER. Prior to the amendment, the right of first offer in the ROFO would have terminated on September 27, 2013. OER has no amounts due to Oando PLC under this agreement (2022 – Nil). During the year, OER didn't incur any amounts under this agreement (2022 – Nil).
- (iii) Referral and Non-Competition Agreement dated July 24, 2012 between Oando PLC and OER. Pursuant to this agreement, Oando PLC is prohibited from competing with OER except in respect of the assets referred to in the ROFO Agreement until the later of July 25, 2014 and such time as Oando PLC owns less than 20% of the shares of OER. Oando PLC is also required to refer all upstream oil and gas opportunities to OER pursuant to this agreement. In addition, in the event that Oando PLC acquired any upstream assets between September 27, 2011 and July 24, 2012, Oando PLC is required to offer to sell these assets to OER at a purchase price consisting of the amount paid by Oando PLC for the assets, together with all expenses incurred by Oando PLC to the date of the acquisition by OER, plus an administrative fee of 1.75%. OER has no amounts due to Oando PLC under this agreement in respect of the COP acquisition (2022 – Nil).
- (iv) Cooperation and Services Agreement dated July 24, 2012 between Oando PLC and OER. Pursuant to this agreement, Oando PLC agreed, until the later of July 24, 2017 and such time as Oando PLC owns less than 20% of the shares of OER, to provide certain services to OER, including in respect of legal services in Nigeria, corporate secretariat and compliance services in Nigeria, corporate finance, procurement, corporate communications, internal audit and control, information technology, human capital management, environment, health, safety, security and quality and administrative services. These services are to be provided to OER on the basis of the cost to Oando PLC plus a margin of 10%. The independent directors of OER are entitled to approve all such cost allocations. At any time, OER may elect to terminate any of the services under the agreement provided such notice is effective only on December 31 or June 30 of any year and such notice has been given at least 60 days in advance. Once terminated, Oando PLC shall have no further obligation to make available the services as have been so terminated and equitable adjustments shall be made as to the cost for the remaining services, if any, that are continued to be supplied by Oando PLC to OER under the agreement. During the period, OER incurred \$7.5 million under this agreement (2022 – \$6.6 million).

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- (v) Pursuant to the completion of the Oando reorganization in July 2012, the cumulative amount advanced by Oando PLC to Equator Exploration Limited (“EEL”), subsidiary of OER of N1.1billion (US\$7.2 million) as of 21 December 2012 was classified as loan payable in EEL’s books and loan receivable in Oando PLC’s books. The carrying amount of the loan using effective interest method was N1.3 billion at 31 December 2012. The amount increased to N2.4 billion at 31 December 2015 (2014: N2.0 billion) due to accrued interest. During 2016, the Company impaired the receivable and accrued interest of N2.7 billion. In 2023, the Company accrued an interest of N793.3 million (2022: N503.8 million) and impaired the receivable (interest inclusive) in line with IFRS 9. The impairment was reversed on consolidation. In addition, the receivables and payables in the books of the Company and EEL respectively have been eliminated on consolidation.
- (vi) The Company signed an amendment to the operating lease agreement with a subsidiary, XRS II Ltd in 2015. The Company, the lessee in the agreement, agreed to lease the Bombardier XRS aircraft owned by XRS II Ltd, the lessor, for a period of earlier of eighty-four months from the execution date and date of termination of the agreement. The Agreement shall terminate in the following circumstances i) the termination of the Aircraft Facility Agreement by the Lender (Investec Bank (Mauritius) Limited) ii) mutual consent of Oando PLC and XRS II provided consent has been sought from the Lender, iii) upon notice from the Lender than an event of default has occurred and is continuing under the Aircraft Facility Agreement and iv) at any time after the end of the Availability Period (as defined in the Aircraft Facility Agreement). An addendum to this agreement was signed on the 19th of November 2021, the new lease term will be for 5 years from the execution date. XRS II sold its main asset – 2009 Bombardier Global Express Aircraft to Shearwater Aero Capital Leasing OXRS, LLC a company incorporated in Delaware, USA. On 24 June 2022, this same asset was leased by Shearwater Aero Capital – ‘Lessor’ (the new owner) to the former owner (XRS II Limited)- ‘Lessee’.
- XRS II Ltd recognized income of N7.2 billion (\$10.7 million) which arose from the agreement in 2023 (2022: N4.7 billion/\$11 million) and received payments amounting to N5.2 billion (\$7.7 million) during the year. In addition, the outstanding loan amount from XRS II to the Company was N8.3 billion (2022: N4.1 billion). The net receivables in the books of the Company at year-end was N2.1 billion/\$2.3 million (2022: 194 million/\$0.4 million) and this amount was fully impaired. The income, impairment and loan have been eliminated on consolidation.
- (vii) Oando was awarded an Extension contract by the Nigerian National Petroleum Corporation (NNPC) for the supply of petroleum product under the Emergency Procurement of PMS Intervention Agreement for January to March 2023 dated 1 February 2023 (the “EPI”) (pursuant to sustain PMS deliveries for which an EPI Petroleum Products Agreement dated 1 September 2022 was signed between Oando and NNPC) whereby Oando would deliver refined petroleum product to the NNPC for a period of 3 months. On 1 April 2023, Oando entered into a contract with NNPC Trading SA (NTSA) under the petroleum products supply agreement (“PPSA”) whereby Oando would deliver refined petroleum products to the NTSA prior to and in exchange for crude oil to be delivered by NTSA for a duration of 3 months and thereafter extended for another 3 months effective 1 July 2023. Pursuant to the above, Oando entered into a Master Sales and Purchases Agreement with OTD to purchase from OTD, its trading subsidiary, all petroleum product to be supplied by Oando under the PPSA and OTD agreed to deliver refined petroleum product to Oando and purchase the Crude Oil from Oando in accordance with the terms of this Agreement and the terms of the PPSA.
- Specifically, during the year, the Company sold crude oil worth N894.5 billion (2022: N796.6 billion) to OTD and purchased refined petroleum products worth N641.0 billion (2022: N727.2 billion). In addition to the trade contracts, Oando PLC and OTD engaged in other non-trade transactions including assistance to make payment for travel cost, payroll expenses, medical cost, etc. on behalf of each other. The non-trade transactions amounted to N61.5 billion in 2023 (2022: N270 million) on a net-off basis. The intercompany receivables/payables have been impaired in the respective companies as appropriate in line with the provisions of IFRS 9. The resulting sales, purchases, profits, impairments and any unrealized profit in inventory have been eliminated on consolidation.
- (viii) The Company donated N363.5 million (2022: N543.7 million) to Oando Foundation (a member of the Group). The expense and inflow in the books of Oando PLC and Oando Foundation have been eliminated on consolidation.
- (ix) Oando Servco Nigeria Limited provided payment assistance on shared services costs and vendor related costs to Oando PLC amounting to \$17.2 million (2022: \$23.6 million) during the year. The net receivables from Oando PLC have been impaired in the books of Oando Servco Nigeria Limited and both the impairment and receivables have been eliminated on consolidation.
- (x) **Oando Servco Ltd and OODP Loan Agreement and Disbursement**
- On February 10, 2023 (the “2023 Agreement”), Oando Servco entered into a new \$20 million loan agreement with OODP BVI for the purpose of the latter’s “general corporate purposes”. The 2023 Agreement has the same terms and conditions as the 2021 loan agreement with respect to interest rate, moratorium, tenor and payment of accrued interest. Under the 2023 Agreement, OODP BVI issued utilisation requests to Oando Servco to make payments on its behalf. Consequently, the requests were executed by affiliates of Oando Servco as follows: \$250,000 on August 8, 2023 and \$250,000 on October 24, 2023 to OODP BVI by Oando PLC; \$1 million by Oando Trading DMCC and \$1.1 million by Oando PLC on July 3, 2023 and October 24, 2023 respectively to Ansbury Investments Inc. OODP BVI is 66.67% owned by the Group Chief Executive, Mr. Adewale Tinubu, and 33.33% owned by the Deputy Group Chief Executive, Mr. Omamofe Boyo, of Oando PLC. OODP BVI owns OODP Nigeria, which in turn holds a 57.37% stake in Oando PLC.

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(xi) Other related party transactions include:

- i. Broll Properties Services Limited provided facilities management services consisting of structural, electrical and equipment maintenance and consumables to Oando PLC for which the Company reimbursed the company N126.0 million. In addition, the Company paid N6.7 million fees for the services rendered (2022: fees – N6.72 million, reimbursement – N70.1 million). The GCE has control over one of the joint interest owners of the company.
- ii. SCIB Nigeria and Co. Ltd. (“SCIB”) provided insurance brokerage services to some entities in the Group. A beneficial owner of SCIB is related to the GCE. Although a sum of N2.1 billion (2022: N1.9 billion) was paid to insurance companies for some specific policies through SCIB, the brokerage services agreement provides that service fees will be paid by the insurance companies who undertook the insurance policies.
- iii. Triton Aviation Limited provided management services consisting of consumables, jet fuel, handling charges, third party charters, aircraft maintenance and crew maintenance (and charges a 5% markup on all cost incurred on behalf of XRS II) to XRS II, an indirect subsidiary of the Company and was paid fees of N17.7 million and reimbursement of N540.9 million (2022: fees – N15.5 million, reimbursement – N520.0 million) for the provision of the services. Triton Aviation Limited is owned by the GCE.
- iv. Olajide Oyewole & Co. rendered professional services worth N294.7 million to Oando PLC and OER Inc. (2022: N9.2 million). A close family member of the GCE has significant influence over the firm.
- v. Lagoon Waters Limited sold petroleum products and liquefied petroleum gas worth N24.5 million (2022: N24.2 million) to Oando PLC. Lagoon Waters Limited is controlled by a close family member of the GCE.
- vi. F.O Akinrele provided legal services in connection with the arbitration between Oando Oil Limited and NAOC worth N178.6 million on behalf of Oando Servco Nigeria Limited and Oando Oil Limited (2022: N223.4 million). The senior partner of F.O. Akinrele & CO, is a non-executive director in Oando PLC.
- vii. A donation of N28 million (2022: nil) was made to Abeokuta Golf Club as sponsorship of the Alake of Egbaland’s 80th Birthday Golf Tournament. The grand patron of the golf club is the Chairman of Board of Directors of Oando PLC.

(xii) Key management personnel

Key management includes members of the Group Leadership Council. The compensation paid or payable to key management for employee services is shown below:

	2023 N'000	2022 N'000
Salaries and other short-term employee benefits*	2,857,772	2,127,724

* Included in salaries and other short-term employee benefits of key management personnel are board duty allowance of N12.7 million (2022: N12.7 million) received by the Company Secretary and Chief Compliance Officer, N91.7 million (2022: N69.7 million) received by Group Chief Financial Officer, N105 million (2022: N78.2 million) received by Chief Operating Officer of OER, N232.1 million (2022: N159.0 million) received by Deputy Group Chief Executive, N302.5 million (2022: N205.1 million) received by Group Chief Executive.

Year-end balances arising from transactions with related parties

The following receivables or payables at December 31, 2023 arose from transactions with related parties:

	Company 2023 N'000	Company 2022 N'000
(xiii) Receivables from related parties:		
Churchill C-300 Finance Limited	2,388,035	1,192,301
XRS II	2,069,077	193,992
Oando E&P Holdings Limited	7,039,434	3,514,657
Oando Equator Holdings	12,782,860	6,381,332
Equator Exploration Ltd (BVI)	19,578,178	9,242,976
Calabar Power Ltd	63,405,340	30,472,126
Oando Exploration & Production Limited	33,709,104	33,709,104
Oando Petroleum and Natural Gas Limited	67,454	–
Oando Oil Limited	22,035,129	–
Road Bits Limited	392,705	–
XRS I	16,746	8,361
Oando Terminals & Logistics	–	175
Lakel Afrik Petroleum	525	525
Bitumen Resources Limited	520,026	627,387
Oando Resources Limited	50,748,456	82,852,563
	214,753,069	168,195,499

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	Company 2023 N'000	Company 2022 N'000
(xiv) Payables to related parties:		
0902702 B.C. Limited	1	—
OES Passion	5,930	2,773
Oando Liberia	45,833	22,884
OES Professionalism	4,851	4,851
Burkina Faso	6,070	6,070
Oando Terminals & Logistics	6,250	—
Oando Trading DMCC	279,183,086	148,619,729
Oando Trading Bermuda	91,743,301	45,805,704
OML 125/134 Limited	39,256,568	20,517,997
OER Servco Nigeria Limited	196,329,431	128,543,547
	606,581,321	343,523,555

43 Commitments

The Group had outstanding capital expenditure contracted but not provided for under property, plant and equipment of N82.43 billion (2022: N54.4 billion) at December 31, 2023.

44 Events after the reporting period

a) Shares Sale and Purchase Agreement between M1 Petroleum Limited and Calabar Power Limited

M1 Petroleum Limited ("Seller") signed a Share Sale and Purchase Agreement ("SSPA") with Calabar Power Limited ("Buyer") on 29 June 2020 in respect of its entire 17,614,649 common shares (representing 2.22% of the issued share capital) of Oando E&P Holdings Limited ("Oando E&P"). In consideration of the assignment, transfer and sale of the common shares, the Buyer agrees to pay or cause to be paid to the Seller \$30 million, representing a transfer price of \$1.70 per sale share, net of any tax and any other fees and expenses incurred or payable under or in connection with the transaction. The Buyer agrees to pay the Seller in four instalments: (a) \$5 million payable on or prior to 31 July 2020; (b) \$3 million payable on or prior to 31 October 2020; (c) \$7 million payable on or prior to 31 January 2021; and (d) \$15 million payable on or prior to 31 July 2022. Oando PLC has paid \$15 million to M1 Petroleum Limited under the Agreement as of 31 December 2023. The third batch of 4,110,085 shares of OEPH was transferred to Calabar Power on 16 February 2024.

b) Business acquisition and completion of the sale and purchase of Agip's 20% working interests in OML 60 – 63

On 22 August 2024, Oando PLC completed the acquisition of Eni's subsidiary, Nigerian Agip Oil Company Limited (NAOC). Oando PLC obtained a \$500 million Reserve Based Lending (RBL) Facility and a \$150 million Junior Facility used for the financing of the acquisition with OER acting as the guarantor for both facilities.

c) BB Energy \$40 million loan to Calabar Power Limited (CPL)

On 28 June 2024, Calabar Power Limited (the Borrower) entered into a \$40 million loan facility agreement with BB Energy (Gulf) DMCC (the Lender) and Oando PLC as the guarantor. The purpose of the loan sum was for the acquisition of target assets (a 20% working interest in the NAOC Joint Venture Assets) by the Purchaser (Oando Petroleum and Natural Gas Company Limited (OPNGL), an indirect subsidiary of Oando PLC) and the payment of related fees and costs. The funds have been disbursed to CPL.

d) Reserve Based Lending (RBL) with AFEXIM and Indorama Capital Holding) \$500 million loan to OPNGL

On 25 July 2024, Oando Petroleum and Natural Gas Company Limited entered into a \$500 million loan facility agreement with Indorama Capital Holdings Pte. Ltd. (\$150 million) and African Export-Import Bank (\$350 million). The purpose of the loan was to purchase 20% participating interest in the NAOC/OOL/NEPL JV. The tenure of the loan is 7 years with a moratorium period of 1 year and the interest rate is 8.55% + SOFR (Secured Overnight Financing Rate).

e) Junior facility loan with Mercuria Asia Resources Pte Limited \$150 million loan to OPNGL

On 23 July 2024, Oando Petroleum and Natural Gas Company Limited entered into a \$150 million loan facility agreement with Mercuria Asia Resources Pte Ltd.

The purpose of the loan was for payment of transaction costs and other expenses in relation to the purchase of participating interest in NAOC/OOL/NEPL JV and the acquisition of 100% equity interest in Nigerian Agip Oil Company Limited. The tenure of the loan is 7 years with a moratorium period of 2 years and the interest rate is 10.55% + SOFR (Secured Overnight Financing Rate).

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f) Project Gazelle

Project Gazelle is a \$3.3 billion structured crude oil-backed forward-sale finance facility sponsored by the Nigerian National Petroleum Company Limited (NNPC Limited).

On 17 May 2024, Oando PLC was indirectly a party to the successful closure of a \$925 million accordion arranged and coordinated by African Export-Import Bank (Afreximbank) for Project Gazelle. The accordion arrangement saw a contribution of \$550 million by three Oando PLC subsidiaries as follows:

- \$250 million by Oando Gazelle Limited,
- \$200 million by Oando Trading DMCC, and,
- \$100 million by Oando Gazelle BVI Limited

The outstanding balance of \$375 million was raised by other parties to get a total disbursement amount of \$925 million. This landmark \$3.3 billion Afreximbank arranged financing is the largest syndicated loan ever raised by Nigeria in the international market and one of the largest syndicated debts raised in Africa in recent years.

g) N58 billion Temporary Overdraft Facility

Oando Petroleum and Natural Gas Company Limited ("OPNGL") obtained a temporary overdraft facility of N58 billion from a Nigerian commercial bank for working capital on August 15, 2024, for a period of 30 days at an interest rate of 27% per annum. OPNGL has repaid N15.9 billion out of the temporary overdraft facility on September 3, 2024, leaving an outstanding balance of N42 billion. The outstanding balance of N42 billion was rolled over on September 13, 2024, for a period of 30 days at the original interest rate.

h) FX Forward contract between OSNL and Argentil

Oando Servco Nigeria Limited "OSNL" and Argentil Asset Management Limited "Argentil" entered into a forward contract on August 23, 2024 where Argentil agreed to advance the sum of N16 billion to OSNL between 23 August 2024 and 28 August 2024 at a spot rate of N1600:US\$1 and a cost of carry of SOFR plus 8.5% per annum till settlement date. The N16 billion received from Argentil was credited to OSNL by various parties including OODP (a subsidiary of Whitmore Asset Management Limited), owned by the Group Chief Executive and Deputy Group Chief Executive of Oando PLC. The advance received from Argentil was used to part liquidate the N58 billion temporary overdraft facility provided by a Nigerian commercial bank to Oando Petroleum and Natural Gas Company Limited. As at 25 October 2024, OSNL has partly paid \$5.5 million to the Group Chief Executive based on Argentil's instruction, from the advanced sum, with a total sum of \$4.5 million outstanding as payable due to Argentil.

i) Oando PLC's 'Go- Private' arrangement

On March 25, 2021, a petition was filed by fourteen (14) shareholders of the Company holding a total of 299,257,869 shares (the "Petition"). The Petition (in Suit No: FHC/L/CP/494/2021) was filed for and on behalf of Oando's minority shareholders led by Venus Construction Company Limited and is brought pursuant to sections 353, 354 and 355 of the Companies and Allied Matters Act 2020 ("CAMA"). Ocean and Oil Development Partners Limited ("OODP") and the Company were listed as 1st and 2nd Respondents (together, the "Respondents"). The Petitioners requested that the Court ordered the buyout of their entire shareholding either by OODP or the Company. OODP in response to the Petition, filed an Answer and a Cross Petition dated 15th March 2022 stating that it is willing and ready to buy out the minority shareholders via a members' scheme of arrangement to the Company for presentation to its shareholders at a general meeting, in order to place itself in a position to inject further capital into the Company and facilitate the reorganization of the Company's capital structure.

On March 30, 2023, Oando PLC notified Nigerian Exchange Limited ("NGX") and Johannesburg Stock Exchange Limited ("JSE Limited") that OODP has offered to acquire the shares of all minority shareholders in the Company ("Scheme Shareholders"). Upon receipt of all requisite approvals the Company will subsequently be delisted from NGX and JSE and re-registered as a private company (the "Transaction").

It is intended that the Transaction will be executed through a Scheme of Arrangement ("Scheme"), in accordance with Section 715 of the Companies and Allied Matters Act, 2020 (as amended), and other applicable laws, rules, and regulations. Under the Scheme, the current proposal that each Scheme Shareholder shall be entitled to receive the sum of N7.07 in cash or its equivalent in South African Rand (ZAR) for every ordinary share held by the qualified Scheme Shareholders at the Effective Date of the Scheme ("Scheme Consideration"). The proposed Scheme Consideration represented a 58% premium to the last traded share price of Oando on 28 March 2023, being the day prior to the date of submission of the Scheme application to the Securities and Exchange Commission ("SEC").

Consequently, we confirm that Oando has applied for the SEC's 'No Objection' to the Scheme. Please note that the effectiveness of the Scheme is however subject to the approval of the shareholders of Oando at the Court-Ordered Meeting of the Company, as well as the sanction of the Federal High Court. The terms and conditions of the Transaction will be provided in

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the Scheme Document which will be dispatched to all shareholders following the receipt of an order from the Federal High Court to convene a Court-Ordered Meeting. If the conditions of the Transaction are satisfied and same is sanctioned by the Federal High Court, the Company will be delisted from NGX and JSE and re-registered as a private company.

On May 22, 2023, Honourable Justice Aneke sitting at the Federal High Court, Ikoyi, Lagos Division (the "Court") further adjourned the matter to 10th October 2023. The adjournment to 10th October 2023 is to enable report by the Company of its compliance with the Court's order dated June 7, 2022 directing the Company to file its Scheme of Arrangement document with the Securities and Exchange Commission (SEC) and the NGX within 30 days, among other orders (the "Court Order"), and update the Court on the status of the Scheme of Arrangement.

Subsequently, the matter was adjourned to April 17, 2024 on which date the Court heard the application brought by certain interveners led by a shareholder, Navida Global Limited seeking to be joined to the Petition and asking the Court to set its order dated June 7, 2022, and reserved its ruling till 24th June 2024 on which date the ruling was not ready. On 17th July, 2024, the Court delivered its ruling on the interveners' application, granting leave to the interveners to be joined as respondents in this suit on the basis that there was lack of evidence to prove that the minority shareholders were served with the original court processes. The Court also varied the Court Order dated 7th June 2022 by restricting the said order to only shares owned by the petitioners/respondents in this suit.

OODP has filed a Notice of Appeal against the Court's ruling on the ground that the Court failed to consider all arguments brought before it and it lacked the power to vary its own order as it was seised of jurisdiction after the ruling. The matter comes up on 5th November 2024 for hearing of pending applications.

j) UAE Corporate Tax

The government of UAE has introduced corporate tax which will apply to OTD from 1 January 2024.

No other significant events occurred between the year-end and date of approval of these audited consolidated and separate financial statements by the Board of directors.

45 Contingent liabilities

(i) (a) Guarantees to third parties

Guarantees, performance bonds, and advance payment guarantees issued by the Group to commercial banks and third parties amounted to N733.3 billion (2022: N388.5 billion).

(b) Charge on the assets of the Company and other relevant members of the Group in accordance with paragraph 49 of First Schedule of CAMA 2020

Entity	Instrument (Deed, mortgage trust etc.)	Description	Summary of charges/pledge	Beneficiary
Oando PLC	Deed of Share Charge	Deed of Share Charge dated 5th May 2014 between Oando Plc and FBNQuest Trustees Limited in relation to the OER Corporate Facility	Pledge over Oando Plc's shares (including all related rights) in the following entities: i. Oando Qua Ibo Limited ii. Petroleum Development Company Limited iii. Oando OML 125 & 134 Limited iv. Oando Akepo Limited	FBNQuest Trustees Limited
Oando PLC	Share Charge	Deed of Share Charge dated 8th October 2014 between amongst others Oando Plc, Wings Mauritius Limited (formally RMB Westport Wings), SB Wings Development Limited as Chargors, Stanbic IBTC Trustees Limited as Trustee and Oando Wings Development	Pledge over Oando Plc's shares in Oando Wings Development Limited	Stanbic IBTC Trustees Limited
Oando OML 60 – 63 Limited	Share Charge	Deed of Variation dated 11th October 2019 in respect of the Deed of Share Charge Originally dated 31st July 2014 as subsequently replaced on 21st December 2015 between Oando OML 60,61,62&63 Limited, Oando Oil Limited, Standard Chartered Bank and African Export Import Bank	Charge over shares of Oando OML 60,61,62&63 Limited in Oando Oil Limited in relation to the RBL agreement dated 31st July 2014, as amended from time to time	African Export-Import Bank
Oando OML 60 – 63 Limited.	Share Charge	Deed of share charge dated 11th October 2019 between Oando OML 60,61,62&63 Limited, Oando Oil Limited, and African Export Import Bank	Charge over shares of Oando OML 60,61,62&63 Limited in Oando Oil Limited in relation to Oando Oil Limited's \$524,590,723.97 RBL facility	African Export-Import Bank
Oando OML 60 – 63 Limited	Security assignment deed	Deed of variation in respect of the security assignment deed dated 31 July 2014 as subsequently replaced on 21st December 2015	Assignment of rights under shareholders' agreement in relation to the RBL agreement dated 31st July 2014, as amended from time to time	African Export-Import Bank

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Entity	Instrument (Deed, mortgage trust etc.)	Description	Summary of charges/pledge	Beneficiary
Oando OML 60 – 63 Limited	Security assignment deed	Security assignment deed dated 11th October 2019 between Oando OML 60,61,62 & 63 Limited, Oando OML 60,61,62 & 63 Limited and African Export-Import Bank	Assignment of rights under shareholders' agreement to secure debt under in relation to a \$524,590,723.97 RBL facility (RBL 2)	African Export- Import Bank
Oando Servco Nigeria Limited	Security assignment in respect of services agreement	Deed of Security assignment dated 11th October 2019 in respect of the Oando Servco Nigeria services agreement (as amended by a supplemental deed of security assignment)	Assignment of rights under services agreement as security for the \$524,590,723.97 RBL facility (RBL 2) and Oando Servco Nigeria/Ecobank \$50million facility	African Export- Import Bank
Oando Servco Nigeria Limited	Debenture	Composite Security Debenture dated 30th December 2019 between Oando Servco Nigeria Limited and African Export-Import Bank	Charge over assets of Oando Servco Nigeria Limited as security for the \$524,590,723.97 RBL facility (RBL 2) and Oando Servco Nigeria Limited/Ecobank \$50million facility	African Export- Import Bank for the secured parties (i.e. African Export- Import Bank and Ecobank Development Company Limited)
Oando Production and Development Company Limited	All Asset Debenture	All Asset Debenture between Oando Production and Development Company Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over Oando Production and Development Company Limited assets	FBNQuest Trustees Limited
Oando Akepo Limited	All Asset Debenture	All Asset Debenture between Oando Akepo Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over Oando Akepo Limited's assets	FBNQuest Trustees Limited
Oando Qua Ibo Limited	Debenture	All assets debenture between Qua Ibo Limited and FBNQuest Trustees Limited in relation to OER's corporate facility lenders	Charge over the assets of Oando Qua Ibo Limited	FBNQuest Trustees Limited
Oando OML 125 & 134 Limited	Debenture	All assets debenture between Oando OML 125 & 134 Limited and FBNQuest Trustees Limited in relation to OER's corporate facility	Charge over the assets of Oando OML 125 & 134 Limited	FBNQuest Trustees Limited

- (c) Open letters of credit in respect of the direct-sale-direct-purchase agreement (DSDP) and crude offtakes amounted to N27.1 billion/\$30.18 million (2022: N44.8 billion/\$99.75 million) at the reporting date from which no material liability is anticipated to arise.

(ii) Pending litigation

There are a number of legal suits outstanding against the Group for stated amounts of N2.8 trillion (2022: N1.2 trillion). Of the total legal suits outstanding, N1.7 trillion (2022: N1.1 trillion) was filed against OER's portion of OML 60-63. On the advice of Counsel, the Board of Directors are of the opinion that no material losses are expected to arise. Therefore, no provision has been made in these consolidated and separate financial statements and the Group has not pledged any valuable security in connection to the liabilities.

(iii) Bilabri Oil Field (OML 122)

In 2007, OER transferred, under the Bilabri Settlement Agreement, the full responsibility for completing the development of the Bilabri oil field in OML 122 to Peak Petroleum Industries (Nigeria) Limited ("Peak"). Peak specifically assumed responsibility for the project's future funding and historical unpaid liabilities. In the event that Peak fails to meet its obligations to the projects creditors, it remains possible that OER may be called upon to meet the debts. Therefore, a contingent liability of \$21.7 million exists at December 31, 2020 (2020 – \$21.7 million).

On May 26, 2015, Peak and Equator Exploration (OML 122) Limited signed a Settlement Agreement which set out the terms under which Peak would pay Equator Exploration (OML 122) Limited the sum of \$52.2 million ("Settlement Amount") as full and final settlement of its indebtedness to Equator Exploration (OML 122) Limited, three months from the date of the Settlement Agreement. Peak requested for an extension of time to pay the Settlement Amount which was granted by Equator Exploration (OML 122) Limited. Peak failed to pay the Settlement Amount leading to a termination of the agreement on February 16, 2017. Equator Exploration (OML 122) Limited has deemed this to be a contingent asset until such time as when the inflow of economic benefit from Peak becomes virtually certain. As a result of Peak's failure to pay the Settlement Amount, Equator commenced and has successfully obtained court orders to wind up Peak. These orders are under appeal by Peak on the following grounds, that; (a) The Court had no jurisdiction to hear the Petition because there was an extant order of the Court restraining Equator from taking any steps to wind-up Peak; (b) The Court breached Peak's right to fair hearing when it proceeded to hear and determine the Petition on a day the matter was set down for Report of Settlement; and (c) Peak had filed and entered the 1st and 2nd appeal at the Court of Appeal against the orders of the lower Court. The appeals last came up on 2nd December 2020

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for report for settlement/hearing of pending applications. However, the court did not sit, and the court is yet to fix a further date for the hearing of the appeal. The judgement of the Appeal Court would be subject to further appeal to the Supreme court if the unsuccessful party decides to file an appeal to the Supreme court.

(iv) OPL 321 and OPL 323

Equator joined a consortium, comprising ONGC Videsh and Owel to form a bidding group for the deepwater blocks OPL 321 and OPL 323 (Blocks") in the 2005 round and won the bids for the Blocks. However, the Korea National Oil Corporation (KNOC) sought to exercise a prior right of first refusal that had been negotiated with the FGN and the Blocks were awarded to KNOC, ONGC and an LCV. ONGC rejected its portion and Equator was appointed to replace ONGC in the award.

In January 2009, the Nigerian government voided the allocation of the Blocks to the operator, KNOC and re-allocated the Blocks to the initial winning consortium of the 2005 licensing round comprising ONGC Videsh, Equator and Owel. KNOC brought a lawsuit against the government and a judgement was given in their favor. The government and Owel appealed the judgement. The Court of Appeal ruled against KNOC on the grounds that it instituted its original action wrongly. KNOC filed an appeal to the Supreme Court in June 2012. In February 2017, the Supreme Court affirmed the decision of the Court of Appeal. In 2009, the government refunded the signature bonus paid by Equator. Equator has not recognized a liability to the government for the blocks subsequent to the refund of the signature bonus. Following the decision of the Supreme Court, Equator declared its intention to continue to invest in the blocks. ONGC declined further interest in the Blocks.

Two of Equator's bidding partners were not included in the original bid as direct participants in the PSCs, as a result, Equator granted those bidding partners 3% and 1% carried economic interests respectively in recognition of their contribution to the consortium. During 2007, in order to pave way for a potential farm-out of the Blocks by Equator, it was agreed with the bidding partners that they would surrender their carried interests in the Blocks in return for warrants in Equator and payments of \$4 million and \$1 million. The warrants were issued immediately but it was agreed that the cash payments would be deferred until the farm-out is completed and Equator receives payment thereof. The warrants have expired. In the first instance, payment would be made within 5 days after the closing of the farm out to a subsidiary of BG Corporation PLC (BG). However, BG terminated the farm out agreement. Under the successor obligation, Equator issued loan notes with an aggregate value of \$5 million to the two entities which are redeemable out of the first \$5 million of proceeds received on the occurrence of any one of the following events related to OPL 321 or OPL 323:

- A farm out with another party;
- A sale or partial sale of the interests; and
- A sale or partial sale of subsidiaries holding the relevant PSCs

During 2010, one of the two entities successfully sued Equator in an arbitration tribunal for the sum of \$1 million, claiming rights under the successor obligation. This has been paid in full. The other entity did not commence any arbitration against Equator. On the advice of legal counsel, Equator maintains that the remaining \$4 million owed to the other party is not yet due as none of the triggers for the payment has occurred and that any second arbitration hearing can be successfully defended. If none of the above events occur, it is assumed that Equator will not need to settle the \$4 million loan note and can defer payment indefinitely. The above contingencies are based on the best judgements of the board of directors and management.

On 26 June 2024, the Plaintiff (Owel Petroleum Services Limited), filed a Motion seeking the Court to grant an Interlocutory Injunction restraining the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC") from re-awarding the OPLs 321 and 323 whether under the 2024 Bid Round or at all, until the determination of the suit.

(v) Compliance with United Kingdom Sanctions and Regulations

Oando Trading DMCC ("OTD"), Nigerian National Petroleum Corporation ("NNPC") and Litasco SA ("Litasco") signed a Novation Agreement dated 14 March 2022. Under the Agreement, OTD assumes the rights and obligations of Litasco in the Emergency Procurement of PMS Volumes for the delivery of 30,000MT, 90,000MT, 90,000 MT, 60,000 MT and 30,000 MT of gasoline previously agreed between NNPC and Litasco. OTD and Litasco further entered into Heads of Terms for the performance of the Novation Agreement. The parties agreed that OTD will lift crude oil cargoes to be allocated by NNPC as repayment for the PMS delivered and issue a Letter of Credit in favour of Litasco for the PMS purchased from Litasco. The parties also agreed that Litasco shall use best endeavours to ensure that all PMS cargoes supplied will arrive in Nigeria within nominated delivery laycans. Litasco specifically bought four cargoes from Russia and delivered same to NNPC under the Novation Agreement. Purchase of cargoes from Russia fall under the OFAC sanctions and Regulations. The United Kingdom ("UK") has also imposed sanctions regime (financial and trade) and Regulations in respect of Russian trades on all UK nationals regardless of where they are located. OTD has some UK nationals in its employment. We summarize the financial and trade sanctions below.

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Financial sanctions

The UK imposes asset freezes against designated persons. A person is prohibited from dealing in funds or economic resources for the benefit of a designated person or a person controlled by a designated person (as defined in the Regulations).

Trade sanctions

Chapter 4I of the Regulations provides the direct prohibitions relating to oil and oil products. The prohibition covers import, acquisition, supply and delivery of oil and oil products into the UK. Ancillary prohibitions on the provision of technical assistance, financial services/funds and brokering services also exist. The prohibitions are in respect of Russian origin oil or oil product which are intended for delivery into the UK. The prohibitions do not extend to the import of oil and oil products into Nigeria or another neutral country.

The UK sanctions regime and the Regulations in particular apply to conduct in the United Kingdom by any person and conduct elsewhere by a UK national. OTD is not a UK registered entity, did not carry out the trades within the UK, and did not pay for the trades in GBP. Therefore, OTD is not subject to the UK sanctions regime. Notwithstanding that OTD is not subject to the UK sanctions regime, management conducted a search on Litasco in the OFSI consolidated lists of designated persons (a publicly available information) and noted that Litasco is not a designated person as part of the KYC process. Additionally, management confirms that the OTD directors are non-UK nationals.

Management first sought and obtained legal opinion on the UK sanctions and Regulations on 6 January 2023 and a second opinion on 28 October 2024 from Clyde&Co, an independent external legal counsel based in the UK. The independent external legal counsel has opined that the UK sanctions regime would not apply to OTD on the basis of the facts presented in the paragraph above. Furthermore, management is of the opinion that the UK NT/2022/249656 General License on "Oil Price Cap" does not apply to OTD since the company is not subject to the UK sanctions regime and Regulations. This opinion is reinforced by the fact that there are no provisions against the sale of Russian oil and oil products from Russia to a neutral country. However, there are bans against the maritime transportation of such products and associated services that facilitate that transportation. The guidance on the sanctions' regime requires that any such services would need to be compliant with the terms of the UK General License. Management confirms that the maritime transportation of all the Russian cargoes was controlled by Litasco, including vessels' charters.

46 Subsidiaries' information

(a) Below is a summary of the principal subsidiaries of the Group

Entity name	Country of incorporation	Investment Currency	Nature of business	Issued share capital	Percentage interest held 2023	Percentage interest held 2022
Operational subsidiaries						
Direct Shareholding						
Oando Logistics and Services Limited	United Kingdom	GBP	Logistics and services	1	100%	100%
Oando Resources Limited	Nigeria	Naira	Exploration and Production	10,000,000	100%	100%
Oando Terminals and Logistics	Nigeria	Naira	Storage and haulage of petroleum products	10,000,000	100%	100%
Oando Trading DMCC	Dubai	Dirhams	Supply of crude oil and refined petroleum products	36,600,000	100%	100%
XRS 1	Cayman Island	USD	Investment company	50,000	100%	100%
Oando Trading Limited	Bermuda	USD	Supply of crude oil and refined petroleum products	3,500,000	100%	100%
Oando Equator Holdings Limited	Bermuda	USD	Financial holding company	12,000	100%	100%
Calabar Power Limited	Nigeria	Naira	Financial holding company	10,000,000	100%	100%
Oando Exploration and Production Limited	Nigeria	Naira	Exploration and Production	12,500,000	100%	100%
Oando Netherlands Holdings 2 Cooperative U.A	Netherlands	Euro	Financial holding company	–	100%	100%
Oando Netherlands Holdings 3 Cooperative U.A	Netherlands	Euro	Financial holding company	–	100%	100%
0902702 BC Limited	British Columbia	USD	Exploration and Production/Holding Company	1	100%	100%
Oando E&P Holdings Limited	Canada	CDN\$	Financial holding company	792,228,566	12.03%	12.03%

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Entity name Operational subsidiaries	Country of incorporation	Investment Currency	Nature of business	Issued share capital	Percentage interest held 2023	Percentage interest held 2022
Indirect Shareholding						
Ebony Oil and Gas South Africa Proprietary Limited	South Africa	Rand	Storage, Trading and Distribution of Petroleum and Gas Products	120	100%	100%
Royal Ebony Terminal Proprietary Limited	South Africa	Rand	Storage, Trading and Distribution of Petroleum and Gas Products	980	49%	49%
Ebony Trading Rwanda Limited	Rwanda	Rwandan Francs	Storage, Trading and Distribution of Petroleum and Gas Products	100,000,000	100%	100%
Petrad Mozambique Limitada	Mozambique	MZM	Storage, Trading and Distribution of Petroleum and Gas Products	200,000	100%	100%
XRS 11	Cayman Island	USD	Aviation	50,000	100%	100%
Churchill Finance C300-0462 Limited	Bermuda	USD	Aviation	1	100%	100%
*Oando E&P Holdings Limited	Canada	CDN\$	Financial holding company	792,228,566	86.24%	86.24%
Ebony Energy Limited	Uganda	UGND	Storage, Trading and Distribution of Petroleum and Gas Products	1,000,000	100%	100%
Bitumen Resources Limited	Nigeria	Naira	Holding Company	10,000,000	100%	100%
Lakel Afrik Petroleum Limited	Nigeria	Naira	Bitumen Exploration and Production	25,000,000	100%	100%
Road Bit Limited	Nigeria	Naira	Shelf company	6,250,000	100%	100%
Trans-Africa Mining Resources Limited	Nigeria	Naira	Shelf Company	10,000,000	100%	100%
Bit Mines Resources Limited	Nigeria	Naira	Holding Company	6,250,000	100%	100%
Oando Petroleum and Natural Gas Company Limited	Nigeria	Naira	Exploration and Production	10,000,000	100%	100%
Oando Oil II Coöperatief U.A	Netherlands	Euro	Financial holding company	100	100%	100%
Carmin Energy Investments Limited	Nigeria	Naira	Shelf Company	1,000,000	100%	—
Fast Energy Investments Limited	Nigeria	Naira	Shelf Company	1,000,000	100%	—
Oando Oil III Coöperatief U.A	Netherlands	Euro	Financial holding company	100	100%	—
Lithiwave Nigeria Limited	Nigeria	Naira	Shelf Company	1,000,000	100%	—
Lithium Development Company Limited	Nigeria	Naira	Shelf Company	1,000,000	100%	—

* At the balance sheet date, Oando PLC holds an indirect interest of 86.24% (2022: 86.24%) in Oando E&P Holdings Limited through Calabar Power Limited 20.54% (2022: 20.54%) and Oando Resources Limited 65.7% (2022: 65.7%).

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of Ordinary Shares held.

(b) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group as at 31 December.

Oando Energy Resources		
	2023 N'000	2022 N'000
Summarised statement of profit or loss		
Revenue	126,778,214	120,389,376
Profit/(loss) before income tax	38,163,433	(56,422,588)
Taxation	(20,449,273)	(11,106,513)
Profit/(loss) after taxation	17,714,160	(67,529,101)
Total comprehensive profit/(loss)	17,714,160	(67,529,101)
Non-controlling interest proportion	1.7%	1.7%
Loss allocated to non-controlling interests	(1,719,018)	(2,511,553)
Dividends paid to non-controlling interests	—	—
Summarised statement of financial position		
Current:		
Asset	84,461,406	55,472,923
Liabilities	(1,487,988,263)	(703,393,691)
Net current liabilities	(1,403,526,857)	(647,920,768)
Oando Energy Resources		
	2023 N'000	2022 N'000
Summarised statement of profit or loss		
Non-current:		
Asset	1,846,921,604	873,726,650
Liabilities	(464,391,403)	(248,409,147)
Net non-current assets	1,382,530,201	625,317,503
Net liabilities	(20,996,656)	(22,603,265)
Accumulated non-controlling interest	(17,971,295)	(7,822,024)

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	Oando Energy Resources	
	2023 N'000	2022 N'000
Summarised statement of profit or loss		
Summarised cash flows		
Cash generated from operations	271,000,799	152,485,042
Interest paid	(35,701,090)	(21,743,225)
Income tax paid	(1,902,729)	(1,797,109)
Net cash generated from operating activities	233,396,980	128,944,708
Net cash used in investing activities	(43,489,249)	(43,771,149)
Net cash used in financing activities	(188,828,460)	(93,225,025)
Net (decrease)/increase in cash and cash equivalents	1,079,271	(8,051,466)
Cash and cash equivalents at beginning of year	12,561,762	19,968,276
Exchange gain on cash and cash equivalents	12,597,933	644,952
Cash and cash equivalents at end of year	26,238,966	12,561,762

(c) Change in ownership interests in subsidiaries that do not result in a loss of control

On 31 March 2021 (the "effective date"), OODP Nigeria (the "Seller") agreed to sell, assign and deliver to the Calabar Power Limited (the "Purchaser") and the Purchaser agreed to purchase and accept from the Seller the Shares – 128,413,672 common shares of Oando E & P Holdings Limited ("OEPH") free from all encumbrances on the effective date for a consideration of N91.95 billion (\$225 million). The Seller and the Purchaser further agreed that costs and taxes directly related to the sale and transfer by the Seller shall be borne by the Seller; and that the consideration will be paid in full by the Purchaser within twelve months from the effective date. The Seller and Purchaser executed a Share Transfer Form on the effective date. A Share Certificate covering the 128,413,672 common shares dated the effective date was also issued to the Purchaser by Oando E & P Holdings Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 96.51%.

WAIL transferred 12,218,788 shares in OEPH to Calabar Power on 20 April 2022 following the full settlement of the loan amount thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.05%.

On 4 November 2022, Bitumen Resources Limited further acquired the remaining equity stake of 45% in LAPL from the Seller. The Buyer agrees to pay the Seller and the Seller accepted the sum of \$20,000 as the consideration. After concluding the transaction, LAPL became a wholly owned subsidiary of BRL.

On November 14 2022, M1 Petroleum Limited transferred 1,761,465 shares in OEPH to Calabar Power Limited thereby increasing Oando PLC's (direct and indirect) percentage interest in OEPH to 98.27% at same date (see page 165).

The loss on the deemed disposals have been recognised directly in equity.

Impact of change in ownership interests in subsidiary that do not result in a loss of control reflected in statement of changes in equity is as analysed below:

	Group 2023 N'000	Group 2022 N'000
Consideration paid to non-controlling interest	–	(11,386,789)
Decrease in non-controlling interest	–	693,461
Group's loss on deemed disposal	–	(10,693,328)

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47 (a) Financial instruments by category

	Financial assets at fair value through profit and loss N'000	Financial assets at amortised cost N'000	Financial assets at fair value through other comprehensive income N'000	Total N'000
GROUP – 2023				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	138,654	–	–	138,654
Trade and other receivables **	–	705,896,333	–	705,896,333
Derivative financial assets	–	–	–	–
Restricted cash	–	4,484,430	–	4,484,430
Cash and cash equivalents	–	73,317,626	–	73,317,626
	138,654	783,698,389	–	783,837,043

**Excluding non-financial assets.

	Financial liabilities at fair value through profit and loss N'000	Financial liabilities at amortised cost N'000	Total N'000
2023			
Liabilities per statement of financial position:			
Borrowings	–	818,343,851	818,343,851
Lease liabilities	–	5,880,935	5,880,935
Trade and other payables**	–	1,452,632,803	1,452,632,803
	–	2,276,857,589	2,276,857,589

**Excluding non-financial liabilities.

	Financial instruments at fair value through profit and loss N'000	Loans and receivables N'000	Financial assets at fair value through other comprehensive income N'000	Total N'000
2022				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	59,559	–	–	59,559
Trade and other receivables**	–	336,513,750	–	336,513,750
Derivative financial assets	620,549	–	–	620,549
Restricted cash	–	3,600,838	–	3,600,838
Cash and cash equivalents	–	20,831,769	–	20,831,769
	680,108	360,946,357	–	361,626,465

**Excluding non-financial assets.

	Financial instruments at fair value through profit and loss N'000	Financial liabilities at amortised cost N'000	Total N'000
2022			
Liabilities per statement of financial position:			
Borrowings	–	507,336,741	507,336,741
Lease liabilities	–	3,617,209	3,617,209
Trade and other payables**	–	690,322,451	690,322,451
	–	1,201,276,401	1,201,276,401

**Excluding non-financial liabilities.

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For the year ended 31 December 2023

	Financial assets at fair value through profit and loss N'000	Financial assets at amortised cost N'000	Financial assets at fair value through other comprehensive income N'000	Total N'000
COMPANY – 2023				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	138,654	–	–	138,654
Trade and other receivables**	–	353,946,889	–	353,946,889
Cash and cash equivalents	–	999,848	–	999,848
	138,654	354,946,737	–	355,085,391

**Excluding non-financial assets.

	Financial liabilities at fair value through profit and loss N'000	Financial liabilities at amortised cost N'000	Total N'000
2023			
Liabilities per statement of financial position:			
Borrowings	–	104,991,721	104,991,721
Lease liabilities	–	38,961,674	38,961,674
Trade and other payables**	–	700,475,176	700,475,176
	–	844,428,571	844,428,571

**Excluding non-financial liabilities.

	Financial instruments at fair value through profit and loss N'000	Loans and receivables N'000	Financial assets at fair value through other comprehensive income N'000	Total N'000
2022				
Assets per statement of financial position:				
Financial assets at fair value through profit or loss (FVPL)	59,560	–	–	59,560
Trade and other receivables **	–	259,963,496	–	259,963,496
Cash and cash equivalents	–	618,792	–	618,792
	59,560	260,582,288	–	260,641,848

**Excluding non-financial assets.

	Financial instruments at fair value through profit and loss N'000	Financial liabilities at amortised cost N'000	Total N'000
2022			
Liabilities per statement of financial position:			
Borrowings	–	101,966,394	101,966,394
Lease liabilities	–	21,654,897	21,654,897
Trade and other payables**	–	414,852,162	414,852,162
	–	538,473,453	538,473,453

**Excluding non-financial liabilities.

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For the year ended 31 December 2023

(b) Financial Instruments: Carrying values and fair values

Group	Carrying amounts		Fair values	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Finance lease receivables	178,290,033	88,458,693	190,368,786	92,123,059
Derivative financial assets	—	620,549	—	620,549
Financial assets available for sale measured at the fair value	138,654	59,560	138,654	59,560
Lease liabilities	5,880,935	3,617,209	5,028,346	3,157,610
Borrowings	818,343,851	507,336,741	747,459,994	499,114,565

Company	Carrying amounts		Fair values	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Finance lease receivables	33,651,362	18,446,135	29,326,023	16,487,645
Financial assets available for sale measured at the fair value	138,654	59,560	138,654	59,560
Lease liabilities	38,961,674	21,654,897	33,304,052	18,521,914
Borrowings	104,991,721	101,966,394	123,776,903	95,691,362

48 Upstream activities

(a) Details of upstream assets

	Mineral rights acquisition N'000	Land and Leasehold improvements N'000	Expl. costs and producing wells N'000	Production Well N'000	Oil and gas properties N'000	Other fixed assets N'000	Total N'000
Opening NBV 1 January 2022							
Opening net book amount	9,336,958	308,013	27,731,834	332,725,325	45,880,000	4,819,209	420,801,339
Decommissioning costs	—	—	—	—	(26,289,566)	—	(26,289,566)
Additions	—	509,437	9,926,810	18,903,453	13,380,184	2,414,753	45,134,637
Depletion/depreciation charge*	(18,297)	—	—	(11,939,881)	11,462,962	(94,657)	(589,873)
Exchange difference	300,545	9,948	906,754	10,064,931	2,125,746	150,343	13,558,267
At 31 December 2022	9,619,206	827,398	38,565,398	349,753,828	46,559,326	7,289,648	452,614,804

	Mineral rights acquisition N'000	Land and Leasehold improvements N'000	Expl. costs and producing wells N'000	Production Well N'000	Oil and gas properties N'000	Other fixed assets N'000	Total N'000
Opening NBV 1 January 2023							
Opening net book amount	9,619,206	827,398	38,565,398	349,753,828	46,559,326	7,289,648	452,614,804
Decommissioning costs	—	—	—	—	101,419,031	—	101,419,031
Additions	—	1,128,650	—	21,281,430	17,464,088	4,137,180	44,011,348
Depletion/depreciation charge	(20,140)	—	—	(21,017,135)	(4,937,622)	(127,880)	(26,102,777)
Exchange difference	9,639,950	829,780	39,019,485	343,266,643	44,884,751	7,266,640	444,907,249
At 31 December 2023	19,239,016	2,785,828	77,584,883	693,284,766	205,389,574	18,565,588	1,016,849,655

See Note 15 for inclusion of upstream assets in the Group's property, plant and equipment.

*The depletion/depreciation charge for oil and gas properties was reversed in 2022 due to an adjustment to the asset retirement obligation provision which reduced the cost of the assets.

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(b) Joint arrangements

The Group participates in various upstream exploration and production (E&P) activities through joint operations with other participants in the industry. Details of concessions are as follows:

Subsidiary	License	Operator	Working/ Participating interest	Location	License type	Expiration date	Status
Oando Production and Development Company Limited	OML 56	Energia	45% participatory interest	Onshore	JV	March 10, 2026	Producing
Oando Qua Ibo Limited	OML 13	Network Exploration and Production Company Limited	40% working interest	Onshore	JV	March 13, 2025	Producing
Oando Oil Limited	OML 60, 61, 62 and 63	Nigeria Agip Oil Company Limited	20% working interest	Onshore	JV	July 22, 2027	Producing
Oando Deepwater Exploration Nigeria Limited	OML 145	ExxonMobil	20% working interest	Offshore	PSC	June 12, 2034	Non-Producing
Oando 131 Limited	OML 131	Oando 131 Limited	95% participatory interest	Offshore	PSC	April 13, 2025	Non-Producing
Medal Oil Company Limited	OML 131	Oando 131 Limited	5% participatory interest	Offshore	PSC	April 13, 2025	Non- Producing
Equator Exploration Nigeria 323 Limited	OPL 323	KNOC	30% participating interest	Offshore	PSC	March 10, 2036	Non- Producing
Equator Exploration Nigeria 321 Limited	OPL 321	KNOC	30% participating interest	Offshore	PSC	March 10, 2036	Non- Producing
Equator Exploration STP Block 5 Limited	Block 5	Kosmos Energy	20% participating interest	Offshore	PSC	May 13, 2046	Non- Producing
Equator Exploration STP Block 12 Limited	Block 12	Kosmos Energy	22.5% participating interest	Offshore	PSC	February 22, 2046	Non- Producing

49 Going concern

The Company recorded total comprehensive loss for the year-ended 31 December 2023 of N216.2 billion (2022: comprehensive loss of N41.7 billion) and positive operating cash flows of N1.4 billion (2022: negative operating cash flows of N2.7 billion). As at that date, the Company also recorded net current liabilities of N469.2 billion (2022: net current liabilities of N267.0 billion) and net liabilities of N460.1 billion (2022: net liabilities of N243.9 billion). The Group recorded total comprehensive loss for the year ended 31 December 2023 of N69.9 billion (2022: N56.8 billion total comprehensive loss) and positive operating cash flows of N148.2 billion (2022: N16.5 billion negative). As of that date, the Group also recorded net current liabilities of N1.6 trillion (2022: net current liabilities of N816.8 billion) and net liabilities of N267.2 billion (2022: net liabilities of N197.2 billion).

As of the balance sheet date, the Group through the Company and OER (together referred to as the “borrowers”) could not achieve payment of the outstanding principal on the Medium-Term Loan (“MTL”) of N92.2 billion and the Corporate Facility (“CF”) of N201.4 billion respectively. The Group was also unable to pay the total accrued interest of N154.9 billion and achieve settlement of other net current liabilities (excluding current borrowings and accrued interest) of N706.3 billion.

Corporate Facility

The maturity date of the CF was 30 June 2020. Although the maturity date has expired without full payment by the borrower, management has continued to service the loan, and the lenders have not notified OER of their intention to enforce their rights in the security provided by OER and the guarantors (the obligors under the loan). The lenders have the following rights in the security provided by OER and the guarantors. The guarantors are Oando OML 125 and 134 Limited, Oando Petroleum Development Company Limited, Oando Production and Development Company Limited, Oando Akepo Limited, Oando Qua Ibo Limited, Oando OML 125 & 134 (BVI) Limited, Oando Netherlands Holding 2 B.V., Oando Netherlands Holding 3 B.V. and Oando Netherlands Holding 4 B.V.

Management has classified the CF outstanding balance as of 31 December 2023 under current liabilities in these consolidated and separate financial statements.

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Fixed and floating demand debenture on OER assets

- mortgages and charges (subject to some leaseholds exceptions) by way of a fixed and specific mortgage and charge to and in favour of the Security Trustee for and on behalf of the lenders. Such debenture will cover all present and after acquired real and immovable property (including, all leases and leasehold lands and also mortgages and charges such as leasehold lands by way of sub-lease), all OER's present and after acquired buildings, erections, improvements, fixtures and plant (whether the same form part of the realty or not) and all appurtenances to any of the foregoing, including without limitation, leases and lands.
- mortgages and charges to the Security Trustee for and on behalf of the lenders as and by way of a fixed and specific mortgage and charge, and all OER's present and after acquired goods and equipment, including without limitation, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired.
- continuing security interest in all OER's present and after acquired inventory, including without limitation, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service, all present and after acquired intangibles, book debts, accounts and other amounts receivable, contract rights, insurance rights arising from or out of the property referred to above, goodwill, chattel paper, instruments, documents of title, investments, money and investment property other than the Borrower's interest in Oando Netherlands Holding 1 Cooperatief ("ONHC").
- continuing security interest in all of its present and after acquired real and personal property, assets, and undertaking, tangible and intangible, legal and equitable, moveable and immovable, of whatsoever nature and kind.
- proceeds arising from any dealing with the property above in the form of any real and immovable property, goods, investment property, instruments, documents of title, chattel paper, intangibles or money other than OER's interest in ONHC.

Deed of share charge on the assets of each guarantor

First Ranking Fixed Charge

In addition, each guarantor (the Chargor) listed above as a legal and beneficial owner with a full title guarantee, and as continuing security for the payment and discharge of all the secured obligations for good and valuable consideration unconditionally charges in favour of the Security Trustee by way of a first ranking fixed charge, the following:

- the Shares, including all proceeds of sale derived from them.
- all Shares in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them.
- all derivative assets of a capital nature or of an income nature now or in the future accruing or offered at any time in respect of the Shares.

The Shares charged are Oando OML 125 & 134 (BVI) Ltd. 4,000,000 class B shares in Oando OML 125 & 134 Ltd., Oando Netherlands Holding 3 B.V. 4,000,000 class B shares in Oando Petroleum Development Company Ltd., Oando PLC's 6,000,000 class B shares in each of (i) Oando Qua Ibo Limited (ii) Oando Petroleum Development Company Limited (iii) Oando OML 125&134 Limited and (iv) Oando Akepo Limited, Oando Netherlands Holding 4 B.V.'s 4,000,000 class B shares in Oando Qua Ibo Ltd., Oando Petroleum Development Company Ltd.'s 9,500,000 shares in Oando Production and Development Company Ltd.

Shares also include all warrants, options or other rights to subscribe for, purchase or otherwise acquire those shares.

Derivative assets mean allotments, rights, money or property arising at any time in relation to any of the shares by way of conversion, exchange, redemption, bonus, preference, option or otherwise; and dividends, distributions, interest and other income paid or payable in relation to any of the Shares; and stock, shares and securities offered in addition to or substitution for any of the shares.

All assets debenture

Fixed charge

Oando OML 125 & 134 Ltd, Oando Production and Development Company Ltd., Oando Qua Ibo Ltd., and Oando Akepo Ltd., by way of a first ranking fixed charge, all their present and future rights, benefits, title interest and claims under and in respect of the following:

- all plants and machinery.
- all Shares and Dividends.

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- all the rights to and title, benefit and interest present and future, in, to and under the deposits in the following charged accounts and all related rights in respect of same:
 - > Collection account
 - > Cost reserve account
 - > Insurance and compensation account.
- all rights in the intellectual property or similar rights now or hereafter owned by or licensed to them and all related rights in respect of same.
- all present and future goodwill and uncalled capital for the time being.
- all rights, title and interest to and in the book debts and the benefits of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by them.
- all the insurances.

Floating charge

By way of first ranking floating charge, the real property, any tangible moveable property and all the undertakings and assets, rights and income of the chargors listed under fixed charge above whatsoever and wherever situate, whether movable, immovable, present or future, all of which are not otherwise effectively charged under the fixed charge above.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2023, the obligors (the borrower and guarantors) book values of the fixed and floating demand debenture, deed of share charge and all asset debenture are shown in the table below:

S/No	Security	Value (N'million)
Non-current assets:		
1	Plant & machinery	50,082
2	Exploration and evaluation assets	19,849
3	Investments in subsidiaries	1,677
4	Restricted cash	215
Total non-current assets		71,823
Total current assets		1,086,557

The above non-current asset amount of N71.8 billion has not been reclassified to current assets in these consolidated and separate financial statements.

Medium-Term Loan

The borrower successfully renegotiated the MTL with the lenders effective April 2023. The terms of the renegotiation include a moratorium of eighteen months from the effective date and a tenor of four years from that date subject to the full settlement of the outstanding interest and fees on or before 27 October 2024. Failure to pay outstanding interest and fees on that date by the borrower could result in the lenders issuing a notification of default to the former. The possibility of issuance of and communication of an event of default has necessitated the accounting reclassification of the outstanding principal amount of N92.2 billion to current liabilities in these consolidated and separate financial statements. The lenders may, in addition to the declaration of an event of default, seek to enforce their rights in the Security Deed dated 30 June 2016. Under the Security Deed, the borrower agreed to the following fixed charge and floating charge securities in favour of the Security Trustee for the benefit of the lenders:

First-ranking fixed charge

- First-ranking fixed charge on its plant and machinery.
- All present and future rights, benefits, interests and claims under and in respect of debt service account, debt proceeds account, stamp duties escrow account, the disbursement account, and the operations account and all monies from time to time credited to, and for the time being standing to its credit and all interests and other amounts from time to time payable in respect of or accruing thereto.

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First-ranking floating charge

- All monies in the operating account and all future rights, benefits, interests and claims under and in respect of the account.
- Proceed of all receivables, revenues, claims (including without limitation), the benefits of all insurances, full benefit of guarantees, indemnities and securities, and all liens, other than Excluded Assets and rights thereto.
- All stocks, shares, debentures, bonds or loan capital of any other body corporate, other than any Excluded Assets, and all rights to redeem, convert other securities into or otherwise acquire any of the same which may now or thereafter belong to the borrower.
- All intellectual property rights of the borrower.
- The goodwill of the borrower.
- All the borrower's present and future business accounts with any bank or other person in which the borrower has an interest as principal for its own accounts including all monies standing to the credit of all debts represented by and all investments of whatever nature held in or acquired using monies from any of its business accounts or other accounts, and all interests, dividends and other income receivable in respect of such accounts, save for the debt service account, debt proceeds account, stamp duties escrow account, the disbursement account, and the operations account.
- All undertaking and property (including inventory), assets and rights, whatsoever and wherever, present and future.

Furthermore, the borrower entered into an agreement with the Security Trustee creating a charge in favour of the Security Trustee on the shares of the borrower in the share capital or membership (in relation to Oando Netherlands Holdings 2 Cöoperatief U.A. only) of the following guarantors (also obligors):

- the Oando Trading DMCC (OTD) Share Charge
- the Oando Trading Limited, Bermuda (OTB) Share Charge
- the Oando E&P Holdings Ltd (OEP) Share Charge
- the Oando Netherlands Holdings 2 Cöoperatief U.A. (ON) Share Charge

The only guarantor in operations and with cash flows capability is OTD. This implies the possibility of OTD fully paying the outstanding principal and interest to the lenders in the event the guarantee is called by them. OTD's cash and bank balance on 30 September 2024 was USD 25 million. This represents 21.75% of the outstanding principal and interest amount of USD 114.9 million (N183.9 billion) as of that date. Inability of OTD to generate sufficient cash flows to fully pay the lenders, should the guarantee be called, poses a major threat to the going concern of the company.

On the basis of these audited consolidated and separate financial statements for the year ended 31 December 2023, the book values of the fixed and floating charge and share charge are shown in the table below:

S/No	Security	Notes to the Financial Statements	N'million
	Non-current assets:		
1	Plant & machinery of Oando PLC	15	11
2	Oando PLC's 100% share in OTD's Share Capital	29	3,456
3	Oando PLC's 100% share in OTB Share Capital	29	3,436
4	Oando PLC's 12.03% share in OEP Holdings Share Capital	29	50,998
5	Oando PLC: right-of-use assets	17	2,905
6	Oando PLC's share in ON Share Capital	29	–
7	Oando PLC: investment properties	18	12,061
8	Oando PLC: finance lease receivables	22	16,717
	Total non-current assets		89,584
	Total current assets (per statement of financial position)		378,466

The above non-current asset amount of N89.6 billion has not been reclassified to current assets because of management's vigorous efforts to pay the outstanding interest and fees on or before the due date of 27 October 2024 agreed to in the MTL renegotiation agreement to prevent default and communication thereof by the lenders. In particular, management has received signed loan offer from a United Kingdom (UK) bank, whose purpose is liquidation of the MTL outstanding interest and fees. Management believes that the payment will be achieved and that the MTL lenders will have no reason to issue a default notice or call the guarantee as a result of default. This plan is contingent upon the receipt of a signed offer letter from the UK bank, confirmation of acceptance of the terms by management, meeting the conditions precedent and or waiver thereof, achieve drawdown and credit the MTL designated

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payment account on or before 27 October 2024. Failure, which the lenders may exercise their rights under the Original MTL Agreement (to a maximum amount of N468 billion as per the table above), since failure to make the payment of all outstanding interest and fees will invalidate the effectiveness of the MTL renegotiation agreement. The UK bank borrowing, if drawn down, would not alter the net liability position of the Company and the Group because it will serve as a replacement for the MTL accrued interest in the consolidated and separate financial statements. Management has classified the MTL outstanding balance as of 31 December 2023 under current liabilities in these consolidated and separate financial statements.

Had the total non-current assets in the tables above amounting to N161.4 billion been reclassified to current assets, the effect would reduce the funding gap of the Group from the unaudited figure of N3 trillion (as stated below) to N2.8 trillion. In addition, exercising the lenders right in the securities pledged by obligors under the CF and MTL could lead to preparing the consolidated and separate financial statements on a break-up basis and accounting for disposal of subsidiaries, business and non-current assets under IFRS 5. Based on impairment tests performed by the Group, the fair value of the Group assets is above the book value.

Furthermore, after 31 December 2023, the Group has increased borrowings, whose use include funding the acquisition of NAOC's working interest in the OML 60 – 63 assets, funding of operations and partial repayment of borrowings and interest expenses to lenders.

The Group's outstanding borrowings amounted to N2.3 trillion (unaudited) excluding interest as of 30 September 2024 with N1 trillion out of the N2.3 trillion being due within twelve months. On that date, the unaudited accrued but unpaid interest was N268.9 billion.

The Group has recorded slight increases in daily production since its subsidiary took over the operatorship of the OML 60 – 63 assets effective 22 August 2024. Management plans to sustain the increases and perform all required production-increase activities and security surveillance to arrest crude oil theft.

The Group's outstanding borrowings due for repayment within twelve months after 30 September 2024 of N1 trillion and accrued but unpaid interest of N268.9 billion as of that date (as mentioned above) are part of the working capital deficiency of N3 trillion and N1.4 trillion (unaudited) in the Group forecast for the year ending 31 December 2024 and 31 December 2025 respectively. Management did progress the initiative to mitigate the going concern uncertainties on profitability, working capital deficiency and negative shareholder's funds by appointing a rating agency to provide a rating analysis of the bond, which process started in 2022. The rating of the bond commenced, but it had to be paused for the completion of the NAOC acquisition in August 2024. Activities on the rating have since resumed. The prospectus is completed and ready for filing with the SEC for approval in Q4 2024. The face value of the bond is N1.5 trillion.

The repayment of the outstanding principal loan amounts and the coupon on the bond will be made from cash flows from operations arising from efficient operatorship of the NAOC acquisition. In addition, the agreed systematic principal repayment to the bondholders is expected to improve liquidity and free cash flows to meet planned initiatives for increases in production of oil and gas, thereby contributing to the achievement of the future revenue and profit projections of the Group. If successful, the initiative will address 53.6% of the Group's projected working capital deficiency on 31 December 2024. Management has additional plans to address the remaining 46.4% of the projected working capital deficiency through equity raises until such a time that profit and healthy cash flows from profitable operations will be achieved. Management is currently making efforts to sign a binding agreement with each prospective equity provider. Management is hopeful, yet uncertain of the success and timing of the bond and equity raises.

There is significant uncertainty that the Group and Company may be able to continue as a going concern and, therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated and separate financial statements are yet to include any adjustments relating to the recoverability and classification of recorded asset amounts as noted in paragraph 20 above and the reclassification of the remaining non-current liabilities that may be necessary if the Group is unable to continue as a going concern as there is no intention by the directors to liquidate or cease the operations of the Group, nor is there any formal event of default declared by lenders or legislation to cause the same.

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Value Added Statements

For the year ended 31 December 2023

	2023 N'000	%	2022 N'000	%
Group				
Turnover	2,845,598,308		1,993,754,362	
Other income	399,986,733		28,479,819	
Interest received	16,903,484		15,772,960	
	3,262,488,525		2,038,007,141	
Bought in goods and services				
– Local purchases	(1,188,451,995)		(983,666,058)	
– Foreign purchases	(1,788,981,384)		(1,001,139,648)	
Value added	285,055,146	100	53,201,435	100
Distributed as follows				
Employees				
– To pay salaries and wages and other staff costs	26,366,088	9	13,752,531	26
Government				
– To pay tax	31,203,911	11	18,932,000	36
Providers of capital				
– To pay interest on borrowings	133,380,885	47	97,372,852	183
Non-controlling interest	(10,149,270)	(4)	(3,006,122)	(6)
Maintenance and expansion of assets				
– Deferred tax	11,496,971	4	458,350	1
– Depreciation	30,760,375	11	4,411,087	8
– Retained in the business	61,996,186	22	(78,719,263)	(148)
Value distributed	285,055,146	100	53,201,435	100
	2023 N'000	%	2022 N'000	%
Company				
Turnover	1,540,594,843		1,556,744,962	
Other income	331,590,706		20,139,934	
Interest received	3,609,568		2,306,330	
	1,875,795,117		1,579,191,226	–
Bought in goods and services				
– Local purchases	(1,409,387,021)		(850,826,015)	
– Foreign purchases	(641,046,088)		(727,203,968)	
Value (eroded)/added	(174,637,992)	100	1,161,243	100
Distributed as follows				
Employees				
– To pay salaries and wages and other staff costs	373,553	–	379,737	33
Government				
– To pay tax	7,794,006	(4)	7,807,649	672
Providers of capital				
– To pay dividend			–	–
– To pay interest on borrowings	31,446,197	(18)	32,722,053	2,818
Maintenance and expansion of assets				
– Depreciation	1,945,702	(1)	1,911,745	165
– Retained in the business	(216,197,450)	123	(41,659,941)	(3,588)
Value distributed	(174,637,992)	100	1,161,243	100

Five-Year Financial Summary (2019 – 2023)

For the year ended 31 December 2023

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
GROUP					
Property, plant and equipment	1,034,448,760	462,706,448	906,995,130	394,228,600	355,020,085
Intangible exploration assets, other intangible assets and goodwill	622,436,397	312,500,299	301,877,711	270,871,563	432,321,760
Right-of-use assets	6,069,139	7,818,960	14,386,973	16,267,406	–
Investment properties	12,060,900	4,450,000	3,138,000	2,808,000	1,033,000
Deferred income tax assets	–	633,750	–	3,595,526	45,093,156
Financial assets at fair value through profit or loss	–	–	–	–	11,106,341
Investments accounted for using the equity method	5,046,606	1,747,385	2,339,216	1,782,799	6,424,732
Other non-current assets	180,506,645	90,262,152	89,986,622	79,539,060	93,992,819
Net current liabilities	(1,632,578,647)	(816,843,727)	(578,158,281)	(432,605,696)	(318,484,290)
Assets/(liabilities) of disposal group classified as held for sale	–	–	–	–	(1,162,585)
Non current borrowings	(46,945,871)	(110,465,837)	(166,132,553)	(130,635,428)	(76,848,651)
Deferred income tax liabilities	(16,459,336)	(3,680,666)	(3,171,132)	(12,657,924)	(214,662,084)
Other non-current liabilities	(431,763,314)	(146,334,532)	(638,944,880)	(126,186,187)	(56,717,572)
	(267,178,721)	(197,205,768)	(67,683,194)	67,007,719	277,116,711
Share capital	6,215,706	6,215,706	6,215,706	6,215,706	6,215,706
Share premium	176,588,527	176,588,527	176,588,527	176,588,527	176,588,527
Retained earnings	(506,007,516)	(568,003,702)	(424,258,964)	(304,753,294)	(126,534,432)
Other reserves	74,012,855	195,832,724	155,734,328	150,856,601	144,604,935
Non controlling interest	(17,988,293)	(7,839,023)	18,037,209	38,100,179	76,241,975
	(267,178,721)	(197,205,768)	(67,683,194)	67,007,719	277,116,711
Revenue from contract with customers	2,845,598,308	1,993,754,362	477,070,471	576,571,857	679,465,339
Profit/(loss) before income tax	102,978,050	(61,840,466)	(134,282,770)	(377,414,971)	11,188,120
Income tax (expense)/credit	(42,700,882)	(19,390,350)	(6,391,693)	170,336,677	17,609,623
Profit/(loss) for the year	60,277,168	(81,230,816)	(140,674,463)	(207,078,294)	28,797,743
Per share data					
Weighted average number of shares	12,431,412	12,431,412	12,431,412	12,431,412	12,431,412
Basic and diluted earnings/(losses) per share (Naira)	5	(6)	(10)	(14)	2
Dividends per share (Naira)	–	–	–	–	–
	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
COMPANY					
Property, plant and equipment	1,467,590	1,499,606	1,508,958	1,696,350	1,705,378
Intangible exploration assets, other intangible assets and goodwill	–	14,964	435,321	613,534	–
Right-of-use assets	2,905,040	4,311,850	9,375,875	13,458,959	–
Investment properties	12,060,900	4,450,000	3,138,000	2,808,000	1,033,000
Investments accounted for using the equity method	–	–	2,716,431	2,716,431	2,716,431
Financial assets at fair value through profit or loss	–	–	–	–	11,106,341
Investment in subsidiaries	3,483,170	22,467,109	22,467,109	26,638,421	51,932,598
Other non-current assets	16,717,079	11,472,874	8,199,931	9,367,416	3,470,745
Net current liabilities	(469,190,195)	(267,005,592)	(202,422,681)	(163,203,658)	(63,007,394)
Non current borrowings	(7,964,855)	(6,026,823)	–	–	(69,856,667)
Other non-current liabilities	(19,552,025)	(15,059,834)	(19,510,453)	(22,877,743)	–
	(460,073,296)	(243,875,846)	(174,091,509)	(128,782,290)	(60,899,568)
Share capital	6,215,706	6,215,706	6,215,706	6,215,706	6,215,706
Share premium	176,588,527	176,588,527	176,588,527	176,588,527	176,588,527
Retained earnings	(642,877,529)	(426,680,079)	(356,895,742)	(311,586,523)	(243,703,801)
Other reserves	–	–	–	–	–
	(460,073,296)	(243,875,846)	(174,091,509)	(128,782,290)	(60,899,568)
Revenue from contract with customers	1,540,594,843	1,556,744,962	320,702,465	424,734,190	488,518,160
Loss before income tax	(208,403,444)	(33,852,292)	(44,507,463)	(62,090,219)	(17,695,310)
Income tax expense	(7,794,006)	(7,807,649)	(801,756)	(1,061,835)	(626,567)
Loss for the year	(216,197,450)	(41,659,941)	(45,309,219)	(63,152,054)	(18,321,877)
Per share data					
Weighted average number of shares	12,431,412	12,431,412	12,431,412	12,431,412	12,431,412
Basic and diluted losses per share (Naira)	(17)	(3)	(4)	(5)	(1)
Dividends per share (Naira)	–	–	–	–	–

Annual Consolidated Financial Statements

Share Capital History

For the year ended 31 December 2023

Year/ Date	Authorized (N) Increase	Cumulative	Issued and fully Paid-up (N) Increase	Cumulative	Consideration Cash/Bonus
1969	0	4,000,000	0	4,000,000	Cash
1978	3,000,000	7,000,000	2,100,000	6,100,000	Cash
1987	43,000,000	50,000,000	33,900,000	40,000,000	Cash
1991	10,000,000	60,000,000	0	40,000,000	-
1993	40,000,000	100,000,000	10,000,000	50,000,000	Bonus
1995	0	100,000,000	12,500,000	62,500,000	Cash
1998	0	100,000,000	15,625,000	78,125,000	Bonus
2001	50,000,000	150,000,000	0	78,125,000	-
2002	150,000,000	300,000,000	70,129,233	148,254,233	Bonus, Loan Stock Conversion and Agip Share Exchange
2003	0	300,000,000	14,825,423	163,079,656	Bonus
2004	0	300,000,000	40,769,914	203,849,570	Bonus
2005	0	300,000,000	82,300,879	286,150,449	Cash
2005	100,000,000	400,000,000	0	286,150,449	-
2007	100,000,000	500,000,000	90,884,813	377,035,262	Share Exchange under Scheme of Arrangement
2008	0	500,000,000	75,407,052	452,442,314	Bonus issue
2009	0	500,000,000	100,000	452,542,314	Staff Share Scheme
2009	500,000,000	1,000,000,000	0	452,542,314	-
2010	2,000,000,000	3,000,000,000	150,847,438	603,389,752	Right Issue
2010	0	3,000,000,000	301,694,876	905,084,628	Bonus Issue
2011	0	3,000,000,000	226,271,157	1,131,355,785	Bonus Issue
2011	0	3,000,000,000	5,703,284	1,137,059,069	Staff Equity Scheme
2012	2,000,000,000	5,000,000,000	0	1,137,059,069	Rights Issue
2013	0	5,000,000,000	2,274,118,138	3,411,177,207	Rights Issue
2014	2,500,000,000	7,500,000,000		3,411,177,207	-
2014	0	7,500,000,000	1,023,353,162	4,434,530,369	Private Placement
2014	0	7,500,000,000	107,812,500	4,542,342,869	Debt-to-equity conversion
2015	0	7,500,000,000	1,474,966,578	6,017,309,447	Rights Issue
2017	0	7,500,000,000	198,396,794	6,215,706,241	Convertible Notes
2018	7,500,000,000	15,000,000,00	0	0	0

Range of Shareholding

For the year ended 31 December 2023

Range of Shareholding

As of 31 December 2022, the range of shareholdings of the Company was as follows:

Range of Shareholding	No of Shareholders Within Range	% of Holders	No of shares Within Range	% of Shareholding
1 – 1,000	168,780	62.55	61,362,519	0.49
1,001 – 5,000	70,735	26.40	147,385,256	1.19
5,001 – 10,000	11,621	4.39	83,908,227	0.67
10,001 – 50,000	12,161	4.67	266,401,640	2.14
50,001 – 100,000	2,097	0.82	151,102,942	1.22
100,001 – 500,000	2,207	0.89	471,077,315	3.79
500,001 – 1,000,000	332	0.14	238,831,617	1.92
1,000,001 – 5,000,000	334	0.12	652,575,324	5.25
5,000,001 – 10,000,000	44	0.02	302,948,960	2.44
10,000,001 – 50,000,000	32	0.01	715,801,800	5.76
50,000,001 – 100,000,000	3	0.00	239,827,594	1.93
100,000,001 – 12,431,412,481	3	0.00	9,100,189,287	73.20
	268,349	100.00	12,431,412,481	100.00

Annual Consolidated Financial Statements

Unclaimed Dividend

For the year ended 31 December 2023

Payment Number	Payable Date	Unclaimed Position As at 31st Dec 2023
19	03/08/2009	16,161,068.73
20	31/08/2010	145,833,674.92
21	30/08/2011	338,199,714.35
22	30/08/2013	161,160,297.81
23	17/11/2014	72,335,023.94
24	15/12/2014	171,340,990.40
		905,030,770.15



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By upholding the highest standards of service and accountability, we build trust and strengthen relationships.

We are Africa, We Are Oando

Complaints Management Policy

1. Introduction

- 1.1 Oando Plc. (the Company) is committed to providing the highest standards of services to its Stakeholders in line with the Oando Quality Policy Statement.
- 1.2 The Company acknowledges that complaints are a common occurrence in all Stakeholder business engagements. The Company further recognizes the right of any person covered under this Policy to raise an issue or make a complaint in the course of their dealings with the Company and shall ensure that their complaints are dealt with in an efficient, responsive, impartial and courteous manner.
- 1.3 This Policy will complement the Company's Whistle Blowing Policy which provides a broader framework for employees and other stakeholders to report unlawful conduct, financial malpractice, harassment or misbehavior at work or an actual or potential infraction of the company's policies and business principles or danger to the public or the environment.

2. Regulatory Framework

This Policy is issued in compliance with the provisions of:

- a. the Investment and Securities Act 2007 (ISA);
- b. the Securities and Exchange Commission (SEC) Rules and Regulations 2013; and
- c. Rules Relating to the Complaints Management Framework of the Nigerian Capital Market released by the Securities and Exchange Commission in February 2015.

3. Scope and Objective of the Policy

The key objective of this Policy is to provide information about the framework for handling complaints relating to the Company. The Policy will:

- provide a fair complaints procedure which is clear and easy to follow by any Complainant wishing to make a complaint;
- document and publicise the existence of our complaints procedure so that Stakeholders know what to do when they have a complaint.
- make sure that all complaints are investigated fairly and in a timely manner.
- make sure that complaints are, wherever possible, resolved and that relationships are appropriately managed.

4. Definitions

Complaint	A written expression of dissatisfaction (justified or not) made to the Company, relating to an act or omission of the Company covered under the Investment and Securities Act 2007, Securities and Exchange Commission Rules; NSE Listing Rules for which a response or resolution is expected.
	For the avoidance of doubt, the following shall not constitute a complaint under this Policy: i. a request for information, clarification of service offered or provided; ii. a complaint against any of the Company's unlisted, delisted, wound up or liquidated subsidiaries or affiliates; iii. a request for explanation(s) for non-trading of shares or illiquidity of shares; iv. dissatisfaction with the trading price of the shares of the Company; v. Complaints whose subject matter are being investigated by competent persons or have been or are currently the subject of legal proceedings. vi. complaints that are not covered under the ISA, SEC Rules, NSE and/or within the purview of other regulatory bodies;
Complainant	A person, organization or their legal representative who makes a complaint
Competent Authority	Means Self-Regulatory Organizations (SROs) and recognized Capital Market Trade Associations
CMO	Capital Market Operators as defined under ISA
NGX	Nigerian Exchange Limited
Stakeholder	A shareholder and/or an investor of Oando Plc; including their legal representatives.
SEC	Securities and Exchange Commission
SROs	Self-Regulatory Organisations (SROs)

5. Complaints Handling Responsibility

- 5.1 The Chief Compliance Officer & Company Secretary (CCO&CS) shall be responsible for handling all complaints received from complainants. In this context, complaints should be in writing and addressed to any of the following:

(a) The Chief Compliance Officer & Company Secretary

Oando Plc
The Wings Complex
17a Ozumba Mbadiwe Avenue
Victoria Island
Lagos, Nigeria

(b) Head, Investor Relations

Oando Plc
The Wings Complex
17a Ozumba Mbadiwe Avenue
Victoria Island
Lagos, Nigeria

(c) Head, Corporate Communication

Oando Plc
The Wings Complex
17a Ozumba Mbadiwe Avenue
Victoria Island
Lagos, Nigeria

E-mail: complaint@oandopl.com

- 5.2 The CCO&CS may be responsible for ensuring that the proper process for managing complaints is followed and for monitoring compliance.
- 5.3 The CCO&CS shall designate a Governance Officer to assist him /her in the discharge of these responsibilities.
- 5.4 A copy of this Policy shall be made freely available on the Company website.

6. Compliance Handling Procedure

- 6.1 Receipt and Acknowledgment
- 6.1.1 Upon receipt of a Complaint, the Complaint will be recorded in the Electronic Complaints Register by the Governance office.
- 6.1.2 Receipt of an electronic Complaint via email shall be acknowledged as soon as possible (not exceeding 2 (two) working days from the date of receipt), whilst a Complaint received by post shall be acknowledged within 5 (five) working days of receipt.
- 6.1.3 Where a Complaint is resolved within the timeframe for acknowledging complaints as set out in paragraph 6.1.2 above, and a response containing the decision regarding the complaint sent to the Complainant, this will be deemed to be sufficient acknowledgment and resolution of the complaint.

- 6.1.4 Sufficient records of complaints received by email and the respective email acknowledgement shall be made available to the NGX on a quarterly basis. Records of complaints received and resolved via a physical or post office box addresses shall also be sent to the NGX on a quarterly basis. Evidence of posting a response to the complainant shall be deemed sufficient proof that the complaint received attention from the company.

6.2 Resolving a Complaint

- 6.2.1 The CCO&CS shall have the capacity to investigate and take all reasonable steps to resolve complaints and to implement appropriate remedies as may be required.

- 6.2.2 Upon resolution of a complaint, the outcome shall be communicated to the Complainant and the Governance Officer shall record the decision in the Complaint Register.

- 6.2.3 Where a complainant is dissatisfied with the decision reached by the Company, the complainant, may, if he/she so wishes, refer the complaint to a Competent Authority.

6.3 Timing of Complaint Resolution

- 6.3.1 All complaints received shall be resolved and a final response sent to the Complainant within 10 (ten) business days of it being received by the Company and the NGX shall be notified of the resolution of the complaint within two (2) working days following the date the response was sent to the Complainant.

- 6.3.2 Where the Company is unable to resolve a particular complaint within the timeline stipulated above, the complainant shall have a right to refer the complaint to a Competent Authority.

7. Complaints Record Management

- 7.1 The Company shall maintain a Complaints Register which shall be in electronic form. The Complaints Register shall contain the following details:
- Name of the Complainant;
 - Date the complaint was received;
 - Nature of the complaint;
 - Summary of the complaint;
 - Decision/resolution made
- 7.2 Copies of letters, memos sent including any update letters, acknowledgment letters, and response/resolution documents shall form part of the complaint management record that shall be kept in accordance with the Oando Document Management Policy.

Complaints Management Policy

8. Malicious Complaints

Any improper use of the Complaint process by way of malicious accusations shall not be tolerated and appropriate actions shall be taken within the confines of the law.

9. Confidentiality

The identity of Complainants shall be kept strictly confidential except where the concern raised is of a criminal nature and requires legal proceedings. However, the Company will to the best of its ability ensure that the Complainant is protected from any form of retaliation, victimization or retribution.

10. Monitoring and Reporting

The CCO&CS shall monitor the resolution status of all complaints and shall provide a quarterly report of complaints received and their status, independently verified by the Internal Audit, to the Group Leadership Council of the company. The report shall serve as a monitoring tool which shall enable management monitor the effectiveness of the Company's complaint-handling procedures, other related policies and/or procedures and identify relevant trends (if any) which could indicate areas for future focus or improved performance.

11. Publicity

This Policy shall be published on the Company's website together with details of the contact person(s) mentioned in section 5 above and the procedure described under section 6 above.

12. Commencement Date

This Policy shall come to force on the 20th day of November 2015.

The 45th (Forty-Fifth) Annual General Meeting (the "Meeting") of Oando PLC (the "Company") to be held at the Zinnia Hall, Eko Hotels and Suites, Plot 1415, Adetokunbo Ademola Street, Victoria Island, Lagos, Nigeria on Tuesday, December 17, 2024, by 10:00am.

.....
I / We*
.....
of
.....
being a member/members of Oando PLC
.....
and holders of shares
.....
hereby appoint**
.....

or failing him/her, the Chairman of the Meeting as my/our proxy to act and vote for me/us on my/our behalf at the Meeting of the Company to be held on Tuesday, December 17, 2024, at 10:00am and at any adjournment thereof, which will be held for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed at the Meeting and to vote for or against the resolutions in accordance with the following instructions.

INSTRUCTIONS TO NOTE

- (i) THIS PROXY FORM SHOULD NOT BE COMPLETED/RETURNED IF THE MEMBER IS ATTENDING THE MEETING.
- (ii) A member entitled to attend and vote at the Meeting is entitled to and may, if he/she wishes, appoint a proxy to act for him/her. All proxy forms must be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A proxy need not be a member of the Company.
- (iii) The Chairman of the meeting has been printed on the form to ensure that someone will be at the Meeting to act as your proxy but if you wish you may appoint anyone else from the provided list instead, by entering the person's name in CAPITAL LETTERS in the blank space (marked*) above..
- (iv) In the case of joint shareholders anyone of such may complete the form but the names of all joint shareholders must be stated.
- (v) It is a requirement of the Law under section 74 of the Stamp Duties Act, Cap. 411 Laws of the Federation of Nigeria, 1990 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholder must be duly stamped by the Commissioner or Stamp Duties.
- (vi) If the shareholder is a corporation this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf.

Kindly complete the form as follows:

- a. Write your name in BLOCK CAPITALS on the proxy form where marked * above
- b. Write the name of your proxy where marked ** above
- c. Ensure that the proxy form is signed and dated by you where marked *** below.
- d. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.

S/N	PROPOSED RESOLUTION	FOR	AGAINST
ORDINARY BUSINESS			
1.	To receive the audited financial statements of the Company and of the Group for the year ended December 31, 2022, and the Reports of the Directors, Auditors and Audit Committee thereon.		
2.	To receive the audited financial statements of the Company and of the Group for the year ended December 31, 2023, and the Reports of the Directors, Auditors and Audit Committee thereon.		
3.	To re-elect the firm of BDO Professional Services as the Company's Auditors in relation to the audit of the financial statements of the Company for the year ended December 31, 2024, and the year ended December 31, 2025 to hold office until the next general meeting of the Company; and to authorise the directors of the Company to fix their remuneration.		
4.	To elect Mr. Ken Igbokwe and Mr. Bashir Bello to the Board of Directors of the Company with effect from November 25, 2024, as Directors whose term expires in accordance with Article 88 of the Article of Association of the Company but being eligible, offer themselves for election.		
5.	To re-elect Mr. Ike Osakwe as a Director		
6.	To re-elect Mr. Demola Akinrele, SAN as a Director		
7.	To re-elect Mr. Adeola Ogunsemi as a Director		
8.	To elect members of the Statutory Audit Committee.		
9.	To disclose the remuneration of managers of the Company.		
SPECIAL BUSINESS			
10.	To consider, and if approved, to pass with or without modification, the following ordinary resolution to fix the remuneration of the Non- Executive Directors of the Company: "It is hereby resolved that the fees, payable quarterly in arrears, remain N5,000,000 per annum for the Chairman and N4,000,000 per annum, for all other Non-Executive Directors		
11.	To consider and if thought fit pass, with or without modifications, the following resolution as an ordinary resolution of the Company: "That, pursuant to the Rules Governing Related Party Transaction of Nigerian Exchange Limited, a general mandate be and is hereby given, authorising the Company to procure goods, services and financing and enter into such incidental transactions necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy and all relevant Transfer Pricing Regulations in force in Nigeria. That all transactions falling under this category which were earlier entered into prior to the date of this meeting are hereby ratified."		
12.	To consider and if thought fit pass, with or without modifications, the following resolution as a special resolution of the Company that: (1) "In order to address and improve the Company's financial health and long-term viability, the Board be and is hereby authorised to implement the following remedial actions and undertake all necessary and incidental activities required to effect the proposed restructuring and complete the following transactions: (a) Debt Transfer and Modification: That the repayment of longterm receivables owed to Company's subsidiaries by related entities be accelerated and novated to the Company (with or without modifications), to consolidate receivables within the Group and improve financial clarity and management. (b) Debt-to-Equity Swap and Settlement: That the Company accepts shares as settlement for the debts owed to it by the borrowers, further to sub-resolution (a) above, thereby reducing overall receivables and enhancing financing clarity. (c) Distribution: That the Company causes the shares received pursuant to sub-resolution (b) above to be distributed to its existing shareholders as of the date of the passing of this resolution, on a pro-rata basis."		

Registered holders of certificated shares and holders of dematerialized shares in their own name(s) who wish to be represented at the Meeting, must complete and return the attached form of proxy so as to be received by the share registrars, First Registrars & Investors Services Limited at Plot 2, Abebe Village Road, Iganmu, Lagos, Nigeria or via email to info@firstregistrarsnigeria.com or Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132; or email to proxy@computershare.co.za), not less than 48 hours before the date of the Meeting.

Holders of the Company's shares in South Africa (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, the Central Securities Depository Participant ("CSDP") or their broker to enable their votes in respect of their shares to be cast at the Meeting by a proxy.

Signed***

Dated***

Please affix postage stamp

First Registrars and Investor Services Limited
Plot 2, Abebe Village Road,
Iganmu, Lagos

or

Computershare Investor Services (Proprietary) Limited
70 Marshall Street,
Johannesburg, 2001, South Africa
PO Box 61051, Marshalltown, 2107



ADMISSION CARD

**The 45th (Forty-Fifth) Annual General Meeting of Oando PLC
to be held at the Zinnia Hall, Eko Hotels and Suites,
Plot 1415, Adetokunbo Ademola Street, Victoria Island, Lagos, Nigeria**

Tuesday, December 17, 2024, by 10:00am.

NAME OF SHAREHOLDER

SIGNATURE OF PERSON ATTENDING

NOTE: The Shareholder or his/her proxy must produce this admission card in order to be admitted at the meeting.

Collect your Oando Dividend and Bonus instantly with ease



Dear Shareholder,

Now, your dividend can be paid directly into your bank account and your bonus credited to your CSCS account instantly on issue, through an electronic channel.

Benefits

- Shareholders' bank and CSCS accounts will be credited with declared dividend and bonus respectively **within 24 hours!**
- Elimination of time and cost of verification of physical share certificates with the registrar before trading bonus shares
- Elimination of physical dividend warrants & bonus certificates and attendant costs of printing and posting same
- Avoid loss of dividend warrants or non-receipt of bonus certificates due to change of address
- Elimination of unclaimed dividends

3 Steps to receiving your e-Dividend and/or e-Bonus:

1. Fill out an e-Dividend payment Mandate & e-Bonus form (Forms have been posted to all shareholders and can also be downloaded from our website www.oandopl.com). Ensure that all required information is supplied, particularly your:
 - a. CSCS account number
 - b. Clearing house number
 - c. Stockbrokers name
 - d. Bank account number and
 - e. Bank sort code number.
2. Verify your account details by having your banker sign and stamp in the space marked "Authorised signature & stamp of Bankers"
3. Return completed Mandate forms to:
 - a. **Oando PLC Head Office:** The Wings Office Complex, 17a Ozumba Mbadiwe, Victoria Island, Lagos, Nigeria
 - b. **First Registrars & Investor Services Limited**
Plot 2, Abebe Village Road, Iganmu, Lagos, Nigeria
 - c. **All First Registrars & Investor Services Limited, Liaison Offices**
Nationwide: Abuja, Kano, Kaduna, Ibadan, Port Harcourt, Enugu

Unclaimed Dividends

Shareholders with outstanding dividend payments can also have their bank accounts credited immediately by following below instructions:

- Complete your e-dividend form as outlined in the steps 1 - 3 above
- Attach a letter of authorisation addressed to the Registrar mandating payment of outstanding dividends to the bank

- account stated on your completed e-dividend form
- Attach stale dividend warrants (where available)
- Submit your e-dividend form along with the authorisation letter at any of the locations stated above.

Signed
Ayotola Jagun (Ms.)
Company secretary



e-DIVIDEND PAYMENT MANDATE, e-BONUS, e-REPORT INFORMATION & CHANGE OF ADDRESS FORM

1. PERSONAL DETAILS, 2. e-BONUS & 3. e-REPORT INFORMATION

Shareholder's name(s) _____
(Surname/Company name) (Other names)

Full Name(s) of any other holder* _____
(*Including Deceased if applicable)

Shareholders Certificate No(Where available) _____ CSCS A/c No. _____
(Where available)

Stockbroker's Name _____ Clearing House No (CHN) _____

No of units held: _____ Date of Birth/Incorporation of Company: _____

Address (As it appears in the Register of Shareholders): _____

Mobile (GSM) Number(s): _____ Other Nos. _____

Email Address: _____ Fax _____

4 BANK MANDATE

- Agreement and Acknowledgment**
- I/We hereby agree that this mandate form is an acceptance and acknowledgment of the receipt of our dividend payment in Cash from Oando Plc and an authorization to Oando Plc to act under item (iii) below.
 - I/We hereby agree that Oando Plc may act and rely on these instructions until Oando Plc receives written notification from me/us of the revocation or modification of these instructions.
 - I/We hereby authorize Oando Plc to credit or cause to be credited all dividend payments due to me/us into my/our Bank Account as detailed below, with effect from the date hereof

Bank: _____ Branch: _____

Shareholder's Bank Account No: _____

Dated this _____ day of _____ 20____

Shareholders Signature _____

Shareholders Signature** _____

Authorised Signature & Stamp of Bankers

** In the case of corporate shareholder, please use company seal/stamp

5. CHANGE OF ADDRESS I/We hereby request that all correspondences relating to my/our holdings be sent to the address below:

New Address: _____

Date: _____ DD _____ / _____ MM _____ / _____ YYYY

Completed forms should be returned to:

First Registrars & Investor Services Limited
Plot 2, Abebe Village Road, Iganmu, Lagos, Nigeria

All First Registrars & Investor Services Limited, Liason Offices
Nationwide: Abuja, Kano, Kaduna, Ibadan, Port Harcourt, Enugu

Oando PLC Head Office: The Wings Office Complex,
17a Ozumba Mbadiwe, Victoria Island, Lagos, Nigeria

ELECTRONIC DELIVERY MANDATE FORM

I / We, Chief, Dr, Mr, Mrs.

of

by this form agree to the delivery of annual reports and other statutory documents of Oando PLC to me/us via electronic mode:

The company should forward the materials to the e-mail address stated below:

Signature
and date

Please fill and return the completed form to either:

The Registrar
First Registrars & Investor Services Limited
Plot 2, Abebe Village Road
Iganmu, Lagos, Nigeria

OR

The Chief Compliance Officer & Company Secretary
Oando PLC
The Wings Complex, 17a Ozumba Mbadiwe
Victoria Island, Lagos, Nigeria





Oando
...the energy to inspire

RC 6474

HEAD OFFICE

Oando PLC

The Wings Office Complex
17a Ozumba Mbadiwe
Victoria Island
Lagos, Nigeria

Tel: +234 1 270 2400
E-mail: info@oandopl.com



Oando_PLC



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