

# 2024 Annual Financial Report

Consolidated and  
Separate Financial Statements  
For the year ended 31 December 2024



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*Our Vision is Clear,  
Our Mission is Urgent,  
Our Goals are **Bold***

-GCEO, NNPC Limited



## About NNPC

NNPC Limited is a dynamic global energy company with businesses and operations across the entire spectrum of the energy value chain. Our mandate is to create an energy business that is Resilient, Efficient & Sustainable.



### OUR VISION

To be the dynamic global energy company of choice



### OUR MISSION

Reliably delivering energy while continuously creating value for all



### OUR VALUES

Integrity | Excellence | Sustainability





## 2024 at a glance

As at December

### Key highlights

**₹5.4** trillion

**Net income**

**₹4.3** trillion

**Dividend**

**₹27.07**

**Earnings per share**

**202.3** million barrels

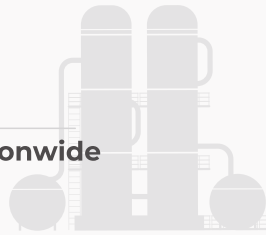
**Crude Oil production**

**1,045.6** billion s.c.f.

**Natural gas production**

**1,096**

**Retail outlets nationwide**



### Sustainability Highlights

**5,400+**

**Employees**

**12**

**Employed staff members  
with disabilities**

**20%**

**women in senior  
management**

**12**

**CNG stations commissioned**  
(Planned 226 by 2030)

**1,000+**

**Automechanics trained in  
CNG conversion**

**38.27** MTCO<sub>2</sub>e

**Total baseline equity  
share of GHG emissions**



### HSE Statistics

**4**

**Environmental Compliance  
Monitoring conducted**

**8**

**Fire Risk Assessment  
conducted for Business Units**

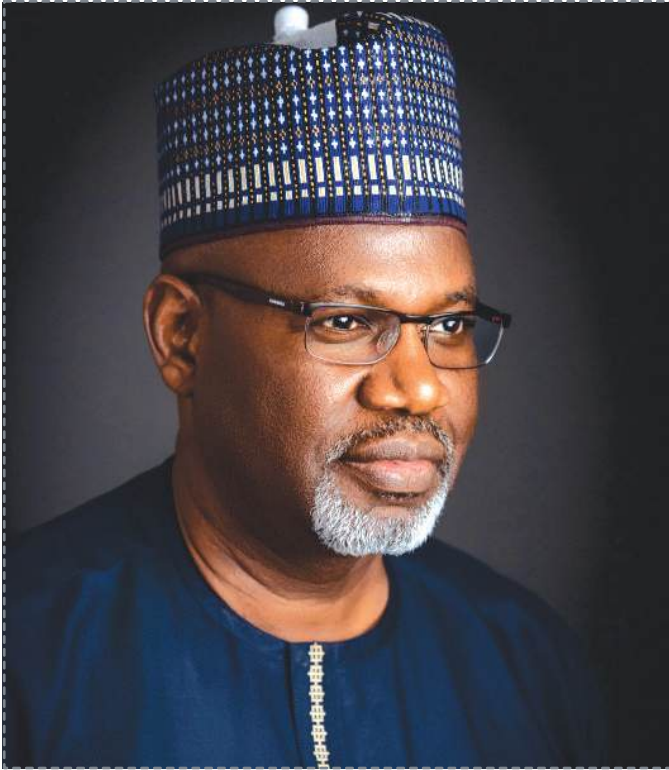
**77**

**HSE facility inspection &  
Hazard surveillance**





# Message from the Chairman



## Distinguished Shareholders,

It is with great pleasure that I, on behalf of the Board of Directors of NNPC Limited, welcome you to the 3rd Annual General Meeting of our Company.

As a Company, we have driven growth through the exploration, production, and delivery of vital oil and gas resources. Our commitment remains to harness energy for national development, create value for stakeholders, and strengthen Nigeria's position in the global energy landscape. We continue to invest in innovation, operational excellence, and capacity expansion to fuel economic progress and secure long-term energy supply for generations to come.

For 2024, the Company recorded strong earnings and posted a net income of N5.4 trillion for the full year. Today we propose to declare total dividends of N4.3 trillion, representing an increase of 64% over 2023 and reflecting our dividend framework that is specifically designed to ensure that the Company's performance translates into tangible value for the Nigerian people. Beyond rewarding our shareholders, these dividends strengthen government revenues, support fiscal stability, and provide resources for national development priorities. In this way, our success directly contributes to the prosperity and resilience of the Nigerian economy.

## Business Environment

Globally, the industry is defined by the need to navigate the triple transition of security, affordability, and sustainability. Geopolitical volatility and economic uncertainty create a complex landscape of both risk and resilient underlying demand. Critically, the unstoppable momentum of the energy transition is fundamentally restructuring the sector, favoring companies that innovate and demonstrate a clear commitment to ESG principles.

The year 2024 has been characterized by a blend of challenges and opportunities for Nigeria's business community as the business environment was shaped by a complex interplay of local and global

forces. These factors have collectively influenced the operating environment of our Company and the broader oil and gas sector. Despite global uncertainties—including fluctuating oil prices, evolving regulatory frameworks, and supply chain disruptions—Nigeria's commitment to economic diversification and sustainable development has remained steadfast. The government's ongoing reforms, in tandem with the resilience of private enterprise, have laid a firmer foundation for future growth.

## Oil and Gas Industry Dynamics

Energy continues to be the cornerstone of the Nigerian economy, and 2024 presented both opportunities and hurdles for industry players. The global crude oil market remained volatile, affected by geopolitical tensions, OPEC+ production decisions, and the ongoing energy transition.

Over the past year, our Company proactively responded to industry challenges, guided by a commitment to sustainable value creation. Our Board and management team have prioritized:

- **Operational Excellence:** Upgrading infrastructure, deploying technology, and enhancing efficiency across the upstream, midstream, and downstream segments.
- **Investment in Human Capital:** Building a workforce that is not only skilled but also agile in responding to the evolving energy ecosystem.
- **Strategic Partnerships:** Leveraging public-private collaborations and foreign investments to expand capacity and ensure knowledge transfer.
- **Compliance and Sustainability:** Adhering to ESG (Environmental, Social, and Governance) standards, reducing carbon emissions, and promoting local content.

In line with our ESG commitments, NNPC Limited reduced carbon emissions through new flare gas recovery projects and introduced digital monitoring systems to optimize energy efficiency across operations. These measures not only reinforce our environmental responsibility but also drive operational cost savings and enhance our reputation as a forward-thinking energy leader. Our Company continues to adapt its business model in response to global demand for fossil fuels and the accelerating adoption of alternative energy sources.

## Business Performance

Through a combination of robust strategic initiatives, NNPC Limited achieved significant milestones across the upstream, midstream, and downstream sectors of the energy value chain in 2024.

We recorded an increase in national production levels, peaking at 1.8 mbpd, the highest since January 2022. This was made possible by the rollout of Accelerated Production Recovery Initiatives (APRI) championed by NNPC Limited.

Other notable accomplishments were:

- The official unveiling of Utapate crude oil blend, which was very well received by the international crude oil market due to its highly attractive qualities.
- The Final Investment Decision (FID) for the Ubeta gas field was made, amounting to \$550 million. This is expected to produce about 350 mmscf/day of gas and 10,000 bbls/day of associated liquids
- The commissioning of the AHL Gas Processing Plant 2, the ANOH Gas Processing Plant (AGPC), and the ANOH-OB3 CTMS Gas Pipeline Project, with a combined output estimated at 500 mmscf/d, is expected to increase gas supply to the domestic market, foster a more favourable investment





climate, and promote balanced economic growth. NNPC Limited also led the deployment of Auto-CNG stations across the nation to provide Nigerians with affordable alternative and cleaner fuels. Twelve (12) of these stations were commissioned in Abuja and Lagos, with more expected across the country.

## Employees

Our employees continued to demonstrate resilience, professionalism, and commitment, enabling the Company to achieve strong results in support of national energy security and economic growth. During the year, we deepened our capacity-building initiatives. NNPC Limited maintained a robust workforce dedicated to driving operational excellence and sustaining our position as the engine of Nigeria's energy future. Furthermore, the strategic recruitment drive aimed at attracting dynamic young talents and result-oriented professionals completed in early 2025 infused fresh perspectives and proven expertise into our company. This has empowered the organization to navigate evolving business challenges and capitalize on new opportunities across the energy value chain.

## Creating Shared Value

At NNPC Limited, we live out our purpose, which is to deliver energy that powers Nigeria's growth, creates value for its people, and positions the nation competitively in the evolving global energy landscape. NNPC Foundation continued to deliver on its mandate of creating sustainable social impact and supporting national development priorities. Guided by our commitment to improving lives and strengthening communities, the Foundation advanced initiatives across education, health, environment, and economic empowerment.

We launched the NNPC Scholarship Program for underprivileged students and supported the Clean Water Initiative in rural communities, impacting over 10,000 lives. In addition, our educational outreach provided science kits to 150 schools, while our healthcare programs vaccinated 5,000 children against preventable diseases. These efforts are tangible examples of our dedication to enhancing social well-being and driving inclusive growth.

## Board Changes

On 2nd April 2025, President Ahmed Bola Tinubu approved the appointment of new board members to take over from the previous Board chaired by Chief Dr. Pius O. Akinyelure. We extend our profound appreciation to him for his inspiring leadership and to all outgoing Board members for their valuable contributions.

I assumed the role of Chairman of the NNPC Board alongside a team of Board members with rich experience and expertise. Our mandate extends beyond operational efficiency to include restoring investor confidence, boosting local content, driving economic growth, and advancing the commercialization and diversification of Nigeria's gas sector.

The new 11-member Board comprises myself as Chairman; Bashir Bayo Ojulari as the Group CEO; Adedapo Segun as the Chief Financial Officer; six Non-Executive Directors namely, Bello Rabi, Yusuf Usman, Babs Omotowa, Austin Avuru, David Ige, and Henry Obih; as well as Lydia Shehu Jafiya and Aminu Said Ahmed, representing the Federal Ministry of Finance and the Ministry of Petroleum Resources, respectively.

With the confidence reposed in us and the new management team, we are driven by a clear mandate to transform NNPC Limited into a truly global energy leader.

## Looking to the Future

As global demand for energy continues to rise, Nigeria is uniquely positioned to meet its growing domestic needs while also playing a pivotal role in global supply. At the same time, we recognize the importance of reducing emissions and addressing climate change. The transition to a lower-carbon future will be a gradual and complex journey, but for Nigeria, it presents an opportunity to leverage our oil and gas resources to finance growth, diversify our energy mix, and invest in cleaner technologies. By embracing this transition with innovation and strategic partnerships, we can secure a more sustainable and prosperous energy future for our nation.

Following the achievements of 2024, the years ahead present unique opportunities to consolidate our gains. The leadership change at NNPC has not only reinvigorated the Company's purpose but also set the stage for transformational growth across the energy value chain.

Central to this transformation agenda is a steadfast commitment to production sustainability, forging strategic alliances to grow average oil production to 2 mbpd by 2027, and a focus on value-barrel growth through high-yield projects. To drive these advances, we will continue to expand our flare gas recovery operations, invest in digital technologies for operational efficiency, and pursue new renewable energy ventures in line with global ESG standards.

We will continue to position Nigeria as a regional gas hub, ensure effective delivery of gas infrastructure projects, and enhance our security framework through inclusive stakeholder participation. Our focus will also extend to attaining leadership of the CNG, LPG, and lubricants markets, strategic partnerships on growing refinery outputs, expanding trading operations, and strengthening our global market presence.

The coming years promise new opportunities and challenges, and we are committed to leveraging our strengths, embracing innovation, and deepening collaboration with partners and stakeholders. With unwavering determination and a shared vision, we will continue to chart a bold course toward a prosperous and sustainable future for NNPC Limited and for Nigeria.

## Expressing our gratitude

NNPC Limited's continued success would not be possible without the steadfast support and commitment of the Federation. We sincerely appreciate the leadership of His Excellency, Bola Ahmed Tinubu GCFR, the President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, as well as the guidance of the Honourable Minister of State for Petroleum Resources (Oil), the Honourable Minister of State for Petroleum Resources (Gas), the Honourable Minister of Finance and Coordinating Minister of the Economy, and our regulators. Their continued support and policy direction have been instrumental in enabling NNPC Limited to fulfill its mandate.

I extend our deepest appreciation, on behalf of the Board, to our esteemed shareholders for their unwavering trust and confidence in NNPC Limited. Let me also express my gratitude to all members of our Board for their guidance over the past year.

We also wish to express our profound gratitude to the management and staff of NNPC Limited for their dedication, professionalism, and resilience throughout 2024, their tireless commitment, dedication, and service enabled the actualization of our corporate goals and objectives. The Board remains confident that we will successfully navigate the challenges ahead and deliver enduring value to all our stakeholders.

Ahmadu Musa Kida  
Chairman



# GCEO's Statement

Distinguished Shareholders, Members of the Board, Esteemed Partners and Customers, Ladies and Gentlemen,

It is with profound honour and a deep sense of responsibility that I welcome you to the 3rd Annual General Meeting of NNPC Limited. Today marks not just another milestone in our corporate calendar, but a defining moment in our transformation journey from a corporation to a commercially driven, shareholder-focused enterprise governed by the Companies and Allied Matters Act (CAMA) and the Petroleum Industry Act (PIA).

This transition has reshaped our organizational architecture, streamlined our business units, and positioned NNPC Limited as a dynamic force in the global energy landscape. In a year marked by volatility and complexity across global markets, we remained resolute in our mission to deliver energy solutions that are secure, sustainable, and inclusive.

## Operational Excellence and Upstream Breakthroughs

In 2024, our upstream operations delivered exceptional results. The establishment of the Production War Room was a strategic masterstroke, enabling us to overcome production bottlenecks and elevate national crude and condensate output from a lowest monthly average of 1.44 mbopd in March to a peak of 1.70 mbopd by November, a 18% uplift in nine months. This momentum continues into 2025, with a year-to-date average of 1.725 mbopd, the highest in five years.

Key upstream achievements include:

- First oil from OML 13 Utapate and OML 85 Madu fields.
- Final Investment Decisions (FID) for OML 58 Ubeta (US\$550M) and OML 118 Bonga North (US\$5B), unlocking significant gas and oil volumes.
- Successful streaming of Enwhe and Gbaran gas assets, adding 300MMscfd to national supply.

These milestones reflect our commitment to operational excellence, strategic partnerships, and unlocking Nigeria's hydrocarbon potential.

## Gas, Power, and New Energy: Building the Future

NNPC Ltd is at the forefront of Nigeria's gas revolution. In 2024, we commissioned the AHL and ANOH gas processing plants and launched the ANOH-OB3 pipeline. We broke ground on five Mini-LNG plants in Ajaokuta, reinforcing our pledge to democratize energy access.

Major infrastructure projects OB3 and AKK are at advance stage, while the African Atlantic Gas Pipeline (AAGP) has gained intergovernmental endorsement, positioning Nigeria as a continental energy hub.

In power, we expanded installed capacity by 2.8%, and our LNG ambitions advanced with steady progress on NLNG Train 7. The Brass Fertilizer GSPA signing and renewed investor interest in Gas-Based Industries affirm Nigeria's growing appeal as an energy investment destination.

## Downstream Transformation and Market Expansion

In a year defined by dynamic shifts and global uncertainty, we stood firm in our commitment to excellence and resilience. We ensured uninterrupted supply reliability to the domestic market, adapting swiftly to evolving demand patterns and reaffirming our role as a dependable energy partner and a supplier of last resort to the nation.

Our international trading relationships remained robust, anchored in trust and performance, even as we boldly explored new frontiers and market opportunities that will shape our future growth. We improved our collaboration with NLNG, securing additional NGLs, participated in regional crude supply tenders and we successfully conducted trial marketing for Nembe crude in June 2024.

During the reporting period, we recorded the restreaming of the PHRC Area 5, an encouraging development in our broader efforts toward the full rehabilitation of our refineries. While this represents a notable step forward, we remain mindful that the journey to full operational capacity continues, guided by a deliberate and phased approach.

In preparation for the anticipated resumption of refining activities, we undertook critical infrastructure enhancements. These included the restoration of key pipeline systems, the addition of 150 million liters of PMS storage capacity, and the facilitation of seamless crude transportation across the designated segment. These measures are intended to support operational readiness and contribute to the long-term resilience of our supply chain.

Similarly, the creation of NNPC Prime LNG Ltd has successfully expanded our retail footprint and enhanced operational capabilities.

We also made our commercial entry into the CNG market through the operationalization of mobility CNG at the NGML/NIPCO mother station project and launched twelve (12) NRL CNG stations in Abuja and Lagos, trained over 1,000 mechanics, and deployed 55 eco-friendly trucks.

On the shipping side of our business, the commercialization of our Bill of Lading process generated ₦210 million in revenue, and our newly established Vetting Desk vetted 278 vessels underscoring our commitment to transparency and value creation.

## Sustainability: Purpose-Driven Impact

NNPC Limited's sustainability agenda is built on four pillars: People, Planet, Purpose, and Perception.

- **People:** Over 430,000+ NYSC members trained in financial literacy, 15,000 STEM textbooks distributed, and 3,400 citizens supported through cancer screening. Our inclusive recruitment attracted 45,000 applicants, with 20% of senior roles held by women.
- **Planet:** We commissioned 12 CNG stations, launched methane reduction initiatives, and prioritized upstream emissions abatement. Our sustainable procurement spend reached ₦4.463 trillion.
- **Purpose & Perception:** We submitted our inaugural UN Global Compact COP and reinforced governance frameworks to foster trust and transparency.

In 2024, we remitted ₦15.982 trillion to the Federal Government in taxes, royalties, and dividends; an unprecedented contribution to national development.

## People Strategy: Investing in Talent and Leadership

Our people remain our greatest asset. We invested in world-class training at institutions like Harvard, Stanford, Wharton, Kellogg and Lagos Business School. Promotions were merit-based, appointments strategic, and recruitment transparent, ensuring we attract and retain top-tier talent.

To further unleash our capacity, our ongoing journey toward digital transformation also took major leaps. We rolled out automated business solutions, including SAP S/4HANA, Ariba, and the NNPC Retail Forecourt Solution bringing our automated retail stations to over 200 stations ushering in greater transparency and improved visibility across our operations.

## Conclusion: Energy for Today, Energy for Tomorrow

Our 2024 financials and accomplishments stand as a testament to our resilience, collaboration, and shared responsibility to both our shareholders and the nation.

NNPC Limited stands at the nexus of transformation and opportunity. We are not just an energy company, we are a catalyst for national prosperity, a steward of sustainability, and a beacon of global relevance.

As we look ahead, our focus remains clear: to deliver energy that powers progress, fuels innovation, and uplifts lives. Together, we will build the NNPC of our dreams, resilient, responsible, and ready for the future.

Thank you.

Bashir Bayo Ojulari  
GCEO





# Board of directors



**Ahmadu Musa Kida**  
Non Executive Chairman

**Ahmadu Musa Kida**, who hails from Borno State, is an alumnus of Ahmadu Bello University, Zaria, where he earned a degree in Civil Engineering in 1984. He also obtained a postgraduate diploma in Petroleum Engineering from the Institut Français du Pétrole (IFP) in Paris. Additionally, he has attended professional courses at the Massachusetts Institute of Technology (MIT) and Harvard Business School in the USA.

He began his career at Elf Petroleum Nigeria Limited (now Total Exploration & Production Nigeria – TEPNG) in 1985 as a trainee engineer and materials coordinator.

During his first 15 years at Total, Kida played key roles in various company projects, including the OBITE Gas Plant Project (onshore Nigeria), the AMENAM/KPONO Phase 1 Project (offshore Nigeria), and the OML 58 Upgrade Project (onshore Nigeria).

Following his field experience as an Offshore Installation Manager (OIM), Kida managed several senior operations portfolios and led the Operations domain, overseeing the professional and career development of all Operations staff at TEPNG.

In 2014, Ahmadu Musa Kida was appointed an Executive Director and a member of the TEPNG Board. He assumed the role of Deputy Managing Director (DMD) of the Deepwater District in 2015.

In this capacity, he was also a member of the Board of Total Upstream Companies in Nigeria (TUCN). His portfolio as DMD DW included the Egina Deepwater Development project, which added 200,000 barrels of oil per day (bopd) to production.

He retired voluntarily from TotalEnergies in 2020 after 35 years of service. On April 2, 2025, President Bola Tinubu appointed him as Non-Executive Chairman of NNPC Ltd Board of Directors.

Beyond his oil industry career, Ahmadu Musa Kida is a former basketball player and former President of the Nigerian Basketball Federation (NBBF) board.



**Bashir Bayo Ojulari**  
Group CEO/Executive Director

A highly accomplished oil and gas professional with nearly 35 years of experience in the industry. **Bayo's** impressive career spans various aspects of the oil and gas value chain, including petroleum engineering, development, production engineering management, strategy, planning, economics, and asset management.

Bayo's journey in the oil and gas industry began in 1989 at Elf Petroleum Nigeria, before joining Shell Petroleum Development Company Limited (SPDC) in 1991 as an Associate Production Technologist. He went on to serve in Nigeria, the Netherlands, and Oman, eventually becoming Manager, Asset Development (Onshore and Shallow Water) in SPDC in 2008.

As Managing Director of Shell Nigeria Exploration and Production Company (SNEPCo) from 2015, Bayo led the company's operations in four deep-water blocks, overseeing a workforce of over 600 staff from diverse nationalities. Under his leadership, SNEPCo achieved numerous awards, including the 2016 Shell CEO HSSE Award, Shell Global Deepwater Asset of the Year, and Shell Upstream Impact Award.

Bayo's personal achievements are equally impressive, with awards such as the PSRG Richardson Special HSSE achievement award, Professional Award by the Petroleum Technology Association of Nigeria (PETAN), and the African Regional Service Award from the Society of Petroleum Engineers.

After retiring from Shell in 2021, Bayo established BAT Advisory and Energy Company Nigeria Ltd, where he served as Chairman of the Board. He later joined Renaissance Africa Energy Company as Executive Vice President and Chief Operating Officer.

Now, as the Group Chief Executive Officer of the Nigerian National Petroleum Company Limited, appointed by President Bola Ahmed Tinubu on April 2, 2025, Bayo brings his wealth of experience and expertise to lead the country's national oil company into a new era of growth and success. Outside of work, Bayo enjoys spending time at the beach and listening to music.



**Adedapo A. Segun**  
Group CFO/Executive Director

A Fellow of the Institute of Chartered Accountants of Nigeria, having passed the qualifying examination of the prestigious body in 1990, **Dapo** has an impressive record of successfully leveraging high decision quality in driving optimization and efficiency initiatives in both the private and public sectors.

With over thirty-five years' accounting and management experience, twenty-five of which were in a top ten organization on the Fortune 500, Dapo's oil and gas industry exposure covers both upstream and downstream, in Nigeria as well as in the United States of America. Beyond the finance and accounting function, he has had experience broadening assignments in Facilities Engineering and Security Services.

Dapo is passionate about developing true leaders who are not bashful in addressing internal and external obstacles to organizational growth. He joined NNPC Limited as Treasurer in April 2016 and enthusiastically drove a series of optimization initiatives culminating in ISO 9001:2015 certification of Group Treasury Quality Management Systems, the very first in the Finance & Accounts function. In October 2022, following the transition to NNPC Limited, Dapo became the pioneer Chief Finance and Investor Relations Officer where he was charged with the responsibility of raising medium and long-term financing for NNPC Limited and its wholly owned subsidiaries, as well as overseeing Investor Relations activities, including the Company's journey towards its Initial Public Offer. He led the negotiation and closing of financing initiatives to raise billions of US Dollars and has laid a solid foundation for the emergence of impending NNPC Limited as a Public Limited Liability Company.

A seasoned boardroom strategist, Dapo has served as Chairman and Non-Executive Director of various companies in the real estate, medical services, information technology, and oil and gas sectors.



# Board of directors



**Lydia S. Jafiya**  
Representing Ministry of Finance

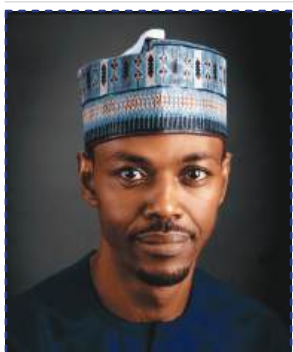
**Mrs Lydia Shehu Jafiya**, mni, is currently the Permanent Secretary, Federal Ministry of Finance. She has rich experience in the public service, spanning over three decades, and was elevated Permanent Secretary in August 2022. Before joining Ministry of Finance, she served as Permanent Secretary at Federal Ministry of Information & Culture as well as Permanent Secretary, Common Services Office at the Office of the Head of Civil Service of the Federation.

As the Permanent Secretary, Federal Ministry of Finance, she is currently a member of some government statutory boards both locally and internationally including the Interim Chairman, Nigeria Deposit Insurance Corporation (NDIC), Member of the Monetary Policy Committee, Central Bank of Nigeria, as well as Board member of the Central Bank of Nigeria, Afreximbank, Islamic Development Bank and the OPEC Fund in Vienna.

Lydia Shehu Jafiya, mni, holds Bachelor's and Master's Degrees in Business Administration, with specialization in Banking and Finance, from Ahmadu Bello University (ABU), Zaria. She attended many career advancement courses in Nigeria and Abroad including the Wharton Business school, University of Pennsylvania in Philadelphia, USA and Harvard Business school, Boston, USA. She is an Associate of the Institute of Chartered Accountants of Nigeria (ICAN) and a Fellow, Association of National Accountants of Nigeria (ANAN), among others.

She was conferred with Member of the Nation Institute (mni) in 2021 and is representing the Federal Ministry of Finance on the NNPC Ltd Board.

She is Happily Married with Children.



**Aminu Said Ahmed**  
Representing Ministry of Petroleum

**Aminu Said Ahmed** with over two decades of transformative contributions to the oil and gas industry is renowned for his expertise in strategic innovation, energy policy, project management and industrial relations, his career spans midstream and downstream operations, energy transition initiatives, and digital transformation projects.

Currently coordinating the operationalization of the Ministry of Petroleum Incorporated (MOPI) in the Ministry of Petroleum Resources, Mr. Ahmed is spearheading institutional reform and optimisation to drive energy policies and stakeholder engagement initiatives that strengthen partnerships across the sector in optimizing hydrocarbon resources.

He served as Technical Advisor (Midstream) to the Honourable Minister of State for Petroleum Resources and represented the Ministry of Petroleum Resources as a member of the Refineries Rehabilitation Programme and Secretary of the Presidential Steering Committee on Petroleum Products Supply and Distribution Management. Previously, as Head of Transformation and Innovation at the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) prior to the PIA, he led groundbreaking initiatives in digital transformation towards enhancing transparency and efficiency in petroleum product supply and distribution. His contributions to Nigeria's 2060 Net Zero Emissions Coordination further underscore his commitment to sustainable energy practices.

Mr. Ahmed's career also includes senior advisory roles where he influenced critical policy decisions on infrastructure financing. He has consistently demonstrated exceptional leadership in crisis management, capacity building, and fostering interagency collaboration to achieve cohesive policy implementation.

A graduate of Abubakar Tafawa Balewa University with a B. Eng in Electrical & Electronics Engineering and an M.Sc in Computer & Network Engineering from Sheffield Hallam University.

Mr. Ahmed is representing the Federal Ministry of Petroleum Resources on the NNPC Ltd Board.



**Bello Rabi**  
Non Executive Director

**Dr. Bello Babura Rabi** was born on 12th August 1964 at Babura, headquarters of Babura Local Government Area of Jigawa State, Nigeria. He holds Bachelor's and Master's Degrees in Mathematical Statistics from Ahmadu Bello University Zaria, Nigeria, another Master's Degree in Petroleum Engineering from The Imperial College, London, United Kingdom and a Ph.D. degree in Petroleum Economics, Management and Policy from the Emerald Energy Institute, University of Port Harcourt, Nigeria.

He attended many career advancements courses in Nigeria and abroad including the prestigious Wharton Executive Development Program from the University of Pennsylvania in Philadelphia, USA and Leading Global Business Program from Harvard Business School, Boston, USA.

Before his new role at Dankiri Farms, Bello Rabi retired from the services of Nigerian National Petroleum Corporation (NNPC) in July 2019 after 28 years of service. He retired from NNPC as Chief Operating Officer/Group Executive Director, Upstream Business Unit.

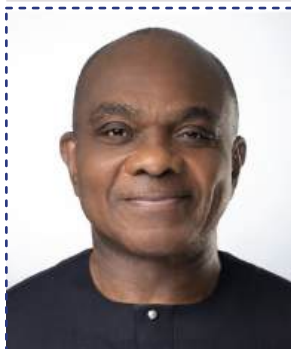
Prior to his appointment as Non-Executive Director in the Board of NNPC Limited on April 2, 2025, Bello Rabi was the Senior Independent Non-Executive Director in the Board of Seplat Energy Plc, Nigeria's leading indigenous energy company listed in Nigerian Exchange Limited and Main Market of London Stock Exchange.

Bello Rabi started his Public Service career as an Academic, having served as a lecturer at Ahmadu Bello University, Zaria, from 1987 to 1990. He is happily married with children.





# Board of directors



**Henry Ikem Obih**  
Non Executive Director

**Engr. Henry Ikem Obih** was the Group Executive Director/Chief Operating Officer (GED/COO), Downstream, Nigerian National Petroleum Corporation (NNPC) from March 2016 - July 2019 and was subsequently appointed to the Board of Nigeria Liquefied Natural Gas Limited (NLNG) in July 2020.

In September 2020, Henry became an Independent Non-Executive Director of Fidelity Bank plc and in January 2022, the new Board of NNPC Limited, was inaugurated with Henry as a Director and Member of the Board. Prior to joining NNPC in 2016, Engr. Obih had a 22-year career at Mobil Oil Nigeria (ExxonMobil Nigeria Downstream) with work assignments outside Nigeria, and held several high-profile positions in the company. Engr. Obih holds a Bachelor's degree in Mechanical Engineering from the University of Nigeria, Nsukka (UNN), and an MBA in Financial Management from the University of Bradford, Yorkshire, England.

He brings significant cross-functional Midstream and Downstream Oil & Gas work experience and over three (3) decades of international exposure to his Board positions. His work experience in several business areas included roles in business strategy and planning, project management, quality audits, manufacturing, operations management, marketing, business transformation, and risk management.



**Yusuf Usman**  
Non Executive Director

**Engr. Yusuf Usman** is a respected chemical engineer and accomplished energy executive with over 40 years of experience in Nigeria's oil and gas industry. He currently serves as a Non-Executive Board Member of NNPC Limited, bringing to the role decades of technical expertise, strategic insight, and leadership excellence. A graduate of Chemical Engineering from Ahmadu Bello University, Zaria (1982), Engr. Usman began his career with a focus on gas infrastructure and project development. Over the years, he managed and delivered some of Nigeria's most significant energy projects, including the OB3 Gas Pipeline and the Usan FPSO. From 2019 to 2021, he served as Chief Operating Officer, Gas & Power Directorate, where he led subsidiaries like NGC, NGMC, GPIC, and LIMS to deliver NNPC's highest revenue year in 2020.

Between 2016 and 2019, he was Senior Technical Assistant to the Group Managing Director of NNPC, providing key advisory support and coordinating strategic engagements with local and international partners. He played a central role in developing the corporation's 12 Business Focus Areas (BUFA) and led high level negotiations on behalf of the Federal Government, including with investors from Qatar and Morocco.

Engr. Usman has chaired several critical industry boards, such as the West African Gas Pipeline Company (WAPCo), Brass Fertilizer & Petrochemical Company, and Assa North-Ohaji Gas Project. He is a recipient of numerous professional awards, including the 2021 Leadership Award of Excellence from the Nigerian Gas Association, and multiple GMD's Awards for outstanding service. A Fellow of both the Nigerian Society of Engineers and the Nigerian Society of Chemical Engineers, Engr. Usman remains a key contributor to the growth and stability of Nigeria's energy sector.



**Babs Omotowa**  
Non Executive Director

**Dr. Babs Omotowa** is a highly accomplished and respected global leader in the energy industry, bringing over 30 years of extensive experience across the upstream and midstream sectors. His leadership journey spans various senior executive and board roles in the United Kingdom, Netherlands, Norway, and Nigeria.

He currently serves as a Non-Executive Director at the Nigerian National Petroleum Company Limited. In addition, Dr. Omotowa is the Founding President of the Nigerian University of Technology and Management. He also serves as an Independent Non-Executive Director at Stanbic IBTC Holdings and as a Trustee of the JT-Omotowa Foundation—organizations where his exemplary leadership continues to inspire and drive excellence and growth.

Previously, Dr. Omotowa held Independent Non-Executive Director roles at Seplat Energy (a dual-listed company in the UK and Nigeria), Chemical and Allied Products Plc, Monserrado B.V., and the West Africa Gas Pipeline Company. He also was a Non-Executive Director at the Nigerian Economic Summit Group and served as the Global President of the UK's Chartered Institute of Procurement and Supply.

During his distinguished two-decade career at Shell, Dr. Omotowa held key operation, commercial, and leadership positions, including as MD/CEO of Nigeria LNG Ltd (NLNG), Global Upstream Vice President for Shell International, Vice President at Shell Africa, and Executive Director of Shell Petroleum Development Company (SPDC).

Academically, he holds a BSc in Industrial Chemistry and an MBA from the University of Ilorin, as well as a master's degree in Strategic Procurement from the University of Leicester, UK. He holds a DSc (Hons) degree from the Kwara State University and is currently undertaking a DBA at Heriot-Watt University, UK. His executive education includes leadership programs at Harvard, Wharton, INSEAD, and IMD.

Dr. Omotowa is also a published author. His debut book, *Storeroom to Boardroom*, became an Amazon bestseller and was a finalist for the UK Business Book Awards in 2022. A sought-after speaker, he has addressed audiences at Harvard, MIT, and the World Economic Forum, as well as several Universities in Nigeria. Renowned for his visionary thinking, strategic leadership and mentoring, Dr. Omotowa is driven by his core values of Integrity, Courage, and Excellence.



# Board of directors



**Austin Avuru**  
Non Executive Director

**Austin Avuru** is a trailblazing figure in Nigeria's oil and gas industry, boasting over 40 years of experience. As the Founder and Executive Chairman of AA Holdings, he has left an indelible mark on the sector. Avuru's stellar academic background, including a degree in Geology from the University of Nigeria, Nsukka, and a Post Graduate Diploma in Petroleum Engineering from the University of Ibadan, laid the foundation for his illustrious career.

Avuru's professional journey began at the Nigerian National Petroleum Corporation (NNPC), where he worked as a Wellsite Geologist, Production Seismologist, and Reservoir Engineer. He later joined Allied Energy Resources, a pioneer indigenous deep-water operator, as Exploration Manager and General Manager, Technical. In 2002, he founded Platform Petroleum Limited, which achieved significant success as a marginal field operator. In 2010, Avuru co-founded Seplat Petroleum Development Company Plc, leading it to a dual listing on the London Stock Exchange and Nigerian Stock Exchange.

A respected thought leader, Avuru is a Fellow and past President of the Nigerian Association of Petroleum Explorationists (NAPE) and author of two books: "Politics, Economics & the Nigerian Petroleum Industry" and "Nigerian Petroleum Business, A Handbook". His numerous awards, including the Ernst & Young Entrepreneur of the Year award, attest to his exceptional leadership and entrepreneurial prowess. Avuru's appointment to the Nigerian National Petroleum Company Limited (NNPC Ltd) board is a fitting recognition of his expertise and contributions to the industry.



**David O. Ige**  
Non Executive Director

**Dr. David O. Ige**, a highly respected figure in the oil and gas industry with over 30 years of experience spanning both private and public sectors. As the Founder and CEO of GasInvest Limited, Dr. Ige has played a pivotal role in shaping Nigeria's gas sector.

Dr. Ige's impressive career has taken him to various international organizations, including Shell International Petroleum Company in Scotland and Nigeria, Accenture in London, and the Nigerian National Petroleum Corporation (NNPC). He has held numerous leadership positions, including Adviser to the Honourable Minister of Petroleum, General Manager – Strategy at NNPC, and Group Executive Director – Gas & Power at NNPC.

One of Dr. Ige's most notable achievements was championing the development and implementation of Nigeria's first Gas Masterplan, a landmark policy initiative that has anchored the country's gas sector. As CEO of GasInvest Limited, GasHub Limited, and Riverside LNG Limited, he continues to play an active role across the gas value chain in Nigeria and the region.

Dr. Ige's board experience is equally impressive, having served on the boards of Brass LNG, Nigerian Shipping and Manning Company, and West African Gas Pipeline Company. He currently serves as an Independent Non-Executive Board Member of Frontier Oil Limited.

A prolific author, Dr. Ige is the lead author of the book "Understanding Natural Gas – A Nigerian Perspective," a seminal work on the subject. He is also a guest lecturer at the University of Ibadan's Centre for Petroleum Economics, Energy and Law, where he teaches MSc students.

Dr. Ige holds a First-Class BSc in Mechanical Engineering from the University of Lagos, a PhD in Engineering from Cambridge University, UK, and an MBA from the University of Aberdeen, Scotland. He is a Fellow of the Nigerian Society of Engineers, a Member of the Society of Petroleum Engineers, and a Fellow of the Nigeria Academy of Engineers.



**Adesua Dozie**  
General Counsel/Company Secretary

**Adesua** is a senior Legal Advisor with over 25 years of experience as a trusted leader for multinational companies across Africa in a diverse range of industries. She was appointed as General Counsel & Company Secretary of NNPC Limited in April, 2025.

Prior to joining NNPC, she worked with Exxon Mobil in various capacities, serving as Vice Chairman, ExxonMobil Companies in Nigeria and also as Regional General Counsel for Africa (Upstream). From 2013 to 2019, Adesua served as General Counsel of GE Africa where she was also Co-Chair of the GE Women's Network in Africa. Prior to that, Adesua worked in senior legal roles for the Coca-Cola Company culminating in her last role as the Marketing and Customer and Commercial Counsel for the Eurasia and Africa Group.

Adesua also supported the growth of the Coca-Cola Africa Foundation as Legal Adviser and Secretary to the Board of The Foundation. Adesua also previously served as Legal Counsel to Elf Petroleum Nigeria (now Total Energies), and Associate Counsel for the Nigerian law firm, Ajumogobia & Okeke. She holds a law degree from the University of Buckingham, an LL.M from Cornell Law School, is admitted to the New York bar and qualified as a barrister and solicitor in Nigeria.

Adesua has advised on various large-scale transactions across the African continent drawing on a deep knowledge of the legal and regulatory framework, and in turn facilitating regional growth, strengthening corporate governance and compliance cultures across diverse business communities. Adesua is a passionate advocate for empowering diverse talent and is committed to building and strengthening inclusive working environments. She prides herself on serving as a guardian of the complex dynamics between purpose, profit and risk.

Adesua is married to Uzoma Dozie and the union is blessed with three children.





# Our People, Our Culture

At NNPC Ltd, we believe our greatest strength is our people. That is why we have placed people and culture at the heart of our strategy of driving national crude oil, gas, refined products and investments growth. To achieve this, we are building a workforce that is engaged, inclusive, and ready to drive both business excellence and national energy security.

We align our people priorities with business goals through policies and processes that turn strategy into real impact, underpinned by our shared values of Integrity, Excellence, and Sustainability.

Through our transparent resourcing process, we open our doors to attract the best talents Nigeria can offer while providing equal opportunities to all. We deliberately create opportunities for our people to grow and thrive by equipping them with the tools to navigate change, inspire their colleagues, and deliver results. Using our bespoke leadership, functional and technical development programmes, we prepare our workforce to stay focused, adaptable, and ready to optimize current and future opportunities.

As a company, we recognize that strong organizational culture is critical to our long-term performance and success. Therefore, we foster an atmosphere of collaboration and excellence, actively seeking and promoting a workforce that is inclusive, diverse, and equity-driven - one that allows all employees to bring their ideas to life, give their best performance at work, and contribute to the

local community, while maintaining a healthy work-life harmony.

For us, inclusivity and diversity are not buzzwords — they are everyday drivers of collaboration, innovation, and shared success. In addition, we recognize and reward exceptional performance and focus on creating an environment that supports our diverse workforce.







# NNPC Limited

## Risk Management Report

### Introduction

In the pursuits of its mandate of a national oil company as enshrined in Section 64 of the PIA, NNPC recognises that it operates in a complex and volatile business environment characterised by uncertainties in markets conditions, climate factors, technology, supply chain, regulations, stakeholder management, brand reputation and geopolitics.

In the year 2024, the company anchored its risk management activities around consolidating the gains and learnings of the previous years in risk monitoring and reporting, into strengthening current practices in risk governance and building resilience of the business units to navigate key headwinds observed in the global and domestic energy industry. This report highlights major areas of intervention in this regard.

### Risk Governance Structure

NNPC Limited operates an enterprise risk management (ERM) framework that enables the Board Audit Committee (BAC) to set the company's risk appetite and risk tolerance limits, while providing strategic direction to Management for execution of adequate and effective mitigating controls to identified and assessed risks across the value chain.

In 2024, NNPC's risk management activities leveraged existing risk governance structures to sustain the quarterly risk review sessions with risk owners and business leaders of NNPC Limited and its fully operated subsidiaries, where status of proposed and ongoing mitigating controls was tracked alongside performance of key risk indicators for each of the top risks.

### Top Risks and Mitigation Strategies

#### **Geopolitical and Security Risks**

NNPC operates in an industry that is prone to recurrence of geopolitical events and incidents of regional conflicts, security threats, including cyber and physical attacks targeting critical infrastructure. These threats are mitigated through partnership with government agencies and deployment of advanced security systems.

#### **Legal and Regulatory Risks**

Changes in regulations, new compliance requirements, and

potential disputes can expose the company to legal liabilities. In 2024, NNPC proactively managed its contingent liabilities through effective disputes resolution, monitoring and adaptation to regulatory changes, engaging with policymakers, and improvements in compliance programs.

#### **Reputational Risks**

Media scrutiny, stakeholder activism, or major incidents can impact the company's public image and stakeholder trust. In 2024, the company prioritized transparent communication, community engagement, and corporate social responsibility. Crisis communication plans and stakeholder dialogues helped to manage events with potential reputational damage.

#### **Market and Price Volatility**

Unstable global oil prices, policy changes and macroeconomic factors can significantly impact revenues and profitability targets of the company. In 2024, NNPC Limited deployed advanced market analysis, hedging and diversified product portfolios, as key mitigating controls.

#### **Operational Risks**

The scale and complexity of NNPC's upstream and downstream operations entail inherent risks related to asset integrity, supply chain disruptions, health and safety, and project execution. asset management systems, predictive maintenance, digital initiatives, and a safety-first culture.

#### **Environmental and Climate-Related Risks**

As a major energy producer, NNPC confronts environmental scrutiny and climate change risks by investing in methane reduction, low-carbon fuels, and aligning its operations with net-zero goals and regulatory frameworks.

### Looking Ahead

We remain committed to strengthening its risk management capabilities as it navigates an era of profound transformation in the global energy sector. The company's resilience, adaptability, and innovation capabilities will continue to drive its risk management strategy into the future.



# NNPC Limited

## Corporate Social Responsibility

### Introduction

NNPC Limited, through its Foundation, is committed to Corporate Social Responsibility (CSR) initiatives across key sectors such as Education, Health, Environment, and Access to Energy.

### Education

**Financial Literacy and Capacity Development:** In 2024, the NNPC Foundation successfully trained 430,000+ youth corps members from the National Youth Service Corps (NYSC) in financial literacy. This training, which began in 2023, aims to promote financial inclusion and enhance the entrepreneurial skills of the corps members. More than one thousand corps members participated in the Foundation's "Kick-Start My Business" training program, which guides participants on the fundamentals of starting a business. To further support these efforts, the Foundation secured a 45% discount with the Corporate Affairs Commission (CAC) for business name registration for corps members. Additionally, 765 corps members took part in the Foundation's business pitching exercise, with 531 of them succeeding and becoming eligible to receive starter packs by the second quarter of 2025, marking the beginning of their entrepreneurial journeys.

**STEM Textbooks Donation:** The Foundation also distributed 15,000 STEM (Science, Technology, Engineering, Mathematics) textbooks to 15 public secondary schools located in 12 states across the six geopolitical zones and the Federal Capital Territory (FCT), Abuja. This initiative was designed to advance STEM education and foster scientific and technological progress in Nigeria.

### Health

As part of NNPC Foundation's commitment to supporting quality healthcare across Nigeria, a total of 3,441 Nigerians benefited from free cancer screening and treatment in February and October 2024. These initiatives were carried out in collaboration with the Federal Ministry of Health, the Federal Medical Centre in Abuja, and the States Ministries of Health.

In March 2024, the Foundation provided free glaucoma screening for 291 people. Additionally, 450 residents and indigent members of Garki village received comprehensive medical care for non-communicable diseases (NCDs). Services included eye tests and provision of eyeglasses, deworming for children, malaria treatment with the distribution of mosquito nets, and regular monitoring of blood pressure through vital signs administration.

The Foundation also sponsored the treatment of 40 individuals in Port Harcourt for cardiovascular-related conditions, in partnership with the Nigeria Cardiac Society (NCS) during its annual conference. Furthermore, up to 3,500 people in Lagos and Ogun States were screened as part of a cataract excision program conducted by the Foundation in December 2024, with those diagnosed scheduled for surgery in January 2025.

To enhance the quality of life for people living with disabilities, the NNPC Foundation donated mattresses and dental accessories to the Special Needs Children School in Ile Ife, Osun State, in June 2024. These initiatives reflect the Foundation's ongoing dedication to improving health outcomes and supporting vulnerable populations throughout Nigeria.

### Environment

In June 2024, the NNPC Foundation undertook a significant tree planting initiative to combat the pressing issues of drought, desert encroachment, and environmental degradation caused by deforestation. A total of 540 trees were planted across seven locations nationwide. This large-scale effort was accomplished in partnership with the Federal Ministry of Environment and the Abuja Environmental Agency. As part of the program, a sensitization campaign was conducted to educate local communities about the importance of environmental conservation. Additionally, tree planting activities were organized in designated areas within the Federal Capital Territory (FCT), Abuja, further demonstrating the Foundation's commitment to restoring and protecting natural habitats.

### Access to Energy

As part of its commitment to reduce carbon emissions and institute positive climate action, NNPC Foundation provided 21 CNG buses to the Federal Government's initiative on utilising cleaner energy for cheaper transportation alternatives.

### Special Adhoc Program

In September 2024, the NNPC Foundation played a crucial role in disaster response as a first responder to the devastating flood crisis in Borno State. Demonstrating swift and compassionate action, the Foundation organized and delivered substantial relief support to affected communities. This assistance included the donation of more than **30 truckloads** of essential supplies, such as food items, provisions, medical consumables, bedding, and other necessities. These contributions were vital in addressing the immediate needs of flood victims and alleviating the hardships experienced by those impacted by the disaster.

### Awards and Recognitions

In the course of the year, NNPC Foundation was recognised by some awarding institutions for its stellar performance.

The Foundation was recognised for its social impact programmes and was awarded the '**Excellence in Humanitarian Service**' award by the Institute for Humanitarian Studies and Social Development (IHSD) in conjunction with the United Nations Institute of Training and Research (UNITAR).

The Company won 4 continent-wide awards in the **gold standard awards for CSR and sustainability practice in Africa:** The SERAS CSR Africa Awards. It won the SERAS CSR Africa Best in Good Health and Wellbeing; Best in Workplace Practice; 2nd as Best New Company in the SERAS entry for Most Responsible CSR Company and Africa CEO of the Year, to the GCEO, NNPC Ltd in recognition of leading the Company as a socially responsive one.

The Nigeria Cardiac Society (NCS) recognised NNPC Foundation with an 'Award of Appreciation' in recognition of the Foundation's support to the organisation to combat cardiovascular ailments.





# Sustainability Highlights 2024

In 2024, NNPC Limited advanced its maiden Sustainability Strategy under the theme “Action Not Words: A Roadmap to Sustainable Growth.” The strategy aligns with the UN Sustainable Development Goals, Nigeria's Energy Transition Plan, and the Paris Agreement. It is anchored on six sustainability pillars—Innovation & Technology, Low-Carbon Transition, Sustainable Economy, Global Policy Alignment, Climate Resilience, and Biodiversity Protection—and delivered through four impact areas: People, Planet, Purpose, and Perception.

## Strategic Achievements

- Sustainability Strategy: First-ever strategy finalized, approved by the Board, and operationalized.
- Financial Strength: Record profit after tax, enabling reinvestment in clean energy, workforce development, and community initiatives.
- Cleaner Energy Expansion: 12 Compressed Natural Gas (CNG) stations commissioned in Abuja and Lagos; target of 226 by 2030.
- Climate Action: Initiated a Group-wide GHG baseline inventory, methane monitoring via OGMP 2.0, and drone technology.
- Global Engagement: Active participation in COP29, reinforcing NNPC's voice in international climate dialogue.

## Key Performance Highlights

- Procurement: Majority procurements directed toward local suppliers.
- Operations: 1,096 retail outlets nationwide including expansion of CNG-powered trucks and new service stations
- Workforce & Inclusion: 19% women in senior management, recruitment drive attracting over 45,000 applicants, inclusive hiring for persons with disabilities.
- Health & Safety: 2,900+ employees completed annual preventive medical examinations.

## Environmental Stewardship

Emissions: Total equity share of greenhouse gas GHG emissions of 38.27 MtCO<sub>2</sub>e, reflecting our operational footprint across the full value chain with 90% from upstream production, LNG, and gas processing.

Mitigation: Focused methane abatement measures, renewable energy investments, and energy-efficient technologies.

## Our CNG Initiatives

In 2024, we launched an initiative to promote Compressed Natural Gas (CNG) as a cleaner vehicle fuel in Nigeria. CNG offers lower carbon emissions than traditional fuels and supports efforts to meet rising energy needs while reducing greenhouse gases. Working with NIPCO Gas Limited, NNPC has commissioned 12 of a planned 35 CNG stations in major cities such as Abuja and Lagos.



We have also increased awareness by training over 1,000 auto mechanics in vehicle conversion to CNG.

## Social Investments through NNPC Foundation

- Education & Skills: Financial literacy and entrepreneurship training for 430,000+ NYSC members.
- 15,000 STEM textbooks distributed across 12 states and the FCT.
- Health: Cancer screening and treatment for 3,400+ Nigerians, along with nationwide eye care campaigns.
- Environment: Tree planting across five geopolitical zones.
- Disaster Relief: Flood response support in Borno State.

## Inclusive Workforce

NNPC values workforce diversity, including gender, abilities, age, ethnicity, and religion. As at 2024, we have 12 staff members with disabilities. Our inclusive culture supports employee development and strengthens teamwork and innovation.

In 2024, NNPC Ltd ran a merit-based recruitment that drew over 45,000 applicants nationwide, boosting our reputation and attracting diverse talent. Special arrangements for candidates with disabilities highlighted our commitment to inclusive hiring, driving innovation and long-term success.

## Governance Impact

NNPC enhanced its governance in 2024 to integrate sustainability throughout its operations. The Board oversees sustainability through a dedicated committee, while Senior Management aligns these efforts with long-term strategy. The approved Sustainability Strategy and Framework demonstrate leadership commitment. A multi-tiered structure, including sustainability leads at both corporate and business unit levels, ensures implementation, accountability, and transparency. Key governance measures include a Whistleblowing Policy, an Anti-Corruption framework, and supplier due diligence to uphold integrity and manage sustainability risks.

## Looking Ahead

We plan to continue advancing sustainability by:

- Expanding its CNG and renewable energy infrastructure.
- Deepening emissions reduction through targeted abatement in high-impact areas.
- Strengthening governance, transparency, and stakeholder engagement.
- Balancing economic value creation with environmental protection and social inclusion, ensuring “Energy for Today and Energy for Tomorrow.”





## Corporate Information

### Members of the Board, Senior Management Team and Professional Advisers

| Directors who served in 2024         |                                       | Start Date         | End Date          |
|--------------------------------------|---------------------------------------|--------------------|-------------------|
| <b>Chairman</b>                      |                                       |                    |                   |
| Engr. Ahmadu Musa Kida               |                                       | April 2, 2025      | To date           |
| Chief Dr. Pius O. Akinyelure         |                                       | December 1, 2023   | April 2, 2025     |
| <b>Group Chief Executive Officer</b> |                                       |                    |                   |
| Engr. Bashir Bayo Ojulari            |                                       | April 2, 2025      | To date           |
| Mallam Mele Kolo Kyari               |                                       | September 21, 2021 | April 2, 2025     |
| <b>Group Chief Financial Officer</b> |                                       |                    |                   |
| Mr. Adedapo A. Segun                 |                                       | November 14, 2024  | To date           |
| Alh. Umar Isa Ajiya                  |                                       | December 1, 2023   | November 14, 2024 |
| <b>Other Board of Directors</b>      |                                       |                    |                   |
| Dr. Bello Rabi                       |                                       | April 2, 2025      | To date           |
| Engr. Yusuf Usman                    |                                       | April 2, 2025      | To date           |
| Engr. Henry Ikem Obih                |                                       | April 2, 2025      | To date           |
| Dr. Babs Omotowa                     |                                       | April 2, 2025      | To date           |
| Mr. Austin Avuru                     |                                       | April 2, 2025      | To date           |
| Dr. David Ige                        |                                       | April 2, 2025      | To date           |
| Mrs. Lydia Shehu Jafiya              |                                       | June 20, 2024      | To date           |
| Mr. Aminu Said Ahmed                 |                                       | April 2, 2025      | To date           |
| Chief Dr. Pius O. Akinyelure         |                                       | December 1, 2023   | April 2, 2025     |
| Amb. Nicholas Agbo Ella              |                                       | December 1, 2023   | April 2, 2025     |
| Mr. Okokon Ekanem Udo                |                                       | December 1, 2023   | June 20 2024      |
| Mr. Ledum Mitee                      |                                       | December 1, 2023   | April 2, 2025     |
| Mr. Musa Tumsah                      |                                       | December 1, 2023   | April 2, 2025     |
| Dr. Ibraheem Ghali-Mohammed          |                                       | December 1, 2023   | April 2, 2025     |
| Prof. Almustapha A. Aliyu            |                                       | December 1, 2023   | April 2, 2025     |
| Mr. David Ogbodo                     |                                       | December 1, 2023   | April 2, 2025     |
| Mrs. Eunice Thomas                   |                                       | December 1, 2023   | April 2, 2025     |
| Amb. Gabriel Tanimu Aduda            |                                       | December 1, 2023   | January 31, 2024  |
| <b>Senior Management Team</b>        |                                       |                    |                   |
| Engr. Bashir Bayo Ojulari            | Group Chief Executive Officer         | April 2, 2025      | To Date           |
| Mr. Rowland Ewubare                  | Group Chief Operating Officer         | April 4, 2025      | To Date           |
| Mr. Adedapo A. Segun                 | Group Chief Financial Officer         | November 14, 2024  | To Date           |
| Mr. Olalekan Ogunleye                | EVP, Gas, Power & New Energy          | September 16, 2023 | To Date           |
| Mr. Udobong Ntia                     | EVP, Upstream                         | November 14, 2024  | To Date           |
| Mr. Mumuni Dagazau                   | EVP, Downstream                       | April 4, 2025      | To Date           |
| Mrs. Sophia Mbakwe                   | EVP, Business Services                | April 4, 2025      | To Date           |
| Mallam Mele Kolo Kyari               | Group Chief Executive Officer         | September 21, 2021 | April 2, 2025     |
| Alh. Umar Isa Ajiya                  | Group Chief Financial Officer         | September 21, 2021 | November 14, 2024 |
| Mr. Adedapo A. Segun                 | EVP, Downstream                       | September 16, 2023 | November 14, 2024 |
| Mr. Isiyaku Abdullahi                | EVP, Downstream                       | November 14, 2024  | April 4, 2025     |
| Mrs. Oritsemeyiwa Eyesan             | EVP, Upstream                         | September 16, 2023 | November 14, 2024 |
| Mr. Danladi A. Inuwa                 | EVP, Business Services                | October 21, 2022   | April 4, 2025     |
| <b>Company Secretary</b>             |                                       |                    |                   |
| Mrs. Adesua Dozie                    | General Counsel and Company Secretary | April 4, 2025      | To Date           |
| Mr. Chukwudi Ogonna Momah            | General Counsel and Company Secretary | January 1, 2023    | April 4, 2025     |



### External Auditors

- |                                                                                                                                                                         |                                                                                                                                                                                                          |                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Muhtari Dangana &amp; Co<br/>Chartered Accountants<br/>Maanah Plaza,<br/>19, Araromi street,<br/>Onikan,<br/>Lagos.</li> </ul> | <ul style="list-style-type: none"> <li>▪ PricewaterhouseCoopers<br/>Chartered Accountants<br/>FF Millenium Towers,<br/>Plot 13/14 Ligali Ayorinde<br/>Street,<br/>Victoria Island,<br/>Lagos.</li> </ul> | <ul style="list-style-type: none"> <li>▪ SIAO Partners<br/>Chartered Accountants<br/>18b Olu Holloway Road,<br/>Off Kingsway Road,<br/>Ikoyi,<br/>Lagos.</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Nigerian Bankers

- |                                                                                                                                                                                          |                                                                                                                                                                                                                     |                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Access Bank</li> <li>▪ Central Bank of Nigeria</li> <li>▪ CitiBank</li> <li>▪ Ecobank</li> <li>▪ Fidelity Bank</li> <li>▪ First Bank</li> </ul> | <ul style="list-style-type: none"> <li>▪ First City Monument Bank</li> <li>▪ Guaranty Trust Bank</li> <li>▪ Jaiz Bank</li> <li>▪ Polaris Bank</li> <li>▪ Stanbic IBTC</li> <li>▪ Standard Chartered Bank</li> </ul> | <ul style="list-style-type: none"> <li>▪ Sterling Bank</li> <li>▪ Union Bank</li> <li>▪ United Bank for Africa</li> <li>▪ Wema Bank</li> <li>▪ Zenith Bank</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Foreign Bankers

- |                                                                                                                                                         |                                                                                                                                                                          |                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Access Bank UK</li> <li>▪ African Export-Import Bank</li> <li>▪ CitiBank UK</li> <li>▪ Emirates NBD</li> </ul> | <ul style="list-style-type: none"> <li>▪ First Bank UK</li> <li>▪ Guaranty Trust Bank UK</li> <li>▪ JP Morgan Chase Bank</li> <li>▪ Mauritius Commercial Bank</li> </ul> | <ul style="list-style-type: none"> <li>▪ Standard Chartered Bank, UK</li> <li>▪ UBA America</li> <li>▪ UBA UAE</li> <li>▪ Industrial and Commercial Bank of China</li> </ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



## Report of the directors

The Directors have the pleasure of presenting the consolidated and separate financial statements of Nigerian National Petroleum Company Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2024.

## Principal activity and business review

Nigerian National Petroleum Company Limited (NNPC Limited) was incorporated in Nigeria on 21st September 2021 as a limited liability company under the Companies and Allied Matters Act (CAMA) as required by the Petroleum Industry Act (PIA) of 2021. The Company is situated at NNPC Towers, Herbert Macaulay Way, Central Business District, Federal Capital Territory, Abuja and is domiciled in Nigeria. It is established to engage in all commercial activities relating to the petroleum industry.

## General duties of the Company

The Company is charged under Section 64 of the PIA to:

- i. Carry out petroleum operations on a commercial basis, comparable to private companies in Nigeria carrying out similar activities.
- ii. Be the Concessionaire of all Production Sharing Contracts (PSC), Profit Sharing and Risks Service Contracts as the National Oil Company on behalf of the Federation.
- iii. Lift and sell royalty oil and tax oil on behalf of the Nigerian Upstream Petroleum Regulatory Commission (the Commission) and Federal Inland Revenue Service (the Service) respectively for an agreed commercial fee.
- iv. Carry out the management of PSCs for a fee based on the profit oil and profit gas lifted and sold.
- v. Carry out test marketing to ascertain the value of crude oil and report to the Commission.
- vi. Assume the working interest of Nigerian National Petroleum Corporation in respect of any Joint Operating Agreement it was party to.
- vii. Engage in the business of renewables and other energy investments.
- viii. Promote the domestic use of natural gas through development and operation of large-scale gas utilisation industries.
- ix. Engage in activities that ensure national energy security in an efficient manner in the overall interest of the federation.
- x. Serve as a supplier of last resort for security reasons and all cost shall be for the account of the Federation.

## Commencement of operation

The Company commenced full operation effective 1st July 2022.

## State of affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory.

## Results for the year

|                                       | The Group         |                   | The Company       |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Revenue from contracts with customers | 45,075,407        | 23,990,048        | 19,656,264        | 8,131,487         |
| <b>Profit before income tax</b>       | <b>9,558,252</b>  | <b>5,988,688</b>  | <b>9,447,916</b>  | <b>4,041,862</b>  |
| Income tax expense                    | (4,143,948)       | (2,691,296)       | (3,524,313)       | (1,821,869)       |
| <b>Profit for the period</b>          | <b>5,414,304</b>  | <b>3,297,392</b>  | <b>5,923,603</b>  | <b>2,219,993</b>  |

## Property, plant and equipment

Information relating to changes in property, plant and equipment during the period is given in Note 20 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the carrying value shown in the consolidated and separate financial statements.





## Board members

The names of the board members at the date of this report and of those who held office during the financial year are as stated in page 1 of these consolidated and separate financial statements.

## Conflict of interest

None of the Directors has notified the Company of any interest in contracts awarded within the Group during the year under review.

## Going concern

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of these financial statements. At this time, no significant events after the reporting date that may have an impact on going concern have been noted.

## Donation

The Group and Company donated a total sum of ₦1.4 billion and ₦3 billion (2023: Group ₦11.8 billion and Company ₦11.3 billion) respectively to various charitable organisations, educational institutions and other organisations during the year ended 31 December 2024 (See below and Note 11).

No donation was made to any political party during the year.

## The Group

| S/N | Organisation                                          | 2024<br>₦ million | 2023<br>₦ million |
|-----|-------------------------------------------------------|-------------------|-------------------|
| 1   | NUPENG and PENGASSAN                                  | 43                | 44                |
| 2   | Nigerian Bar Association                              | -                 | 27                |
| 3   | NNPC Foundation *                                     | -                 | 10,324            |
| 4   | Intra-African Trade Fair 2023                         | -                 | 874               |
| 5   | Nigerian Association of Road Transport Owners (NARTO) | 30                | -                 |
| 6   | Evolve Charity Trust                                  | 30                | -                 |
| 7   | UNIPOINT-Center of Disaster Risk Management           | 16                | -                 |
| 8   | Presidential Initiative on CNG - CNG program          | 1,187             | -                 |
| 9   | Major Oil Marketers Association of Nigeria            | 63                | -                 |
| 10  | Nigerian Gas Association                              | -                 | 90                |
| 11  | Centre For Inland Basin Studies                       | -                 | 78                |
| 12  | Africa Manufacturing Innovation Hub                   | -                 | 10                |
| 13  | Others**                                              | 45                | 378               |
|     |                                                       | <b>1,413</b>      | <b>11,825</b>     |

\* The NNPC Foundation Limited/GTE was consolidated into the Group financial statement as controlled unstructured entity in 2024, hence the elimination of the donations amount in the Group disclosure in the current period. Prior year balance was not restated because the entity is considered immaterial to the Group.

\*\* The Group previously presented community development programmes within donations. However, management considers it to be more relevant if they are presented as a separate line item within general and administrative expenses. Prior year comparatives as at 31 December 2023 have been restated by reclassifying ₦6,870 million from donations

## The Company

| S/N | Organisation                               | 2024<br>₦ million | 2023<br>₦ million |
|-----|--------------------------------------------|-------------------|-------------------|
| 1   | NUPENG and PENGASSAN                       | -                 | 7                 |
| 2   | NNPC Foundation                            | 1,738             | 10,317            |
| 3   | Intra-African Trade Fair 2023              | -                 | 874               |
| 4   | Centre For Inland Basin Studies            | -                 | 78                |
| 5   | Nigerian Bar Association                   | -                 | 25                |
| 6   | Presidential Initiative on CNG-CNG program | 1,187             | -                 |
| 7   | Africa Manufacturing Innovation Hub        | -                 | 10                |
| 8   | Others                                     | 158               | 41                |
|     |                                            | <b>3,083</b>      | <b>11,352</b>     |



## Employment and employees

### Employment of persons with disabilities:

The Company has a non-discriminatory policy on recruitment. Applications are always welcomed from suitably qualified persons with disabilities and are reviewed strictly on qualifications. The Company's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion, or physical condition.

### Health, safety and welfare of employees:

Health and safety regulations are enforced within the Company's premises and sites, and employees are aware of existing regulations.

### Employee involvement and training:

The Directors maintain regular communication and consultation with the employees on matters affecting employees and the Company. There is great emphasis on staff development and training through carefully planned training courses and seminars.

## Auditors

In accordance with section 401(1), CAMA 2020, PricewaterhouseCoopers, SIAO Partners and Muhtari Dangana & Co have indicated their willingness to continue in office as joint auditors of the Company.

### BY ORDER OF THE BOARD:

**Mrs. Adesua Dozie**

FRC/2025/PRO/NBA/004/479587  
General Counsel/Company Secretary

22 October

2025



## Statement Of Directors' Responsibilities

The Companies and Allied Matter Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Group at the end of the year and of its profit or loss for the period.

The responsibilities include ensuring that the Group:

- a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of Companies and Allied Matter Act, 2020;
- 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 judgments and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), the requirements of Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

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

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

Signed on behalf of the Directors by:

**Engr. Bashir Bayo Ojulari**

Group Chief Executive Officer

FRC/2025/PRO/DIR/003/420533

22 October 2025

**Mr. Adedapo A. Segun**

Group Chief Financial Officer

FRC/2015/PRO/ICAN/001/00000012926

22 October 2025





## Statement of Corporate Responsibility

In line with the provision of S. 405 of CAMA 2020, we have reviewed the audited financial statements of the Group for the year ended 31 December, 2024 and based on our knowledge confirm as follows:

- a) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- b) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the period ended 31 December 2024.
- c) The Company's internal controls has been designed to ensure that all material information included relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the audit.
- d) The Company's internal controls were evaluated within ninety days of the financial reporting date and are effective as of 31 December 2024.
- e) That we have disclosed to the company's Auditors and the Audit Committee the following information:
  - i. There are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the company's ability to record, process, summarize and report financial data, and have discussed with the Company's auditors any weaknesses in internal controls observed in the cause of the Audit,
  - ii. There is no fraud involving management or other employees which could have any significant role in the Company's internal control.
- f) There are no significant changes in internal controls or in other factors that could significantly affect the internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

**Engr. Bashir Bayo Ojulari**

Group Chief Executive Officer

FRC/2025/PRO/DIR/003/420533

22 October 2025

**Mr. Adedapo A. Segun**

Group Chief Financial Officer

FRC/2015/PRO/ICAN/001/00000012926

22 October 2025



## Independent joint auditors' report

To the Members of Nigerian National Petroleum Company Limited

### *Report on the audit of the consolidated and separate financial statements*

#### *Our opinion*

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Nigerian National Petroleum Company Limited ("the company") and its subsidiaries (together "the group") as at 31 December 2024, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### *What we have audited*

Nigerian National Petroleum Company Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss for the year ended 31 December 2024;
- the consolidated and separate statements of other comprehensive income for the year then ended;
- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### *Other information*

The directors are responsible for the other information. The other information comprises the Corporate

information, Report of the directors, Statement of directors' responsibilities, Statement of corporate responsibility, Statements of value added Group and Company, Three-year financial summary – Group and Company, but 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 identified above 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 this other information, we are required to report that fact. We have nothing to report in this regard.



**Muhtari  
Dangana & Co.**  
CHARTERED ACCOUNTANTS

## *Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements*

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with “IFRS Accounting Standards” and the requirements of the Companies and Allied Matters Act, 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 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’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 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 process.

## *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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to this 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 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 directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

## *Report on other legal and regulatory requirements*

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. 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 purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;
- iii) the company’s statement of financial position, statement of profit or loss and statement of other comprehensive income are in agreement with the books of account and returns.





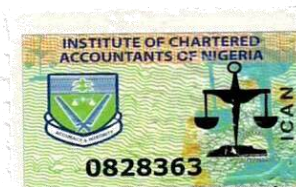
*Pedro Omontuemhen*

For: **PricewaterhouseCoopers**

Chartered Accountants,  
Lagos, Nigeria

PricewaterhouseCoopers Chartered Accountants  
FF Millenium Towers  
13/14 Ligali Ayorinde Street,  
Victoria Island,  
Lagos

Engagement Partner: Pedro Omontuemhen  
FRC/2013/PRO/ICAN/004/00000000739



24 October 2025

*Abiodun Ariyibi*

For: **SIAO Partners**

Chartered Accountants  
Lagos, Nigeria

SIAO Partners Chartered Accountants  
18B Olu Holloway Road,  
Ikoyi,  
Lagos

Engagement Partner: Abiodun Ariyibi  
FRC/2013/PRO/ICAN/004/00000001548



24 October 2025

*Abel Atalor*

For: **Muhtari Dangana & Co.**

Chartered Accountants  
Lagos, Nigeria

Muhtari Dangana & Co Chartered Accountants  
Maanah Plaza,  
19 Araromi Street,  
Onikan,  
Lagos

Engagement Partner: Abel Atalor  
FRC/2013/PRO/ICAN/004/00000001141



24 October 2025



## Consolidated and Separate Statements of Profit or Loss and other comprehensive income

|                                                                                                           | Notes | Group                |                     | Company              |                    |
|-----------------------------------------------------------------------------------------------------------|-------|----------------------|---------------------|----------------------|--------------------|
|                                                                                                           |       | 2024<br>N million    | 2023<br>N million   | 2024<br>N million    | 2023<br>N million  |
| Revenue from contracts with customers                                                                     | 8     | 45,075,407           | 23,990,048          | 19,656,264           | 8,131,487          |
| Cost of sales                                                                                             | 9     | (33,362,002)         | (16,950,969)        | (12,277,748)         | (3,986,829)        |
| <b>Gross profit</b>                                                                                       |       | <b>11,713,405</b>    | <b>7,039,079</b>    | <b>7,378,516</b>     | <b>4,144,658</b>   |
| Selling and distribution expenses                                                                         | 10    | (145,702)            | (132,610)           | -                    | -                  |
| General and administrative expenses                                                                       | 11    | (3,577,541)          | (2,091,745)         | (1,657,386)          | (994,084)          |
| Net impairment(charge)/ reversal on financial assets                                                      | 12    | (753,557)            | 426,778             | (706,043)            | 637,623            |
| Other income                                                                                              | 13    | 3,391,508            | 1,765,271           | 3,758,925            | 1,347,418          |
| Other gains/(losses)                                                                                      | 14    | 209,381              | (704,666)           | 1,542,618            | (824,608)          |
| <b>Operating profit</b>                                                                                   |       | <b>10,837,494</b>    | <b>6,302,107</b>    | <b>10,316,630</b>    | <b>4,311,007</b>   |
| Finance costs                                                                                             | 15    | (1,751,621)          | (441,456)           | (956,817)            | (316,018)          |
| Finance income                                                                                            | 16    | 175,340              | 115,555             | 91,039               | 41,501             |
| Share of net profit/(loss)of associates and joint ventures                                                | 6.5   | 9,261,213<br>297,039 | 5,976,206<br>12,482 | 9,450,852<br>(2,936) | 4,036,490<br>5,372 |
| <b>Profit before income tax</b>                                                                           |       | <b>9,558,252</b>     | <b>5,988,688</b>    | <b>9,447,916</b>     | <b>4,041,862</b>   |
| Income tax charge                                                                                         | 19.1  | (4,143,948)          | (2,691,296)         | (3,524,313)          | (1,821,869)        |
| Profit for the year                                                                                       |       | 5,414,304            | 3,297,392           | 5,923,603            | 2,219,993          |
| <b>Profit attributable to:</b>                                                                            |       |                      |                     |                      |                    |
| -Owners of the Company                                                                                    |       | 5,408,919            | 3,294,423           | 5,923,603            | 2,219,993          |
| -Non controlling interest                                                                                 | 5     | 5,385                | 2,969               | -                    | -                  |
|                                                                                                           |       | <b>5,414,304</b>     | <b>3,297,392</b>    | <b>5,923,603</b>     | <b>2,219,993</b>   |
| <b>Profit for the year</b>                                                                                |       | <b>5,414,304</b>     | <b>3,297,392</b>    | <b>5,923,603</b>     | <b>2,219,993</b>   |
| <b>Other comprehensive income</b>                                                                         |       |                      |                     |                      |                    |
| <i>Items that may be reclassified to profit or loss:</i>                                                  |       |                      |                     |                      |                    |
| Exchange differences on translation of foreign operations                                                 | 18    | 8,365,339            | 15,950,813          | 13,534,364           | 9,110,297          |
| NCI exchange differences on translation of foreign operations                                             | 18    | -                    | 2,744               | -                    | -                  |
| Share of other comprehensive loss of associates and joint ventures accounted for using the equity method  | 6.6   | (267)                | 12                  | -                    | -                  |
| <i>Items that will not be reclassified to profit or loss:</i>                                             |       |                      |                     |                      |                    |
| Fair value (losses)/gains on equity instruments at fair value through other comprehensive income (FVTOCI) | 18    | (455,084)            | 276,059             | (455,084)            | 276,059            |
| Re-measurement gain on post-employment benefits obligations - Net of tax                                  | 18    | (272,309)            | 246,250             | (278,576)            | 173,065            |
| <b>Other comprehensive (loss)/ income for the year, net of tax</b>                                        |       | <b>7,637,679</b>     | <b>16,475,878</b>   | <b>12,800,704</b>    | <b>9,559,421</b>   |
| <b>Total comprehensive income for the year</b>                                                            |       | <b>13,051,983</b>    | <b>19,773,270</b>   | <b>18,724,307</b>    | <b>11,779,414</b>  |
| <b>Total comprehensive income for the year is attributable to:</b>                                        |       |                      |                     |                      |                    |
| - Owners of the Company                                                                                   |       | 13,046,598           | 19,767,557          | 18,724,307           | 11,779,414         |
| - Non controlling interest                                                                                |       | 5,385                | 5,713               | -                    | -                  |
|                                                                                                           |       | <b>13,051,983</b>    | <b>19,773,270</b>   | <b>18,724,307</b>    | <b>11,779,414</b>  |

The notes on pages 17 – 119 form an integral part of these financial statements.



## Consolidated and Separate Statements of Financial Position

| Assets                                             | Notes  | Group              |                    | Company            |                   |
|----------------------------------------------------|--------|--------------------|--------------------|--------------------|-------------------|
|                                                    |        | 2024<br>₦ million  | 2023<br>₦ million  | 2024<br>₦ million  | 2023<br>₦ million |
| <b>Non-current assets</b>                          |        |                    |                    |                    |                   |
| Property, plant and equipment                      | 20     | 104,473,480        | 65,997,403         | 83,172,196         | 50,716,060        |
| Intangible assets                                  | 22     | 4,029,210          | 2,167,255          | 59,638             | 1,686             |
| Right of use assets                                | 47.1   | 400,691            | 404,807            | 16,384             | 11,259            |
| Investment in subsidiaries                         | 4.1    | -                  | -                  | 6,646,568          | 2,538,523         |
| Net pension assets                                 | 40.1   | 434,148            | 264,245            | 561,921            | 382,782           |
| Interest in associates and joint ventures          | 6.3    | 600,448            | 207,649            | 208,552            | 130,908           |
| Other financial assets at amortised cost           | 23.3   | 2,386              | 11,112             | 42,407             | 63,183            |
| Financial assets at fair value through OCI         | 23.2   | 1,611,302          | 1,229,368          | 1,611,302          | 1,229,369         |
| Prepayments and other assets                       | 26     | 20,753             | 1,868              | 18,058             | -                 |
| Restricted funds                                   | 28     | 1,731,143          | 900,224            | 1,161,082          | 774,868           |
| Deferred tax assets                                | 19.2   | 2,922,084          | 2,995,968          | -                  | 1,261,545         |
| <b>Total non-current assets</b>                    |        | <b>116,225,645</b> | <b>74,179,899</b>  | <b>93,498,108</b>  | <b>57,110,183</b> |
| <b>Current assets</b>                              |        |                    |                    |                    |                   |
| Inventories                                        | 24     | 3,308,455          | 1,629,615          | 1,823,328          | 760,804           |
| Trade and other receivables                        | 25     | 29,650,351         | 20,865,000         | 48,914,647         | 28,500,276        |
| Other financial assets at amortised cost           | 23.3   | 25,367             | 23,931             | 153,570            | 10,737            |
| Prepayments and other assets                       | 26     | 767,995            | 306,283            | 221,826            | 136,979           |
| Cash and cash equivalents                          | 27     | 10,306,152         | 7,719,601          | 6,345,238          | 3,174,790         |
|                                                    |        | <b>44,058,320</b>  | <b>30,544,430</b>  | <b>57,458,609</b>  | <b>32,583,586</b> |
| Assets classified as held for sale                 | 20.5   | 1,901,963          | -                  | -                  | -                 |
| <b>Total current assets</b>                        |        | <b>45,960,283</b>  | <b>30,544,430</b>  | <b>57,458,609</b>  | <b>32,583,586</b> |
| <b>Total assets</b>                                |        | <b>162,185,928</b> | <b>104,724,329</b> | <b>150,956,717</b> | <b>89,693,769</b> |
| <b>Equity and Liabilities</b>                      |        |                    |                    |                    |                   |
| Share capital                                      | 29     | 200,000            | 200,000            | 200,000            | 200,000           |
| Retained earnings                                  | 31     | 8,134,309          | 5,276,086          | 6,884,167          | 3,676,295         |
| Capital contribution                               | 36     | 4,409,509          | 4,409,509          | 4,409,509          | 4,409,509         |
| Actuarial reserve                                  | 33     | (40,186)           | 232,123            | (71,794)           | 206,782           |
| Financial assets at FVOCI reserves                 | 30     | (178,538)          | 276,546            | (178,860)          | 276,224           |
| Foreign currency translation reserve               | 32     | 26,493,790         | 18,128,451         | 24,386,992         | 10,852,628        |
| Other reserves                                     | 34     | 3,743              | -                  | -                  | -                 |
| Re-organisation reserve                            | 35     | (123,104)          | -                  | -                  | -                 |
| Non-controlling interests                          |        | 12,707             | 7,322              | -                  | -                 |
| <b>Total shareholders' equity</b>                  |        | <b>38,912,230</b>  | <b>28,530,037</b>  | <b>35,630,014</b>  | <b>19,621,438</b> |
| <b>Non-current liabilities</b>                     |        |                    |                    |                    |                   |
| Lease liabilities                                  | 47.2   | 407,943            | 400,994            | 6,279              | 5,339             |
| Provision for decommissioning                      | 38     | 14,775,425         | 11,341,596         | 10,722,461         | 7,487,274         |
| Other accruals                                     | 39     | -                  | 13,355             | -                  | 13,355            |
| Other employee benefit liabilities                 | 40.2.1 | 457,993            | 425,024            | 202,687            | 206,826           |
| Alternative funding arrangements                   | 37     | 631,134            | 577,527            | 631,134            | 577,527           |
| Contract liabilities                               | 41     | 6,359,182          | 3,237,078          | 4,710,590          | 1,866,192         |
| Borrowing                                          | 46     | -                  | -                  | 82,201             | 11,177            |
| Deferred tax liabilities                           | 19.2   | 48,351,207         | 28,495,046         | 48,231,179         | 28,335,669        |
| <b>Total non-current liabilities</b>               |        | <b>70,982,884</b>  | <b>44,490,620</b>  | <b>64,586,531</b>  | <b>38,503,359</b> |
| <b>Current liabilities</b>                         |        |                    |                    |                    |                   |
| Trade and other payables                           | 42     | 31,853,465         | 21,637,152         | 34,732,432         | 24,375,708        |
| Lease liabilities                                  | 47.2   | 1,444              | 31                 | -                  | -                 |
| Other liabilities                                  | 43     | 2,192,738          | 600,528            | 2,192,738          | 600,528           |
| Employee benefit liabilities                       | 40.2.1 | 56,128             | 25,721             | 30,467             | 7,675             |
| Contract liabilities                               | 41     | 764,126            | 648,609            | 265,678            | 286,681           |
| Borrowing                                          | 46     | -                  | -                  | 70,556             | 44,522            |
| Current tax liabilities                            | 19.1.1 | 8,161,183          | 5,222,052          | 6,220,577          | 3,797,210         |
| Royalties payable                                  | 21     | 9,205,667          | 3,569,579          | 7,227,724          | 2,456,648         |
|                                                    |        | <b>52,234,751</b>  | <b>31,703,672</b>  | <b>50,740,172</b>  | <b>31,568,972</b> |
| Liabilities directly with the assets held for sale | 20.5   | 56,063             | -                  | -                  | -                 |
| <b>Total current liabilities</b>                   |        | <b>52,290,814</b>  | <b>31,703,672</b>  | <b>50,740,172</b>  | <b>31,568,972</b> |
| <b>Total liabilities</b>                           |        | <b>123,273,698</b> | <b>76,194,291</b>  | <b>115,326,703</b> | <b>70,072,331</b> |
| <b>Total equity and liabilities</b>                |        | <b>162,185,928</b> | <b>104,724,328</b> | <b>150,956,717</b> | <b>89,693,769</b> |

The notes on pages 17 - 119 form an integral part of these financial statements.





The financial statements and notes accompanying were approved and authorised for issue by the Board of Directors on

22 October 2025 and signed on its behalf by

**Engr. Bashir Bayo Ojulari**  
**Group Chief Executive Officer**  
FRC/2025/PRO/DIR/003/420533

**Mr. Adedapo A. Segun**  
**Group Chief Financial Officer**  
FRC/2015/PRO/ICAN/001/00000012926

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**Financial Controller**  
FRC/2017/PRO/ICAN/001/00000016531



## Consolidated and Separate Statements of Changes in Equity

### The Group

|                                                                                        | Note | Share capital<br>₦ million | Retained earnings<br>₦ million | Capital contribution<br>₦ million | Actuarial reserve<br>₦ million | Equity instruments at FVOCI reserves<br>₦ million | Foreign currency translation reserve<br>₦ million | Reorganisation reserve<br>₦ million | Total equity attributable to parent<br>₦ million | Other reserve<br>₦ million | Non-controlling interest<br>₦ million | Total equity<br>₦ million |
|----------------------------------------------------------------------------------------|------|----------------------------|--------------------------------|-----------------------------------|--------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------|--------------------------------------------------|----------------------------|---------------------------------------|---------------------------|
| At 1 January 2024                                                                      |      | 200,000                    | 5,276,086                      | 4,409,509                         | 232,123                        | 276,546                                           | 18,128,451                                        | -                                   | 28,522,715                                       | -                          | 7,322                                 | 28,530,037                |
| Prior year adjustment *                                                                |      |                            | 5,516                          | -                                 | -                              | -                                                 | -                                                 | -                                   | 5,516                                            | -                          |                                       | 5,516                     |
| Adjusted opening balance                                                               |      | 200,000                    | 5,281,602                      | 4,409,509                         | 232,123                        | 276,546                                           | 18,128,451                                        | -                                   | 28,528,231                                       | -                          | 7,322                                 | 28,535,553                |
| Profit for the year                                                                    |      | -                          | 5,408,919                      | -                                 | -                              | -                                                 | -                                                 | -                                   | 5,408,919                                        | -                          | 5,385                                 | 5,414,304                 |
| Other comprehensive income                                                             |      |                            |                                |                                   |                                |                                                   |                                                   |                                     |                                                  | -                          |                                       |                           |
| Exchange difference on translation of foreign operations                               |      | -                          | -                              | -                                 | -                              | -                                                 | 8,365,339                                         | -                                   | 8,365,339                                        | -                          | -                                     | 8,365,339                 |
| Share of exchange rate differences on translation of joint ventures - net of tax       |      | -                          | (267)                          | -                                 | -                              | -                                                 | -                                                 | -                                   | (267)                                            | -                          | -                                     | (267)                     |
| Re-measurement gains on employee benefit obligation                                    |      | -                          | -                              | -(272,309)                        | -                              | -                                                 | -                                                 | -                                   | (272,309)                                        | -                          | -                                     | (272,309)                 |
| Changes in equity instruments at fair value though other comprehensive income (FVTOCI) | 18   | -                          | -                              | -                                 | -                              | (455,084)                                         | -                                                 | -                                   | (455,084)                                        | -                          | -                                     | (455,084)                 |
| Total comprehensive income for the period                                              | 18   | -                          | 5,408,652                      | -(272,309)                        | (455,084)                      | 8,365,339                                         | -                                                 | -                                   | 13,046,598                                       | -                          | 5,385                                 | 13,051,983                |
| Transactions with owners in their capacity as owners:                                  |      |                            |                                |                                   |                                |                                                   |                                                   |                                     |                                                  |                            |                                       |                           |
| Appropriation of undistributable earnings **                                           |      | -                          | (5,516)                        | -                                 | -                              | -                                                 | -                                                 | -                                   | (5,516)                                          | 5,516                      |                                       | -                         |
| Loss from NNPC Foundation                                                              |      | -                          | 1,773                          | -                                 | -                              | -                                                 | -                                                 | -                                   | 1,773                                            | (1,773)                    |                                       | -                         |
| Dividend                                                                               |      | -                          | (2,552,202)                    | -                                 | -                              | -                                                 | -                                                 | -                                   | (2,552,202)                                      | -                          | -                                     | (2,552,202)               |
| Re-organisation reserves                                                               | 35   | -                          | -                              | -                                 | -                              | -                                                 | (123,104)                                         | (123,104)                           |                                                  |                            |                                       | (123,104)                 |
|                                                                                        |      | -                          | (2,555,945)                    | -                                 | -                              | -                                                 | (123,104)                                         | (2,679,049)                         |                                                  | 3,743                      | -                                     | (2,675,306)               |
| At 31 December 2024                                                                    |      | 200,000                    | 8,134,309                      | 4,409,509                         | (40,186)                       | (178,538)                                         | 26,493,790                                        | (123,104)                           | 38,895,780                                       | 3,743                      | 12,707                                | 38,912,230                |
| At 1 January 2023                                                                      |      |                            |                                |                                   |                                |                                                   |                                                   |                                     |                                                  |                            |                                       |                           |
| At 1 January 2023                                                                      |      | 200,000                    | 2,518,288                      | 4,409,509                         | (14,127)                       | 487                                               | 2,177,638                                         | -                                   | 9,291,795                                        | -                          | 1,609                                 | 9,293,404                 |
| Profit for the year                                                                    |      | -                          | 3,294,423                      | -                                 | -                              | -                                                 | -                                                 | -                                   | 3,294,423                                        | -                          | 2,969                                 | 3,297,392                 |
| Other comprehensive income                                                             |      |                            |                                |                                   |                                |                                                   |                                                   |                                     |                                                  |                            |                                       |                           |
| Exchange difference on translation of foreign operations                               |      | -                          | -                              | -                                 | -                              | -                                                 | 15,950,813                                        | -                                   | 15,950,813                                       | -                          | 2,744                                 | 15,953,557                |
| Share of exchange differences on translation of joint ventures - net of tax            |      | -                          | 12                             | -                                 | -                              | -                                                 | -                                                 | -                                   | 12                                               | -                          | -                                     | 12                        |
| Re-measurement gains on employee benefit obligation                                    |      | -                          | -                              | -                                 | 246,250                        | -                                                 | -                                                 | -                                   | 246,250                                          | -                          | -                                     | 246,250                   |
| Changes in equity instruments at fair value though other comprehensive income (FVTOCI) | 18   | -                          | -                              | -                                 | -                              | 276,059                                           | -                                                 | -                                   | 276,059                                          | -                          | -                                     | 276,059                   |
| Total comprehensive income for the period                                              | 18   | -                          | 3,294,435                      | -                                 | 246,250                        | 276,059                                           | 15,950,813                                        | -                                   | 19,767,557                                       | -                          | 5,713                                 | 19,773,270                |
| Transactions with owners in their capacity as owners:                                  |      |                            |                                |                                   |                                |                                                   |                                                   |                                     |                                                  |                            |                                       |                           |
| Dividend                                                                               |      | -                          | (536,637)                      | -                                 | -                              | -                                                 | -                                                 | -                                   | (536,637)                                        | -                          | -                                     | (536,637)                 |
| At 31 December 2023                                                                    |      | 200,000                    | 5,276,086                      | 4,409,509                         | 232,123                        | 276,546                                           | 18,128,451                                        | -                                   | 28,522,715                                       | -                          | 7,322                                 | 28,530,037                |

\* Prior year adjustment relates to the accumulated undistributable earnings from NNPC Foundation which was previously not consolidated

\*\* This relates to the appropriation of accumulated undistributable earnings from NNPC Foundation to other reserves

The notes on pages 17 – 119 form an integral part of these financial statements.



## Consolidated and Separate Statements of Changes in Equity

### The Company

|                                                                                         | Notes | Share capital<br>₦ million | Retained<br>earnings<br>₦ million | Capital<br>Contribution<br>₦ million | Actuarial instruments at<br>reserve FVOCI reserves<br>₦ million | Equity<br>currency<br>translation<br>reserve<br>₦ million | Total<br>₦ million |
|-----------------------------------------------------------------------------------------|-------|----------------------------|-----------------------------------|--------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------|--------------------|
| <b>At 1 January 2024</b>                                                                |       | 200,000                    | 3,676,295                         | 4,409,509                            | 206,782                                                         | 276,224                                                   | 19,621,438         |
| Profit for the year                                                                     |       | -                          | 5,923,603                         | -                                    | -                                                               | -                                                         | 5,923,603          |
| <b>Other comprehensive income</b>                                                       |       |                            |                                   |                                      |                                                                 |                                                           |                    |
| Exchange difference on translation of foreign operations                                |       | -                          | -                                 | -                                    | -                                                               | 13,534,364                                                | 13,534,364         |
| Share of exchange differences on translation of joint ventures - net of tax             |       | -                          | -                                 | -                                    | -                                                               | -                                                         | -                  |
| Re-measurement gains on employee benefit obligation                                     |       | -                          | -                                 | -                                    | (278,576)                                                       | -                                                         | (278,576)          |
| Changes in equity instruments at fair value through other comprehensive income (FVTOCI) | 18    | -                          | -                                 | -                                    | -                                                               | (455,084)                                                 | (455,084)          |
| <b>Total comprehensive income for the period</b>                                        | 18    | -                          | <b>5,923,603</b>                  | -                                    | <b>(278,576)</b>                                                | <b>(455,084)</b>                                          | <b>18,724,307</b>  |
| Transfer of OML 24                                                                      | 51    |                            | (163,529)                         |                                      |                                                                 |                                                           |                    |
| <b>Transactions with owners in their capacity as owners:</b>                            |       |                            |                                   |                                      |                                                                 |                                                           |                    |
| Dividends                                                                               |       | -                          | (2,552,202)                       | -                                    | -                                                               | -                                                         | (2,552,202)        |
| <b>At 31 December 2024</b>                                                              |       | <b>200,000</b>             | <b>6,884,167</b>                  | <b>4,409,509</b>                     | <b>(71,794)</b>                                                 | <b>(178,860)</b>                                          | <b>35,630,014</b>  |
| <b>At 1 January 2023</b>                                                                |       | 200,000                    | 1,992,939                         | 4,409,509                            | 33,717                                                          | 165                                                       | 8,378,661          |
| Profit for the year                                                                     |       | -                          | 2,219,993                         | -                                    | -                                                               | -                                                         | 2,219,993          |
| <b>Other comprehensive income</b>                                                       |       |                            |                                   |                                      |                                                                 |                                                           |                    |
| Exchange difference on translation of foreign operations                                |       | -                          | -                                 | -                                    | -                                                               | 9,110,297                                                 | 9,110,297          |
| Share of exchange differences on translation of joint ventures - net of tax             |       | -                          | -                                 | -                                    | -                                                               | -                                                         | -                  |
| Re-measurement gains on employee benefit obligation                                     |       | -                          | -                                 | -                                    | 173,065                                                         | -                                                         | 173,065            |
| Changes in equity instruments at fair value through other comprehensive income (FVTOCI) | 18    | -                          | -                                 | -                                    | -                                                               | 276,059                                                   | 276,059            |
| <b>Total comprehensive income for the period</b>                                        |       | -                          | <b>2,219,993</b>                  | -                                    | <b>173,065</b>                                                  | <b>276,059</b>                                            | <b>11,779,414</b>  |
| <b>Transactions with owners in their capacity as owners:</b>                            |       |                            |                                   |                                      |                                                                 |                                                           |                    |
| Dividend                                                                                |       | -                          | (536,637)                         | -                                    | -                                                               | -                                                         | (536,637)          |
| <b>At 31 December 2023</b>                                                              |       | <b>200,000</b>             | <b>3,676,295</b>                  | <b>4,409,509</b>                     | <b>206,782</b>                                                  | <b>276,224</b>                                            | <b>19,621,438</b>  |

The notes on pages 17 - 119 form an integral part of these financial statements



## Consolidated and Separate Statements of Cash Flows

|                                                              | Notes  | Group              |                    | Company            |                    |
|--------------------------------------------------------------|--------|--------------------|--------------------|--------------------|--------------------|
|                                                              |        | 2024<br>N million  | 2023<br>N million  | 2024<br>N million  | 2023<br>N million  |
| <b>Cash flows from operating activities</b>                  |        |                    |                    |                    |                    |
| Cash generated from operations                               | 44     | 16,960,282         | 11,454,380         | 9,252,572          | 5,999,696          |
| Movement in restricted cash                                  | 44.1d  | (197,322)          | (555,099)          | 247,382            | (571,878)          |
| Income tax paid                                              | 19.1.1 | (3,057,444)        | (497,265)          | (1,878,743)        | (11,556)           |
| Movement in alternative funding                              |        | 8,794              | 505,450            | 8,794              | 505,449            |
| Royalties paid                                               | 21     | (2,825,561)        | (669,096)          | (1,379,644)        | (417,998)          |
| Employee benefits paid                                       | 40.7   | (73,649)           | (152,654)          | (56,110)           | (105,340)          |
| <b>Net cash generated from operating activities</b>          |        | <b>10,815,099</b>  | <b>10,085,716</b>  | <b>6,194,251</b>   | <b>5,398,374</b>   |
| <b>Cash flows from investing activities</b>                  |        |                    |                    |                    |                    |
| Proceeds from sale of property, plant and equipment          | 20.4   | 1,109,984          | 230,938            | 87                 | 1,746              |
| Purchase of oil and gas properties                           | 44.1i  | (5,617,549)        | (1,671,882)        | (2,255,233)        | (1,411,273)        |
| Purchase of other property, plant and equipment              | 20     | (2,596,900)        | (2,533,073)        | (295,701)          | (79,279)           |
| Acquisition of intangible assets                             | 22     | (692,710)          | (371,038)          | (52,152)           | -                  |
| Acquisitions of financial assets at amortised costs          | 23.3   | -                  | -                  | (67,738)           | (66,887)           |
| Disposal of financial assets at amortised costs              | 23.3   | 17,736             | 19,985             | -                  | -                  |
| Disposal of investments in joint ventures and associates     |        | -                  | 5,391              | -                  | 8                  |
| Acquisition of investments in joint ventures and associates  | 6.4.2  | (6,990)            | (14,461)           | (6,990)            | (14,461)           |
| Disposal of investments in subsidiaries                      |        | -                  | -                  | -                  | (1,164,919)        |
| Interest received                                            | 16     | 175,340            | 115,555            | 91,039             | 41,501             |
| <b>Net cash used in investing activities</b>                 |        | <b>(7,611,089)</b> | <b>(4,218,585)</b> | <b>(2,586,688)</b> | <b>(2,693,564)</b> |
| <b>Cash flows from financing activities</b>                  |        |                    |                    |                    |                    |
| Principal element of lease payment                           | 47.2   | (122,486)          | (1,603)            | (11)               | (2,610)            |
| Dividend paid                                                |        | (243,500)          | (536,637)          | (243,500)          | (536,637)          |
| Interest paid on contract liabilities                        | 41     | (272,039)          | -                  | (253,135)          | -                  |
| Proceeds from borrowings                                     | 46     | -                  | -                  | 44,360             | 54,000             |
| <b>Net cash generated used in financing activities</b>       |        | <b>(638,025)</b>   | <b>(538,240)</b>   | <b>(452,286)</b>   | <b>(485,247)</b>   |
| Net increase in cash and cash equivalents                    |        | 2,565,985          | 5,328,891          | 3,155,277          | 2,219,563          |
| Net foreign exchange difference on cash and cash equivalents |        | 20,439             | 71,783             | 15,268             | 9,797              |
| Cash and cash equivalents as at 1 January                    |        | 7,720,186          | 2,319,511          | 3,174,965          | 945,604            |
| <b>Cash and cash equivalents at 31 December</b>              | 27.2   | <b>10,306,610</b>  | <b>7,720,186</b>   | <b>6,345,510</b>   | <b>3,174,965</b>   |





## Notes to the Consolidated and Separate Financial Statements

### 1 Corporate information

The Nigerian National Petroleum Company Limited (NNPC Limited) is Nigeria's national oil company incorporated on September 21, 2021 as a limited liability company under the Companies and Allied Matters Act (2020) with the passage of the Petroleum Industry Act (the "Act", the "PIA"). On 1 July 2022, the Company took over the assets and liabilities of Nigerian National Petroleum Corporation (NNPC) and all the interest of the Nigerian Government in the Joint Venture Assets, as provided by section 54 of the Act and started operations as a full-fledged limited liability company on the same date.

The PIA established NNPC Limited to carry out petroleum operations on a commercial basis which includes oil and gas exploration, production, refining, transportation and product marketing activities. The Act empowered NNPC Limited to assume the working interest of the Federation in all Joint Operating Agreements (JOAs). NNPC Limited also assumed the role of concessionaire of all production sharing contracts (PSCs), profit sharing contract and risk sharing contracts on behalf of the Federation.

The NNPC Towers in Abuja is the headquarters of NNPC Limited. Consisting of four identical towers, the complex is located on Herbert Macaulay Way, Central Business District, Abuja and is domiciled in Nigeria. NNPC Limited has an international office located in London, United Kingdom. The Group consists of NNPC Limited (the Parent Company) and several Subsidiaries/Business Units (BUs) - See note 4.

#### 1.1 Statement of compliance with IFRS

The consolidated financial statements of Nigerian National Petroleum Company Limited (NNPC Limited) and its subsidiaries (The Group) have been prepared in compliance with the Companies and Allied Matters Act (CAMA), the Financial Reporting Council of Nigeria Act, and the IFRS Accounting Standards, including International Accounting Standards (IAS) and interpretations issued by the IFRS Interpretations Committee (IFRSIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRSIC.

The financial statements comprise the consolidated and separate statements of profit or loss, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of financial position, the consolidated and separate statements of changes in equity, the consolidated and separate statement of cash flows and the notes to the financial statements.

The consolidated and separate financial statements are presented in Nigerian Naira and all values are rounded to the nearest million (₦'000,000) except when otherwise indicated.

#### 1.2 Basis of preparation

The financial statements have been prepared under the going concern assumption and historical cost convention except for the following items:

- Non-derivative financial instruments – initially at fair value and subsequently at amortised cost using effective interest rate.
- Inventory – lower of cost and net realisable value.
- Lease liabilities- measured at present value of future lease payments.
- Defined benefits plan assets - measured at fair value.
- Defined benefits liabilities - measured at projected unit credit method.
- Financial assets measured at fair value through other comprehensive income - measured at fair value.
- Decommissioning liabilities - measured at the present value of the expected future cash flows that will be required to perform the site reclamation.
- Non-current assets held for sale and discontinued operations - measured at fair value less cost to sell.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### 1.3 Going concern

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention. Nothing has come to the attention of the directors to indicate that NNPC Limited will not remain a going concern for at least twelve months from the date of these financial statements. At this time, no significant events after the reporting date that may have an impact on going concern have been noted.

#### 1.4 Basis of consolidation

##### i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.



The consolidated financial information comprises the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

## ii) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- a) Fair values of the assets transferred;
- b) Liabilities incurred to the former owners of the acquired business;
- c) Equity interests issued by the Group;
- d) Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- e) Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the: consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in 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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

## iii) Change in the ownership interest of subsidiary

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes 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.

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

The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.



InterGroup transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **iv) Disposal of subsidiary**

If the Group loses control over a subsidiary, it:

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

#### **v) Joint arrangements**

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interest in the joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. All other joint arrangements of the Group are joint operations. Joint operations are accounted for by recognising the operator's relevant share of assets, liabilities, revenues and expenses.

#### **vi) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting (see (vii) below) after initially being recognised at cost.

#### **vii) Equity method**

Under the equity method of accounting, the Group's investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of loss in an equity accounting investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other party.

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

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 3.2b.

#### **viii) Non-controlling interest**

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

#### **ix) Business Combinations Under Common Control.**

Business combinations involving entities under common control are outside the scope of IFRS 3 Business Combinations. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, where no specific IFRS standard applies, the Group has developed an accounting policy that reflects the economic substance of such transactions and is reliable and relevant to users of the financial statements.



The Group accounts for business combinations under common control using the predecessor accounting method. Under this method:

- The assets and liabilities of the combining entities are recognised at their existing carrying amounts from the consolidated financial statements of the ultimate parent (NNPC Limited).
- No goodwill is recognised.
- Any difference between the consideration transferred (if any) and the carrying value of net assets acquired is recognised directly in equity (i.e re-organisation reserve).
- Transaction costs are expensed as incurred.

The Group has a policy choice to present such combinations using either:

- Retrospective presentation method: The financial statements are presented as if the combination had occurred from the beginning of the earliest period presented, or from the date the combining entities were first under common control, whichever is later.
- Prospective presentation method: The results of the combining entities are included in the financial statements from the date the combination occurred. Comparative information is not restated.

The choice of presentation method is based on the specific facts and circumstances of each transaction and is applied consistently to similar transactions.

## 1.5 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates are included in Note 3.

## 2 Summary of material accounting policies

### 2.1 New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

#### **Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1**

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

#### **Lease Liability in Sale and Leaseback – Amendments to IFRS 16**

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

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

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### 2.2 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the company. These new standards and interpretations are set out below:

#### **Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)**

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.





## **Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

## **IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

## **IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that Grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit.
  - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
  - a. Management-defined performance measures;
  - b. A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - c. For the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)**

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.



IFRS S1 is mandatory for public interest entities from period beginning 1 January 2028.

## IFRS S2 Climate-related Disclosures (effective 1 January 2024)

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 is mandatory for public interest entities from period beginning 1 January 2028.

## 2.3 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

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

## 2.4 Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The 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 categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's valuation committee determines the policies and procedures for recurring fair value measurement, such as FVTOCI. 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.



## 2.5 Revenue recognition

The Group derives revenue from the sale of crude oil, gas and petroleum products such as Premium Motor Spirit (PMS), Dual Purpose Kerosene (DPK), Automotive Gasoline Oil (AGO) and naphtha, and provision of services such as seismic contracts, time based contracts, gas transmission tariffs, shipping, marine and engineering to its customers. The Group accounts for contracts within the scope of IFRS 15 'Revenue from contracts with customers' when a contract has been approved by both parties, each party's rights have been clearly identified, payment terms have been clearly identified, the contract has commercial substance and it is probable that the Group will collect the consideration it is entitled to for the transfer of crude oil or gas or petroleum products or services to the customer.

The Group recognises revenue when a customer obtains control of the goods which usually occurs when the title is passed, provided that risks and rewards of ownership are assumed by the customer and the customer obtains obligation to pay for the goods or services. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. If the consideration includes a variable component, the expected consideration is adjusted for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

### Definition of a customer

A customer is a party that has contracted with the Group to obtain crude oil, gas, petroleum products, or services that are an output of the Group's ordinary activities in exchange for consideration. A counter party would not be a customer if it has entered into a contract to share in the risk and benefits that result from the activity or process.

The Group has entered into collaborative arrangements with its joint venture (JV) partners to share in the cost of production of oil and gas as well as other related costs. Oil and gas produced are shared between the partners in the proportion of their participating interest in the joint venture. Joint venture partners do not meet the definition of a customer according to IFRS 15. Revenue or income from these arrangements is therefore recognized separately in other income.

### Contract enforceability and termination clauses

The Group recognises revenue for contracts that create enforceable rights and obligations to parties in the contract. IFRS 15 requires that for contracts to be enforceable, it must have been approved by the parties to the contract, rights must be explicitly stated, payment terms must have been defined, the contract must have commercial substance, and collectability must be highly probable. The Group does not recognise revenue for contracts that do not meet the revenue recognition criteria. In such cases, where consideration is received it recognises a contract liability and only recognises revenue when the contract is executed. For sale of crude oil, gas and petroleum products, and services rendered, a contract is enforceable at the inception of the contract.

### Identification of performance obligation

The Group assesses the goods or services promised in a contract with a customer and identifies each promise to deliver distinct goods or services. The Group typically has single performance obligations in its oil, gas and petroleum products sales contracts, which is to transfer crude oil or gas or petroleum products to customers. The performance obligation is satisfied upon the transfer of crude oil or gas or petroleum products and payment is generally due within 30 to 90 days for export and domestic sales respectively.

The Group recognises revenue from sale of crude and petroleum products, and services at the point when the performance obligation is satisfied. Natural gas revenue is recognised either at a point in or over time based on the contract.

### Transaction price

Transaction price is the amount allocated 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 components 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. Where variable considerations are subject to constraints, revenue not subject to a significant reversal in the future periods is recognised as the performance obligation is satisfied.

### Breakage

The Group currently operates its gas sales contract on a take or pay basis, with its customers. Under this arrangement, a customer undertakes to make payment for the take or pay quantity, whether it takes delivery or not. Where the customer does not exercise



all its contractual rights to receive gas, the Group recognises the estimated breakage amount as revenue in proportion to the pattern of exercised rights. However, where the occurrence of breakage cannot be reliably determined, the Group recognises the breakage as revenue to the extent that the probability of the customer exercising its remaining rights becomes remote.

### Contract modification and contract combination

Contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. The Group determines whether to account for the modification as a new contract or as part of the existing contract.

The Group recognises a modification as a separate contract if the scope is separately identifiable and the transaction price reflects the stand-alone selling price of the performance obligation. Otherwise, the Group recognises modification prospectively (when price does not reflect stand alone selling price) or using the cumulative catch up adjustment method (when scope is not distinct).

The Group combines two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if any of the following criteria are met:

- The contracts are negotiated as a package with a single commercial objective;
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

### Production imbalances

Oil, gas and liquid from Escravos Gas To Liquid (EGTL) plant lifted and sold by the Group, above or below the Group's participating interests in a joint arrangement, results in over-lifts and under-lifts respectively.

The Group recognizes revenue based on the actual amount of crude oil or gas lifted and sold during the period. Where there is an under-lift, if the over-lifter does not meet the definition of a customer and the settlement of the transaction is non-monetary, the under-lift is recognized as other income and a corresponding receivable is recognized. Where there is an over-lift, the Group recognizes the excess volume lifted in its cost of production and a corresponding liability is recognised. The Group measures under-lifts and over-lifts initially at the market price of oil or gas or liquid from EGTL plant at the date of lifting. Over-lifts and under-lifts are measured subsequently at the current market value, with the changes arising from remeasurements recognized in other income or other expense.

### Contract assets and liabilities

The Group recognises contract assets where right to consideration from crude oil and gas sales is conditioned on factors other than the passage of time. The Group recognises contract liabilities for consideration received for which a performance obligation has not been met.

## 2.6 Under recovery/Energy security expense

In line with Section 64(M) of the Petroleum Industry Act (PIA) 2021, the cost incurred by NNPC Limited (Group) as the energy supplier of last resort for energy security reasons, and all associated cost shall be on the account of the Federation. The government instructed that NNPC Limited cannot sell its Premium Motor Spirit (PMS) above a certain regulated price. However, the cost of importing this PMS is usually much higher than this regulated price. The under recovery is essentially the difference between the actual landing cost of the product and the regulated price. This balance is used to reduce the cost of sales of the Group. The corresponding entry is either used to reduce the liability due to the Federation or used as a receivable from the Federation.

Premium Motor Spirit (PMS) cost under recovery is recognised where there is reasonable assurance that it will be received and all attached conditions have been complied with. When it relates to an expense item, they are deducted in reporting the related expense in cost of sales.

## 2.7 Taxation

The Company and subsidiaries are subjected to the payment of taxes.

### Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management





periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Taxation on crude oil activities is provided in accordance with the Petroleum Profits Tax Act (PPTA) CAP. P13 Vol. 13 LFN 2004 while gas and other operations are taxed in accordance with the Companies Income Tax Act (CITA) CAP. C21 Vol. 3 LFN 2004. This is also in accordance with the provisions of the PIA (2021), for companies that choose to migrate to the new fiscal terms, in addition to the provisions of PPTA and CIT, for companies that choose to remain under the old fiscal regime until the expiration of their license. Education tax is assessed at 3 per cent of the assessable profits.

### Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Uncertainty over income tax treatments

The Group examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately or together as a Group, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Group concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

The Group measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Group uses the most likely method where there are two possible outcomes, and the expected value method when there are a range of possible outcomes.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

### Royalties, resource rent tax and revenue based taxes

In addition to corporate income taxes some of the Group's subsidiaries also recognise taxes on income, other types of taxes on net income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based



on taxable income rather than based on quantity produced or as a percentage of revenue after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of income tax.

Obligations arising from royalty arrangements and other types of taxes, that do not satisfy these criteria, are recognised as current provisions and included in cost of sales.

### Minimum tax

The Group has applied the provisions of the Companies Income Tax Act, as amended by the Finance Act, that mandates a minimum tax assessment, where a taxpayer does not have taxable profit which would generate an eventual tax liability when assessed to tax.

Minimum tax is determined at a base rate of 0.5% of the qualifying Group's gross turnover less franked investment income.

The Finance Act defines gross turnover as the gross inflow of economic benefits (cash, revenues, receivables and other assets) arising from the operating activities of a Group, including sales of goods, supply of services, receipt of interest, rents, royalties or dividends.

## 2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangible assets, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the profit or loss in the period in which the expenditure is incurred.

Following initial recognition, intangible assets with definite lives are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category that is consistent with the function of the intangible assets.

### 2.8.1 Goodwill

Goodwill is measured as described in note 1.4 (ii). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

### 2.8.2 Mineral acquisition rights

Intangible assets relating to mineral acquisition rights with finite lives are carried at cost, less accumulated amortisation and accumulated impairment losses. Such rights, except for oil and gas mining rights are amortised on a straight line basis over the exploration period and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Intangible asset regarding the crude oil and gas mining rights is amortised upon discovery of commercial quantity of crude oil and gas on a unit-of-production basis over the total proved reserves of the relevant assets.

The average remaining amortisation period for the mineral rights is between 1 year - 19 years.

### 2.8.3 Research and development

Research costs are charged as expense to profit or loss as incurred.  
Development expenses are capitalised when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its ability to use or sell the intangible asset.



The technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset:

- The ability of the asset to generate probable future economic benefits;
- The ability to measure reliably the expenditures attributable to the asset; and
- The feasibility and intention of the Group to complete the intangible asset and use or sell it,

Advertising, training and start-up costs are charged as expense to profit or loss as when incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

## 2.9 *Oil and natural gas exploration and evaluation, appraisal and development expenditure*

The Group applies IFRS 6 'Exploration for and Evaluation of Mineral Resources' for exploration and evaluation costs. Oil and natural gas properties and expenditures; and Exploration and Evaluation assets are accounted for in accordance with the successful effort method of accounting (SEM).

### **Pre-license costs**

Pre-license costs are expensed in the period in which they are incurred.

### **Exploration license cost**

Exploration license costs are capitalised within Intangible asset. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised on a straight-line basis over the life. The mineral rights has a useful life of 10- 60 years, after which it is subject to renewal on its expiration.

License costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made to establish development plans and timing. If no future activity is planned or the license has been relinquished or has expired, the carrying value of the license is written off through profit or loss. The exploration license costs are initially recognised as cost and subsequently amortised on a straight line based on the economic life. They are subsequently carried at cost less accumulated amortisation and impairment losses.

### **Exploration and evaluation costs**

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets within intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors. Geological and geophysical costs are recognized in profit or loss as incurred. If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs will continue to be carried as intangible asset while sufficient or continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as exploration and evaluation assets within intangible asset. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss. When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and natural gas properties. No amortization is charged during the exploration and evaluation phase. For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the fair value of the asset received or if not available at the carrying value of the assets given up.

### **Development expenditures**

Expenditure on construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells are capitalised within "assets in progress" in oil and natural gas properties. When development is completed on a specific field, the capitalised amount is transferred to its appropriate class. No depletion or amortisation is charged during the development stage.

### **Farmouts in the exploration and evaluation phase**

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs



previously capitalised in relation to the proportion of assets farmed out with any excess accounted for by the farmor as a gain on disposal.

The consideration receivable on disposal of an intangible asset is recognized initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognized initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognized as interest income. Any part of the consideration that is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortized cost.

#### Farmouts —outside the exploration and evaluation phase

In accounting for a farmout arrangement, the Group:

- Derecognises the proportion of the asset that it has sold to the farmee;
- Recognises the consideration received or receivable from the farmee, which represents the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmor;
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is only recognised when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets;
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

### 2.10 *Property, plant and equipment (including oil and natural gas properties) Initial recognition*

An item of property, plant and equipment, including oil and natural gas properties is recognized as an asset 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.

Oil and natural gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, excluding land. Land and assets under construction are not depreciated but are stated at cost less accumulated impairment losses, where applicable. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciation is calculated using the straight-line method of calculation i.e. the cost of the assets less its residual value, if applicable, over the number of useful lives (in years), as follows:

| Asset Category                    | Asset                                    | Useful lives                   |
|-----------------------------------|------------------------------------------|--------------------------------|
| Oil and Natural Gas Assets        | Pipeline/storage depot system            | 10 – 50 years                  |
|                                   | Decommissioning cost                     | Over the total proved reserves |
|                                   | Oil wells                                | Unit of production             |
|                                   | Refineries                               | 10 – 70 years                  |
|                                   | Petrochemical plants                     | 10 – 70 years                  |
|                                   | Modified Carry Arrangements (MCA) Assets | 10 – 70 years                  |
|                                   | Escravos Gas to Liquid                   | 10 – 70 years                  |
| Other Property, Plant & Equipment | NNPC Telecom Network Stations            | 20 – 30 years                  |
|                                   | Freehold land                            | Not depreciated                |
|                                   | Buildings                                | 20 – 50 years                  |
|                                   | Automotive equipment                     | 4 – 6 years                    |
|                                   | Movable equipment                        | 5 – 10 years                   |
|                                   | Furniture and Office Equipment           | 4 – 6 years                    |
|                                   | Personnel facilities                     | 6 – 10 years                   |
|                                   | Laboratory apparatus and equipment       | 5 – 7 years                    |
|                                   | Electrical plant and transmission        | 10 – 20 years                  |
|                                   | Loose tools                              | Value of usage                 |
| Right-of-use Assets               | Buildings                                | 4 years                        |

The cost of assets built by the Group includes the cost of material and direct labor as well as any other costs directly attributable to bringing the asset to a working condition as intended by management. All disbursements related to the construction or purchase of property, plant and equipment in the stage prior to implementation are considered construction assets in progress which is presented within property, plant and equipment. Once the assets are available for use, they start to be depreciated or amortized.

Construction assets in progress and freehold land are stated at cost. However, these class of assets are not depreciated.





## Development and production asset swaps

Exchanges of development and production assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the amount given up. A gain or loss is recognised on the difference between the carrying amount of the asset given up and the fair value of the asset received in the profit or loss.

## Major maintenance and repairs (Turn-around Cost)

Expenditure on major maintenance refits or repairs comprises the cost of replacement of assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programs are capitalized and amortized over the period to the next inspection. Routine maintenance and repairs are charged to expense as incurred. The costs of major turn-around of refineries and large petrochemical units are capitalized as incurred and depreciated over the period of time between two consecutive major turnarounds. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred.

## Annual review of depreciation method, residual values and useful lives

Depreciation method, residual values and useful lives of each item of property, plant and equipment are reviewed and, adjusted if appropriate, at least, on an annual basis. The changes, if necessary, in the depreciation method, residual values and useful lives are accounted for prospectively. The carrying amount of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

## Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Upon disposal or retirement of property, plant and equipment, the cost and related accumulated depreciation are removed from the financial statements and any resulting gain or loss is recognised arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognized.

## 2.11 Inventories

The Group's inventory is defined as assets held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. The Group's inventories primarily consist of crude oil, petroleum products and chemicals, oil and natural gas supplies as well as spare parts (items for repairs and maintenance of oil and natural gas properties consumable within one accounting period). Inventories are stated at the lower of cost and net realisable value. Costs of materials and supplies represent purchase or production cost of goods and are determined on a Weighted Average Cost basis (WAC) for material stocks. Crude oil, natural gas and petroleum products are carried at the lower of net realisable value and cost determined using the invoice value and all other directly attributable costs to bringing the inventory to the point of use determined on a weighted average basis.

Inventory relating to intermediate products are valued at actual cost plus conversion costs or net realisable value whichever is lower. Costs include directly attributable costs incurred in bringing inventories to the present location and condition for intended use by management. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Where the time value of money is material, these future prices and costs to complete are discounted. Net realizable value is determined by reference to prices existing at the reporting date.

### 2.11.1 Pipeline fill

Crude oil which is necessary to bring a pipeline into working order is treated as a part of the related pipeline on the basis that it is not held for sale or consumed in a production process, but is necessary for the operation of a facility during more than one operating cycle. Also, its cost cannot be recouped through sale (or is significantly impaired). This applies even if the part of inventory that is deemed to be an item of Property, Plant and Equipment (PP&E) cannot be separated physically from the rest of inventory. It is valued at cost and is depreciated over the useful life of related asset.



## 2.12 Leases

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 a right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

### Group as a lessee

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

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

At commencement or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

The Group presents right-of-use assets and lease liabilities as a separate line in the statement of financial position. The Group also splits the lease liability into current and non-current portion while the right-of-use is presented as a non-current asset in the statement of financial position.

Right-of-use assets are generally depreciated over the shorter of asset's useful life and 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

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Short-term leases are leases with duration of 12 months or less while low value leases are leases that have an asset value of N2.2 million or less. The Group recognizes the lease payments associated with these leases as an income (Group as a Lessor) or expense (Group as a Lessee) on a straight-line basis over the lease term.

## 2.13 Foreign currency translation

The Group's consolidated financial statements are presented in Naira while the Company's functional currency is the US Dollars (US\$).

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of



monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item in which case the translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively.

### **Translation of financial statements denominated in foreign currencies**

Assets and liabilities of foreign entities are translated into Naira (the presentation currency) on the basis of the exchange rates at the reporting date. The profit or loss items are translated using the average exchange rates for the period. Assets and liabilities are translated using the closing rates while equity items are translated using historical rates.

Foreign exchange differences resulting from such translations are recorded in other comprehensive income as component of either shareholder's equity under "Foreign currency translation reserve" (for the Group share) or under "Non-controlling interests" (for the share of non-controlling interests) as appropriate.

## **2.14 Non-current assets held for distribution to equity holders of the parent and discontinued operations**

The Group classifies non-current assets and disposal Groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal Groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal Group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- Is a subsidiary acquired exclusively with a view to resell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

All the notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

### **2.14.1 Non-current assets (or disposal Groups) held for sale and discontinued operations**

Non-current assets (or disposal Groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal Group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal Group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal Group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal Group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal Group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal Group classified as held for sale are presented separately from other liabilities in the balance sheet.



A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

## 2.15 *Impairment of non-financial assets (excluding goodwill and indefinite life intangible assets)*

The Group assesses assets or Groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of the asset's recoverable amount. Individual assets are Grouped for impairment assessment purposes at the lowest level Cash Generating Unit (CGU) at which there are identifiable cash flows that are largely independent of the cash flows of other Groups of assets. An asset Group's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset Group exceeds its recoverable amount, the asset Group 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. The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are approved by management and generally covers a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets or CGUs excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset or CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and is recognized through other comprehensive income.

### **Goodwill and Intangible assets with indefinite useful lives**

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (CGU) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Goodwill is allocated to the CGU for the purpose of impairment testing. The allocation is made to those CGUs or Groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

## 2.16 *Employee Benefits*

### **2.16.1 Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

### **2.16.2 Post-employment benefits**

In accordance with the laws and practices of Nigeria, the Group participates in employee benefit plans offering retirement, death and disability, healthcare and special termination benefits. These plans provide benefits based on various factors such as length of service, salaries, and contributions made to the Closed Pension Administrator (NNPC Pensions Limited) responsible for the management of the funds on behalf of the employees.

These plans are both defined contribution plan (pensions) and defined benefit plans and are entirely or partially funded with investments made in various non-Group instruments.

### **Defined contributions: Pensions**

The Group operates a defined contributory scheme with various Pension Fund Administrators. This is in compliance with the provision of the Pension Reform Act, 2014 whereby employer and employees contribute 10% and 8% respectively based on each of the employees' eligible allowances. Staff contributions to the scheme are funded through payroll deductions, while the Group's





contribution is charged to the profit or loss. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Defined benefit: Pension & Gratuity

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund (NNPC Pension Fund Limited). The benefit is funded by both the employer and the employees at 15% and 8% respectively. The cost of providing benefits under the defined benefit plan is determined for the plan using the projected unit credit method. Remeasurement gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such Remeasurement gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using the discount rate based on market yields on Government bonds. The Group has adopted FGN Bonds since Nigeria does not have a deep market in Corporate bonds although State Bonds exist with (broadly) higher yields), less past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of the plan assets are based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

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

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation and the fair value of the plan assets.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in general and administrative expenses:

- Service costs comprises current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest cost

### 2.16.3 Other post-employment benefits

The net obligation for other retirement benefits, other than the pension plan, contractually defined, is the amount of future benefits that employees have earned for their services during the current and prior periods. These benefits include retirement medical plan benefits for eligible employees at retirement. The obligation is calculated using the projected unit credit method, and is discounted to reflect its present value and is reduced by the fair value of related assets, if any. The discount rate reflects the yield which, at the date of the financial statements, is referenced to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on government bonds) and having maturities similar to those of the obligations. Cost of past services and re-measurement gains or losses are recorded using the same methodology as used for the defined benefit plan.

### 2.16.4 Other long term employee benefits

The net obligation for other long term employment benefits, long service awards, is the present value of the amount of future benefits that employees have earned for their services during the current and prior periods at the end of the reporting period. The employee qualifies for the long service award after he/she might have spent 10 years of continuous service in the Group. The obligation is calculated using the projected unit credit method, and is discounted to reflect its present value and is reduced by the fair value of related assets, if any. The discount rate reflects the yield which, at the date of the financial statements, is referenced to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on government bonds) and having maturities similar to those of the obligations. Cost of past services, current services and remeasurement gains or losses are recognised immediately in the profit or loss.

## 2.17 Provisions, Contingent Liabilities and Contingent Assets

### Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

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



recognised as part of finance costs in profit or loss. Provisions are split between amounts expected to be settled within 12 months of the reporting period (current) and amounts expected to be settled later (non-current).

### **Contingent liabilities and asset**

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Where 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 any provision is presented in profit or loss net of any reimbursement.

### **Asset retirement obligations (Decommissioning liability)**

Decommissioning liability is recognised when the Group has a present legal or constructive obligation as a result of the past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related oil and natural gas assets or property, plant and equipment as appropriate. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and natural gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold. Changes in the estimated timing of decommissioning or changes in the estimated dismantlement, removal and restoration costs are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to the related oil and natural gas assets or property, plant and equipment.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the estimate for the revised value of oil and natural gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

The amount recognised is the estimated cost of dismantlement, removal and restoration, discounted to its present value using a current pre-tax rate that reflects the risks specific to the liability.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

### **Environmental expenditures and liabilities**

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future earnings are expensed. Liabilities for environmental costs are recognised when a clean-up is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required. If the time value of money is material, the amount recognised is the present value of the estimated future expenditure. Where the liability will not be settled for a number of years, the amount recognized is the present value of the estimated future expenditure. Subsequent adjustments to estimates, to the extent required, may be made as more refined information becomes available.

### **Site restoration costs**

The activities of the Group give rise to dismantling, decommissioning and site restoration activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category unless it arises from the normal course of production activities in which case it is recognised in profit or loss.

Provisions are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the balance sheet date. Subsequent to the initial measurement, the obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The increase in provision due to passage of time is recognised as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the site restoration obligation are charged against the provision to the extent that the provision was established.



## 2.18 Financial instruments

### Financial assets

#### a) Classification and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortised cost, Fair Value Through Profit or Loss (FVTPL) and Fair Value Through Other Comprehensive Income (FVOCI). The Group determines the classification of its financial assets at initial recognition.

The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

### Subsequent measurement

#### Subsequent measurement: debt financial instruments

The subsequent measurement of financial assets depends on their classification. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- Financial asset at amortised cost
- Financial asset at fair value through OCI.
- Financial assets at fair value through profit or loss.

#### Financial asset at amortised cost

The Group measures financial assets at amortised cost if the asset is held within a business model with the objective of collecting 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 (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses together with foreign exchange gains and losses are recognised in profit or loss when the asset is derecognised and impaired.

The Group's financial assets at amortised costs includes trade and other receivables, interGroup receivables, staff loans and Cash and short-term deposits.

#### Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are required for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

As at the reporting date, the Group had no debt financial assets measured at fair value through profit or loss.

#### Subsequent measurement: equity instrument

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.



The Group elected to classify irrevocably its non-listed equity investments under this category.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## **b) Impairment of financial assets**

The Group recognizes an allowance for Expected Credit Losses ('ECL') for all its debts financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due from the assets and all cash flows that the Group expects to receive, discounted at the effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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 general approach is applied to inter-Group receivables, other receivables and cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. 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.

## **c) Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## **Financial liabilities**

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

Financial liabilities are classified as financial liabilities at fair value through profit or loss; or as financial liabilities measured at amortised cost, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

### **o Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at either amortised cost or at fair value through profit or loss.

### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognized. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation interest is included as finance costs in profit or loss.

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

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

Financial liabilities are classified as held for trading if they are incurred for repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

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





## a) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## b) **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The offset is not contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

### **Write off policy**

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due. Impairment losses on trade receivables are presented as net impairment losses on the face of the income statement. Subsequent recoveries of amounts previously written off are credited against same line item.

### **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.19 Interests in joint arrangements**

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

### **2.19.1 Interests in joint operations**

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

### **2.19.2 Investment in joint ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the statement of profit or loss and other comprehensive income as part of operating profit and represents profit or loss after tax and NCI in the subsidiaries of joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income.

On loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

In the separate financial statements of the Company, investments in joint ventures are treated the same as the Group as disclosed above.



## 2.20 Insurance contracts- classification

Wheel Insurance (a subsidiary of NNPC Limited) issues contracts of (re)insurance under which one party (the (re)insurer) accepts significant (re)insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the (re)insured event) adversely affects the policyholder. As a general guideline, the Group defines significant (re)insurance risk as the possibility of having to pay claims to the policyholder in excess of the premiums received for assuming this risk if the (re)insured event occurs.

## 2.21 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss/profit as 'Share of profit/loss of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the separate financial statements of the Company, investments in associates are treated the same as the Group as disclosed above.

## 2.22 Royalty

Royalties payable are calculated as a percentage of fiscal oil price for each year as against 'realisable price' indicated in the AFS. The exact royalty rate depends on factors like the production threshold, prevailing price, terrain and type of field, and it can be adjusted according to the global price of crude oil.

## 2.23 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## 2.24 Commercial arrangements

The Group is in the business of prospecting, exploration and production of crude oil and gas through various wholly owned assets, joint venture arrangements and production sharing contracts with other companies in the industry. All the concessions are within Nigeria. In the Production Sharing Contracts (PSC) and Joint Venture arrangements (JV), the parties fund the exploration, development and production costs. In the PSC arrangement, the contactors are reimbursed in the event of successful exploration by the allocation of crude oil and gas produced from the fields under certain terms and the Group is entitled to 30% Management fee of the profits accruing from the operations. The Group realises its revenue from the sale of the crude oil and gas from wholly owned assets and equity share from JVs operations.

The Group has the following commercial arrangements as of 31 December 2024.



| Terrain           | Concession     | Group Interest (%) | Operating Party      | Partners                                       | Contract type                  |
|-------------------|----------------|--------------------|----------------------|------------------------------------------------|--------------------------------|
| Deep water        | OML 139        | 10                 | ESSO E&P<br>NIG. LTD | ESSO, TEPNG,<br>Chevron, Nexen, NEPL           | Production Sharing Contract    |
|                   | OML 154        | 10                 | ESSO E&P<br>NIG. LTD | ESSO, TEPNG,<br>Chevron, Nexen, NEPL           | Production Sharing Contract    |
|                   | OPL 223        | 10                 | Mobil                | NEPL and Mobil                                 | Production Sharing Contract    |
|                   | OPL 325        | 20                 | Ashbert<br>NNPC      | NEPL and Ashbert                               | Production Sharing Contract    |
| Continental Shelf | OML 119        | 100                | NEPL                 | Not Applicable                                 | Not Applicable                 |
|                   | OMLs 60 - 63   | 60                 | Oando                | NEPL and Oando                                 | Joint Venture Contract         |
|                   | OML 111        | 100                | NEPL                 | Not Applicable                                 | Not Applicable                 |
|                   | OMLs 111/148   | 11                 | ENAGEED              | ENAGEED and<br>NEPL                            | Joint Venture Contract         |
| Land              | OML 65         | 100                | NEPL                 | Not Applicable                                 | Not Applicable                 |
|                   | OML 26         | 55                 | NEPL                 | NEPL and FHN                                   | Joint Venture Contract         |
|                   | OMLs 28/30     | 8.08               | NEPL                 | NEPL/Shoreline JV and<br>SPDC/NNPC/Total/ NAOB | Joint Venture Contract         |
|                   | OML 30         | 55                 | NEPL                 | NEPL, Shoreline                                | Joint Venture Contract         |
|                   | OML 34         | 55                 | NEPL                 | NEPL and ND<br>Western                         | Joint Venture Contract         |
|                   | OML 64         | 100                | NEPL                 | Not Applicable                                 | Sole Risk                      |
|                   | OML 66         | 55                 | NEPL                 | Not Applicable                                 | Sole Risk                      |
|                   | OML 4          | 55                 | SEPLAT               | NEPL and Seplat                                | Joint Venture Contract         |
|                   | OML 11         | 55                 | NEPL                 | NEPL and WAGL                                  | Sole Risk                      |
|                   | OML 13         | 100                | NEPL                 | Not Applicable                                 | Sole Risk                      |
|                   | OML 20         | 55                 | Shell                | NNPC, Shell, Total, NAOB                       | Joint Venture Contract         |
|                   | PMLs 55-57     | 55                 | Newcross             | NNPC Limited and<br>Newcross                   | Joint Venture Contract         |
|                   | OML 98         | 100                | NEPL                 | Not Applicable                                 | Sole Risk                      |
|                   | OPL 809        | 100                | NEPL and NNDC        | Not Applicable                                 | Not Applicable                 |
|                   | OPL 810        | 100                | NEPL and NNDC        | Not Applicable                                 | Not Applicable                 |
|                   | OML124         | 0                  | APL                  | Not Applicable                                 | Production Sharing<br>Contract |
| Swamp             | OML 38         | 55                 | SEPLAT               | NEPL and Seplat                                | Joint Venture Contract         |
|                   | OMLs 38/49     | 13.98              | CNL                  | NEPL, Chevron, NNPC,<br>Seplat                 | Joint Venture Contract         |
|                   | OMLs 49/51     | Nil                | NEPL                 | NNPC and<br>Chevron                            | Service Contract               |
|                   | OML 41         | 55                 | SEPLAT               | NEPL and Seplat                                | Joint Venture Contract         |
|                   | OML 40         | 55                 | NEPL / Elcrest       | NEPL and Elcrest                               | Joint Venture Contract         |
|                   | OML 42         | 55                 | NEPL                 | NEPL and<br>Neconde                            | Joint Venture Contract         |
|                   | PML's 25-35    | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PPL's 264 -265 | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PPL 263        | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PML's 47 – 49  | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PML 50         | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PML's 39 -43   | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | PPL 262        | 60                 | CNL                  | NNPC and CNL                                   | Joint Venture Contract         |
|                   | OML 99         | 60                 | TEPNG                | NNPC and TEPNG                                 | Joint Venture Contract         |
|                   | OML 100        | 60                 | TEPNG                | NNPC and TEPNG                                 | Joint Venture Contract         |
|                   | OML 102        | 60                 | TEPNG                | NNPC and TEPNG                                 | Joint Venture Contract         |
|                   | OML 58         | 60                 | TEPNG                | NNPC and TEPNG                                 | Joint Venture Contract         |
|                   | PML 53         | 60                 | FEPL                 | NNPC and FEPL                                  | Joint Venture Contract         |
|                   | PML 54         | 60                 | FEPL                 | NNPC and FEPL                                  | Joint Venture Contract         |
|                   | PML 275 – 277  | 60                 | FEPL                 | NNPC and FEPL                                  | Joint Venture Contract         |
|                   | OML 71         | 55                 | WAEP                 | NNPC and WAEP                                  | Joint Venture Contract         |
|                   | OML 72         | 55                 | WAEP                 | NNPC and WAEP                                  | Joint Venture Contract         |
|                   | OML 104        | 60                 | SEPLAT               | NNPC and SEPLAT                                | Joint Venture Contract         |
|                   | OML 67         | 60                 | SEPLAT               | NNPC and SEPLAT                                | Joint Venture Contract         |
|                   | OML 68         | 60                 | SEPLAT               | NNPC and SEPLAT                                | Joint Venture Contract         |
|                   | OML 70         | 60                 | SEPLAT               | NNPC and SEPLAT                                | Joint Venture Contract         |
|                   | OML 17         | 55                 | HEL                  | NNPC, HEL                                      | Joint Venture Contract         |
|                   | OML 20         | 55                 | NEPL                 | NNPC, SPDC 30%<br>TEPNG 10%<br>NAOB 5%         | Joint Venture Contract         |
|                   | OML 21         | 55                 | NEPL                 | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%            | Joint Venture Contract         |



|                           |            |     |                              |                                                              |                                |
|---------------------------|------------|-----|------------------------------|--------------------------------------------------------------|--------------------------------|
|                           | OML 22     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 27     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 28     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 38/49  | 45  | NEPL                         | NNPC 44.75%,<br>CNL 29.84%,<br>NEPL 13.98%,<br>SEPLAT 11.43% | Joint Venture Contract         |
|                           | OMLs 86/88 | 100 | NNPC Limited                 | NNPC LIMITED                                                 | Sole Risk                      |
|                           | OML 29     | 55  | AITEO                        | NNPC and AITEO                                               | Joint Venture Contract         |
|                           | OML 55     | 60  | BELEMA<br>PETROLEUM LIMITED  | NNPC and BELEMA                                              | Joint Venture Contract         |
|                           | OML 18     | 55  | NNPC OML EIGHTEEN<br>LIMITED | NNPC, EROTON 27%,<br>SAHARA FIELDS 16.2%,<br>BILTON 1.8%     | Joint Venture Contract         |
|                           | OML 23     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 25     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 32     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 33     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 35     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 36     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 43     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 45     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 46     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 31     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
| Onshore                   | OML 53     | 60  | SEPLAT                       | NNPC, SEPLAT                                                 | Joint Venture Contract         |
|                           | OML 74     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
| Offshore Shallow<br>Water | OML 77     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 79     | 55  | SPDC                         | NNPC, SPDC 30%,<br>ELF 10%, AGIP 5%                          | Joint Venture Contract         |
|                           | OML 52     | 60  | AMNI                         | NNPC and AMNI                                                | Joint Venture Contract         |
| Offshore                  | OML123     | 0   | APL                          | NIL                                                          | Production Sharing<br>Contract |
|                           | OML126     | 0   | APL                          | NIL                                                          | Production Sharing Contract    |
|                           | OML137     | 0   | APL                          | NIL                                                          | Production Sharing<br>Contract |

\* Following the successful completion of the Debt-to-Equity agreement between NEPL and the FTSA partners (OML 11 WAGL Limited) in OML 11. The Group equity had been diluted. OML 11 WAGL Limited now holds 45% equity in the asset.

Details of oil and gas concessions held by the Group as at 31 December 2024 are shown in the table below:

| Concession | Date of License Renewal | License life | Date of License expiry |
|------------|-------------------------|--------------|------------------------|
| OML 154    | 28 Jun 2018             | 20 years     | 27 Jun 2038            |
| OPL 223    | 30 May 2014             | 20 years     | 29 May 2034            |
| OPL 325    | 10 Nov 2015             | 10 years     | 10 Nov 2025            |
| OML 139    | 17 May 2007             | 20 years     | 16 May 2027            |
| OML 64     | 4 Mar 2019              | 20 years     | 3 Mar 2039             |
| OML 66     | 4 Mar 2019              | 20 years     | 3 Mar 2039             |
| OML 119    | 31 Oct 2020             | 20 years     | 31 Oct 2040            |
| OML 60     | 14 Jun 1997             | 30 years     | 13 Jun 2027            |
| OML 61     | 14 Jun 1997             | 30 years     | 13 Jun 2027            |
| OML 62     | 14 Jun 1997             | 30 years     | 13 Jun 2027            |





|                  |             |          |             |
|------------------|-------------|----------|-------------|
| OML 63           | 14 Jun 1997 | 30 years | 13 Jun 2027 |
| OML 111          | 4 Mar 2019  | 20 years | 3 Mar 2039  |
| OMLs 111/148     | 4 Mar 2019  | 20 years | 4 Mar 2039  |
| OML 65           | 4 Mar 2019  | 20 years | 3 Mar 2039  |
| OML 4            | 22 Oct 2018 | 20 years | 21 Oct 2038 |
| OML 11           | 1 Mar 2022  | 20 years | 28 Mar 2042 |
| OML 13           | 20 Dec 2016 | 20 years | 19 Dec 2036 |
| PML 55 (OML 24)  | 15 Feb 2023 | 16 years | 16 Oct 2039 |
| PML 56 (OML 24)  | 15 Feb 2023 | 16 years | 16 Oct 2039 |
| PML 57 (OML 24)  | 15 Feb 2023 | 16 years | 16 Oct 2039 |
| OML 98           | 1 Aug 2019  | 20 years | 31 Jul 2039 |
| OML 38           | 22 Oct 2018 | 20 years | 21 Oct 2038 |
| OMLs 38/49       | 19 Apr 2018 | 20 years | 19 Apr 2038 |
| OML 41           | 22 Oct 2018 | 20 years | 21 Oct 2038 |
| OML 26           | 19 Jun 2019 | 20 years | 18 Jun 2039 |
| OML 28/30        | 4 Mar 2019  | 20 years | 3 Mar 2039  |
| OML 42           | 22 Oct 2018 | 20 years | 21 Oct 2038 |
| PML 25 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 26 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 27 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 28 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 29 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 30 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 31 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 32 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 33 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 34 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| PML 35 (OML 49)  | 15 Feb 2023 | 4 years  | 13 Jun 2027 |
| OML 51           | 14 Jun 1997 | 30 years | 13 Jun 2027 |
| PPL 264 (OML 89) | 15 Feb 2023 | 3 years  | 14 Feb 2026 |
| PPL 265 (OML 89) | 15 Feb 2023 | 3 years  | 14 Feb 2026 |
| PPL 263 (OML 90) | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PML 47 (OML 90)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PML 48 (OML 90)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PML 49 (OML 90)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PML 50 (OML 91)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 262 (OML 95) | 15 Feb 2023 | 20 years | 14 Feb 2026 |
| PPL 39 (OML 95)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 40 (OML 95)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 41 (OML 95)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 42 (OML 95)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 43 (OML 95)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| OML 99           | 2 May 2013  | 20 years | 1 May 2033  |
| OML 100          | 2 May 2013  | 20 years | 1 May 2033  |
| OML 102          | 2 May 2013  | 20 years | 1 May 2033  |
| OML 58           | 14 Jun 2007 | 20 years | 13 Jun 2027 |
| PML 53 (OML 83)  | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| PPL 275 (OML 85) | 15 Feb 2023 | 3 years  | 14 Feb 2026 |
| PPL 276 (OML 85) | 15 Feb 2023 | 3 years  | 14 Feb 2026 |
| PPL 277 (OML 85) | 15 Feb 2023 | 3 years  | 14 Feb 2026 |



|                 |             |          |             |
|-----------------|-------------|----------|-------------|
| PML 54 (OML 85) | 15 Feb 2023 | 11 years | 17 Aug 2034 |
| OML 71          | 18 Dec 2014 | 20 years | 17 Dec 2034 |
| OML 72          | 18 Dec 2014 | 20 years | 17 Dec 2034 |
| OML 104         | 10 Jan 2019 | 20 years | 9 Jan 2039  |
| OML 67          | 11 Mar 2011 | 20 years | 10 Mar 2031 |
| OML 68          | 11 Mar 2011 | 20 years | 10 Mar 2031 |
| OML 70          | 11 Mar 2011 | 20 years | 10 Mar 2031 |
| OML 86          | 18 Aug 2014 | 20 years | 17 Aug 2034 |
| OML 88          | 18 Aug 2014 | 20 years | 17 Aug 2034 |
| OML 29          | 17 Oct 2018 | 20 years | 16 Oct 2038 |
| OML 52          | 14 Jun 1997 | 30 years | 13 Jun 2027 |
| OML 55          | 14 Jun 1997 | 30 years | 13 Jun 2027 |
| OML 18          | 22 Oct 2018 | 20 years | 21 Oct 2038 |
| OML 53          | 14 Jun 1997 | 30 years | 13 Jun 2027 |
| OML 20          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 21          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 22          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 23          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 25          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 27          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 28          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 31          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 32          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 33          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 35          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 36          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 43          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 45          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 46          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML 74          | 18 Dec 2018 | 16 years | 17 Dec 2034 |
| OML 77          | 18 Dec 2018 | 16 years | 17 Dec 2034 |
| OML 79          | 18 Dec 2018 | 16 years | 17 Dec 2034 |
| OML 17          | 18 Oct 2018 | 20 years | 17 Oct 2038 |
| OML123          | 9 Jul 2024  | 20 years | 8 Jul 2044  |
| OML124          | 9 Jul 2024  | 20 years | 8 Jul 2044  |
| OML126*         | 1 Nov 2004  | 20 years | 1 Nov 2024  |
| OML137          | 23 Apr 2007 | 20 years | 22 Apr 2027 |

\* Antan Producing Limited, an SPV Contractor had commenced the license renewal processing for OML 126 with initial prerequisite payment of N3,076,500,000 to NUPRC nil (2023).



### 3 Significant accounting judgement, 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 revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods prior to full liquidation.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described.

#### 3.1 Judgements

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

##### a) Joint arrangements

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.

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.
- Other facts and circumstances, considered on a case by case basis.

The Joint arrangement in relation to WAGL Energy Limited, Hyson, Carlson, Anoh Gas, Nikorma requires unanimous consent for all parties for all relevant activities. The Company has direct right to the net assets of the partnership. These entities are therefore classified as joint ventures and have been accounted for using the equity method of accounting.

##### Determination of joint venture- Hyson Nigeria Limited

Management have determined that they do not control Hyson Nigeria Limited even though the Company owns 60% of the issued capital of this entity. Hyson Nigeria Limited is a joint venture company between NNPC Limited and VITOL. None of the parties to this joint venture company has a unilateral control of the entity. Decisions about relevant activities require the unanimous approval of the two parties.

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee. During the financial year, there were no revised lease terms.



### 3.2 *Estimates*

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

#### **a) Review of useful life and residual value of property, plant and equipment**

The Group carries its property, plant and equipment at cost less accumulated depreciation/impairment in the Statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The economic life of an asset is determined based on existing wear and tear, economic and technical aging, legal or other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Group may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss. The carrying values of this amount is included in Note 20.

#### **b) Impairment of non-current assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Examples of non-current asset tested for impairment includes oil and gas properties.

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty, therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for oil and gas assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal. Using assumptions that an independent market participant may take into account, cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. Management has assessed its CGUs as being an individual field, which is the lowest level for which cash inflows are largely independent of those of other assets.

#### **c) Estimation of oil and gas reserves**

Oil and gas reserves are key elements in testing for impairment and computation of depreciation, depletion and amortisation. Changes in proved oil and gas reserves will affect the standardized measure of discounted cash flows for value in use computation and changes in proved oil and gas reserves, particularly proved developed reserves, will affect unit-of-production depletion charges to income.

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 judgment 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.

**d) Units of production depreciation of Oil and gas assets**

Oil and gas properties are depreciated using the units of production (UOP) method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/depletion/amortization charge proportional to the anticipated remaining production from the field. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes. Changes to proved reserves may arise due to changes in the factors or assumptions used in estimating reserves. The carrying values of these assets are included in Note 20.1.

**e) Decommissioning costs**

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required. The carrying values of these obligations are included in Note 38.

**f) Retirement benefit obligation**

The cost of defined benefit plans (pension, gratuity, medical and long service award) and the present value of the obligation are required to be determined annually using actuarial valuations. An actuarial valuation involves making various estimates and assumptions. These include the determination of the future returns on each different type of scheme asset, discount rate, future salary increases, employee attraction rates, mortality rates, expected remaining periods of service of employees and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the government rate on bonds with similar maturities corresponding to the expected duration of the defined benefit obligation for use. The mortality rate is based on publicly available mortality tables in the country and future salary increases and pension increases are based on expected future inflation rates obtainable in the country. The carrying values of this obligation is included in Note 40.

**g) 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. See Note 54.2 for more details.

**h) Taxes**

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

**i) Fair value measurement**

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using selected valuation techniques. The input to these models are taken from observed markets where possible, but where this is not feasible, a degree of judgement in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 54.4 for further disclosures.



## 4 Information about subsidiaries

4.1 The summarized balance held as investments in subsidiaries in the Company's book is presented as follows:

|                            | Note | Company           |                   |
|----------------------------|------|-------------------|-------------------|
|                            |      | 2024<br>₦ million | 2023<br>₦ million |
| Investment in subsidiaries | 4.2  | 6,646,568         | 2,538,523         |

4.2 The Company's interest in the subsidiaries as at December 2024 are listed and disaggregated below:

| Name of subsidiaries                                     | % Holdings | Country of incorporation  | Principal Business activity                                   | Functional currency | Investment Amount<br>₦ million |
|----------------------------------------------------------|------------|---------------------------|---------------------------------------------------------------|---------------------|--------------------------------|
| NNPC Retail Limited                                      | 100%       | Nigeria                   | Petroleum products retail                                     | NGN                 | 500,440                        |
| NNPC Trading Limited                                     | 100%       | Nigeria                   | Commodity trading                                             | NGN                 | 371                            |
| NNPC Trading Services (UK) Limited                       | 100%       | United Kingdom            | Logistics services                                            | GBP                 | -                              |
| NNPC Trading SA                                          | 100%       | Panama                    | Marketing of crude oil and petroleum products                 | USD                 | 11,552                         |
| NNPC E&P Limited                                         | 100%       | Nigeria                   | Exploration and production                                    | USD                 | 6,087                          |
| Kaduna Refining and Petrochemical Company Limited (KRPC) | 100%       | Nigeria                   | Refining of crude oil and manufacturing of petrochemicals     | NGN                 | 1,088,193                      |
| Warri Refining and Petrochemical Company Limited (WRPC)" | 100%       | Nigeria                   | Refining of crude oil and manufacturing of petrochemicals     | NGN                 | 683,326                        |
| NNPC Gas Infrastructure Company Limited                  | 100%       | Nigeria                   | Transmission and distribution of natural gas.                 | NGN                 | 2,339,262                      |
| Port-Harcourt Refining Company Limited (PHRC)            | 100%       | Nigeria                   | Refining of crude oil                                         | NGN                 | 1,143,483                      |
| NNPC Engineering and Technical Company Limited (NETCO)   | 100%       | Nigeria                   | Engineering, procurement, construction and technical services | NGN                 | 3,708                          |
| NNPC Energy Services Limited                             | 100%       | Nigeria                   | Geophysical and petroleum engineering services                | NGN                 | 19                             |
| The Wheel Insurance Company                              | 100%       | Guernsey, Channel Islands | Reinsurance                                                   | USD                 | 183,569                        |
| NNPC Gas Marketing Company Limited (NGML)                | 100%       | Nigeria                   | Marketing and sales of gas                                    | NGN                 | 346                            |
| Nigerian Pipelines and Storage Company Limited (NPSC)    | 100%       | Nigeria                   | Pipeline transportation and storage of petroleum products     | NGN                 | 677,704                        |
| NNPC Health Maintenance Organisation                     | 99%        | Nigeria                   | Health insurance                                              | NGN                 | 2,085                          |
| N-GAS Limited                                            | 62.35%     | Bermuda                   | Shipment and delivery of gas                                  | USD                 | 12                             |
| NNPC Shipping and Logistics Limited                      | 100%       | Nigeria                   | Shipping and marine transportation                            | USD                 | 4,615                          |
| NIDAS Shipping Services Limited                          | 88%        | Cyprus                    | Shipping and marine transportation                            | USD                 | 129                            |
| Maiduguri Emergency Power Plant                          | 100%       | Nigeria                   | Power generation                                              | NGN                 | 37                             |
| NNPC New Energy Ltd                                      | 100%       | Nigeria                   | Clean and renewable energy                                    | NGN                 | 35                             |
| Nigeria Liquefied Petroleum Gas Limited (NLPG)           | 100%       | Nigeria                   | Liquified petroleum gas sales                                 | USD                 | 371                            |
| NNPC LNG Limited                                         | 100%       | Cayman Island             | Liquified natural gas sales                                   | USD                 | -                              |
| Nidas Shipping Service Agency (UK) Limited               | 99%        | United Kingdom            | Provision of agency services                                  | GBP                 | -                              |
| NNPC Gas and Power Investment Company Limited            | 100%       | Nigeria                   | Gas and power investment                                      | NGN                 | 371                            |



| (NGPIC)                                              |      |                      |                                 |     |                  |
|------------------------------------------------------|------|----------------------|---------------------------------|-----|------------------|
| NNPC Trading DMCC                                    | 100% | United Arab Emirates | Commodity trading               | AED | -                |
| NNPC Properties Limited (NPL)                        | 100% | Nigeria              | Real estate and allied services | NGN | 371              |
| NNPC Medical Services Limited (NMSL)                 | 100% | Nigeria              | Health services                 | NGN | 37               |
| National Petroleum Telecommunication Limited (NAPET) | 100% | Nigeria              | Telecommunications services     | NGN | 367              |
| Antan Producing Limited                              | 100% | Nigeria              | Exploration and production      | USD | 35               |
| Kaduna IPP Limited                                   | 50%  | Nigeria              | Power generation                | NGN | 4                |
| Kano IPP Limited                                     | 50%  | Nigeria              | Power generation                | NGN | 4                |
| Gwagwalada Power Limited                             | 50%  | Nigeria              | Power generation                | NGN | 4                |
| NNPC Prime LNG Limited                               | 90%  | Nigeria              | Gas processing                  | NGN | -                |
| Pennington Producing Limited                         | 100% | Nigeria              | Exploration and production      | USD | -                |
| NNPC Foundation Ltd/GTE                              | 100% | Nigeria              | Charity organisation            | NGN | -                |
| NNPC Eighteen Operating Limited                      | 100% | Nigeria              | Exploration and production      | NGN | 34               |
|                                                      |      |                      |                                 |     | <b>6,646,568</b> |

The country of incorporation for all subsidiaries is same as the place of business operation.

The NNPC LIMITED Group combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries in the consolidated financial statements.

NNPC indirectly owns the remaining 50% in Kaduna IPP Limited, Kano IPP Limited, Gwagwalada Power Limited through NNPC Gas Marketing Company Limited.

## 5 Material Non-controlling interest

Financial information of the subsidiary that has material non-controlling interests is provided below before the intercompany transactions were eliminated:

| Names         | Country of incorporation and operation | Company   |           |
|---------------|----------------------------------------|-----------|-----------|
|               |                                        | 2024<br>% | 2023<br>% |
| N-GAS Limited | Bermuda                                | 37.65     | 37.65     |

| Summarized statement of profit or loss and other comprehensive income | Company           |                   |
|-----------------------------------------------------------------------|-------------------|-------------------|
|                                                                       | 2024<br>₦ million | 2023<br>₦ million |
| Revenue                                                               | 6,817             | 3,036             |
| Administrative expenses                                               | (2,563)           | (1,259)           |
| Finance income                                                        | 4,015             | 1,878             |
| Finance costs                                                         | (3,985)           | (933)             |
| Other income                                                          | 10,019            | 5,167             |
| <b>Profit for the period</b>                                          | <b>14,303</b>     | <b>7,889</b>      |
| Other comprehensive loss, net of tax                                  | -                 | -                 |
| <b>Total comprehensive profit</b>                                     | <b>14,303</b>     | <b>7,889</b>      |
| Equity holders of parent                                              | 8,918             | 4,920             |
| Non-controlling interest (37.65%)                                     | 5,385             | 2,969             |
|                                                                       | <b>14,303</b>     | <b>7,889</b>      |
| <i>Non-controlling interest (37.65%)</i>                              |                   |                   |
| Non-controlling interest portion of profit                            | 5,385             | 2,969             |
| Non-controlling interest portion of other comprehensive loss          | -                 | -                 |
|                                                                       | <b>5,385</b>      | <b>2,969</b>      |



|                                                   | Company           |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | 2024<br>₦ million | 2023<br>₦ million |
| <b>Summarized statement of financial position</b> |                   |                   |
| Trade and other receivables                       | 133,794           | 42,233            |
| Prepayments and other assets                      | 721               | 767               |
| Cash and bank balances                            | 38,518            | 34,269            |
| Restricted cash                                   | 44,102            | 26,275            |
| <b>Total assets</b>                               | <b>217,135</b>    | <b>103,545</b>    |
| Trade and other payables                          | 133,786           | 84,097            |
| Security account beneficiaries                    | 41,841            | -                 |
| <b>Total liabilities</b>                          | <b>175,627</b>    | <b>84,097</b>     |
| <b>Total equity</b>                               | <b>41,508</b>     | <b>19,448</b>     |
| Group's proportion of interest in NGAS            | 25,880            | 12,126            |
| Non-controlling interest                          | 15,628            | 7,322             |
| <b>Total equity</b>                               | <b>41,508</b>     | <b>19,448</b>     |

\* There was no transaction with NCI during the financial year.

|                                                    | Company           |                   |
|----------------------------------------------------|-------------------|-------------------|
|                                                    | 2024<br>₦ million | 2023<br>₦ million |
| <b>Summarized cash flow information</b>            |                   |                   |
| Operating                                          | (12,858)          | 27,573            |
| Financing *                                        | (6,738)           | (5,189)           |
| Exchange difference                                | 23,845            | 6,008             |
| Net increase in cash and cash equivalents          | 4,249             | 28,392            |
| Cash and cash equivalent sat beginning of the year | 34,269            | 5,877             |
| <b>Closing Cash and cash equivalents</b>           | <b>38,518</b>     | <b>34,269</b>     |

\* Financing activities relate to dividend paid.

## 6 Interest in joint operations, associates and joint ventures

### 6.1 Interest in joint operations - Group

#### 6.1.1 Production- Sharing Contract (PSC)

A subsidiary of the Group, NNPC E&P Limited entered into various production sharing contracts (PSCs) with other companies in the industry for the exploration and drilling of some oil blocks under the terms of the various agreements. NNPC E&P Limited's portion of the capital costs incurred for the purpose of petroleum operations is being funded by the operator (carrying party). The operator will recover NNPC E&P's share of cost through the proceeds of NNPC E&P's share of crude production entitlements. Production sharing contracts (PSCs) include the Joint Operating agreements and service contracts.

### 6.2 Interest in joint operations - Company

#### 6.2.1 Upstream petroleum operations/participations

The Nigerian National Petroleum Company Limited has participating interests in certain Oil Prospecting Licenses (OPLs) and Oil Mining Licenses (OMLs) covered under the various Joint Operating Agreements (JOAs) as detailed below:

| Operator                                                     | NNPC Limited Interest<br>2024 | NNPC Limited Interest<br>2023 |
|--------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                              | %                             | %                             |
| The Shell Petroleum Development Company of Nigeria Limited * | 55                            | 55                            |
| Chevron Nigeria Limited                                      | 60                            | 60                            |
| Total E&P Nigeria Limited                                    | 60                            | 60                            |
| Seplat Energy Producing Nigeria Unlimited **                 | 60                            | 60                            |
| Aiteo Exploration and Production Limited                     | 55                            | 55                            |
| NNPC Eighteen Operating Limited                              | 55                            | 55                            |
| First E & P Development Company Limited                      | 60                            | 60                            |
| Seplat Petroleum Development Company                         | 60                            | 60                            |





|                                                         |     |     |
|---------------------------------------------------------|-----|-----|
| West African Exploration and Production Company Limited | 55  | 55  |
| Amni International Petroleum Development Company        | 60  | 60  |
| Belema Oil Producing Limited                            | 60  | 60  |
| Heirs Energies Limited                                  | 55  | 55  |
| Newcross Exploration & Production Limited ***           | 55  | -   |
| NNPC E & P Limited (NEPL) (OML 86/88)                   | 100 | 100 |

The Nigerian National Petroleum Company Limited also has participating interests in the Escravos gas to liquids project (the "EGTL Project"). The participating interest is below:

| Operator                                    | NNPC LIMITED<br>Interest<br>2024 (%) | NNPC LIMITED<br>Interest<br>2023 (%) |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Chevron Nigeria Limited (CNL or "Operator") | 60                                   | 60                                   |

In a joint operating arrangement, the parties exercise joint control of the arrangement and contribute resources (cash calls and other assets) and have rights to the assets and obligations for the liabilities relating to the arrangement to the extent of their respective equity interests.

- \* Shell completed the sale of The Shell Petroleum Development Company of Nigeria Limited (SPDC) to Renaissance, following the announcement made on 16 January 2024. This follows the acquisition of Shell's entire stake in SPDC by Renaissance Africa Energy Holdings, finalized on Thursday, March 13, 2025. Renaissance is a consortium comprising five companies, including four Nigerian exploration and production companies – ND Western, Aradel Energy, First E&P, and Waltersmith – as well as the international energy Group, Petrolin.
- \*\* Seplat completed the acquisition of Seplat Energy Producing Nigeria Unlimited (SEPNU) (previously Mobil Producing Nigeria Unlimited, MPNU) on 12 December 2024.
- \*\*\* In 2024, 55% of OML 24, was returned to the Nigerian National Petroleum Company Limited (NNPC) from NNPC E&P Limited (NEPL) by directive of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC).

## 6.2.2 Other Commercial Arrangements

### i) Carry Agreements (Alternative Funding Agreements)

Carry agreements between NNPC LIMITED and some of its partners in the JOAs are as follows:

| Carry Party                       | NNPC LIMITED<br>Interest | Carry Party                                    |
|-----------------------------------|--------------------------|------------------------------------------------|
| Total E&P Nigeria Limited (TEPNG) | 60%                      | Development of Amenam/Kpono field              |
| Chevron Nigeria Limited           | 60%                      | Meji Redevelopment Project                     |
| Chevron Nigeria Limited           | 60%                      | North Swamp                                    |
| Chevron Nigeria Limited           | 60%                      | South Offshore Water Injection Project (SOWIP) |
| Chevron Nigeria Limited           | 60%                      | Escravos Gas Project phase 3                   |

### ii) Carry Agreements (Modified Carry Agreements)

Under the modified carry agreements, the carried party is NNPC LIMITED, its share of project development expenditures based on its participating interest are reimbursed to the carrying parties by means of Carry Tax Relief (CTR) and Carry oil, amongst other terms.

The existing MCAs are as follows:

| Project                   | Carry Party                                            |
|---------------------------|--------------------------------------------------------|
| Gbaran- Ubie Phase 2A     | Shell Petroleum Development Company of Nigeria Limited |
| Ofon 2                    | Total E&P Nigeria Limited (TEPNG)                      |
| OML 58                    | Total E&P Nigeria Limited (TEPNG)                      |
| Oso Condensate            | Mobil Producing Nigeria Unlimited                      |
| Gbaran-Ubie Phase 1       | Shell Petroleum Development Company of Nigeria Limited |
| 2007-2009 Drilling Bundle | Mobil Producing Nigeria Unlimited                      |
| 2010 Drilling Bundle      | Mobil Producing Nigeria Unlimited                      |



## Unitisation Agreement-Ekanga Zaffiro field

NNPC Limited and Elf Petroleum Nigeria Limited, together called Block 102 participants entered into a unitisation and unit operating agreement with The Federal Republic of Equatorial Guinea (represented by its Ministry of Mines and Hydrocarbons), Mobil Equatorial Guinea Incorporated and Ocean Equatorial Guinea Company (together called Block B participants).

The Block 102 participants are holders of OML (Oil Mining Lease) 102 and the agreement is for the purpose of enabling the unit area to be developed as a unitised field by utilising Block B facilities and infrastructure. The Block 102 participating interest is divided between Nigerian National Petroleum Company Limited and Total E&P Nigeria Limited in the ratio 60:40 and they are remunerated by way of rental entitlements related to production from the field. The production profile for the Block 102 is approximately 11.5 years. The rental entitlements are settled via cash payments from proceeds of sale of crude or direct lifting of crude oil from the field by the Block 102 participants.

## 6.3 Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 December 2024 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

The Group has joint ventures with the following equity interests:

### Proportion of equity interest held in Joint ventures

| Name                                | Principal activities                       | Place of business/<br>country of<br>incorporation | 31 December<br>2024<br>% of ownership interest | Ownership<br>within the<br>Group |
|-------------------------------------|--------------------------------------------|---------------------------------------------------|------------------------------------------------|----------------------------------|
| WAGL Energy (BVI)                   | Natural gas liquids marketing and trading  | British Virgin Island                             | 60%                                            | NNPC LNG                         |
| WAGL Energy (Nig) Limited           | Natural gas liquids marketing and trading  | Nigeria                                           | 30%                                            | NNPC LIMITED,<br>NGML            |
| Hyson (Nigeria) Limited             | Crude oil marketing and logistics          | Nigeria                                           | 60%                                            | NNPC LIMITED                     |
| Calson Bermuda Limited              | Crude oil and petroleum products marketing | Bermuda                                           | 51%                                            | NNPC LIMITED                     |
| Anoh Gas Processing Company Limited | Gas processing                             | Nigeria                                           | 50%                                            | NGIC                             |
| Nikorma Transport Limited           | Shipping and marine transportation         | Nigeria                                           | 51%                                            | NNPC LIMITED                     |

Control over each of the entities is subject to the joint consent of both parties. Consequently, the arrangement has been classified as a joint venture in accordance with the terms of the joint venture agreement.

None of the entities stated above are listed.

### Investment in joint ventures and associates

|                |            | Group     |           |
|----------------|------------|-----------|-----------|
| Names          | Notes      | 2024      | 2023      |
|                |            | ₦ million | ₦ million |
| Joint ventures | Note 6.3.1 | 391,241   | 85,551    |
| Associates     | Note 6.4.1 | 209,207   | 122,098   |
|                |            | 600,448   | 207,649   |

### Investment in joint ventures and associates

|                |            | Company   |           |
|----------------|------------|-----------|-----------|
| Names          | Notes      | 2024      | 2023      |
|                |            | ₦ million | ₦ million |
| Joint ventures | Note 6.3.2 | 7,924     | 15,159    |
| Associates     | Note 6.4.2 | 200,628   | 115,750   |
|                |            | 208,552   | 130,908   |



### 6.3.1 Investment in joint ventures

|                                   | Group                          |                              |                                                |                                        |                       |                                      |                                  |
|-----------------------------------|--------------------------------|------------------------------|------------------------------------------------|----------------------------------------|-----------------------|--------------------------------------|----------------------------------|
| 31 December 2024                  | At 1 January 2024<br>₦ million | Share of profit<br>₦ million | Share of Other comprehensive loss<br>₦ million | Addition/<br>(impairment)<br>₦ million | Transfer<br>₦ million | Translation differences<br>₦ million | At 31 December 2024<br>₦ million |
| Investment in Calson              | 4,673                          | -                            | -                                              | -                                      | -                     | 3,253                                | 7,926                            |
| Investment in Hyson               | 2,921                          | -                            | -                                              | (4,761)                                | -                     | 1,840                                | -                                |
| Investment in WAGL (BVI)          | 7,566                          | 13,984                       | -                                              | -                                      | -                     | 5,825                                | 27,375                           |
| Investment in WAGL Energy Limited | -                              | (1)                          | -                                              | 1                                      | -                     | -                                    | -                                |
| Investment in Anoh gas *          | 70,391                         | 274,816                      | -                                              | -                                      | -                     | 10,733                               | 355,940                          |
|                                   | <b>85,551</b>                  | <b>288,799</b>               | <b>-</b>                                       | <b>(4,760)</b>                         | <b>-</b>              | <b>21,651</b>                        | <b>391,241</b>                   |

| 31 December 2023                  | At 1 January 2023<br>₦ million | Share of profit<br>₦ million | Share of Other comprehensive loss<br>₦ million | Addition/<br>(impairment)<br>₦ million | Transfer<br>₦ million | Translation differences<br>₦ million | At 31 December 2023<br>₦ million |
|-----------------------------------|--------------------------------|------------------------------|------------------------------------------------|----------------------------------------|-----------------------|--------------------------------------|----------------------------------|
| Investment in Calson              | 2,310                          | -                            | -                                              | -                                      | -                     | 2,363                                | 4,673                            |
| Investment in Hyson               | 1,421                          | -                            | -                                              | -                                      | -                     | 1,500                                | 2,921                            |
| Investment in WAGL (BVI)          | -                              | 5,372                        | -                                              | -                                      | -                     | 2,194                                | 7,566                            |
| Investment in WAGL Energy Limited | 1                              | -                            | -                                              | -                                      | (1)                   | -                                    | -                                |
| Investment in Anoh gas            | 69,137                         | 1,259                        | -                                              | -                                      | -                     | (4)                                  | 70,392                           |
|                                   | <b>72,869</b>                  | <b>6,631</b>                 | <b>-</b>                                       | <b>-</b>                               | <b>(1)</b>            | <b>6,052</b>                         | <b>85,551</b>                    |

### 6.3.2 Investment in joint ventures

|                                   | Company                        |                              |                                                |                                        |                       |                                      |                                  |
|-----------------------------------|--------------------------------|------------------------------|------------------------------------------------|----------------------------------------|-----------------------|--------------------------------------|----------------------------------|
| 31 December 2024                  | At 1 January 2024<br>₦ million | Share of profit<br>₦ million | Share of Other comprehensive loss<br>₦ million | Addition/<br>(impairment)<br>₦ million | Transfer<br>₦ million | Translation differences<br>₦ million | At 31 December 2024<br>₦ million |
| Investment in Calson              | 4,672                          | -                            | -                                              | -                                      | -                     | 3,252                                | 7,924                            |
| Investment in Hyson               | 2,921                          | -                            | -                                              | (2,921)                                | -                     | -                                    | -                                |
| Investment in WAGL (BVI)          | 7,566                          | -                            | -                                              | -                                      | (7,566)               | -                                    | -                                |
| Investment in WAGL Energy Limited | -                              | (1)                          | -                                              | 1                                      | -                     | -                                    | -                                |
|                                   | <b>15,159</b>                  | <b>(1)</b>                   | <b>-</b>                                       | <b>(2,920)</b>                         | <b>(7,566)</b>        | <b>3,252</b>                         | <b>7,924</b>                     |

| 31 December 2023                  | At 1 January 2023<br>₦ million | Share of profit<br>₦ million | Share of Other comprehensive loss<br>₦ million | Addition/<br>(impairment)<br>₦ million | Transfer<br>₦ million | Translation differences<br>₦ million | At 31 December 2023<br>₦ million |
|-----------------------------------|--------------------------------|------------------------------|------------------------------------------------|----------------------------------------|-----------------------|--------------------------------------|----------------------------------|
| Investment in Calson              | 2,310                          | -                            | -                                              | -                                      | -                     | 2,363                                | 4,673                            |
| Investment in Hyson               | 1,421                          | -                            | -                                              | -                                      | -                     | 1,500                                | 2,921                            |
| Investment in WAGL (BVI)          | -                              | 5,372                        | -                                              | -                                      | -                     | 2,194                                | 7,566                            |
| Investment in WAGL Energy Limited | 1                              | -                            | -                                              | -                                      | (1)                   | -                                    | -                                |
|                                   | <b>3,732</b>                   | <b>5,372</b>                 | <b>-</b>                                       | <b>-</b>                               | <b>(1)</b>            | <b>6,056</b>                         | <b>15,159</b>                    |

\* Share of profit from investment in Anoh gas in 2024 includes prior year under recognition of profit of N266,622 million

Summarized financial information of the joint ventures, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:



### 6.3.3 Summarised statement of financial position of the Group's joint ventures as at 31 December 2024 and 31 December 2023 are as follows:

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and the Group's share of those amounts.

| 31 December 2024                                                        | Anoh Gas<br>₦ million | Nikorma<br>Transport<br>Limited<br>₦ million | WAGL<br>Energy (BVI)<br>₦ million | WAGL<br>Energy (Nig)<br>₦ million | Total<br>₦ million |
|-------------------------------------------------------------------------|-----------------------|----------------------------------------------|-----------------------------------|-----------------------------------|--------------------|
| <b>Non-current assets and liabilities</b>                               |                       |                                              |                                   |                                   |                    |
| Property, plant and equipment                                           | 1,199,617             | 63                                           | 420                               | 85                                | 1,200,185          |
| Trade and other payables                                                | (435,643)             | -                                            | -                                 | -                                 | (435,643)          |
| Other non-current assets and liabilities                                | 683                   | -                                            | -                                 | 3,141                             | 3,824              |
|                                                                         | <b>764,657</b>        | <b>63</b>                                    | <b>420</b>                        | <b>3,226</b>                      | <b>768,366</b>     |
| <b>Current assets and liabilities</b>                                   |                       |                                              |                                   |                                   |                    |
| Trade, inventory and other receivables                                  | 91                    | 174                                          | 119,437                           | -                                 | 119,702            |
| Cash and cash equivalent                                                | 28,428                | 2,530                                        | 1,132                             | 2,757                             | 34,854             |
| Trade and other payables                                                | (81,295)              | (7,553)                                      | (22,003)                          | (6,925)                           | (117,776)          |
| Other current assets and liabilities                                    | -                     | -                                            | (53,362)                          | (522)                             | (53,914)           |
|                                                                         | (52,776)              | (4,849)                                      | 45,204                            | (4,720)                           | (17,141)           |
| Total equity                                                            | 711,881               | (4,786)                                      | 45,624                            | (1,494)                           | 751,225            |
| Group share in %                                                        | 50%                   | 51%                                          | 60%                               | 60%                               |                    |
| Group's carrying amount of the investment in Joint venture (Note 6.3.1) | 355,941               | (2,441)                                      | 27,374                            | (896)                             | 379,978            |
| <b>Reconciliation of carrying amounts</b>                               |                       |                                              |                                   |                                   |                    |
| Opening net assets/(liabilities) at 1 January 2024                      | 140,784               | (2,822)                                      | 12,606                            | -                                 | 150,568            |
| Reconciliation of prior year balance *                                  | 268,945               | -                                            | 6,397                             | (1,040)                           | 274,302            |
| Profit for the period (Note 6.3.4)                                      | 16,413                | -                                            | 12,880                            | 257                               | 29,550             |
| Exchange differences                                                    | 285,739               | (1,964)                                      | 13,741                            | (711)                             | 296,805            |
| <b>Closing net assets/(liabilities) at 31 December 2024</b>             | <b>711,881</b>        | <b>(4,786)</b>                               | <b>45,624</b>                     | <b>(1,494)</b>                    | <b>751,225</b>     |

\* This balance includes prior year under recognition of net assets/(liabilities).

| 31 December 2023                                                        | Anoh Gas<br>₦ million | Nikorma<br>Transport Limited<br>₦ million | WAGL<br>Energy<br>₦ million | Total<br>₦ million |
|-------------------------------------------------------------------------|-----------------------|-------------------------------------------|-----------------------------|--------------------|
| <b>Non-current assets and liabilities</b>                               |                       |                                           |                             |                    |
| Property, plant and equipment                                           | 620,365               | 37                                        | 364                         | 620,765            |
| Trade and other receivables                                             | -                     | -                                         | -                           | -                  |
| Trade and other payables                                                | (273,510)             | -                                         | -                           | (273,510)          |
|                                                                         | <b>346,855</b>        | <b>37</b>                                 | <b>364</b>                  | <b>347,255</b>     |
| <b>Current assets and liabilities</b>                                   |                       |                                           |                             |                    |
| Trade, inventory and other receivables                                  | 195                   | 103                                       | 23,874                      | 24,172             |
| Cash and cash equivalent                                                | 39,572                | 1,492                                     | 2,328                       | 43,392             |
| Trade and other payables                                                | (245,836)             | (4,454)                                   | (13,959)                    | (264,250)          |
|                                                                         | (206,069)             | (2,859)                                   | 12,242                      | (196,687)          |
| Total equity                                                            | 140,784               | (2,822)                                   | 12,606                      | 150,568            |
| Group share in %                                                        | 50%                   | 51%                                       | 60%                         |                    |
| Group's carrying amount of the investment in Joint venture (Note 6.3.1) | 70,392                | -                                         | 7,563                       | 77,956             |
| <b>Reconciliation of carrying amounts</b>                               |                       |                                           |                             |                    |
| Opening net assets/(liabilities) at 1 January 2023                      | 138,390               | (3,782)                                   | 2,828                       | 137,436            |
| Profit for the period (Note 6.3.4)                                      | 1,259                 | 960                                       | 8,954                       | 11,173             |
| Exchange differences                                                    | 1,135                 | -                                         | 824                         | 1,959              |
| <b>Closing net assets/(liabilities) at 31 December 2023</b>             | <b>140,784</b>        | <b>(2,822)</b>                            | <b>12,606</b>               | <b>150,568</b>     |

Calson is currently being liquidated. In 2025, a total sum of N22.9billion was paid to NNPC Limited as capital redistribution by the liquidator to the shareholder.

Hyson Nigeria Limited is currently being liquidated. Upon review of the Liquidator initial report, the Company had considered the investment carrying amount irrecoverable and 100% impairment provision has been made in the financial statements.

The figures reported in the profit or loss and other comprehensive income for the period represents 100% of the amount reported in the individual joint venture financial statements.





Nikorma Transport Limited is also being liquidated. As at the reporting date, the investment amount has been eroded with accumulated share of losses.

#### 6.3.4 Summarised statement of profit or loss of the joint ventures are as follows

|                                            | Anoh Gas<br>₦ million | *Nikorma<br>Transport<br>Limited<br>₦ million | WAGL Energy<br>(BVI)<br>₦ million | WAGL<br>Energy (Nig)<br>₦ million | Total<br>₦ million |
|--------------------------------------------|-----------------------|-----------------------------------------------|-----------------------------------|-----------------------------------|--------------------|
| <b>For the year ended 31 December 2024</b> |                       |                                               |                                   |                                   |                    |
| Revenue                                    | -                     | -                                             | 520,338                           | -                                 | 520,338            |
| Cost of sales                              | -                     | -                                             | (500,375)                         | -                                 | (500,375)          |
| Depreciation                               | -                     | -                                             | -                                 | -                                 | -                  |
| Other administrative expenses              | (2,181)               | -                                             | (7,373)                           | (65)                              | (9,619)            |
| Interest income                            | 1,927                 | -                                             | 290                               | -                                 | 2,217              |
| Other income                               | 21,853                | -                                             | -                                 | 397                               | 22,250             |
| Interest expense                           | -                     | -                                             | -                                 | -                                 | -                  |
| Other expenses                             | -                     | -                                             | -                                 | -                                 | -                  |
| Profit/(loss) before tax                   | 21,599                | -                                             | 12,880                            | 332                               | 34,811             |
| Income tax                                 | (5,186)               | -                                             | -                                 | (75)                              | (5,261)            |
| Profit/(loss) for the period               | 16,413                | -                                             | 12,880                            | 257                               | 29,550             |
| Exchange differences                       | -                     | -                                             | -                                 | -                                 | -                  |
| Total comprehensive income                 | 16,413                | -                                             | 12,880                            | 257                               | 29,550             |
| Group's share of profit for the period     | 8,207                 | -                                             | 7,728                             | 154                               | 16,088             |
| Group's share of unrecognised profit       | -                     | -                                             | -                                 | -                                 | -                  |
| Group's share of OCI for the period        | -                     | -                                             | -                                 | -                                 | -                  |

|                                            | Anoh Gas<br>₦ million | *Nikorma<br>Transport Limited<br>₦ million | WAGL Energy<br>₦ million | Total<br>₦ million |
|--------------------------------------------|-----------------------|--------------------------------------------|--------------------------|--------------------|
| <b>For the year ended 31 December 2023</b> |                       |                                            |                          |                    |
| Revenue                                    | -                     | 1,109                                      | 232,025                  | 233,134            |
| Cost of sales                              | -                     | (480)                                      | (220,385)                | (220,865)          |
| Depreciation                               | -                     | (11)                                       | -                        | (11)               |
| Other administrative expenses              | -                     | (207)                                      | (2,719)                  | (2,926)            |
| Other income                               | 3,297                 | 553                                        | 32                       | 3,883              |
| Interest expense                           | -                     | (3)                                        | -                        | (3)                |
| Other expenses                             | (827)                 | -                                          | -                        | (827)              |
| Profit/(loss) before tax                   | 2,470                 | 960                                        | 8,954                    | 12,385             |
| Income tax                                 | (1,211)               | -                                          | -                        | (1,211)            |
| Profit/(loss) for the period               | 1,259                 | 960                                        | 8,954                    | 11,173             |
| Exchange differences                       | 1,135                 | -                                          | 824                      | 1,960              |
| Total comprehensive income                 | 2,394                 | 960                                        | 9,778                    | 13,132             |
| Group's share of profit for the period     | 1,259                 | -                                          | 5,372                    | 6,631              |
| Group's share of unrecognised profit       | -                     | 490                                        | -                        | 490                |
| Group's share of OCI for the period        | -                     | -                                          | -                        | -                  |

The joint ventures had no other contingent liabilities or capital commitments as at 31 December 2024. The Joint ventures cannot distribute their profits without the consent of the joint venture partners.

#### 6.4 Investment in associate

Proportion of equity interest held in Associates

| Name                                              | Principal activities                                | Ownership within<br>the Group | Place of business/<br>country of<br>incorporation | 31 December 2024<br>% of ownership<br>interest |
|---------------------------------------------------|-----------------------------------------------------|-------------------------------|---------------------------------------------------|------------------------------------------------|
| Azikel Petroleum Limited                          | Processing of crude                                 | NNPC Limited                  | Nigeria                                           | 30.00%                                         |
| Netcodietsmann Limited                            | Operation and maintenance<br>of Oil and Gas assets. | NETCO                         | Nigeria                                           | 40.00%                                         |
| Brass Petroleum Products<br>Terminal Limited      | Storage of petroleum<br>products                    | NNPC Limited                  | Nigeria                                           | 30.00%                                         |
| Brass Fertilizer and Petroleum<br>Company Limited | Fertilizer processing                               | NNPC Limited                  | Nigeria                                           | 20.00%                                         |
| Quintiles Oil and Gas Company<br>Limited          | Gas processing                                      | NGIC                          | Nigeria                                           | 17.00%                                         |



The movement on the investment account during the period was as follows:

|                                                  | Group                         |                              |                             |                               |                        |                    |
|--------------------------------------------------|-------------------------------|------------------------------|-----------------------------|-------------------------------|------------------------|--------------------|
|                                                  | Azikel Petroleum<br>₦ million | Netco-dietsmann<br>₦ million | Brass Terminal<br>₦ million | Brass Fertilizer<br>₦ million | Quintiles<br>₦ million | Total<br>₦ million |
| At 1 January 2024                                | 81,640                        | 6,348                        | 6,897                       | 27,213                        | -                      | 122,098            |
| Additions                                        | -                             | -                            | 6,990                       | -                             | -                      | 6,990              |
| Share of profit in associate                     | (1,389)                       | 6,983                        | (1,547)                     | -                             | 4,193                  | 8,240              |
| Share of other comprehensive income in associate | -                             | (267)                        | -                           | -                             | -                      | (267)              |
| Dividend declared during the period              | -                             | (5,000)                      | -                           | -                             | (4,193)                | (9,193)            |
| Translation difference                           | 56,807                        | 515                          | 5,082                       | 18,935                        | -                      | 81,339             |
| At 31 December 2024                              | <b>137,058</b>                | <b>8,579</b>                 | <b>17,422</b>               | <b>46,148</b>                 | <b>-</b>               | <b>209,207</b>     |

| 31 December 2023                                 | Group                         |                              |                             |                               |                    |                  |                    |
|--------------------------------------------------|-------------------------------|------------------------------|-----------------------------|-------------------------------|--------------------|------------------|--------------------|
|                                                  | Azikel Petroleum<br>₦ million | Netco-dietsmann<br>₦ million | Brass Terminal<br>₦ million | Brass Fertilizer<br>₦ million | GACNL<br>₦ million | N21<br>₦ million | Total<br>₦ million |
| At 1 January 2023                                | 40,370                        | 2,481                        | 3,410                       | 12,752                        | 8                  | 5,383            | 64,404             |
| Additions                                        | -                             | -                            | -                           | 14,461                        | -                  | -                | 14,461             |
| Share of profit in associate                     | -                             | 5,851                        | -                           | -                             | -                  | -                | 5,851              |
| Share of other comprehensive income in associate | -                             | 12                           | -                           | -                             | -                  | -                | 12                 |
| Dividend declared during the                     | -                             | 2,000                        | -                           | -                             | -                  | -                | 2,000              |
| Dissolutions                                     | -                             | -                            | -                           | -                             | (8)                | (5,383)          | (5,391)            |
| Translation difference                           | 41,270                        | (3,996)                      | 3,487                       | -                             | -                  | -                | 40,761             |
| At 31 December 2023                              | 81,640                        | 6,348                        | 6,897                       | 27,213                        | -                  | -                | 122,098            |

|                                     | Company                       |                    |                             |                               |                    |
|-------------------------------------|-------------------------------|--------------------|-----------------------------|-------------------------------|--------------------|
|                                     | Azikel Petroleum<br>₦ million | GACNL<br>₦ million | Brass Terminal<br>₦ million | Brass Fertilizer<br>₦ million | Total<br>₦ million |
| At 1 January 2024                   | 81,640                        | -                  | 6,897                       | 27,213                        | 115,750            |
| Share of profit/(loss) in associate | (1,385)                       | -                  | (1,547)                     | -                             | (2,936)            |
| Additions                           | -                             | -                  | 6,990                       | -                             | 6,990              |
| Exchange difference                 | 56,807                        | -                  | 5,082                       | 18,935                        | 80,824             |
| At 31 December 2024                 | <b>137,058</b>                | <b>-</b>           | <b>17,422</b>               | <b>46,148</b>                 | <b>200,628</b>     |
| At 1 January 2023                   | 40,370                        | 8                  | 3,410                       | 12,752                        | 56,540             |
| Share of profit/(loss) in associate | -                             | -                  | -                           | -                             | -                  |
| Additions                           | -                             | -                  | -                           | 14,461                        | 14,461             |
| Derecognition                       | -                             | (8)                | -                           | -                             | (8)                |
| Exchange difference                 | 41,270                        | -                  | 3,487                       | -                             | 44,757             |
| At 31 December 2023                 | <b>81,640</b>                 | <b>-</b>           | <b>6,897</b>                | <b>27,213</b>                 | <b>115,750</b>     |

As at December 2024, Brass Fertilizer Company Limited has not commenced operations, no share of profit or loss was recognised.

NNPC Limited investment in Gas Aggregation Company Limited (GACNL) was derecognised due to the change in the membership status of the Company from limited by shares to limited by guarantee. The Group guaranteed to contribute N708 million to the assets of the Company in the event of its being wound up for the payment of the debts and liabilities of the Company.

The investments in Nigerian Liquefied Natural Gas (NLNG), Olokola Liquefied Natural Gas (OKLNG), Brass Liquefied Natural Gas (BLNG) and West African Gas Pipeline Limited (WAGPCO) are not included as part of the Group's investment in associates because the investments are held in trust by NNPC Limited.



**6.4.3 Summarised statement of comprehensive income of the Group and Company's associates for the periods ended 31 December 2024 and 31 December 2023 are as follows:**

| Share of the associate's profit or loss                        | Netcodietsmann    |                   |
|----------------------------------------------------------------|-------------------|-------------------|
|                                                                | 2024<br>N million | 2023<br>N million |
| Revenue                                                        | 70,342            | 44,969            |
| Impairment loss on financial assets                            | (9,516)           | (1,153)           |
| Profit before taxation                                         | 27,039            | 21,912            |
| Profit after taxation                                          | 17,457            | 14,627            |
| Other comprehensive income/(loss), net of tax                  | (667)             | 31                |
| Total comprehensive income for the period, net of tax          | 16,790            | 14,658            |
| Group's share of profit for the period                         | 6,983             | 5,851             |
| Group's share of unrecognised profit                           | -                 | -                 |
| Group's share of other comprehensive income/(loss), net of tax | (267)             | 12                |
| Group's share of unrecognised OCI                              | -                 | -                 |

**Summarised statement of financial position of the Group's associates as at 31 December 2024 and 31 December 2023 are as follows:**

|                                           | Netcodietsmann    |                   |
|-------------------------------------------|-------------------|-------------------|
|                                           | 2024<br>N million | 2023<br>N million |
| <b>Non-current assets and liabilities</b> |                   |                   |
| Property, plant and equipment             | 30                | 34                |
| Right of use Assets                       | 20                | 45                |
| Intangible Assets                         | 6                 | 9                 |
| Financial Assets                          | 16                | 16                |
| Deferred Tax Assets                       | 1,341             | (388)             |
| Provisions                                | (2,369)           | (1,212)           |
|                                           | <b>(956)</b>      | <b>(1,496)</b>    |

|                                                                      | Netcodietsmann    |                   |
|----------------------------------------------------------------------|-------------------|-------------------|
|                                                                      | 2024<br>N million | 2023<br>N million |
| <b>Current assets and liabilities</b>                                |                   |                   |
| Trade and other receivables                                          | 57,341            | 23,854            |
| Prepayments                                                          | 5,288             | 2,338             |
| Cash and cash equivalent                                             | 2,940             | 10,800            |
| Trade and other payables                                             | (25,726)          | (10,030)          |
| Current income tax liabilities                                       | (18,757)          | (9,371)           |
|                                                                      | <b>21,086</b>     | <b>17,591</b>     |
| Total equity                                                         | 20,130            | 16,095            |
| Group share in %                                                     | 40.00%            | 40.00%            |
| Group's carrying amount of the investment in associates (Note 6.4.1) | 8,052             | 6,438             |
| <b>Reconciliation of carrying amounts</b>                            |                   |                   |
| Opening net assets                                                   | 16,095            | 6,203             |
| Profit for the period (Note 6.4.3)                                   | 17,457            | 14,627            |
| Other comprehensive profit/loss) (Note 6.4.3)                        | (667)             | 31                |
| Dividend declared                                                    | (12,500)          | (5,000)           |
| Exchange differences                                                 | (254)             | (13)              |
| <b>Closing net assets</b>                                            | <b>20,130</b>     | <b>16,095</b>     |



## 6.5 Share of profit for the year

|                |            | <b>Group</b>     |                  |
|----------------|------------|------------------|------------------|
| Names          | Notes      | 2024             | 2023             |
|                |            | <b>N million</b> | <b>N million</b> |
| Joint ventures | Note 6.3.1 | 288,799          | 6,631            |
| Associate      | Note 6.4.1 | 8,240            | 5,851            |
|                |            | <b>297,039</b>   | <b>12,482</b>    |

|               |            | <b>Company</b>   |                  |
|---------------|------------|------------------|------------------|
| Names         | Notes      | 2024             | 2023             |
|               |            | <b>N million</b> | <b>N million</b> |
| Join ventures | Note 6.3.2 | -                | 5,372            |
| Associate     | Note 6.4.2 | (2,936)          | -                |
|               |            | <b>(2,936)</b>   | <b>5,372</b>     |

## 6.6 Share of other comprehensive income/(loss) for the year

|                |            | <b>Group</b>     |                  |
|----------------|------------|------------------|------------------|
| Names          | Notes      | 2024             | 2023             |
|                |            | <b>N million</b> | <b>N million</b> |
| Joint ventures | Note 6.3.1 | -                | -                |
| Associate      | Note 6.4.1 | (267)            | 12               |
|                |            | <b>(267)</b>     | <b>12</b>        |

# 7 Business Combination Under Common Control

## Merger of Downstream Subsidiaries

On 1 January 2024, Nigerian National Petroleum Company Limited ("NNPC Limited") completed the merger of three owned and controlled subsidiaries - Nueoil Energy Limited, OVH Energy Marketing Limited, and NNPC Retail Limited—into a single downstream entity. The surviving legal entity, OVH Energy Marketing Limited, was subsequently renamed NNPC Retail Limited.

This restructuring was undertaken to streamline the Group's downstream operations and achieve operational efficiencies. The transaction qualifies as a business combination under common control, as all combining entities were ultimately controlled by NNPC Limited both before and after the merger, and such control was not transitory.

As business combinations under common control are excluded from the scope of IFRS 3 Business Combinations, the Group applied the guidance in IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to develop an appropriate accounting policy. Based on the specific facts and circumstances, the Group adopted the predecessor accounting method.

Under this method:

- The assets and liabilities of the combining entities were recognised at their existing carrying amounts from the consolidated financial statements of NNPC Limited.
- No goodwill was recognised as a result of the transaction.
- Any difference between the carrying amounts of the net assets transferred and the consideration (which was nil) was recognised directly in equity as re-organisation reserve.

The Group elected to apply the prospective presentation method in the separate financial statements of the surviving entity which implies that the results of the combining entities are included in the financial statements from the effective date of the merger, and prior period comparatives have not been restated.

The merger had no impact on the consolidated financial statements of NNPC Limited, other than the reorganisation of investments in subsidiaries.





## 8 Revenue from contracts with customers

|                   | Group             |                   | Company           |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|
|                   | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Crude oil         | 29,208,179        | 14,072,559        | 17,393,888        | 7,028,092         |
| Petroleum product | 9,678,416         | 7,148,620         | 158,814           | 151,790           |
| Natural gas       | 5,198,939         | 2,303,835         | 2,103,562         | 951,605           |
| Power             | 9,417             | 94                | -                 | -                 |
| Services          | 980,456           | 464,940           | -                 | -                 |
|                   | <b>45,075,407</b> | <b>23,990,048</b> | <b>19,656,264</b> | <b>8,131,487</b>  |

- Petroleum products revenue includes the sale of Premium Motor Spirit (PMS), Dual Purpose Kerosene (DPK), Automotive Gasoline Oil (AGO), Naphtha, Lubricants and other related products. The Company's Petroleum products relate to EGTL products under the joint venture between Chevron Nigeria Limited and NNPC Limited.
- Natural gas revenue represents the invoice value (transaction price) of natural gas.
- Power revenue represents the sale of power to NBET (Nigeria Bulk Electricity Trading)
- Services revenue consist of revenue from seismic contracts, time based contracts, gas transmission tariffs, shipping, marine and engineering activities.

### 8.1 Disaggregation of revenue from contracts with customers

The Group and Company derives revenue from the transfer of commodities and provision of services at a point in time or over time as follows.

#### The Group

| 31 December 2024                     |                        |                                 |                          |                    |                       |                    |
|--------------------------------------|------------------------|---------------------------------|--------------------------|--------------------|-----------------------|--------------------|
| Geographical markets                 | Crude oil<br>₦ million | Petroleum products<br>₦ million | Natural gas<br>₦ million | Power<br>₦ million | Services<br>₦ million | Total<br>₦ million |
| Nigeria                              | 19,587,368             | 9,678,416                       | 4,159,743                | 9,417              | 973,454               | 34,408,398         |
| United Kingdom                       | 553,929                | -                               | 187,079                  | -                  | 2,890                 | 743,897            |
| Switzerland                          | 2,116,814              | -                               | 25,539                   | -                  | -                     | 2,142,352          |
| France                               | 1,192,239              | -                               | -                        | -                  | -                     | 1,192,239          |
| Italy                                | 77,791                 | -                               | -                        | -                  | -                     | 77,791             |
| Netherlands                          | -                      | -                               | 504,594                  | -                  | -                     | 504,594            |
| Germany                              | 942,940                | -                               | -                        | -                  | -                     | 942,940            |
| Spain                                | 1,395,769              | -                               | -                        | -                  | -                     | 1,395,769          |
| Singapore                            | 979,904                | -                               | -                        | -                  | -                     | 979,904            |
| British Virgin Island                | 796,940                | -                               | 171,561                  | -                  | 4,112                 | 972,613            |
| Vietnam                              | -                      | -                               | 60,419                   | -                  | -                     | 60,419             |
| Cyprus                               | 345,394                | -                               | -                        | -                  | -                     | 345,394            |
| United Arab Emirates                 | 1,219,091              | -                               | 45,563                   | -                  | -                     | 1,264,654          |
| Ghana                                | -                      | -                               | 41,954                   | -                  | -                     | 41,954             |
| Benin                                | -                      | -                               | 1,072                    | -                  | -                     | 1,072              |
| Togo                                 | -                      | -                               | 1,417                    | -                  | -                     | 1,417              |
| Revenue from contract with customers | <b>29,208,179</b>      | <b>9,678,416</b>                | <b>5,198,939</b>         | <b>9,417</b>       | <b>980,456</b>        | <b>45,075,407</b>  |
| Timing of revenue recognition        |                        |                                 |                          |                    |                       |                    |
| Point in time                        | 29,208,179             | 9,678,416                       | 1,048,512                | -                  | 558,749               | 40,493,856         |
| Over time                            | -                      | -                               | 4,150,427                | 9,417              | 421,707               | 4,581,551          |
| Revenue from contract with customers | <b>29,208,179</b>      | <b>9,678,416</b>                | <b>5,198,939</b>         | <b>9,417</b>       | <b>980,456</b>        | <b>45,075,407</b>  |

| 31 December 2023      |                        |                                 |                          |                    |                       |                    |
|-----------------------|------------------------|---------------------------------|--------------------------|--------------------|-----------------------|--------------------|
| Geographical markets  | Crude oil<br>₦ million | Petroleum products<br>₦ million | Natural Gas<br>₦ million | Power<br>₦ million | Services<br>₦ million | Total<br>₦ million |
| Nigeria               | 8,551,582              | 7,148,620                       | 2,156,932                | 94                 | 437,729               | 18,294,957         |
| United Kingdom        | 952,760                | -                               | 23,547                   | -                  | 17,415                | 993,722            |
| Switzerland           | 1,575,949              | -                               | -                        | -                  | -                     | 1,575,949          |
| Netherlands           | -                      | -                               | 105,860                  | -                  | -                     | 105,860            |
| Spain                 | 386,946                | -                               | -                        | -                  | -                     | 386,946            |
| Singapore             | 151,437                | -                               | -                        | -                  | -                     | 151,437            |
| British Virgin Island | 1,572,611              | -                               | 14,461                   | -                  | 8,824                 | 1,595,896          |
| Cyprus                | -                      | -                               | -                        | -                  | 972                   | 972                |
| United Arab Emirates  | 881,274                | -                               | -                        | -                  | -                     | 881,274            |
| Ghana                 | -                      | -                               | 2,326                    | -                  | -                     | 2,326              |



|                                             |                   |                  |                  |           |                |                   |
|---------------------------------------------|-------------------|------------------|------------------|-----------|----------------|-------------------|
| Benin                                       | -                 | -                | 341              | -         | -              | 341               |
| Togo                                        | -                 | -                | 368              | -         | -              | 368               |
| <b>Revenue from contract with customers</b> | <b>14,072,559</b> | <b>7,148,620</b> | <b>2,303,835</b> | <b>94</b> | <b>464,940</b> | <b>23,990,048</b> |

#### Timing of Revenue Recognition

|                                             |                   |                  |                  |           |                |                   |
|---------------------------------------------|-------------------|------------------|------------------|-----------|----------------|-------------------|
| Point in time                               | 14,072,559        | 7,148,620        | 280,511          | -         | 276,908        | 23,384,795        |
| Over time                                   | -                 | -                | 2,023,324        | 94        | 188,032        | 605,253           |
| <b>Revenue from contract with customers</b> | <b>14,072,559</b> | <b>7,148,620</b> | <b>2,303,835</b> | <b>94</b> | <b>464,940</b> | <b>23,990,048</b> |

### The Company

#### 31 December 2024

|                                             | Crude oil<br>₦ million | Petroleum<br>products<br>₦ million | Natural gas<br>₦ million | Total<br>₦ million |
|---------------------------------------------|------------------------|------------------------------------|--------------------------|--------------------|
| <b>Geographical markets</b>                 |                        |                                    |                          |                    |
| Nigeria                                     | 3,066,708              | 158,814                            | 1,626,035                | 4,851,557          |
| Ghana                                       | -                      | -                                  | 37,542                   | 37,542             |
| Panama                                      | 14,327,180             | -                                  | 439,985                  | 14,767,165         |
| <b>Revenue from contract with customers</b> | <b>17,393,888</b>      | <b>158,814</b>                     | <b>2,103,562</b>         | <b>19,656,264</b>  |
| <b>Timing of revenue recognition</b>        |                        |                                    |                          |                    |
| Point in time                               | 17,393,888             | 158,814                            | -                        | 17,552,702         |
| Overtime                                    | -                      | -                                  | 2,103,562                | 2,103,562          |
| <b>Revenue from contract with customers</b> | <b>17,393,888</b>      | <b>158,814</b>                     | <b>2,103,562</b>         | <b>19,656,264</b>  |

#### 31 December 2023

|                                             | Crude oil<br>₦ million | Petroleum<br>products<br>₦ million | Natural gas<br>₦ million | Total<br>₦ million |
|---------------------------------------------|------------------------|------------------------------------|--------------------------|--------------------|
| <b>Geographical markets</b>                 |                        |                                    |                          |                    |
| Nigeria                                     | -                      | 151,790                            | 951,605                  | 1,103,395          |
| Panama                                      | 7,028,092              | -                                  | -                        | 7,028,092          |
| <b>Revenue from contract with customers</b> | <b>7,028,092</b>       | <b>151,790</b>                     | <b>951,605</b>           | <b>8,131,487</b>   |
| <b>Timing of revenue recognition</b>        |                        |                                    |                          |                    |
| Point in time                               | 7,028,092              | 151,790                            | -                        | 7,526,328          |
| Overtime                                    | -                      | -                                  | 951,605                  | 605,159            |
| <b>Revenue from contract with customers</b> | <b>7,028,092</b>       | <b>151,790</b>                     | <b>951,605</b>           | <b>8,131,487</b>   |



## 9 Cost of sales

|                                                | Notes    | Group             |                   | Company           |                   |
|------------------------------------------------|----------|-------------------|-------------------|-------------------|-------------------|
|                                                |          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Petroleum products                             | Note 9.1 | 8,350,539         | 6,336,577         | -                 | -                 |
| Depreciation of oil and gas properties         | Note 17  | 3,226,995         | 1,246,829         | 2,370,756         | 930,799           |
| Write-off of evaluation and exploration assets | Note 22  | -                 | 19,912            | -                 | -                 |
| Amortisation of mineral assets                 | Note 22  | 48,952            | 4,257             | 1,514             | 293               |
| Write-down of inventories                      | Note 24  | 137,132           | 26,704            | -                 | 986               |
| Crude oil purchased                            |          | 4,318,408         | 3,978,908         | -                 | -                 |
| Royalties                                      |          | 4,471,668         | 1,888,847         | 3,235,326         | 1,399,176         |
| Flow station expenses                          |          | 2,563,727         | 46,726            | 2,046,247         | -                 |
| Direct well expenses                           |          | 2,502,845         | 541,119           | 1,823,640         | 419,832           |
| Cost of gas purchased                          |          | 2,158,793         | 672,797           | 17,597            | 64,898            |
| Crude handling and port charges                |          | 1,516,639         | 537,321           | 960,875           | 252,315           |
| Gas flaring                                    |          | 1,318,974         | 75,762            | 1,036,490         | -                 |
| Allocated technical and production costs       |          | 489,574           | 134,325           | 272               | 103,291           |
| Niger Delta Development Commission levy        |          | 398,284           | 137,063           | 276,597           | 85,734            |
| Freight and other related charges              |          | 303,618           | 139,651           | 9,637             | -                 |
| Safety, environment and pollution control      |          | 2,254             | 3,644             | -                 | -                 |
| Rig site and stimulation expenses              |          | 16,466            | -                 | -                 | -                 |
| Variation in crude stock- overlift             |          | 529,104           | 52,596            | -                 | 55,156            |
| Pipeline maintenance costs                     |          | 149,478           | 45,876            | -                 | 7                 |
| Insurance and security expenses                |          | 182,197           | 58,226            | -                 | -                 |
| Labour costs                                   |          | 59,728            | 54,394            | -                 | -                 |
| Technical and consultancy charges              |          | 22,841            | 9,551             | -                 | -                 |
| Medical expenses                               |          | 27,246            | -                 | -                 | -                 |
| Other direct cost                              |          | 566,540           | 939,884           | 498,797           | 674,342           |
|                                                |          | <b>33,362,002</b> | <b>16,950,969</b> | <b>12,277,748</b> | <b>3,986,829</b>  |

9.1 The Group petroleum products expense excludes energy security expenses of N7.1 trillion (2023 - N4.8 trillion). See note 25.2.3

## 10 Selling and distribution expenses

|                                        | Group             |                   | Company           |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Throughput charges *                   | -                 | 38,616            | -                 | -                 |
| Marketing and distribution expenses ** | 145,702           | 93,994            | -                 | -                 |
|                                        | 145,702           | 132,610           | -                 | -                 |

\* Throughput charges represent commission paid to Private Depots Owners (PDOs) for handling of petroleum products on behalf the Group at the terminals.

\*\* Marketing and distribution expenses relate to amounts paid to acquire services for transportation of petroleum products for discharge at water fed depots in and/or outside the country



## 11 General and administrative expenses

|                                                     | Notes     | Group             |                   | Company           |                   |
|-----------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                     |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Fines and penalties *                               |           | 118,378           | -                 | 3                 | -                 |
| Employee benefit expenses                           | Note 11.1 | 749,743           | 583,797           | 192,300           | 194,564           |
| Depreciation of other property, plant and equipment | Note 17   | 623,409           | 101,034           | 386,911           | 10,645            |
| Depreciation of right of use asset                  | Note 47.1 | 66,504            | 13,927            | 3,785             | 3,798             |
| Professional and consultancy fees                   |           | 699,665           | 184,201           | 544,168           | 81,638            |
| Software license and maintenance expenses           |           | 210,059           | 66,593            | 120,459           | 58,187            |
| Security expenses                                   |           | 271,370           | 170,703           | 141,516           | 165,438           |
| Repairs and maintenance                             |           | 167,080           | 166,494           | 14,499            | 92,202            |
| Transport and travelling                            |           | 91,562            | 44,290            | 41,141            | 17,962            |
| Training and recruitment cost                       |           | 90,390            | 48,946            | 29,660            | 17,642            |
| Entertainment expenses                              |           | 30,343            | 7,439             | 20,117            | 5,808             |
| Local community development                         |           | 29,889            | 6,870             | 4,191             | -                 |
| Fuel and lubricants                                 |           | 27,404            | -                 | 4,878             | -                 |
| Host community development fund                     |           | 27,260            | -                 | -                 | -                 |
| Write-off of property, plant and equipment          | Note 20   | 3,766             | 51,778            | 3,766             | 322               |
| Rent and rates                                      |           | 18,899            | 9,263             | 646               | 1,244             |
| Bank charges                                        |           | 6,986             | 8,747             | 851               | 3,688             |
| Directors fees and expenses                         | Note 45   | 4,096             | 2,593             | 1,965             | 1,449             |
| Insurance expenses                                  |           | 49,864            | 30,819            | 33,662            | 24,204            |
| Audit fees                                          |           | 3,162             | 2,676             | 1,173             | 1,239             |
| Printing and stationery                             |           | 2,615             | 1,412             | 824               | 240               |
| Minimum tax expense **                              |           | 16,794            | -                 | -                 | -                 |
| Industrial training fund                            |           | 1,792             | 3,126             | 275               | 888               |
| Postages and telephone                              |           | 1,763             | 7,813             | 663               | 452               |
| Donations                                           |           | 1,419             | 11,825            | 3,089             | 11,352            |
| Advertisement and publicity                         |           | 801               | 3,520             | 467               | 2,112             |
| Impairment on asset held for sale                   |           | 98,065            | -                 | -                 | -                 |
| Intangible Asset Write Off                          |           | 16,754            | -                 | -                 | -                 |
| Amortisation of intangible assets                   | Note 22   | 633               | 140               | 500               | 140               |
| Material and stock obsolescence                     |           | 209               | -                 | -                 | -                 |
| Other expenses ***                                  |           | 146,867           | 563,739           | 105,877           | 298,870           |
|                                                     |           | <b>3,577,541</b>  | <b>2,091,745</b>  | <b>1,657,386</b>  | <b>994,084</b>    |

\* Included in fines and penalties are interests on late payment of royalty to NUPRC and taxes to FIRS.

\*\* In line with IFRIC21, the minimum tax levy is not included in the income tax expense in the statement of profit or loss and other comprehensive income for the year. The balance outstanding as at the reporting date is presented within trade and other payables in the statement of financial position (note 42.4)

\*\*\* Other expenses relates to JV material handling expenses and JV personnel cost.

### 11.1 Employee benefit expenses

|                                                |           | Group             |                   | Company           |                   |
|------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                | Notes     | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>(i) Short-term employee benefits;</b>       |           |                   |                   |                   |                   |
| Salaries and wages                             |           | 275,720           | 226,873           | 65,244            | 89,329            |
| Staff allowances                               |           | 378,191           | 179,830           | 130,820           | 55,747            |
| Staff welfare expenses                         |           | 48,483            | 77,193            | 23,118            | 34,338            |
|                                                |           | <b>702,394</b>    | <b>483,896</b>    | <b>219,182</b>    | <b>179,414</b>    |
| <b>(ii) Post employment benefits;</b>          |           |                   |                   |                   |                   |
| Net Pension returns - defined benefit plans    | Note 40.3 | (45,566)          | (2,233)           | (69,873)          | (31,064)          |
| Gratuity charge- defined benefit plans         | Note 40.4 | 84,412            | 78,402            | 37,332            | 34,557            |
| Post-employment medical benefits               | Note 40.5 | 5,115             | 5,399             | 4,314             | 4,484             |
|                                                |           | <b>43,961</b>     | <b>81,568</b>     | <b>(28,227)</b>   | <b>7,977</b>      |
| Pension costs- defined contribution plans      |           | -                 | 1,756             | -                 | -                 |
|                                                |           | 43,961            | 83,324            | 28,227            | 7,977             |
| <b>(iii) Other long-term employee benefits</b> |           |                   |                   |                   |                   |
| Long service awards                            | Note 40.6 | 4,424             | 15,814            | 1,920             | 6,924             |
| Re-measurement loss - long service awards      | Note 40.6 | (1,036)           | 763               | (575)             | 249               |
|                                                |           | 3,388             | 16,577            | 1,345             | 7,173             |
| <b>Employee benefit expense</b>                |           | <b>749,743</b>    | <b>583,797</b>    | <b>192,300</b>    | <b>194,564</b>    |



## 12 Net impairment charge / (reversals) on financial assets recognised in profit or loss

|                                            | Notes       | Group             |                   | Company           |                   |
|--------------------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                            |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Trade and other receivables                | Note 25.4.1 | 753,724           | (426,782)         | 705,826           | (637,766)         |
| Cash and short-term deposits               | Note 27.1   | (167)             | 4                 | (117)             | 143               |
| Related party loan                         | Note 23.5   | -                 | -                 | 334               | -                 |
| <b>Net impairment charge / (reversals)</b> |             | <b>753,557</b>    | <b>(426,778)</b>  | <b>706,043</b>    | <b>(637,623)</b>  |

## 13 Other income

|                                      | Notes     | Group             |                   | Company           |                   |
|--------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                      |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Sundry income                        | Note 13.1 | 1,981,637         | 626,591           | 1,056,106         | 281,721           |
| Provision write-back                 |           | 543,625           | -                 | 543,625           | -                 |
| Gain on disposal of PPE              | Note 20.4 | 325,427           | 27,200            | 87                | -                 |
| Management fees                      | Note 13.2 | 242,411           | 669,197           | 242,411           | 669,197           |
| Throughput income                    |           | 10,485            | 76,059            | -                 | -                 |
| Dividend income                      | Note 13.4 | 4,065             | 4,281             | 1,634,867         | 270,046           |
| Lease income                         | Note 13.5 | 1,043             | 966               | 400               | 357               |
| RITC Uplift income                   | Note 13.6 | 887               | 114,086           | -                 | 114,086           |
| Sale of diesel and fuel coupons      |           | 347               | -                 | -                 | -                 |
| Income from penalties and fines      |           | 90                | 2                 | -                 | -                 |
| Variation in crude stock – underlift | Note 13.3 | 276,155           | 231,737           | 276,155           | 9                 |
| Sale of special products             | Note 13.7 | 62                | -                 | -                 | -                 |
| Insurance claims                     |           | 5,274             | 15,152            | 5,274             | 12,002            |
|                                      |           | <b>3,391,508</b>  | <b>1,765,271</b>  | <b>3,758,925</b>  | <b>1,347,418</b>  |

**13.1** The Group's sundry income represents income from other operations other than the principal activities of the Group which includes income from trans-forcados pipelines, crude processing fees, miscellaneous income from JV operators, effect of OML 24 realignment.

**13.2** Management fees for the Company represent 30% of profit oil & profit gas from Production Sharing Contracts (PSCs).

**13.3** Variation in crude oil stock relates to pricing differences between the opening and closing balances of crude over- and under-lifting inventory.

**13.4** The Company's Dividend income relates to dividend received from Schlumberger Plc ₦14.75 billion (2023 - ₦26.97 billion), N-GAS Limited ₦3.5 billion (2023 - ₦3.0 billion), Wheels Insurance ₦22.2 billion (2023 - Nil), Afrexim Bank ₦3.8 billion (2023 - ₦1.249 billion), NTSA ₦817.4 billion and other subsidiaries ₦783.4 billion (2023 - ₦270 billion) during the year.

**13.5** Lease income represents amounts received for operating leases on pipelines and receipt from leasehold properties.

**13.6** RITC Uplift income relates to Road Infrastructure Tax Credit Uplift Income which is the equivalent of the Central Bank of Nigeria Monetary Policy Rate (MPR) plus 2% of the approved project cost.

**13.7** Special products are by-products of petroleum processing in inventory that were sold during the period.

## 14 Other gains / (losses) – net

The Company and Group previously presented exchange gain and loss within the general and administrative expenses. For comparability, these balances have now been reclassified as a separate line item within other gains and losses in the statement of profit or loss. See note 57

|                                | Notes | Group             |                   | Company           |                   |
|--------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                |       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Realized exchange difference   |       | 642,087           | (304,563)         | (177,391)         | (291,416)         |
| Unrealized exchange difference |       | (432,706)         | (400,103)         | 1,720,009         | (533,192)         |
|                                |       | <b>209,381</b>    | <b>(704,666)</b>  | <b>1,542,618</b>  | <b>(824,608)</b>  |





## 15 Finance cost

|                                                    | Notes     | Group             |                   | Company           |                   |
|----------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                    |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Unwinding of discount on decommissioning provision | Note 38   | 1,139,018         | 221,478           | 650,189           | 133,972           |
| Interest expense on lease liability                | Note 47.2 | 105,454           | 10,206            | 750               | 1,079             |
| Interest on contract liability                     | Note 41   | 459,244           | 201,561           | 249,379           | 177,667           |
| Alternative funding interest                       |           | 44,813            | 2,396             | 44,813            | 2,397             |
| Finance interest from insurance contracts issued   |           | 3,092             | -                 | -                 | -                 |
| Interest cost on loans                             | Note 46   | -                 | 5,815             | 11,686            | 903               |
|                                                    |           | <b>1,751,621</b>  | <b>441,456</b>    | <b>956,817</b>    | <b>316,018</b>    |

## 16 Finance income

|                     | Notes | Group             |                   | Company           |                   |
|---------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                     |       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Investment income * |       | 175,340           | 115,555           | 91,039            | 41,501            |
|                     |       | 175,340           | 115,555           | 91,039            | 41,501            |

\* Investment income are interest income from short term deposits by the Group with financial institutions.

## 17 Depreciation and amortisation included in the statement of profit or loss

|                                                               | Notes            | Group             |                   | Company           |                   |
|---------------------------------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                                                               |                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b><i>Included in cost of sales</i></b>                       |                  |                   |                   |                   |                   |
| Depreciation of oil and gas properties                        | Note 20.1 & 20.2 | 3,226,995         | 1,246,829         | 2,370,756         | 930,799           |
| <b><i>Included in general and administrative expenses</i></b> |                  |                   |                   |                   |                   |
| Depreciation of other property, plant and equipment           | Note 20.3        | 623,409           | 101,034           | 386,911           | 10,645            |
| Depreciation of right of use asset                            | Note 47.1        | 66,504            | 13,927            | 3,785             | 3,798             |
| Total depreciation                                            |                  | <b>3,916,908</b>  | <b>1,361,790</b>  | <b>2,761,452</b>  | <b>945,242</b>    |
| <b><i>Included in cost of sales</i></b>                       |                  |                   |                   |                   |                   |
| Amortisation of mineral rights                                | Note 22          | 48,952            | 4,257             | 1,514             | 293               |
| <b><i>Included in general and administrative expenses</i></b> |                  |                   |                   |                   |                   |
| Amortisation of license                                       | Note 22          | 3                 | -                 | -                 | -                 |
| Amortisation of software                                      | Note 22          | 630               | 140               | 500               | 140               |
| Total amortisation                                            |                  | 49,585            | 4,397             | 2,014             | 433               |
|                                                               |                  | <b>3,966,493</b>  | <b>1,366,047</b>  | <b>2,763,467</b>  | <b>945,535</b>    |

## 18 Components of other comprehensive income/(loss)

|                                                                 | Notes     | Group             |                   | Company           |                   |
|-----------------------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                                 |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Re-measurement gain / (loss) on post-employment medical benefit | Note 40.5 | 8,094             | (10,760)          | 7,183             | (11,888)          |
| Income tax effect on post employment medical benefit            | Note 19.2 | (353,223)         | 82,084            | (346,886)         | 82,084            |
| Re-measurement gain - pension                                   | Note 40.3 | 69,629            | 116,052           | 57,068            | 74,904            |
| Re-measurement gain - gratuity                                  | Note 40.4 | 3,191             | 58,874            | 4,059             | 27,965            |
| <b>Re-measurement (losses)/gains-post employment benefits</b>   |           | <b>(272,309)</b>  | <b>246,250</b>    | <b>(278,576)</b>  | <b>173,065</b>    |
| Fair value (losses) / gain on financial asset at FVOCI          | Note 23.2 | (455,084)         | 276,059           | (455,084)         | 276,059           |



|                                                                                                          |          |                  |                   |                   |                  |
|----------------------------------------------------------------------------------------------------------|----------|------------------|-------------------|-------------------|------------------|
| Exchange difference on translation of foreign operations                                                 |          | 8,365,339        | 15,950,813        | 13,534,364        | 9,110,297        |
| NCI Exchange differences on translation of foreign operations                                            |          | -                | 2,744             | -                 | -                |
| Share of other comprehensive loss of associates and joint ventures accounted for using the equity method | Note 6.6 | (267)            | 12                | -                 | -                |
|                                                                                                          |          | <b>7,637,679</b> | <b>16,475,878</b> | <b>12,800,704</b> | <b>9,559,421</b> |

## 19 Taxation

### 19.1 Income Tax

|                                                               | Notes | Group             |                   | Company           |                   |
|---------------------------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                                               |       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Company income tax                                            |       | 1,720,652         | 411,881           | 1,292,665         | 260,990           |
| Petroleum profit tax charge                                   |       | 3,009,419         | 1,229,324         | 2,808,056         | 1,036,733         |
| Hydrocarbon tax                                               |       | 389,934           |                   | 389,934           |                   |
| Capital gains tax                                             |       | 22,123            |                   | -                 |                   |
| Education tax                                                 |       | 368,381           | 153,942           | 311,185           | 103,022           |
| Police trust fund                                             |       | 502               | 349               | 472               | 176               |
| NASENI                                                        |       | 26,096            | 17,016            | 23,620            | 8,801             |
| Prior year over provision                                     |       | (3,158,086)       | -                 | (3,158,086)       | -                 |
| <b>Current tax charge</b>                                     |       | <b>2,379,021</b>  | <b>1,812,512</b>  | <b>1,667,846</b>  | <b>1,409,722</b>  |
| <b>Deferred tax</b>                                           |       |                   |                   |                   |                   |
| Deferred tax charge                                           |       | 1,764,927         | 878,784           | 1,856,467         | 412,147           |
| Income tax credit reported in the statement of profit or loss |       | 4,143,948         | 2,691,296         | 3,524,313         | 1,821,869         |

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the period ended 31 December 2024 is as follows:

|                                                                   | Group             |                   | Company           |                   |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Profit before tax                                                 | 9,558,252         | 5,988,688         | 9,447,916         | 4,041,862         |
| At statutory income tax rate of 30%                               | 2,867,476         | 1,796,606         | 2,834,375         | 1,212,559         |
| Non-deductible expenses for tax purpose                           | -                 | 823,274           | -                 | 613,289           |
| Education tax                                                     | 368,381           | 37,121            | 311,185           | 35,101            |
| Effect of tax on share of profit of joint ventures and associates | -                 | 243               | -                 | -                 |
| Effect of higher tax rate for petroleum profit tax                | 908,091           | 34,052            | 378,753           | (39,079)          |
| At end of the period                                              | 4,143,948         | 2,691,296         | 3,524,313         | 1,821,870         |
| Effective tax rate                                                | 43.4%             | 44.9%             | 37.3%             | 45.1%             |

#### 19.1.1 Reconciliation of the income tax liability includes:

|                                                          | Group             |                   | Company           |                   |
|----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                                          | 5,222,052         | 1,219,592         | 3,797,210         | 895,040           |
| Charge for the period                                    | 2,379,021         | 1,812,512         | 1,667,846         | 1,409,723         |
|                                                          | <b>7,601,073</b>  | <b>3,032,104</b>  | <b>5,465,056</b>  | <b>2,304,763</b>  |
| Payment during the period - company income tax           | (3,057,444)       | (13,601)          | (1,878,743)       | (11,556)          |
| Transfer-in from PPMC                                    | -                 | -                 | -                 | 9,796             |
| Cash payments under 'Road Infrastructure development     | -                 | (483,664)         | -                 | -                 |
| Withholding tax credit used                              | -                 | (23,463)          | -                 | -                 |
| Crude oil lifted in lieu of petroleum profit tax payment | -                 | (15,743)          | -                 | -                 |
| Translation difference                                   | 3,617,554         | 2,726,419         | 2,634,264         | 1,494,207         |
|                                                          | <b>8,161,183</b>  | <b>5,222,052</b>  | <b>6,220,577</b>  | <b>3,797,210</b>  |



## 19.2 Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% for company income tax and 85% for petroleum profit tax.

The analysis of deferred tax assets and deferred tax liabilities is as follows;

### Deferred tax assets

|                                                              | Group             |                   | Company           |                   |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                              | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Deferred tax asset to be recovered within 12 months          | -                 | -                 | -                 | -                 |
| Deferred tax asset to be recovered after more than 12 months | 2,922,084         | 2,995,968         | -                 | 1,261,545         |
|                                                              | 2,922,084         | 2,995,968         | -                 | 1,261,545         |

### Deferred tax liabilities

|                                                              | Group             |                   | Company           |                   |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                              | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Deferred tax liabilities to be recovered within 12 months    | -                 | -                 | -                 | -                 |
| Deferred tax asset to be recovered after more than 12 months | 48,351,207        | 28,495,046        | 48,231,179        | 28,335,669        |
|                                                              | 48,351,207        | 28,495,046        | 48,231,179        | 28,335,669        |

### Deferred Tax

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

### Group

#### Deferred tax assets 31 December 2024

|                               | At 1 January 2023<br>N million | Charged/credited<br>to profit or loss<br>N million | Credited to OCI<br>N million | Translation<br>difference<br>N million | At 31 December<br>2023<br>N million |
|-------------------------------|--------------------------------|----------------------------------------------------|------------------------------|----------------------------------------|-------------------------------------|
| Unutilised capital allowance  | 2,395,883                      | (895,991)                                          | -                            | (626,116)                              | 873,776                             |
| Post-employment benefits      | 274,395                        | (936,090)                                          | (141)                        | 2,387,726                              | 1,725,890                           |
| Others                        | 4,928                          | (1,114)                                            | -                            | (1,048)                                | 2,766                               |
|                               | 2,675,206                      | (1,833,195)                                        | (141)                        | 1,760,562                              | 2,602,432                           |
| Impairment of financial asset | 320,762                        | (226,962)                                          | -                            | 225,852                                | 319,652                             |
|                               | <b>2,995,968</b>               | <b>(2,060,157)</b>                                 | <b>(141)</b>                 | <b>1,986,414</b>                       | <b>2,922,084</b>                    |

#### Deferred tax assets 31 December 2023

|                               | At 1 January 2023<br>N million | Charged/credited<br>to profit or loss<br>N million | Credited to OCI<br>N million | Translation<br>difference<br>N million | At 31 December<br>2023<br>N million |
|-------------------------------|--------------------------------|----------------------------------------------------|------------------------------|----------------------------------------|-------------------------------------|
| Unutilised capital allowance  | 2,702,656                      | 443,141                                            | -                            | (749,914)                              | 2,395,883                           |
| Post-employment benefits      | 408,389                        | -                                                  | -                            | (133,994)                              | 274,395                             |
| Others                        | -                              | 6,096                                              | -                            | (1,168)                                | 4,928                               |
|                               | 3,111,045                      | 449,237                                            | -                            | (885,076)                              | 2,675,206                           |
| Impairment of financial asset | 580,818                        | 500,144                                            | -                            | (760,200)                              | 320,762                             |
|                               | <b>3,691,863</b>               | <b>949,381</b>                                     | <b>-</b>                     | <b>(1,645,276)</b>                     | <b>2,995,968</b>                    |

#### Deferred tax liabilities 31 December 2024

|                                           | At 1 January 2024<br>N million | Charged/credited<br>to profit or loss<br>N million | Charged/Credited to<br>OCI<br>N million | Translation<br>difference<br>N million | At 31 December<br>2024<br>N million |
|-------------------------------------------|--------------------------------|----------------------------------------------------|-----------------------------------------|----------------------------------------|-------------------------------------|
| Asset retirement obligation               | 1,295,641                      | 2,155,825                                          | -                                       | 1,195,660                              | 4,647,126                           |
| Accelerated depreciation for tax purposes | 27,034,348                     | (4,028,796)                                        | -                                       | 18,288,714                             | 41,294,266                          |
| Others                                    | 165,057                        | 1,577,741                                          | 353,083                                 | 313,934                                | 2,409,815                           |
|                                           | <b>28,495,046</b>              | <b>(295,230)</b>                                   | <b>353,083</b>                          | <b>19,798,307</b>                      | <b>48,351,207</b>                   |



### Deferred tax liabilities 31 December 2023

|                                           | At 1 January 2023 | Charged/credited<br>to profit or loss | Credited to OCI | Translation<br>difference | At 31 December<br>2024 |
|-------------------------------------------|-------------------|---------------------------------------|-----------------|---------------------------|------------------------|
|                                           | N million         | N million                             | N million       | N million                 | N million              |
| Asset retirement obligation               | (1,180,937)       | 2,112,601                             | (82,084)        | 446,061                   | 1,295,641              |
| Accelerated depreciation for tax purposes | 14,946,155        | (268,408)                             | -               | 12,356,601                | 27,034,348             |
| Others                                    | 61,646            | -                                     | -               | 103,411                   | 165,057                |
|                                           | <b>13,826,864</b> | <b>1,844,193</b>                      | <b>(82,084)</b> | <b>12,906,073</b>         | <b>28,495,046</b>      |

### Company

### Deferred tax assets 31 December 2024

|                               | At 1 January 2024 | Charged/credited<br>to profit or loss | Credited to OCI | Translation<br>difference | At 31 December<br>2024 |
|-------------------------------|-------------------|---------------------------------------|-----------------|---------------------------|------------------------|
|                               | N million         | N million                             | N million       | N million                 | N million              |
| Property, plant and equipment | 1,261,370         | (2,056,118)                           | -               | 794,748                   | -                      |
| Tax losses                    | -                 | -                                     | -               | -                         | -                      |
| Post-employment benefits      | -                 | -                                     | -               | -                         | -                      |
| Others                        | 175               | (285)                                 | -               | 110                       | -                      |
|                               | <b>1,261,545</b>  | <b>(2,056,403)</b>                    | <b>-</b>        | <b>794,858</b>            | <b>-</b>               |
| Impairment of financial asset | -                 | -                                     | -               | -                         | -                      |
|                               | <b>1,261,545</b>  | <b>(2,056,403)</b>                    | <b>-</b>        | <b>794,858</b>            | <b>-</b>               |

### Deferred tax assets 31 December 2023

|                               | At 1 January 2023 | Charged/credited<br>to profit or loss | Credited to OCI | Translation<br>difference | At 31 December<br>2023 |
|-------------------------------|-------------------|---------------------------------------|-----------------|---------------------------|------------------------|
|                               | N million         | N million                             | N million       | N million                 | N million              |
| Property, plant and equipment | 593,215           | (56,724)                              | -               | 724,879                   | 1,261,370              |
| Tax losses                    | -                 | -                                     | -               | -                         | -                      |
| Post-employment benefits      | -                 | -                                     | -               | -                         | -                      |
| Others                        | -                 | 124                                   | -               | 51                        | 175                    |
|                               | <b>593,215</b>    | <b>(56,600)</b>                       | <b>-</b>        | <b>724,930</b>            | <b>1,261,545</b>       |
| Impairment of financial asset | -                 | -                                     | -               | -                         | -                      |
|                               | <b>593,215</b>    | <b>(56,600)</b>                       | <b>-</b>        | <b>724,930</b>            | <b>1,261,545</b>       |

### Deferred tax liabilities 31 December 2024

|                                          | At 1 January 2024 | Charged/credited<br>to profit or loss | Charged/<br>Credited to OCI | Translation<br>difference | At 31 December<br>2024 |
|------------------------------------------|-------------------|---------------------------------------|-----------------------------|---------------------------|------------------------|
|                                          | N million         | N million                             | N million                   | N million                 | N million              |
| Accelerated depreciation for tax purpose | 35,490,239        | (3,929,294)                           | -                           | 24,562,187                | 56,123,132             |
| Asset retirement obligation              | (6,364,184)       | 2,157,154                             | -                           | (4,341,055)               | (8,548,085)            |
| Employee benefit liabilities             | -                 | (60,030)                              | 350,751                     | 11,718                    | 302,439                |
| Provision                                | (790,386)         | 1,632,235                             | (3,865)                     | (484,291)                 | 353,692                |
|                                          | <b>28,335,669</b> | <b>(199,935)</b>                      | <b>346,886</b>              | <b>19,748,559</b>         | <b>48,231,179</b>      |

### Deferred tax liabilities 31 December 2023

|                                          | At 1 January 2023 | Charged/credited<br>to profit or loss | Credited to OCI | Translation<br>difference | At 31 December<br>2024 |
|------------------------------------------|-------------------|---------------------------------------|-----------------|---------------------------|------------------------|
|                                          | N million         | N million                             | N million       | N million                 | N million              |
| Accelerated depreciation for tax purpose | 15,005,658        | 1,621,881                             | -               | 18,862,700                | 35,490,239             |
| Asset retirement obligation              | (1,180,937)       | (1,227,580)                           | -               | (3,955,667)               | (6,364,184)            |
| Employee benefit liabilities             | (147)             | -                                     | (82,084)        | 82,231                    | -                      |
| Provision                                | (54,159)          | (38,754)                              | -               | (697,473)                 | (790,386)              |
|                                          | <b>13,770,415</b> | <b>355,547</b>                        | <b>(82,084)</b> | <b>14,291,791</b>         | <b>28,335,669</b>      |

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The joint venture and associate of the Group cannot distribute its profits until it obtains the consent from all venture partners and the equity owners respectively. The Company does not foresee giving such a consent at the reporting date.



## 20 Property, plant and equipment

|                                            | Group                  |                                     |             |
|--------------------------------------------|------------------------|-------------------------------------|-------------|
|                                            | Oil and gas properties | Other property, plant and equipment | Total       |
|                                            | N million              | N million                           | N million   |
| <b>Cost</b>                                |                        |                                     |             |
| At 1 January 2024                          | 61,617,207             | 9,822,661                           | 71,439,868  |
| Additions                                  | 5,923,722              | 2,596,900                           | 8,520,622   |
| Reclassification ***                       | 3,444,785              | (3,427,280)                         | 17,505      |
| Transfer to assets held for sale Note 20.5 | (1,699,031)            | (232,341)                           | (1,931,372) |
| Derecognition **                           | (1,071,553)            | (373,178)                           | (1,444,731) |
| Disposals                                  | (792,421)              | (82,309)                            | (874,730)   |
| Write-off *                                | -                      | (5,640)                             | (5,640)     |
| Change in estimates for decommissioning    | (5,808,142)            | -                                   | (5,808,142) |
| Translation difference                     | 44,065,132             | 2,716,997                           | 46,782,129  |
| At 31 December 2024                        | 105,679,698            | 11,015,810                          | 116,695,509 |
| At 1 January 2023                          | 28,094,844             | 3,329,652                           | 31,424,496  |
| Additions                                  | 1,699,324              | 2,533,073                           | 4,232,397   |
| Reclassification ***                       | 267,879                | (37,752)                            | 230,127     |
| Disposals                                  | (332,252)              | (33,820)                            | (366,072)   |
| Write-off *                                | -                      | (126,238)                           | (126,238)   |
| Change in estimates for decommissioning    | 1,638,348              | -                                   | 1,638,348   |
| Translation difference                     | 30,249,064             | 4,157,746                           | 34,406,810  |
| At 31 December 2023                        | 61,617,207             | 9,822,661                           | 71,439,868  |
| <b>Accumulated depreciation</b>            |                        |                                     |             |
| At 1 January 2024                          | 4,823,712              | 618,752                             | 5,442,464   |
| Charge for the period                      | 3,226,995              | 623,409                             | 3,850,404   |
| Transfer to assets held for sale           | (136,129)              | (120,858)                           | (256,987)   |
| Write-off *                                | -                      | (1,874)                             | (1,874)     |
| Derecognition                              | (57,896)               | (4,674)                             | (62,570)    |
| Disposals                                  | (77,784)               | (20,742)                            | (98,526)    |
| Translation difference                     | 3,314,971              | 34,148                              | 3,349,119   |
| At 31 December 2024                        | 11,093,868             | 1,128,161                           | 12,222,029  |
| At 1 January 2023                          | 145,915                | 58,696                              | 204,611     |
| Charge for the period                      | 1,246,829              | 101,034                             | 1,347,863   |
| Write-off *                                | -                      | (74,460)                            | (74,460)    |
| Disposals                                  | (37)                   | (2,168)                             | (2,205)     |
| Translation difference                     | 3,431,005              | 535,650                             | 3,966,656   |
| At 31 December 2023                        | 4,823,712              | 618,752                             | 5,442,464   |
| <b>Carrying amount</b>                     |                        |                                     |             |
| At 31 December 2024                        | 94,585,830             | 9,887,650                           | 104,473,480 |
| At 31 December 2023                        | 56,793,495             | 9,203,909                           | 65,997,403  |

\* Write-off relate to obsolete telecom equipment.

\*\* During the year, some legacy assets and liabilities assigned to Antan Producing Limited on 1 January 2023 were derecognised, upon the exit of Addax Petroleum Development Nigeria Limited and Addax Petroleum Exploration Nigeria Limited. This arose from management's review of the relevant transfer documents and reassessment of the accounting treatment related to the assigned assets and liabilities. Based on its reassessment, management concluded that the relevant transfer documents did not confer ownership of the assigned assets and liabilities Antan Producing Limited. Derecognition also includes the derecognition of initial OML 24 assets against GVC.

\*\*\* Reclassification relates to completed wells' oil and gas assets capitalised from Exploration and Evaluation assets.

None of the Group's assets have been pledged as security.





|                                         | Company                             |                                                  |                    |
|-----------------------------------------|-------------------------------------|--------------------------------------------------|--------------------|
|                                         | Oil and gas properties<br>₦ million | Other property, plant and equipment<br>₦ million | Total<br>₦ million |
| <b>Cost</b>                             |                                     |                                                  |                    |
| At 1 January 2024                       | 49,358,476                          | 2,913,605                                        | 52,272,081         |
| Additions                               | 2,255,233                           | 295,701                                          | 2,550,934          |
| Transfer of OML 24                      | 124,388                             | 879                                              | 125,267            |
| Transfers from SBUs                     | -                                   | 5,452                                            | 5,452              |
| Change in estimates for decommissioning | (2,655,231)                         | -                                                | (2,655,231)        |
| Write off *                             | -                                   | (5,640)                                          | (5,640)            |
| Translation difference                  | 34,331,014                          | 2,039,160                                        | 36,370,174         |
| At 31 December 2024                     | 83,413,880                          | 5,249,157                                        | 88,663,037         |
|                                         | 22,372,509                          | 1,422,173                                        | 23,794,682         |
| At 1 January 2023                       |                                     |                                                  |                    |
| Additions                               | 1,411,273                           | 79,279                                           | 1,490,552          |
| Transfers from/(to) SBUs                | 186,627                             | (46,978)                                         | 139,649            |
| Reclassification                        | 7,766                               | -                                                | 7,766              |
| Change in estimates for decommissioning | 1,310,241                           | -                                                | 1,310,241          |
| Disposals                               | -                                   | (2,588)                                          | (2,588)            |
| Write off *                             | -                                   | (329)                                            | (329)              |
| Translation difference                  | 24,070,060                          | 1,462,048                                        | 25,532,108         |
| At 31 December 2023                     | 49,358,476                          | 2,913,605                                        | 52,272,081         |
| <b>Accumulated depreciation</b>         |                                     |                                                  |                    |
| At 1 January 2024                       | 1,525,739                           | 30,282                                           | 1,556,021          |
| Charge for the period                   | 2,370,756                           | 386,911                                          | 2,757,667          |
| Write off *                             | -                                   | (1,874)                                          | (1,874)            |
| Transfer of OML 24                      | (16,189)                            | 246                                              | (15,943)           |
| Transfers from SBUs                     | -                                   | 1,836                                            | 1,836              |
| Translation difference                  | 1,156,461                           | 36,673                                           | 1,193,134          |
| At 31 December 2024                     | 5,036,767                           | 454,074                                          | 5,490,841          |
|                                         | 101,966                             | 8,692                                            | 110,658            |
| At 1 January 2023                       |                                     |                                                  |                    |
| Charge for the period                   | 930,799                             | 10,645                                           | 941,444            |
| Write off *                             | -                                   | (8)                                              | (8)                |
| Transfers from/(to) SBUs                | 408                                 | (267)                                            | 141                |
| Disposal                                | -                                   | (795)                                            | (795)              |
| Translation difference                  | 492,566                             | 12,015                                           | 504,581            |
| At 31 December 2023                     | 1,525,739                           | 30,282                                           | 1,556,021          |
| <b>Carrying amount</b>                  |                                     |                                                  |                    |
| At 31 December 2024                     | 78,377,113                          | 4,795,083                                        | 83,172,196         |
| At 31 December 2023                     | 47,832,738                          | 2,883,323                                        | 50,716,060         |

\* Write-off relates to obsolete telecom equipments.



## 20.1 Oil and Gas Properties

### The Group

|                                                 | Gas pipelines<br>and other<br>facilities<br>₦ million | Decommissioning<br>Cost<br>₦ million | Oil<br>pipelines/storage<br>and depot<br>system<br>₦ million | Oil wells<br>₦ million | Kaduna<br>refinery<br>₦ million | Warri<br>refinery<br>₦ million | Port<br>Harcourt<br>refinery<br>₦ million | Kaduna<br>petro<br>chemical<br>₦ million | Warri<br>petro<br>chemical<br>₦ million | MCA Assets<br>₦ million | Escravos Gas<br>to liquid<br>₦ million | Assets in<br>progress<br>₦ million | Total<br>₦ million |
|-------------------------------------------------|-------------------------------------------------------|--------------------------------------|--------------------------------------------------------------|------------------------|---------------------------------|--------------------------------|-------------------------------------------|------------------------------------------|-----------------------------------------|-------------------------|----------------------------------------|------------------------------------|--------------------|
| <b>Cost</b>                                     |                                                       |                                      |                                                              |                        |                                 |                                |                                           |                                          |                                         |                         |                                        |                                    |                    |
| At 1 January 2024                               | 5,414,666                                             | 7,118,397                            | 434,650                                                      | 33,300,903             | 237,114                         | 166,051                        | 351,168                                   | 56,835                                   | -                                       | 10,084,627              | 4,452,795                              | -                                  | 61,617,207         |
| Additions                                       | 1,407,195                                             | 306,173                              | 219,143                                                      | 2,027,823              | -                               | -                              | -                                         | -                                        | -                                       | -                       | 32,033                                 | 1,931,355                          | 5,923,722          |
| Transfer to assets<br>held for sale             | -                                                     | (144,003)                            | (277,838)                                                    | (1,275,952)            | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | (1,238)                            | (1,699,031)        |
| Reclassification                                | (1,747,403)                                           | 72,806                               | 1,481,451                                                    | 2,915,527              | -                               | -                              | -                                         | -                                        | 43,728                                  | -                       | -                                      | 678,675                            | 3,444,785          |
| Transfer from/(to)<br>SBUs                      | 22,967                                                | (0)                                  | (22,967)                                                     | -                      | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | (0)                                | (0)                |
| Derecognition*                                  | (8,383)                                               | (308,709)                            | -                                                            | (652,753)              | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | (101,709)                          | (1,071,553)        |
| Disposal                                        | (45,582)                                              | (495)                                | (72,099)                                                     | (237,731)              | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | (436,514)                          | (792,421)          |
| Write off                                       | -                                                     | -                                    | -                                                            | -                      | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | -                  |
| Change in<br>estimates for<br>decommissioning** | -                                                     | (5,178,483)                          | -                                                            | (629,659)              | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (5,808,142)        |
| Translation<br>difference                       | 2,451,649                                             | 4,814,564                            | 733,694                                                      | 23,700,981             | -                               | -                              | -                                         | -                                        | -                                       | 7,016,579               | 3,099,409                              | 2,248,256                          | 44,065,132         |
| <b>At 31 December<br/>2024</b>                  | <b>7,495,109</b>                                      | <b>6,680,250</b>                     | <b>2,496,033</b>                                             | <b>59,149,138</b>      | <b>237,114</b>                  | <b>166,051</b>                 | <b>351,168</b>                            | <b>56,836</b>                            | <b>43,728</b>                           | <b>17,101,207</b>       | <b>7,584,237</b>                       | <b>4,318,826</b>                   | <b>105,679,699</b> |
| At 1 January 2023                               | 1,574,057                                             | 2,300,922                            | 152,549                                                      | 14,904,333             | 120,616                         | 83,279                         | 244,793                                   | 30,506                                   | 27,008                                  | 4,922,308               | 2,194,495                              | 1,539,978                          | 28,094,844         |
| Additions                                       | 88,201                                                | 27,442                               | 89,588                                                       | 1,391,112              | -                               | 10                             | -                                         | -                                        | -                                       | 92,436                  | 10,535                                 | -                                  | 1,699,324          |
| Reclassification*                               | 210,831                                               | -                                    | -                                                            | 228,352                | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | (171,304)                          | 267,879            |
| Disposal                                        | (13,766)                                              | (160,129)                            | -                                                            | (158,357)              | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (332,252)          |
| Change in<br>estimates for<br>decommissioning   | -                                                     | 1,638,348                            | -                                                            | -                      | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | 1,638,348          |
| Translation<br>difference                       | 3,555,343                                             | 3,311,814                            | 192,513                                                      | 16,935,463             | 116,498                         | 82,762                         | 106,375                                   | 26,329                                   | (27,008)                                | 5,069,883               | 2,247,765                              | (1,368,674)                        | 30,249,064         |
| <b>At 31 December<br/>2023</b>                  | <b>5,414,666</b>                                      | <b>7,118,397</b>                     | <b>434,650</b>                                               | <b>33,300,903</b>      | <b>237,114</b>                  | <b>166,051</b>                 | <b>351,168</b>                            | <b>56,835</b>                            | <b>-</b>                                | <b>10,084,627</b>       | <b>4,452,795</b>                       | <b>-</b>                           | <b>61,617,207</b>  |
| <b>Depreciation and<br/>depletion</b>           |                                                       |                                      |                                                              |                        |                                 |                                |                                           |                                          |                                         |                         |                                        |                                    |                    |
| At 1 January 2024                               | 865,284                                               | 594,810                              | 11,693                                                       | 2,183,384              | 131,872                         | 93,479                         | 124,819                                   | 29,737                                   | -                                       | 565,221                 | 223,413                                | -                                  | 4,823,712          |
| Charge for the<br>period                        | 304,387                                               | 168,749                              | 122,480                                                      | 1,487,790              | 16,937                          | 7,144                          | 9,704                                     | 4,060                                    | 1,440                                   | 878,453                 | 225,851                                | -                                  | 3,226,995          |
| Transfer to assets<br>held for sale             | -                                                     | (96,480)                             | -                                                            | (39,649)               | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (136,129)          |
| Reclassification                                | (586,791)                                             | -                                    | 567,911                                                      | -                      | -                               | -                              | -                                         | -                                        | 18,880                                  | -                       | -                                      | -                                  | 0                  |
| Transfer from/(to)<br>SBUs                      | 109                                                   | 0                                    | (109)                                                        | -                      | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | 0                  |
| Derecognition *                                 | -                                                     | (19,030)                             | (2,054)                                                      | (36,812)               | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (57,896)           |
| Disposal                                        | (6,953)                                               | (35)                                 | (13,123)                                                     | (57,673)               | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (77,784)           |
| Translation<br>difference                       | 223,407                                               | 414,562                              | 266,128                                                      | 1,817,661              | -                               | -                              | -                                         | -                                        | -                                       | 428,668                 | 164,545                                | -                                  | 3,314,971          |
| <b>At 31 December<br/>2024</b>                  | <b>799,443</b>                                        | <b>1,062,576</b>                     | <b>952,926</b>                                               | <b>5,354,701</b>       | <b>148,808</b>                  | <b>100,624</b>                 | <b>134,523</b>                            | <b>33,797</b>                            | <b>20,320</b>                           | <b>1,872,342</b>        | <b>613,809</b>                         | <b>-</b>                           | <b>11,093,869</b>  |
| At 1 January 2023                               | 11,178                                                | 3,924                                | 2,967                                                        | 42,436                 | 5,112                           | 3,572                          | 8,740                                     | 1,135                                    | 720                                     | 31,056                  | 35,075                                 | -                                  | 145,915            |
| Charge for the<br>period                        | 46,616                                                | 110,254                              | 4,042                                                        | 591,485                | 10,225                          | 7,143                          | 9,703                                     | 2,270                                    | -                                       | 356,804                 | 108,287                                | -                                  | 1,246,829          |
| Disposal                                        | (37)                                                  | -                                    | -                                                            | -                      | -                               | -                              | -                                         | -                                        | -                                       | -                       | -                                      | -                                  | (37)               |
| Translation<br>difference                       | 807,527                                               | 480,632                              | 4,684                                                        | 1,549,463              | 116,535                         | 82,764                         | 106,376                                   | 26,332                                   | (720)                                   | 177,361                 | 80,051                                 | -                                  | 3,431,004          |
| <b>At 31 December<br/>2023</b>                  | <b>865,284</b>                                        | <b>594,810</b>                       | <b>11,693</b>                                                | <b>2,183,384</b>       | <b>131,872</b>                  | <b>93,479</b>                  | <b>124,819</b>                            | <b>29,737</b>                            | <b>-</b>                                | <b>565,221</b>          | <b>223,413</b>                         | <b>-</b>                           | <b>4,823,712</b>   |
| <b>Carrying amount</b>                          |                                                       |                                      |                                                              |                        |                                 |                                |                                           |                                          |                                         |                         |                                        |                                    |                    |
| At 31 December<br>2024                          | 6,695,666                                             | 5,617,674                            | 1,543,107                                                    | 53,794,437             | 88,306                          | 65,427                         | 216,645                                   | 23,039                                   | 23,408                                  | 15,228,865              | 6,970,428                              | 4,318,826                          | 94,585,828         |
| <b>At 31 December<br/>2023</b>                  | <b>4,549,382</b>                                      | <b>6,523,586</b>                     | <b>422,956</b>                                               | <b>31,117,519</b>      | <b>105,243</b>                  | <b>72,572</b>                  | <b>226,348</b>                            | <b>27,099</b>                            | <b>-</b>                                | <b>9,519,406</b>        | <b>4,229,384</b>                       | <b>-</b>                           | <b>56,793,495</b>  |

\* The Group's property, plant and equipment were also adjusted with derecognition of OML 24 Good and Valuable Consideration (GVC) and effect realignment of Antan Limited's fixed assets.



\*\* The value of the changes in estimate exceeded the total decommissioning cost as at the end of the reporting period, hence the excess was taken out of the cost of the related assets in line with IFRIC 1.

## 20.2 Oil and Gas Properties

### The Company

|                                         | Gas pipelines<br>and other<br>facilities<br>N million | Decommissioning<br>Cost<br>N million | Oil pipelines/<br>storage and<br>depot<br>system<br>N million | Oilwells<br>N million | MCA Assets<br>N million | Escravos Gas to<br>liquid<br>N million | Assets in<br>progress<br>N million | Total<br>N million |
|-----------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------------------------------------|-----------------------|-------------------------|----------------------------------------|------------------------------------|--------------------|
| <b>Cost</b>                             |                                                       |                                      |                                                               |                       |                         |                                        |                                    |                    |
| At 1 January 2024                       | 2,530,891                                             | 4,495,550                            | 434,651                                                       | 27,359,961            | 10,084,627              | 4,452,795                              | -                                  | 49,358,476         |
| Additions                               | 7,704                                                 | -                                    | 218,624                                                       | 1,996,871             | -                       | 32,033                                 | -                                  | 2,255,233          |
| Reclassification*                       | -                                                     | -                                    | -                                                             | -                     | -                       | -                                      | -                                  | -                  |
| Transfer of OML 24                      | 14,583                                                | (47,596)                             | -                                                             | -                     | -                       | -                                      | 157,402                            | 124,388            |
| Transfers from SBUs                     | -                                                     | -                                    | -                                                             | -                     | -                       | -                                      | -                                  | -                  |
| Change in estimates for decommissioning | -                                                     | (2,655,231)                          | -                                                             | -                     | -                       | -                                      | -                                  | (2,655,231)        |
| Translation difference                  | 1,761,817                                             | 3,018,923                            | 311,231                                                       | 19,116,713            | 7,016,576               | 3,099,410                              | 6,344                              | 34,331,014         |
| <b>At 31 December 2024</b>              | <b>4,314,995</b>                                      | <b>4,811,646</b>                     | <b>964,506</b>                                                | <b>48,473,545</b>     | <b>17,101,204</b>       | <b>7,584,238</b>                       | <b>163,746</b>                     | <b>83,413,880</b>  |
| At 1 January 2023                       | 1,241,422                                             | 1,310,550                            | 152,434                                                       | 12,434,579            | 4,920,952               | 2,193,293                              | 119,279                            | 22,372,509         |
| Additions                               | 1,388                                                 | -                                    | 89,588                                                        | 1,217,326             | 92,436                  | 10,535                                 | -                                  | 1,411,273          |
| Reclassification*                       | -                                                     | -                                    | -                                                             | 179,070               | -                       | -                                      | (171,304)                          | 7,766              |
| Transfers from SBUs                     | 12,950                                                | -                                    | -                                                             | 173,677               | -                       | -                                      | -                                  | 186,627            |
| Change in estimates for decommissioning | -                                                     | 1,310,241                            | -                                                             | -                     | -                       | -                                      | -                                  | 1,310,241          |
| Translation difference                  | 1,275,131                                             | 1,874,759                            | 192,629                                                       | 13,355,309            | 5,071,239               | 2,248,968                              | 52,025                             | 24,070,061         |
| <b>At 31 December 2023</b>              | <b>2,530,891</b>                                      | <b>4,495,550</b>                     | <b>434,651</b>                                                | <b>27,359,961</b>     | <b>10,084,627</b>       | <b>4,452,796</b>                       | <b>-</b>                           | <b>49,358,476</b>  |
| <b>Depreciation and depletion</b>       |                                                       |                                      |                                                               |                       |                         |                                        |                                    |                    |
| At 1 January 2024                       | 6,997                                                 | 96,957                               | 11,694                                                        | 621,460               | 565,221                 | 223,410                                | -                                  | 1,525,739          |
| Charge for the period                   | 207,124                                               | 70,826                               | 35,470                                                        | 953,032               | 878,453                 | 225,851                                | -                                  | 2,370,756          |
| Transfer of OML 24                      | 109                                                   | (16,298)                             | -                                                             | -                     | -                       | -                                      | -                                  | (16,189)           |
| Translation difference                  | 13,219                                                | 69,654                               | 9,563                                                         | 470,805               | 428,672                 | 164,548                                | -                                  | 1,156,461          |
| <b>At 31 December 2024</b>              | <b>227,449</b>                                        | <b>221,139</b>                       | <b>56,727</b>                                                 | <b>2,045,297</b>      | <b>1,872,346</b>        | <b>613,809</b>                         | <b>-</b>                           | <b>5,036,767</b>   |
| At 1 January 2023                       | 1,904                                                 | 3,139                                | 2,852                                                         | 30,497                | 29,855                  | 33,719                                 | -                                  | 101,966            |
| Charge for the period                   | 2,123                                                 | 64,167                               | 4,042                                                         | 395,376               | 356,804                 | 108,287                                | -                                  | 930,799            |
| Transfers from SBUs                     | -                                                     | -                                    | -                                                             | 408                   | -                       | -                                      | -                                  | 408                |
| Translation difference                  | 2,970                                                 | 29,651                               | 4,800                                                         | 195,179               | 178,562                 | 81,404                                 | -                                  | 492,566            |
| <b>At 31 December 2023</b>              | <b>6,997</b>                                          | <b>96,957</b>                        | <b>11,694</b>                                                 | <b>621,460</b>        | <b>565,221</b>          | <b>223,410</b>                         | <b>-</b>                           | <b>1,525,739</b>   |
| <b>Carrying amount</b>                  |                                                       |                                      |                                                               |                       |                         |                                        |                                    |                    |
| At 31 December 2024                     | 4,087,546                                             | 4,590,507                            | 907,779                                                       | 46,428,248            | 15,228,857              | 6,970,429                              | 163,746                            | 78,377,113         |
| At 31 December 2023                     | <b>2,523,895</b>                                      | <b>4,398,593</b>                     | <b>422,957</b>                                                | <b>26,738,501</b>     | <b>9,519,406</b>        | <b>4,229,386</b>                       | <b>-</b>                           | <b>47,832,737</b>  |



## 20.3 Other Property, Plant and Equipment

### Group

|                                    | NNPC<br>Telecom<br>₦ million | Land<br>₦ million | Buildings<br>₦ million | Automotive<br>Equipment<br>₦ million | Movable<br>equipment<br>₦ million | Furniture<br>and office<br>equipment<br>₦ million | Personnel<br>facilities<br>₦ million | Laboratories<br>Apparatus<br>and<br>equipment<br>₦ million | Electrical<br>plant and<br>transmission<br>₦ million | Loose<br>total<br>₦<br>millio<br>n | Assets in<br>progress<br>₦ million | Total<br>₦ million |
|------------------------------------|------------------------------|-------------------|------------------------|--------------------------------------|-----------------------------------|---------------------------------------------------|--------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------|------------------------------------|--------------------|
| <b>Cost</b>                        |                              |                   |                        |                                      |                                   |                                                   |                                      |                                                            |                                                      |                                    |                                    |                    |
| <b>Cost At 1 January 2024</b>      | 1,265,339                    | 292,071           | 229,507                | 690,063                              | 1,143,016                         | 271,495                                           | 6,113                                | 45,400                                                     | 396,180                                              | -                                  | 5,483,477                          | 9,822,660          |
| Additions                          | -                            | 15,231            | 38,448                 | 39,442                               | 40,604                            | 37,975                                            | -                                    | -                                                          | 132,640                                              | -                                  | 2,292,560                          | 2,596,900          |
| Reclassifications                  | (1,254,070)                  | 21,889            | 92,107                 | (189,743)                            | 658,897                           | 78,348                                            | (2,491)                              | 459,736                                                    | 91,528                                               | -                                  | (3,383,481)                        | (3,427,280)        |
| Transfer from/(to) SBUs            | -                            | -                 | -                      | 14                                   | 359                               | (521)                                             | 3                                    | 145                                                        | -                                                    | -                                  | -                                  | 0                  |
| Derecognition                      | -                            | -                 | (27,771)               | (685)                                | (6,500)                           | (796)                                             | (382)                                | -                                                          | (337,045)                                            | -                                  | -                                  | (373,178)          |
| Write off                          | (5,452)                      | -                 | -                      | (187)                                | -                                 | -                                                 | -                                    | (1)                                                        | -                                                    | -                                  | -                                  | (5,640)            |
| Transfer to assets held for sale   | -                            | -                 | (1,433)                | -                                    | (2,050)                           | (40)                                              | -                                    | (228,818)                                                  | -                                                    | -                                  | -                                  | (232,341)          |
| Disposals                          | -                            | (118)             | (15,038)               | (1,338)                              | (51,457)                          | (14,358)                                          | -                                    | -                                                          | -                                                    | -                                  | -                                  | (82,309)           |
| Translation difference             | 3,127                        | 194,187           | 121,911                | 294,683                              | 1,276,040                         | 205,280                                           | 2,480                                | 101,614                                                    | 365,625                                              | -                                  | 152,050                            | 2,716,997          |
| <b>At 31 December 2024</b>         | 8,944                        | 523,260           | 437,731                | 832,248                              | 3,058,909                         | 577,383                                           | 5,723                                | 378,076                                                    | 648,928                                              | -                                  | 4,544,606                          | 11,015,809         |
| <b>At 1 January 2023</b>           |                              |                   |                        |                                      |                                   |                                                   |                                      |                                                            |                                                      |                                    |                                    |                    |
| Additions                          | 885,628                      | 9,161             | 11,920                 | 175,947                              | 33,932                            | 29,641                                            | 222                                  | 1,220                                                      | 67,754                                               | -                                  | 1,317,648                          | 2,533,073          |
| Reclassifications                  | -                            | -                 | 494                    | 10,877                               | 6,882                             | 3,352                                             | -                                    | -                                                          | -                                                    | -                                  | (59,357)                           | (37,752)           |
| Write off                          | -                            | -                 | -                      | (4,529)                              | (119,952)                         | (131)                                             | -                                    | -                                                          | (1,429)                                              | -                                  | (198)                              | (126,238)          |
| Disposals                          | -                            | -                 | (51)                   | (3,574)                              | (29,497)                          | (405)                                             | (38)                                 | (254)                                                      | -                                                    | -                                  | -                                  | (33,820)           |
| Translation difference             | (196,135)                    | 157,460           | 119,060                | 348,830                              | 471,448                           | 110,665                                           | 2,470                                | 43,295                                                     | (6,913)                                              | (1)                                | 3,107,566                          | 4,157,746          |
| <b>At 31 December 2023</b>         | 1,265,339                    | 292,071           | 229,507                | 690,063                              | 1,143,016                         | 271,495                                           | 6,113                                | 45,400                                                     | 396,180                                              | -                                  | 5,483,477                          | 9,822,660          |
| <b>Depreciation and Impairment</b> |                              |                   |                        |                                      |                                   |                                                   |                                      |                                                            |                                                      |                                    |                                    |                    |
| <b>At 1 January 2024</b>           | 5,411                        | -                 | 32,726                 | 206,726                              | 279,802                           | 52,033                                            | 2,186                                | 19,832                                                     | 20,035                                               | -                                  | -                                  | 618,751            |
| Depreciation charge for the year   | 597                          | -                 | 4,847                  | 74,358                               | 299,192                           | 69,513                                            | 824                                  | 144,427                                                    | 29,651                                               | -                                  | -                                  | 623,409            |
| Transfer from/(to) SBUs            | 1                            | -                 | -                      | 14                                   | 345                               | (508)                                             | 3                                    | 145                                                        | -                                                    | -                                  | -                                  | -                  |
| Derecognition                      | -                            | -                 | (3,048)                | (665)                                | (266)                             | (514)                                             | (180)                                | -                                                          | -                                                    | -                                  | -                                  | (4,674)            |
| Transfer to assets held for sale   | -                            | -                 | (231)                  | -                                    | (313)                             | -                                                 | -                                    | (120,314)                                                  | -                                                    | -                                  | -                                  | (120,858)          |
| Write off                          | (1,836)                      | -                 | -                      | (35)                                 | -                                 | -                                                 | -                                    | (3)                                                        | -                                                    | -                                  | -                                  | (1,874)            |
| Reclassification                   | -                            | -                 | 5,323                  | 68,092                               | (221,521)                         | 31,765                                            | (1,569)                              | 133,899                                                    | (15,990)                                             | -                                  | -                                  | -                  |
| Disposals                          | -                            | -                 | (1,890)                | (929)                                | (12,011)                          | (5,912)                                           | -                                    | -                                                          | -                                                    | -                                  | -                                  | (20,742)           |
| Translation difference             | 661                          | -                 | 13,864                 | (60,890)                             | 51,608                            | 45,760                                            | 431                                  | (21,118)                                                   | 3,832                                                | -                                  | -                                  | 34,148             |
| <b>At 31 December 2024</b>         | 4,834                        | -                 | 51,591                 | 286,671                              | 396,834                           | 192,137                                           | 1,695                                | 156,870                                                    | 37,528                                               | -                                  | -                                  | 1,128,160          |
| <b>At 1 January 2023</b>           |                              |                   |                        |                                      |                                   |                                                   |                                      |                                                            |                                                      |                                    |                                    |                    |
| Depreciation charge for the year   | 321                          | -                 | 3,947                  | 58,603                               | 24,384                            | 10,312                                            | 288                                  | 1,852                                                      | 1,327                                                | -                                  | -                                  | 101,034            |
| Write off                          | -                            | -                 | -                      | -                                    | (73,634)                          | (8)                                               | -                                    | -                                                          | (818)                                                | -                                  | -                                  | (74,460)           |
| Disposals                          | -                            | -                 | (8)                    | (1,569)                              | (197)                             | (382)                                             | (12)                                 | -                                                          | -                                                    | -                                  | -                                  | (2,168)            |
| Translation difference             | (9,030)                      | -                 | 27,304                 | 147,114                              | 326,683                           | 8,044                                             | 1,789                                | 17,748                                                     | 15,998                                               | (1)                                | -                                  | 535,650            |
| <b>At 31 December 2023</b>         | 5,411                        | -                 | 32,726                 | 206,726                              | 279,802                           | 52,033                                            | 2,186                                | 19,832                                                     | 20,035                                               | -                                  | -                                  | 618,752            |
| <b>Carrying amount</b>             |                              |                   |                        |                                      |                                   |                                                   |                                      |                                                            |                                                      |                                    |                                    |                    |
| At 31 December 2024                | 4,110                        | 523,260           | 386,140                | 545,577                              | 2,662,075                         | 385,246                                           | 4,028                                | 221,206                                                    | 611,400                                              | -                                  | 4,544,606                          | 9,887,648          |
| At 31 December 2023                | 1,259,928                    | 292,071           | 196,781                | 483,336                              | 863,213                           | 219,462                                           | 3,927                                | 25,568                                                     | 376,145                                              | -                                  | 5,483,477                          | 9,203,908          |



## Company

|                                    | NNPC<br>Telecom<br>N million | Land<br>N million | Buildings<br>N million | Automotive<br>Equipment<br>N million | Movable<br>equipment<br>N million | Furniture<br>and<br>equipment<br>N million | Personnel<br>Facilities<br>N million | Laboratory<br>Apparatus<br>and<br>equipment<br>N million | Electrical<br>plant and<br>transmission<br>N million | Loose<br>tools<br>N million | Assets in<br>progress<br>N million | Total<br>N million |
|------------------------------------|------------------------------|-------------------|------------------------|--------------------------------------|-----------------------------------|--------------------------------------------|--------------------------------------|----------------------------------------------------------|------------------------------------------------------|-----------------------------|------------------------------------|--------------------|
| <b>Cost</b>                        |                              |                   |                        |                                      |                                   |                                            |                                      |                                                          |                                                      |                             |                                    |                    |
| <b>At 1 January 2024</b>           | 2,185                        | 257,668           | 34,976                 | 306,801                              | 1,586,235                         | 199,096                                    | 2,663                                | 857                                                      | 310,686                                              | -                           | 212,437                            | 2,913,605          |
| Additions                          | -                            | 1,022             | 38,182                 | 5,995                                | 13,752                            | 36,141                                     | -                                    | -                                                        | 22,047                                               | -                           | 178,562                            | 295,701            |
| Reclassification                   | -                            | -                 | 2,517                  | -                                    | 36,873                            | 17,841                                     | -                                    | -                                                        | 16,082                                               | -                           | (73,313)                           | -                  |
| Transfer of OML 24                 | -                            | -                 | -                      | -                                    | 5                                 | 875                                        | -                                    | -                                                        | -                                                    | -                           | -                                  | 879                |
| Transfer from SBUs                 | 5,452                        | -                 | -                      | -                                    | -                                 | -                                          | -                                    | -                                                        | -                                                    | -                           | -                                  | 5,452              |
| Write-off                          | (5,452)                      | -                 | -                      | (187)                                | -                                 | -                                          | -                                    | (1)                                                      | -                                                    | -                           | -                                  | (5,640)            |
| Disposals                          | -                            | -                 | -                      | -                                    | -                                 | -                                          | -                                    | -                                                        | -                                                    | -                           | -                                  | -                  |
| Translation difference             | 1,521                        | 179,321           | 25,977                 | 213,696                              | 1,105,695                         | 140,742                                    | 1,854                                | 598                                                      | 217,704                                              | -                           | 152,052                            | 2,039,160          |
| <b>At 31 December 2024</b>         | 3,706                        | 438,011           | 101,652                | 526,305                              | 2,742,560                         | 394,695                                    | 4,517                                | 1,454                                                    | 566,519                                              | -                           | 469,738                            | 5,249,157          |
| <b>Cost</b>                        |                              |                   |                        |                                      |                                   |                                            |                                      |                                                          |                                                      |                             |                                    |                    |
| <b>At 1 January 2023</b>           | -                            | 121,236           | 14,558                 | 151,435                              | 777,276                           | 84,450                                     | 1,322                                | 668                                                      | 154,271                                              | -                           | 116,957                            | 1,422,173          |
| Additions                          | 2,185                        | 8,870             | 3,452                  | 3,029                                | 3,561                             | 17,117                                     | 1                                    | -                                                        | 629                                                  | -                           | 40,436                             | 79,279             |
| Reclassification                   | -                            | -                 | 494                    | -                                    | 6,789                             | 3,352                                      | -                                    | -                                                        | -                                                    | -                           | (10,635)                           | -                  |
| Write-off                          | -                            | -                 | -                      | -                                    | -                                 | (131)                                      | -                                    | -                                                        | -                                                    | -                           | (198)                              | (329)              |
| Transfer to SBUs                   | -                            | -                 | -                      | (263)                                | (1)                               | (5)                                        | -                                    | -                                                        | -                                                    | -                           | (46,710)                           | (46,978)           |
| Disposals                          | -                            | -                 | -                      | (2,328)                              | (149)                             | (104)                                      | (8)                                  | -                                                        | -                                                    | -                           | -                                  | (2,588)            |
| Translation difference             | -                            | 127,562           | 16,472                 | 154,928                              | 798,759                           | 94,417                                     | 1,348                                | 189                                                      | 155,786                                              | -                           | 112,587                            | 1,462,048          |
| <b>At 31 December 2023</b>         | 2,185                        | 257,668           | 34,976                 | 306,801                              | 1,586,235                         | 199,096                                    | 2,663                                | 857                                                      | 310,686                                              | -                           | 212,437                            | 2,913,605          |
| <b>Depreciation and Impairment</b> |                              |                   |                        |                                      |                                   |                                            |                                      |                                                          |                                                      |                             |                                    |                    |
| <b>At 1 January 2024</b>           | 157                          | -                 | 2,700                  | 1,208                                | 8,313                             | 14,528                                     | 128                                  | 578                                                      | 2,669                                                | -                           | -                                  | 30,282             |
| Depreciation charge for the year   | 256                          | 0                 | 1,483                  | 52,631                               | 263,162                           | 42,189                                     | 714                                  | 416                                                      | 26,059                                               | -                           | -                                  | 386,911            |
| Transfer of OML 24                 | -                            | -                 | -                      | -                                    | 1                                 | 245                                        | -                                    | -                                                        | -                                                    | -                           | -                                  | 246                |
| Transfer from/(to) SBUs            | 1,836                        | -                 | -                      | -                                    | -                                 | -                                          | -                                    | -                                                        | -                                                    | -                           | -                                  | 1,836              |
| Write-off                          | (1,836)                      | -                 | -                      | (35)                                 | -                                 | -                                          | -                                    | (3)                                                      | -                                                    | -                           | -                                  | (1,874)            |
| Reclassification                   | -                            | -                 | -                      | -                                    | -                                 | -                                          | -                                    | -                                                        | -                                                    | -                           | -                                  | -                  |
| Disposals                          | -                            | -                 | -                      | -                                    | -                                 | -                                          | -                                    | -                                                        | -                                                    | -                           | -                                  | -                  |
| Translation difference             | 120                          | 0                 | 1,939                  | 2,961                                | 16,393                            | 11,819                                     | 118                                  | 418                                                      | 2,907                                                | -                           | -                                  | 36,673             |
| <b>At 31 December 2024</b>         | 533                          | 0                 | 6,122                  | 56,765                               | 287,869                           | 68,781                                     | 960                                  | 1,409                                                    | 31,635                                               | -                           | -                                  | 454,074            |
| <b>At 1 January 2023</b>           | -                            | -                 | 742                    | 923                                  | 2,331                             | 3,764                                      | 38                                   | 289                                                      | 605                                                  | -                           | -                                  | 8,692              |
| Depreciation charge for the year   | 54                           | -                 | 866                    | 318                                  | 2,799                             | 5,136                                      | 44                                   | 344                                                      | 1,084                                                | -                           | -                                  | 10,645             |
| Write-off                          | -                            | -                 | -                      | -                                    | -                                 | (8)                                        | -                                    | -                                                        | -                                                    | -                           | -                                  | (8)                |
| Transfer                           | -                            | -                 | -                      | (158)                                | (105)                             | (4)                                        | -                                    | -                                                        | -                                                    | -                           | -                                  | (267)              |
| Disposals                          | -                            | -                 | -                      | (580)                                | (119)                             | (88)                                       | (8)                                  | -                                                        | -                                                    | -                           | -                                  | (795)              |
| Translation difference             | 103                          | -                 | 1,092                  | 705                                  | 3,407                             | 5,729                                      | 54                                   | (55)                                                     | 980                                                  | -                           | -                                  | 12,015             |
| <b>At 31 December 2023</b>         | 157                          | -                 | 2,700                  | 1,208                                | 8,313                             | 14,529                                     | 128                                  | 578                                                      | 2,669                                                | -                           | -                                  | 30,282             |
| <b>Carrying amount</b>             |                              |                   |                        |                                      |                                   |                                            |                                      |                                                          |                                                      |                             |                                    |                    |
| At 31 December 2024                | 3,173                        | 438,011           | 95,530                 | 469,540                              | 2,454,691                         | 325,914                                    | 3,557                                | 45                                                       | 534,884                                              | -                           | 469,738                            | 4,795,083          |
| At 31 December 2023                | 2,028                        | 257,668           | 32,276                 | 305,592                              | 1,577,921                         | 184,568                                    | 2,535                                | 279                                                      | 308,017                                              | -                           | 212,437                            | 2,883,323          |

## 20.4 Gain on disposal of property, plant and equipment

|                                         | Notes   | Group             |                   | Company           |                   |
|-----------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|
|                                         |         | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Proceeds from disposal of assets        |         | 1,109,984         | 230,938           | 87                | 1,746             |
| Cost*                                   | Note 20 | 883,048           | 205,943           | -                 | 2,588             |
| Accumulated depreciation                | Note 20 | (98,491)          | (2,205)           | -                 | (795)             |
| Less: net book value of disposed assets |         | 784,557           | 203,738           | -                 | 1,793             |
| Gains/(loss) on disposal                |         | 325,427           | 27,200            | 87                | (47)              |





The gain on disposal recognized in Company relates to gains from sales of motor vehicles which were fully depreciated in Nigerian National Petroleum Corporation (NNPC) and were transferred at carrying amount of N91 to Nigerian National Company Limited (NNPC LIMITED) at implementation of PIA.

There was no capitalised borrowing costs during the period.

## 20.5 Assets classified as held for sale

|                                                | Group             |                   | Company           |                   |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Transfer of cost from PPE                      | 1,931,372         | -                 | -                 | -                 |
| Transfer of accumulated depreciation           | (256,987)         | -                 | -                 | -                 |
| Transfer from intangible assets                | 251,952           | -                 | -                 | -                 |
| Impairment loss on asset held for sale         | (98,065)          | -                 | -                 | -                 |
| Translation difference                         | 73,690            | -                 | -                 | -                 |
|                                                | 1,901,963         | -                 | -                 | -                 |
| Liabilities directly with assets held for sale | (56,063)          | -                 | -                 | -                 |
|                                                | <b>1,845,900</b>  | -                 | -                 | -                 |

### 20.5.1 Equity interest in OML 13 assets

On April 22, 2024, a member of the Group (NEPL) entered a Deed of Assignment to terminate the Financing and Technical Service Arrangement with Sumedha Energy Limited (SEL) for a 45% equity stake in OML 13. The Deed of Assignment received the Ministerial consent on November 1, 2024.

Upon the execution of the agreement, the 45% carrying amount of the OML 13 assets of N1.9trillion and (N56 billion) were classified as "asset held for sale" and liability associated with it as presented under in the statement of financial position. A loss of fair value measurement of N167 billion, to reduce the carrying amount of the assets to their fair value less cost to sell, was recognised in the financial statements.

This transaction was consummated on January 1, 2025, and on March 1, 2025, NUPRC announced through its upstream concession situation report, the new ownership structure of OML 13, showing Sumedha Energy Limited with 45% ownership of OML 13.

## 21 Royalties, rentals and gas flare penalty payable

|                                                  | Group             |                   | Company           |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                                  | 3,569,579         | 926,760           | 2,456,648         | 520,815           |
| Transfer from PSC                                | -                 | 15,628            | -                 | 15,628            |
| Additions during the year                        | 5,790,642         | 1,888,847         | 4,271,816         | 1,399,176         |
| Excess provision from prior years written back * | 16,127            | (31,161)          | -                 | -                 |
|                                                  | 9,376,348         | 2,800,074         | 6,728,464         | 1,935,619         |
| Payment during the year                          | (2,825,561)       | (669,096)         | (1,379,644)       | (417,998)         |
| Translation difference                           | 2,654,880         | 1,438,601         | 1,878,904         | 939,027           |
| At 31 December                                   | <b>9,205,667</b>  | <b>3,569,579</b>  | <b>7,227,724</b>  | <b>2,456,648</b>  |

\* Included in the payment during the year is FX recovery of N111 billion approved by FAAC to defray royalty payable for Group Company.

\*\* Based on the reconciliation of crude and gas royalties performed by NNPC Exploration & Production Limited (NEPL), a subsidiary of the Group, with the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) as at 31 December 2024, a total over-provision of N16.4 billion (2023: N31.2 billion) for crude and gas royalties, concession rentals and gas flare penalties was written back.

|                                                                            | Notes | Group             |                   | Company           |                   |
|----------------------------------------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                                                            |       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Royalties charge is as shown below for the statement of cash flow purpose: |       |                   |                   |                   |                   |
| Gas flare penalty payable                                                  |       | 1,318,974         | 75,762            | 1,036,490         | -                 |
| Gas and crude royalty payable                                              |       | 4,471,668         | 1,813,085         | 3,235,326         | 1,399,176         |
|                                                                            |       | 5,790,642         | 1,888,847         | 4,271,816         | 1,399,176         |



## 22 Intangible assets

|                                       | Group     |           |           |                |                                   |           |
|---------------------------------------|-----------|-----------|-----------|----------------|-----------------------------------|-----------|
|                                       | Goodwill  | License   | Software  | Mineral Rights | Evaluation and Exploration assets | Total     |
|                                       | N million | N million | N million | N million      | N million                         | N million |
| <b>31 December 2024</b>               |           |           |           |                |                                   |           |
| <b>Cost</b>                           |           |           |           |                |                                   |           |
| At 1 January 2024                     | 8,667     | -         | 1,552     | 696,765        | 1,486,616                         | 2,193,601 |
| Additions                             | -         | 59        | 5,896     | 46,294         | 640,461                           | 692,710   |
| Reclassification                      |           |           |           |                | (17,504)                          | (17,504)  |
| Disposal                              |           |           |           |                | (8,813)                           | (8,813)   |
| Net Transfer Out                      | -         | -         | -         | (46,181)       | -                                 | (46,181)  |
| Transfer of OML 24 to NUIMS           |           |           |           |                | (4,433)                           | (4,433)   |
| Transfer to Assets held for sale 20.5 |           |           |           |                | (251,952)                         | (251,952) |
| Write off**                           | -         | -         | -         | (15,700)       | (1,054)                           | (16,754)  |
| Translation difference                | -         | 2         | 1,317     | 1,183,273      | 1,048,627                         | 2,233,219 |
| At 31 December 2024                   | 8,667     | 61        | 8,765     | 1,864,451      | 2,891,949                         | 4,773,893 |
| <b>Accumulated Amortisation</b>       |           |           |           |                |                                   |           |
| At 1 January 2024                     | -         | -         | 140       | 26,205         | -                                 | 26,345    |
| Amortisation charge for the period    | -         | 3         | 630       | 48,952         | -                                 | 49,585    |
| Net Transfer out                      | -         | -         | -         | (48,651)       | -                                 | (48,651)  |
| Translation difference                | -         | -         | 45        | 717,359        | -                                 | 717,404   |
| At 31 December 2024                   | -         | 3         | 815       | 743,865        | -                                 | 744,683   |
| <b>Carrying amount</b>                |           |           |           |                |                                   |           |
| At 31 December 2024                   | 8,667     | 58        | 7,950     | 1,120,586      | 2,891,949                         | 4,029,210 |

|                                    | Group     |           |           |                |                                   |           |
|------------------------------------|-----------|-----------|-----------|----------------|-----------------------------------|-----------|
|                                    | Goodwill  | License   | Software  | Mineral Rights | Evaluation and Exploration assets | Total     |
|                                    | N million | N million | N million | N million      | N million                         | N million |
| <b>31 December 2023</b>            |           |           |           |                |                                   |           |
| <b>Cost</b>                        |           |           |           |                |                                   |           |
| At 1 January 2023                  | 80,450    | -         | 769       | 576,320        | 441,899                           | 1,099,438 |
| Measurement period adjustment*     | (71,783)  | -         | -         | -              | -                                 | (71,783)  |
| Additions                          | -         | -         | 783       | -              | 370,255                           | 371,038   |
| Impairment                         | -         | -         | -         | -              | (19,912)                          | (19,912)  |
| Reclassification                   |           |           |           | (102,142)      | (127,985)                         | (230,127) |
| Exchange difference                | -         | -         | -         | 222,587        | 822,359                           | 1,044,946 |
| At 31 December 2023                | 8,667     | -         | 1,552     | 696,765        | 1,486,616                         | 2,193,600 |
| <b>Accumulated Amortisation</b>    |           |           |           |                |                                   |           |
| At 1 January 2023                  | -         | -         | -         | 21,948         | -                                 | 21,948    |
| Amortisation charge for the period | -         | -         | 140       | 4,257          | -                                 | 4,397     |
| At 31 December 2023                | -         | -         | 140       | 26,205         | -                                 | 26,345    |
| <b>Carrying amount</b>             |           |           |           |                |                                   |           |
| At 31 December 2023                | 8,667     | -         | 1,412     | 670,560        | 1,486,616                         | 2,167,255 |

|                                    | Company   |                    |                |           |
|------------------------------------|-----------|--------------------|----------------|-----------|
|                                    | Software  | Exploration assets | Mineral Rights | Total     |
|                                    | N million | N million          | N million      | N million |
| <b>31 December 2024</b>            |           |                    |                |           |
| <b>Cost</b>                        |           |                    |                |           |
| At 1 January 2024                  | 759       | -                  | 1,360          | 2,119     |
| Additions                          | 5,858     | -                  | 46,294         | 52,152    |
| Transfer-in                        | -         | 4,443              | -              | 4,443     |
| Translation difference             | 2,080     | 180                | 1,507          | 3,768     |
| At 31 December 2024                | 8,697     | 4,623              | 49,161         | 62,482    |
| <b>Accumulated Amortisation</b>    |           |                    |                |           |
| At 1 January 2024                  | 140       | -                  | 293            | 433       |
| Amortisation charge for the period | 500       | -                  | 1,514          | 2,014     |
| Translation difference             | 118       | -                  | 278            | 396       |
| At 31 December 2024                | 759       | -                  | 2,085          | 2,843     |
| <b>Carrying Amount</b>             |           |                    |                |           |
| At 31 December 2024                | 7,938     | 4,623              | 47,077         | 59,638    |



### 31 December 2023

#### Cost

|                     |     |   |         |         |
|---------------------|-----|---|---------|---------|
| At 1 January 2023   | 759 | - | 5,696   | 6,455   |
| Reclassification    | -   | - | (7,766) | (7,766) |
| Exchange difference | -   | - | 3,430   | 3,430   |
| At 31 December 2023 | 759 | - | 1,360   | 2,119   |

#### Accumulated Amortisation

|                                    |     |   |     |     |
|------------------------------------|-----|---|-----|-----|
| At 1 January 2023                  | -   | - | -   | -   |
| Amortisation charge for the period | 140 | - | 293 | 433 |
| At 31 December 2023                | 140 | - | 293 | 433 |

#### Carrying Amount

|                     |     |   |       |       |
|---------------------|-----|---|-------|-------|
| At 31 December 2023 | 619 | - | 1,067 | 1,686 |
|---------------------|-----|---|-------|-------|

### Intangible Assets

#### Mineral rights license

Mineral rights are measured on initial recognition at cost. Following initial recognition, the mineral rights are carried at cost less accumulated amortisation and impairment losses. Mineral right license have been granted for a period of 5- 20 years by the relevant government agency and it is amortised over the period. The average remaining amortisation period for the mineral rights is between 1 year - 19 years.

#### Impairment tests for goodwill

The group tests goodwill for impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the cash-generating unit (CGU) was determined based on fair value less cost of disposal which require the use of assumptions. The Group has adopted the market approach using EV/EBITDA in estimating the recoverable amount. The entity has only one cash generating unit (CGU). The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data.

|                       |                               |
|-----------------------|-------------------------------|
| Valuation methodology | : Market approach (EV/EBITDA) |
| Illiquidity discount  | : 6.7%                        |
| Transaction cost      | : 3%                          |
| Size adjustment       | : 16.8%                       |

### Valuation Summary

#### Fair Value less Cost to Sell

|                                                   | High<br>N million | Low<br>N million | Average<br>N million |
|---------------------------------------------------|-------------------|------------------|----------------------|
| Comparable Companies (EV/EBITDA)                  | 211,246           | 199,372          |                      |
| Precedent Transactions (EV/EBITDA)                | 210,179           | 209,038          |                      |
| <b>Average</b>                                    | 210,713           | 204,205          |                      |
| Cost to sell                                      | 3%                | (6,321)          | (6,126)              |
| Fair Value less Cost to Sell (Recoverable amount) | 204,391           | 198,079          | 201,235              |
| Estimated recoverable amount                      | 201,235           |                  |                      |
| Carrying amount as at 31 December 2024            | 137,388           |                  |                      |
| Excess of recoverable amount over carrying amount | 63,847            |                  |                      |

As at 31 December 2024, the recoverable amount which is the fair value less cost to sell is estimated to be N201.2 billion, based on NRL's performance results and market multiples as of 31 December 2024. This amount exceeds the total net assets of N137.4 billion. Consequently, the impairment test as at 31 December 2024 indicates that NNPC Limited goodwill in NRL is not impaired.

\*Goodwill resulted from the acquisition of Neuoil during the 2022 year end. A provisional goodwill of N80.45 billion was reported in 2022 as the acquisition accounting has not been finalized. As at 31 December 2023, the acquisition has been finalized and the resulting goodwill amounts to N8.67 billion due to a measurement period adjustment of N71.8 billion. Goodwill is measured as described in note 1.4(ii). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



## 23 Financial Assets and Financial Liabilities

### 23.1 Other financial assets

| 23.1 Other financial assets            |                  | Group             |                   | Company           |                   |
|----------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | Notes            | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Financial assets at FVTOCI             |                  |                   |                   |                   |                   |
| Quoted equity shares (at fair value)   | Note 23.4 & 54.4 | 10,568            | 11,902            | 10,568            | 11,902            |
| Unquoted equity shares (at fair value) | Note 23.4 & 54.4 | 1,600,734         | 1,217,466         | 1,600,734         | 1,217,467         |
|                                        |                  | 1,611,302         | 1,229,368         | 1,611,302         | 1,229,369         |
| Financial assets at amortised cost     |                  |                   |                   |                   |                   |
| Related party loans                    | Note 23.3        | -                 | 8,793             | 185,544           | 63,183            |
| Staff loans                            | Note 23.3        | 27,753            | 26,250            | 10,781            | 10,737            |
|                                        |                  | 27,753            | 35,043            | 196,325           | 73,920            |
| Impairment allowance                   | Note 23.5        | -                 | -                 | (348)             | -                 |
| Financial assets at amortised cost     |                  | 27,753            | 35,043            | 195,977           | 73,920            |
| Total other financial assets           |                  | 1,639,055         | 1,264,411         | 1,807,279         | 1,303,289         |

The Group's quoted equity shares are the ordinary shares of First Bank Nigeria Limited and Nestle Plc, Cadbury Plc, Unilever Plc, Nigerian-German Chemical Plc and Schlumberger. The net asset-based approach and the relative approach -comparable company enterprise value, was used in estimating the fair value of NNPC Limited unquoted shares as at the Valuation date of 31 December 2024.

The Group's unquoted equity shares are its interests in Afreximbank and Dangote Refinery.

Other financial assets at amortised cost are held to collect principal and interest and generate fixed interest income for the Group. Related party loans were given at the prevailing market rate to the borrowing entities within the Group (see note 42).

The staff loans are measured at amortised cost.

### 23.2 Reconciliation of fair value measurements assets for financial assets at FVTOCI

|                                          | Notes | Group             |                   | Company           |                   |
|------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                          |       | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Opening balance                          |       | 1,229,368         | 471,396           | 1,229,369         | 471,395           |
| Translation difference                   |       | 837,018           | 481,913           | 837,017           | 481,915           |
| Fair value adjustments recognised in OCI |       | (455,084)         | 276,059           | (455,084)         | 276,059           |
| Closing balance                          |       | 1,611,302         | 1,229,368         | 1,611,302         | 1,229,369         |

### 23.3 Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried at amortised cost in the financial statements.

| Group               | Notes | Carrying Amount<br>2024<br>N million | Fair value<br>2024<br>N million | Carrying Amount<br>2023<br>N million | Fair value<br>2023<br>N million |
|---------------------|-------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Financial assets    |       |                                      |                                 |                                      |                                 |
| Related party loans |       | -                                    | -                               | 8,793                                | 8,793                           |
| Staff loans         |       | 27,753                               | 27,753                          | 26,250                               | 26,250                          |
|                     |       | 27,753                               | 27,553                          | 35,043                               | 35,043                          |
|                     |       |                                      |                                 |                                      |                                 |
| Company             | Notes | Carrying Amount<br>2024<br>N million | Fair value<br>2024<br>N million | Carrying Amount<br>2023<br>N million | Fair value<br>2023<br>N million |
| Financial assets    |       |                                      |                                 |                                      |                                 |
| Related party loans |       | 185,196                              | 185,196                         | 63,183                               | 63,183                          |
| Staff loans         |       | 10,781                               | 10,781                          | 10,737                               | 10,737                          |
|                     |       | 195,977                              | 195,977                         | 73,920                               | 73,920                          |



|             | Group             |                   | Company           |                   |
|-------------|-------------------|-------------------|-------------------|-------------------|
|             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Current     | 25,367            | 23,931            | 153,570           | 10,737            |
| Non-current | 2,386             | 11,112            | 42,407            | 63,183            |
|             | 27,753            | 35,043            | 195,977           | 73,920            |

The management assessed that cash and short-term deposits, trade receivables, staff loans, other financial assets, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Other receivables are non-interest bearing and are generally on terms of 30 to 365 days.

### 23.4 Financial instruments by their categories

| Group                         |           | 2024           |           | 2023           |           |
|-------------------------------|-----------|----------------|-----------|----------------|-----------|
|                               | Notes     | Amortised cost | FVTOCI    | Amortised cost | FVTOCI    |
| <b>Financial assets</b>       |           |                |           |                |           |
| Quoted equity shares          | Note 23.1 | -              | 10,568    | -              | 11,902    |
| Unquoted equity shares        | Note 23.1 | -              | 1,600,734 | -              | 1,217,466 |
| Other financial assets        | Note 23.1 | 27,753         | -         | 35,043         | -         |
| Trade and other receivables * | Note 25   | 29,554,060     | -         | 28,251,325     | -         |
| Cash and short term deposits  | Note 27   | 10,306,152     | -         | 7,719,601      | -         |
|                               |           | 39,887,965     | 1,611,302 | 36,005,969     | 1,229,368 |
| <b>Financial liabilities</b>  |           |                |           |                |           |
| Trade and other payables **   | Note 42   | 31,069,680     | -         | 24,359,057     | -         |
| Royalties payable             | Note 21   | 9,205,667      | -         | 3,569,579      | -         |
| Lease liabilities             | Note 47.2 | 409,387        | -         | 401,025        | -         |
|                               |           | 40,684,734     | -         | 28,329,661     | -         |

\* Trade and other receivables exclude non-financial assets such as withholding tax receivables.

\*\* Trade and other payables exclude non-financial liabilities such as withholding tax payable, value added tax payable, accrued expenses, statutory obligations, stock overlift, stock underlift and provisions for police levy.

| Company                       |           | 2024           |           | 2023           |           |
|-------------------------------|-----------|----------------|-----------|----------------|-----------|
|                               | Notes     | Amortised cost | FVTOCI    | Amortised cost | FVTOCI    |
| <b>Financial assets</b>       |           |                |           |                |           |
| Quoted equity shares          | Note 23.1 | -              | 10,568    | -              | 11,902    |
| Unquoted equity shares        | Note 23.1 | -              | 1,600,734 | -              | 1,217,467 |
| Other financial assets        | Note 23.1 | 195,977        | -         | 73,920         | -         |
| Trade and other receivables * | Note 25   | 48,864,447     | -         | 28,251,325     | -         |
| Cash and short term           | Note 27   | 6,345,238      | -         | 3,174,791      | -         |
|                               |           | 55,405,662     | 1,611,302 | 31,500,035     | 1,229,369 |
| <b>Financial liabilities</b>  |           |                |           |                |           |
| Trade and other payables **   | Note 42   | 34,649,443     | -         | 24,359,057     | -         |
| Royalties payable             | Note 21   | 7,227,724      | -         | 2,456,648      | -         |
| Lease liabilities             | Note 47.2 | 6,279          | -         | 5,339          | -         |
|                               |           | 41,883,446     | -         | 26,821,044     | -         |

\* Trade and other receivables exclude non-financial assets such as withholding tax receivables.

\*\* Trade and other payables exclude non-financial liabilities such as withholding tax payable, value-added tax payable, accrued expenses, statutory obligations and provisions for taxes and levies.

### 23.5 Reconciliation of Impairment allowances on financial assets at amortised cost

| Group                             |         | Company           |                   |
|-----------------------------------|---------|-------------------|-------------------|
|                                   |         | 2024<br>N million | 2023<br>N million |
| Opening balance                   |         | -                 | -                 |
| Increase/(decrease) in impairment | Note 12 | -                 | 334               |
| Exchange difference               |         | -                 | 14                |
| At 31 December                    |         | -                 | 348               |





## 24 Inventories

|                             | Group             |                   | Company           |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
|                             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Crude oil                   | 803,236           | 662,851           | 477,498           | 542,154           |
| Petroleum products          | 741,324           | 262,437           | 115,631           | 67,836            |
| Intermediate products       | 226,079           | 142,648           | -                 | -                 |
| Oil, chemical and materials | 1,732,258         | 634,435           | 1,230,199         | 151,800           |
|                             | 3,502,897         | 1,702,371         | 1,823,328         | 761,790           |
| Provision for inventory     | (51,094)          | (46,053)          | -                 | -                 |
| Inventory write down        | (137,132)         | (26,704)          | -                 | (986)             |
| Translation difference      | (6,216)           | 1                 | -                 | -                 |
|                             | <b>3,308,455</b>  | <b>1,629,615</b>  | <b>1,823,328</b>  | <b>760,804</b>    |

All inventories are carried at the lower of cost and net realisable value. During the period, N137.1 billion (2023: N26.7 billion) and N0.00 billion (2023: N986 million) was recognised as expense for inventories carried at net realisable value by the Group and company respectively. This is recognised in cost of sales.

## 25 Trade and other receivables

The Company and the Group had previously presented the cumulative cash calls paid on the JOAs in sundry receivable. For comparability, the prior year comparative balances have been adjusted. See note 57

|                                | Notes     | Group             |                   | Company           |                   |
|--------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Trade receivables              | Note 25.1 | 6,121,000         | 4,119,760         | 839,462           | 480,278           |
| Receivables from Federation ** | Note 25.2 | 17,512,046        | 9,382,584         | 14,545,043        | 8,888,401         |
| Related parties receivables *  | Note 45   | 20                | 4,933             | 30,299,003        | 17,782,571        |
| Other receivables              | Note 25.3 | 8,515,261         | 8,866,893         | 4,901,185         | 1,900,853         |
|                                |           | 32,148,327        | 22,374,170        | 50,584,693        | 29,052,103        |
| Impairment allowance           | Note 25.4 | (2,497,976)       | (1,509,170)       | (1,670,046)       | (551,827)         |
|                                |           | <b>29,650,351</b> | <b>20,865,000</b> | <b>48,914,647</b> | <b>28,500,276</b> |

**25.1** Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

\* Related parties receivables are non-interest bearing and are generally available on demand. Related parties receivables are receivables from unconsolidated related entities.

Trade receivables relate to receivables from customers in the ordinary course of business.

*25.2 Receivables from the Federation relates to expenses incurred on behalf of the Federation by the Group.*

### 25.2.1 Receivables from Federation

|                                   | Notes       | Group             |                   | Company           |                   |
|-----------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                   |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Energy security cost              | Note 25.2.2 | 8,671,574         | 6,250,511         | 8,671,574         | 6,250,511         |
| Other receivables from Federation |             | 8,840,472         | 3,132,073         | 5,873,469         | 2,637,890         |
|                                   |             | 17,512,046        | 9,382,584         | 14,545,043        | 8,888,401         |

Other receivables from Federation relates to advance payment to Federation and the security costs incurred in protecting the oil and gas assets. This is under the framework of approval between the Government of Nigeria and the Group to incur security costs and charge same to the Federation.



## 25.2.2 Energy security cost

|                                   | Notes       | Group             |                   | Company           |                   |
|-----------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                   |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                   |             | 6,250,511         | 2,056,151         | 6,250,511         | 2,056,151         |
| Exchange difference               |             | (40,947)          | -                 | (40,947)          | -                 |
|                                   |             | 6,209,564         | 2,056,151         | 6,209,564         | 2,056,151         |
| Energy security costs in the year | Note 25.2.3 | 7,130,948         | 4,843,815         | 7,130,948         | 4,843,815         |
| Defrayed in the year              | Note 25.2.3 | (4,668,938)       | (649,455)         | (4,668,938)       | (649,455)         |
| At 31 December                    |             | 8,671,574         | 6,250,511         | 8,671,574         | 6,250,511         |

## 25.2.3 Cost during the year is made up of energy security expense of 7.1 trillion (2023 N4.8 trillion).

The Energy security expense arises when there is differential between the exchange rates (the Modulation factor) used to freeze the Premium Motor Spirit (PMS) Ex-coastal Price and the prevailing exchange rate at the point of import settlement. The amount is receivable to the Group as they are defrayed and charged against amounts due to Federation monthly in line with the provision of Section 64(m) of the Petroleum Industry Act of 2021"

## 25.3 Other receivables

|                             | Notes       | Group             |                   | Company           |                   |
|-----------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                             |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Financial assets</b>     |             |                   |                   |                   |                   |
| Sundry receivables          | Note 25.3.1 | 8,297,616         | 8,570,719         | 3,346,042         | 1,651,902         |
| Dividend receivable         |             | 55,511            | -                 | 1,504,943         | -                 |
| Reinsurance contracts       | Note 25.3.2 | 65,843            | -                 | -                 | -                 |
|                             |             | 8,418,970         | 8,570,719         | 4,850,985         | 1,651,902         |
| <b>Non-financial assets</b> |             |                   |                   |                   |                   |
| VAT receivable              |             | 790               | 12,907            | 650               | 60                |
| Withholding tax             |             | 95,501            | 283,267           | 49,550            | 248,891           |
|                             |             | 8,515,261         | 8,866,893         | 4,901,185         | 1,900,853         |

## 25.3.1 Sundry receivables

Sundry receivables include balances from joint ventures partners, OKPAI power, road infrastructure tax credit (RITC), and other non-trade receivables

## 25.3.2 Insurance and reinsurance contracts

|                            | Note | Group<br>31 December 2024 |                          |                  |
|----------------------------|------|---------------------------|--------------------------|------------------|
|                            |      | N million<br>Assets       | N million<br>Liabilities | N million<br>Net |
| Insurance contracts issued |      | -                         | (151,388)                | (151,388)        |
| Total                      |      | -                         | (151,388)                | (151,388)        |
| Reinsurance contracts held |      | 65,843                    | -                        | 65,843           |
| Total                      |      | 65,843                    | -                        | 65,843           |

The insurance contracts issued and the reinsurance contracts held, relate to the roll-forward of net asset or liability for insurance contracts issued in a member of the Group.



## 25.4 Reconciliation of impairment allowances on trade and other receivables

|                                    | Notes       | Group             |                   | Company           |                   |
|------------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                    |             | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| <b>Trade receivables</b>           |             |                   |                   |                   |                   |
| Opening balance                    |             | 617,219           | 806,952           | 128,161           | 378,263           |
| Reclassification *                 |             | 114,923           | -                 | 53,718            | -                 |
| Increase/(decrease) in impairment  | Note 25.4.1 | 740,393           | (480,155)         | 205,084           | (575,889)         |
| Exchange difference                |             | 415,532           | 290,422           | 134,812           | 325,787           |
| At 31 December                     |             | 1,888,067         | 617,219           | 521,775           | 128,161           |
| <b>Other receivables</b>           |             |                   |                   |                   |                   |
| Opening balance                    |             | 876,932           | 567,991           | 180,477           | 6,376             |
| Reclassification *                 |             | (420,831)         | -                 | (99,912)          | -                 |
| (Decrease)/increase in impairment  | Note 25.4.1 | (27,326)          | 53,373            | 192,776           | 47,793            |
| Exchange difference                |             | 32,315            | 255,568           | 63,824            | 126,308           |
| At 31 December                     |             | 461,090           | 876,932           | 337,165           | 180,477           |
| <b>Distressed bank</b>             |             |                   |                   |                   |                   |
| Opening balance                    |             | 15,019            | 7,426             | 15,008            | 7,421             |
| Decrease in impairment allowances  | Note 25.4.1 | (1,171)           | -                 | (1,171)           | -                 |
| Exchange difference                |             | 10,402            | 7,592             | 10,395            | 7,587             |
| At 31 December                     |             | 24,250            | 15,019            | 24,232            | 15,008            |
| <b>Federation receivables</b>      |             |                   |                   |                   |                   |
| Reclassification *                 |             | 47,805            | -                 | 47,805            | -                 |
| Increase in impairment allowances  | Note 25.4.1 | 41,822            | -                 | 41,822            | -                 |
| Exchange difference                |             | 34,947            | -                 | 34,947            | -                 |
| At 31 December                     |             | 124,574           | -                 | 124,574           | -                 |
| <b>Related parties receivables</b> |             |                   |                   |                   |                   |
| Opening balance                    |             | -                 | -                 | 228,181           | 208,889           |
| Reclassification *                 |             | -                 | -                 | (1,611)           | -                 |
| Increase/(Decrease) in impairment  | Note 25.4.1 | 6                 | -                 | 267,315           | (109,670)         |
| Exchange difference                |             | (11)              | -                 | 168,415           | 128,962           |
| At 31 December                     |             | (5)               | -                 | 662,300           | 228,181           |
|                                    |             |                   |                   |                   |                   |
| Receivables                        |             | 2,497,976         | 1,509,170         | 1,670,046         | 551,827           |

\* Reclassification relates to movement within the opening impairment provisions to align the classification of various receivable categories with the current year's IFRS 9 impairment groupings.

### 25.4.1 Impairment allowance recognized in profit or loss:

|                                                                     | Group             |                   | Company           |                   |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                     | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Impairment allowance/(reversal) on trade receivables                | 740,393           | (480,155)         | 205,084           | (575,889)         |
| Impairment (reversal)/ allowance on other receivables               | (27,326)          | 53,373            | 192,776           | 47,793            |
| Impairment reversal on distressed bank                              | (1,171)           | -                 | (1,171)           | -                 |
| Impairment allowance on Federation receivables                      | 41,822            | -                 | 41,822            | -                 |
| Impairment (reversal)/allowance on related parties                  | 6                 | -                 | 267,315           | (109,670)         |
| Net impairment allowance/(reversals) on trade and other receivables | 753,724           | (426,782)         | 705,826           | (637,766)         |



## 26 Prepayments and other assets

|                          |           | Group          |                | Company        |                |
|--------------------------|-----------|----------------|----------------|----------------|----------------|
|                          |           | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Non-current              |           |                |                |                |                |
| Employee benefit prepaid |           | 71             | 1,670          | -              | -              |
| Others                   |           | 20,682         | 198            | 18,058         | -              |
|                          |           | 20,753         | 1,868          | 18,058         | -              |
| Current                  |           |                |                |                |                |
| Rent                     | Note 26.1 | 304,212        | 58,139         | 86,081         | 38,607         |
| Insurance                |           | 35,098         | 8,568          | 11,636         | 535            |
| Employee benefit prepaid | Note 26.2 | 38,159         | 23,464         | 9,865          | 18,849         |
| Prepaid licenses         |           | 17,233         | 11,169         | 2,242          | 2,366          |
| Advance to suppliers     |           | 370,166        | 202,521        | 111,105        | 75,875         |
| Staff advances           |           | 3,127          | 2,422          | 897            | 747            |
| Total current            |           | 767,995        | 306,283        | 221,826        | 136,979        |

**26.1** Rent prepaid relates to space used for operations. These are leases for a period of 1 year or less to which the short term exemption under IFRS 16 has been applied.

**26.2** Employee benefit prepaid relates to staff cost arising from employee loan that is amortised annually over the employee's loan tenor.

## 27 Cash and cash equivalents

|                                      |           | Group             |                   | Company           |                   |
|--------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                      |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Cash in hand                         |           | 1,579             | 44                | -                 | -                 |
| Cash at bank                         |           | 10,244,932        | 7,676,854         | 6,333,513         | 3,162,965         |
|                                      |           | 10,246,511        | 7,676,898         | 6,333,513         | 3,162,965         |
| Short term deposits                  |           | 60,099            | 43,288            | 11,997            | 12,000            |
|                                      |           | 10,306,610        | 7,720,186         | 6,345,510         | 3,174,965         |
| Impairment on cash and bank balances | Note 27.1 | (458)             | (585)             | (272)             | (175)             |
|                                      |           | <b>10,306,152</b> | <b>7,719,601</b>  | <b>6,345,238</b>  | <b>3,174,790</b>  |

The Group has some cash at bank that earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

### 27.1 Reconciliation of impairment allowances on cash and short term deposits

|                                  | Group             |                   | Company           |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                  | 585               | 67                | 175               | 31                |
| Reclassification                 | (216)             | -                 | -                 | -                 |
| (Decrease)/Increase in allowance | (167)             | 4                 | (117)             | 144               |
| Exchange difference              | 256               | 514               | 214               | -                 |
| At 31 December                   | <b>458</b>        | <b>585</b>        | <b>272</b>        | <b>175</b>        |

### 27.2 For the purpose of the statements of cash flow cash and cash equivalent is as shown below:

|                     | Group             |                   | Company           |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
|                     | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Cash in hand        | 1,579             | 44                | -                 | -                 |
| Cash at bank        | 10,244,932        | 7,676,854         | 6,333,513         | 3,162,965         |
| Short term deposits | 60,099            | 43,288            | 11,997            | 12,000            |
|                     | 10,306,610        | 7,720,186         | 6,345,510         | 3,174,965         |



## 28 Restricted funds

The Group has letters of credit in an escrow account which are only available for trade related activities with specific vendors and not available for the Group day-to-day operations or litigations.

|                               | Group             |                   | Company           |                   |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Letters of credit established | 36,436            | 55,309            | 36,410            | 47,831            |
| Project fund                  | -                 | 37,333            | -                 | 37,333            |
| Judgement fund                | 4,851             | 5,005             | 3,017             | 3,171             |
| External funding *            | 1,360,518         | 802,577           | 1,121,495         | 686,533           |
| Others **                     | 329,338           | -                 | 160               | -                 |
|                               | 1,731,143         | 900,224           | 1,161,082         | 774,868           |

\* External funding represents the cash balances restricted for funding contractual obligations

\*\* Others mainly relate to DSRA cash balance which one of the subsidiaries maintain to ensure that it meets the requirements of its Forward Sale Agreement (FSA) with its customers

## 29 Share capital

|                                            | Group             |                   | Company           |                   |
|--------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                            | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Minimum shares:</b>                     |                   |                   |                   |                   |
| 200,000,000,000 ordinary shares of N1 each | 200,000           | 200,000           | 200,000           | 200,000           |
| <b>Issued and fully paid:</b>              |                   |                   |                   |                   |
| 200,000,000,000 ordinary shares of N1 each | 200,000           | 200,000           | 200,000           | 200,000           |

## 30 Financial assets at FVOCI reserves

The fair value reserve comprises the net cumulative change in the fair value of equity investments measured at fair value through other comprehensive income until the investment is derecognised.

## 31 Retained earnings/(accumulated loss)

Retained earnings/(accumulated loss) are the carried-forward recognized income/(loss) net of expenses plus current period profit/(loss) attributable to Shareholders.

## 32 Foreign currency translation reserve

Cumulative exchange differences arising from translating the financial statements of foreign subsidiaries from its functional currency (US Dollars) to the Group's presentation currency (Naira) are taken to foreign currency translation reserve

## 33 Actuarial reserves

Gains and losses arising from the actuarial valuation are taken to the actuarial reserve (see note 18).

## 34 Other reserve

Other reserve relates to undistributable surplus from NNPC foundation.

## 35 Re-organisation reserve

The re-organisation reserve represents the impact of intra-group restructuring transactions. It arises from intra-group transactions under common control and reflects a reclassification within equity which does not affect the Group's consolidated profit or loss.

## 36 Capital contribution

Capital contribution relates to the net assets transferred from NNPC (Corporation) to NNPC Limited.





|                                | Group             |                   | Company           |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                | 4,409,509         | 4,409,509         | 4,409,509         | 4,409,509         |
| Additional contributed capital | -                 | -                 | -                 | -                 |
| Closing balance                | 4,409,509         | 4,409,509         | 4,409,509         | 4,409,509         |

## 37 Alternative funding arrangements

|                            |           | Group             |                   | Company           |                   |
|----------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                            |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Carry arrangement          | Note 37.1 | 620,515           | 523,278           | 620,515           | 523,278           |
| Modified carry arrangement | Note 37.2 | 10,619            | 54,249            | 10,619            | 54,249            |
|                            |           | 631,134           | 577,527           | 631,134           | 577,527           |

### 37.1 Carry arrangements

NNPC Limited executed some alternative funding agreements with some of its Joint Operating partners (refer to Note 6.2.2). Under the agreements, the carrying parties fund NNPC Limited's participating interest share of the capital expenditure of the projects and are reimbursed by means of crude oil.

|                            | Group and Company<br>2024<br>N million | Group and Company<br>2023<br>N million |
|----------------------------|----------------------------------------|----------------------------------------|
| Opening balance            | 523,278                                | 34,468                                 |
| Movement during the period | 97,237                                 | 488,810                                |
| At 31 December             | 620,515                                | 523,278                                |

### 37.2 Modified carry agreements

NNPC Limited executed some carry agreements with some of its Joint Operating Partners (refer to Note 6.2.2). Under these agreements, the Joint Operating Partners finance NNPC Limited's participating interest share of agreed project costs and are reimbursed by means of Carry Tax Relief (CTR) which is non-financial and Carry oil amongst other terms

|                            | Group and Company<br>2024<br>N million | Group and Company<br>2023<br>N million |
|----------------------------|----------------------------------------|----------------------------------------|
| Opening balance            | 54,249                                 | 35,213                                 |
| Movement during the period | (43,630)                               | 19,036                                 |
| At 31 December             | 10,619                                 | 54,249                                 |

For the purpose of the statement of cashflows, movements within the alternative funding arrangements are non-cash items and have been excluded.

## 38 Provision for decommissioning

|                                                           |           | Group             |                   | Company           |                   |
|-----------------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                           |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                                           |           | 11,341,596        | 4,101,378         | 7,487,274         | 2,696,750         |
| Addition                                                  |           | 306,173           | 27,442            | -                 | -                 |
| Transfer of OML 24                                        |           | -                 | -                 | 107,066           | -                 |
| Disposal                                                  |           | (460)             | (160,129)         | -                 | -                 |
| Change in estimates                                       | Note 20   | (5,808,142)       | 1,638,348         | (2,655,231)       | 1,310,241         |
| Liabilities directly associated with assets held for sale | Note 20.5 | (56,063)          | -                 | -                 | -                 |
| Unwinding of discount                                     | Note 15   | 1,139,018         | 221,478           | 650,189           | 133,972           |
| Translation difference                                    |           | 7,853,303         | 5,513,079         | 5,133,163         | 3,346,311         |
| <b>Closing balance</b>                                    |           | <b>14,775,425</b> | <b>11,341,596</b> | <b>10,722,461</b> | <b>7,487,274</b>  |



## Decommissioning provision

The Group and Company makes full provision for the future cost of decommissioning of oil production facilities and pipelines on a discounted basis on the installation of those facilities.

The decommissioning provision represents the present value of future costs associated with dismantling and restoring oil and gas properties, which are expected to be incurred once these assets reach the end of their productive life.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market condition at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas process which are inherently uncertain.

The discount rates used in the calculation of the provision as at 31 December 2024 were based on various finance options for respective fields.

## 39 Other accruals

|                           | Group             |                   | Company           |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance           | 13,355            | 18,138            | 13,355            | 18,138            |
| Reversal *                | (13,355)          | -                 | (13,355)          | -                 |
| Payment during the period | -                 | (4,783)           | -                 | (4,783)           |
| At 31 December            | -                 | 13,355            | -                 | 13,355            |

\* Upon reconciliation with respective agencies, the balance of the provision were no longer required, hence, it was reversed to income statement.

## 40 Employee benefit liability/(asset)

### 40.1 Net defined benefit asset

|                           |           | Group             |                   | Company           |                   |
|---------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                           |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Pension assets            | Note 40.3 | (1,121,849)       | (958,781)         | (1,121,849)       | (958,781)         |
| Pension Liabilities       | Note 40.3 | 687,701           | 694,536           | 559,928           | 575,999           |
| <b>Net pension assets</b> |           | <b>(434,148)</b>  | <b>(264,245)</b>  | <b>(561,921)</b>  | <b>(382,782)</b>  |

The net pension assets are non-current in nature.

### 40.2 Other employee benefit liabilities

|                                  |           | Group             |                   | Company           |                   |
|----------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                  |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Gratuity                         | Note 40.4 | 460,607           | 395,891           | 196,758           | 175,685           |
| Post-employment medical benefits | Note 40.5 | 30,062            | 33,479            | 26,502            | 29,675            |
| Long service awards              | Note 40.6 | 23,452            | 21,375            | 9,894             | 9,140             |
|                                  |           | <b>514,121</b>    | <b>450,745</b>    | <b>233,154</b>    | <b>214,500</b>    |

#### 40.2.1 Classification of other employee benefit liabilities

|  |  | Group             |                   | Company           |                   |
|--|--|-------------------|-------------------|-------------------|-------------------|
|  |  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |



|                    |         |         |         |         |
|--------------------|---------|---------|---------|---------|
| <b>Current</b>     | 56,128  | 25,721  | 30,467  | 7,675   |
| <b>Non-current</b> | 457,993 | 425,024 | 202,687 | 206,826 |
|                    | 514,121 | 450,745 | 233,154 | 214,501 |

### 40.3 Defined benefit pension plan

|                                                                 | Group                           |                              |                   |                                 |                              |                   |
|-----------------------------------------------------------------|---------------------------------|------------------------------|-------------------|---------------------------------|------------------------------|-------------------|
|                                                                 | 2024<br>N million               | 2024<br>N million            | 2024<br>N million | 2023<br>N million               | 2023<br>N million            | 2023<br>N million |
|                                                                 | Present value<br>of obligations | Fair value of<br>plan assets | Total             | Present value<br>of obligations | Fair value of<br>plan assets | Total             |
| Opening balance                                                 | 694,536                         | (958,781)                    | (264,245)         | 759,468                         | (853,968)                    | (94,500)          |
| Service cost                                                    | 10,140                          | -                            | 10,140            | 13,666                          | -                            | 13,666            |
| Net interest expense                                            | 97,699                          | -                            | 97,699            | 97,356                          | -                            | 97,356            |
| Expected return on planned asset                                | -                               | (153,405)                    | (153,405)         | -                               | (113,255)                    | (113,255)         |
| <b>Sub-total included in the profit or loss</b>                 | <b>107,839</b>                  | <b>(153,405)</b>             | <b>(45,566)</b>   | <b>111,022</b>                  | <b>(113,255)</b>             | <b>(2,233)</b>    |
| <b>Movement during the year</b>                                 |                                 |                              |                   |                                 |                              |                   |
| Transfer in                                                     | 24,696                          | -                            | 24,696            | 100,236                         | -                            | 100,236           |
| Transfer out                                                    | (24,553)                        | -                            | (24,553)          | (66,422)                        | -                            | (66,422)          |
| Transfer in from PPMC                                           | -                               | -                            | -                 | 8,756                           | -                            | 8,756             |
| Transfer to Other SBUs                                          | -                               | -                            | -                 | (3,725)                         | -                            | (3,725)           |
| Benefits paid                                                   | (92,575)                        | 92,575                       | -                 | (105,362)                       | 105,362                      | -                 |
|                                                                 | (92,432)                        | 92,575                       | 143               | (66,517)                        | 105,362                      | 38,845            |
| <b>Remeasurement</b>                                            |                                 |                              |                   |                                 |                              |                   |
| Actuarial changes arising from changes in financial assumptions | (103,356)                       | (47,261)                     | (150,617)         | (93,185)                        | (15,369)                     | (108,554)         |
| Actuarial changes arising from changes in experience            | 81,114                          | -                            | 81,114            | (7,498)                         | -                            | (7,498)           |
| <b>Sub-total included in OCI Contributions:</b>                 | <b>(22,242)</b>                 | <b>(47,261)</b>              | <b>(69,503)</b>   | <b>(100,683)</b>                | <b>(15,369)</b>              | <b>(116,052)</b>  |
| Contribution by employer                                        | -                               | (54,977)                     | (54,977)          | -                               | (81,551)                     | (81,551)          |
| Exchange difference                                             | -                               | -                            | -                 | (8,754)                         | -                            | (8,754)           |
| <b>Closing balance</b>                                          | <b>687,701</b>                  | <b>(1,121,849)</b>           | <b>(434,148)</b>  | <b>694,536</b>                  | <b>(958,781)</b>             | <b>(264,245)</b>  |

|                                                                 | Company                         |                              |                   |                                 |                              |                   |
|-----------------------------------------------------------------|---------------------------------|------------------------------|-------------------|---------------------------------|------------------------------|-------------------|
|                                                                 | 2024<br>N million               | 2024<br>N million            | 2024<br>N million | 2023<br>N million               | 2023<br>N million            | 2023<br>N million |
|                                                                 | Present value<br>of obligations | Fair value of<br>plan assets | Total             | Present value<br>of obligations | Fair value of<br>plan assets | Total             |
| Opening balance                                                 | 575,999                         | (958,781)                    | (382,782)         | 600,061                         | (853,968)                    | (253,907)         |
| Service cost                                                    | 4,738                           | -                            | 4,738             | 6,199                           | -                            | 6,199             |
| Net interest expense                                            | 78,794                          | -                            | 78,794            | 75,992                          | -                            | 75,992            |
| Expected return on planned asset                                | -                               | (153,405)                    | (153,405)         | -                               | (113,255)                    | (113,255)         |
| <b>Sub-total included in the profit or loss</b>                 | <b>83,532</b>                   | <b>(153,405)</b>             | <b>(69,873)</b>   | <b>82,191</b>                   | <b>(113,255)</b>             | <b>(31,064)</b>   |
| <b>Movement during the year</b>                                 |                                 |                              |                   |                                 |                              |                   |
| Transfer in                                                     | 10,373                          | -                            | 10,373            | 54,715                          | -                            | 54,715            |
| Transfer out                                                    | (14,599)                        | -                            | (14,599)          | (23,699)                        | -                            | (23,699)          |
| Transfer in from PPMC                                           | -                               | -                            | -                 | 8,755                           | -                            | 8,756             |
| Transfer to Other SBUs                                          | -                               | -                            | -                 | (3,725)                         | -                            | (3,725)           |
| Benefits paid                                                   | (85,695)                        | 85,695                       | -                 | (82,764)                        | 82,764                       | -                 |
|                                                                 | (89,921)                        | 85,695                       | (4,226)           | (46,718)                        | 82,764                       | 36,047            |
| <b>Remeasurement</b>                                            |                                 |                              |                   |                                 |                              |                   |
| Actuarial changes arising from changes in financial assumptions | (73,434)                        | (47,261)                     | (120,695)         | (59,648)                        | (15,369)                     | (75,017)          |
| Actuarial changes arising from changes in experience            | 63,752                          | -                            | 63,752            | 113                             | -                            | 113               |
| <b>Sub-total included in OCI Contributions:</b>                 | <b>(9,682)</b>                  | <b>(47,261)</b>              | <b>(56,943)</b>   | <b>(59,535)</b>                 | <b>(15,369)</b>              | <b>(74,904)</b>   |
| Contribution by employer                                        | -                               | (48,097)                     | (48,097)          | -                               | (58,953)                     | (58,953)          |
| <b>Closing balance</b>                                          | <b>559,928</b>                  | <b>(1,121,849)</b>           | <b>(561,921)</b>  | <b>575,999</b>                  | <b>(958,781)</b>             | <b>(382,782)</b>  |



#### 40.4 Gratuity

|                                                                 | Group             |                   | Company           |                   |
|-----------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                 | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                                                 | 395,891           | 416,765           | 175,685           | 181,622           |
| Service cost                                                    | 22,108            | 23,246            | 9,678             | 10,340            |
| Net interest expense                                            | 62,304            | 55,156            | 27,654            | 24,217            |
| <b>Sub-total included in the profit or loss</b>                 | <b>84,412</b>     | <b>78,402</b>     | <b>37,332</b>     | <b>34,557</b>     |
| <b>Movement during the year</b>                                 |                   |                   |                   |                   |
| Transfer in                                                     | 47,556            | 109,552           | 21,463            | 42,872            |
| Transfer out                                                    | (47,187)          | (97,091)          | (26,430)          | (37,190)          |
| Transfer in from PPMC                                           | -                 | 12,543            | -                 | 12,543            |
| Transfer to other SBUs                                          | -                 | (5,468)           | -                 | (5,468)           |
| Benefits paid                                                   | (16,883)          | (48,744)          | (7,242)           | (25,286)          |
|                                                                 | (16,514)          | (29,208)          | (12,209)          | (12,529)          |
| <b>Remeasurement</b>                                            |                   |                   |                   |                   |
| Actuarial changes arising from changes in financial assumptions | (23,288)          | (33,938)          | (9,928)           | (23,328)          |
| Actuarial changes arising from changes in experience            | 20,106            | (24,936)          | 5,878             | (4,637)           |
| <b>Sub-total included in OCI</b>                                | <b>(3,182)</b>    | <b>(58,874)</b>   | <b>(4,050)</b>    | <b>(27,965)</b>   |
| Exchange difference                                             | -                 | (11,194)          | -                 | -                 |
| <b>Closing balance</b>                                          | <b>460,607</b>    | <b>395,891</b>    | <b>196,758</b>    | <b>175,685</b>    |

#### 40.5 Post-employment medical

|                                                                 | Group          |                | Company        |                |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                 | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Opening balance                                                 | 33,479         | 38,000         | 29,675         | 33,046         |
| Service cost                                                    | 329            | 414            | 135            | 168            |
| Net interest expense                                            | 4,785          | 4,985          | 4,179          | 4,316          |
| <b>Sub-total included in the profit or loss</b>                 | <b>5,114</b>   | <b>5,399</b>   | <b>4,314</b>   | <b>4,484</b>   |
| <b>Movement during the year</b>                                 |                |                |                |                |
| Transfer in                                                     | 596            | 2,798          | 240            | 1,436          |
| Transfer out                                                    | (593)          | (1,719)        | (355)          | (474)          |
| Transfer in from PPMC                                           | -              | 257            | -              | 257            |
| Transfer to other SBUs                                          | -              | (119)          | -              | (119)          |
| Benefits paid                                                   | (456)          | (21,639)       | (205)          | (20,843)       |
|                                                                 | (453)          | (20,422)       | (320)          | (19,743)       |
| <b>Remeasurement</b>                                            |                |                |                |                |
| Actuarial changes arising from changes in financial assumptions | (7,603)        | (1,804)        | (6,951)        | (1,013)        |
| Actuarial changes arising from changes in experience            | (475)          | 12,564         | (216)          | 12,901         |
| <b>Sub-total included in OCI</b>                                | <b>(8,078)</b> | <b>10,760</b>  | <b>(7,167)</b> | <b>11,888</b>  |
| Exchange difference                                             | -              | (258)          | -              | -              |
| <b>Closing balance</b>                                          | <b>30,062</b>  | <b>33,479</b>  | <b>26,502</b>  | <b>29,675</b>  |



#### 40.6 Other long-term benefits - Long service award

|                                                               | Group             |                   | Company           |                   |
|---------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                               | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Opening balance                                               | 21,375            | 5,222             | 9,140             | 1,976             |
| Service cost                                                  | 1,475             | 295               | 638               | 105               |
| Net interest expense                                          | 2,949             | 707               | 1,282             | 264               |
| Plan amendment                                                | -                 | 14,812            | -                 | 6,555             |
|                                                               | 4,424             | 15,814            | 1,920             | 6,924             |
| <b>Remeasurement</b>                                          |                   |                   |                   |                   |
| Actuarial gains arising from changes in financial assumptions | (2,435)           | 5,437             | (1,125)           | 2,273             |
| Actuarial changes arising from changes in experience          | 1,399             | (4,674)           | 550               | (2,024)           |
|                                                               | (1,036)           | 763               | (575)             | 249               |
| <b>Sub-total included in the profit or loss</b>               | 3,388             | 16,577            | 1,345             | 7,173             |
| <b>Movement during the year</b>                               |                   |                   |                   |                   |
| Benefits paid                                                 | (1,333)           | (720)             | (566)             | (258)             |
| Transfer in                                                   | 2,418             | 1,711             | 1,210             | 633               |
| Transfer out                                                  | (2,396)           | (1,502)           | (1,235)           | (493)             |
| Transfer in from PPMC                                         | -                 | 189               | -                 | 189               |
| Transfer to other SBUs                                        | -                 | (80)              | -                 | (80)              |
|                                                               | (1,311)           | (402)             | (591)             | (9)               |
| Translation difference                                        | -                 | (22)              | -                 | -                 |
| <b>Closing balance</b>                                        | <b>23,452</b>     | <b>21,375</b>     | <b>9,894</b>      | <b>9,140</b>      |

Transfer in and transfer out net balance in employee benefit liability refer to benefits transferred from employees of NNPC LIMITED.

#### 40.7 Total benefit/contribution paid

|                          |           | Group             |                   | Company           |                   |
|--------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                          |           | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| <b>Contribution paid</b> |           |                   |                   |                   |                   |
| Pension plan             | Note 40.3 | (54,977)          | (81,551)          | (48,097)          | (58,953)          |
| <b>Benefit paid</b>      |           |                   |                   |                   |                   |
| Gratuity                 | Note 40.4 | (16,883)          | (48,744)          | (7,242)           | (25,286)          |
| Post-employment medical  | Note 40.5 | (456)             | (21,639)          | (205)             | (20,843)          |
| Long service award       | Note 40.6 | (1,333)           | (720)             | (566)             | (258)             |
| Statement of cash flows  |           | (73,649)          | (152,654)         | (56,110)          | (105,340)         |

#### 40.8 Changes in the present value of the defined obligations

i. The major categories of the fair value of the total plan assets are, as follows:

| Group and Company            | 2024<br>₦ million | 2024<br>₦ million | 2024<br>₦ million | 2023<br>₦ million | 2023<br>₦ million | 2023<br>₦ million |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                              | Quoted            | Unquoted          | Total             | Quoted            | Unquoted          | Total             |
| <b>Investments with PFA:</b> |                   |                   |                   |                   |                   |                   |
| Equity instruments           | 111,902           | -                 | 111,902           | 78,733            | -                 | 78,733            |
| <b>Debt instruments</b>      |                   |                   |                   |                   |                   |                   |
| Treasury bills               | 51,820            | -                 | 51,820            | 17,242            | -                 | 17,242            |
| Money market                 | 198,609           | -                 | 198,609           | 210,753           | -                 | 210,753           |
| Bond issued by FGN           | 623,847           | -                 | 623,847           | 531,229           | -                 | 531,229           |





|                        |                  |               |                  |                |                |                |
|------------------------|------------------|---------------|------------------|----------------|----------------|----------------|
| State Government Bonds | 11,899           | -             | 11,899           | 12,815         | -              | 12,815         |
| Corporate Bonds        | 85,478           | -             | 85,478           | 82,961         | -              | 82,961         |
| Bank balances          | -                | 9,821         | 9,821            | 13,098         | -              | 13,098         |
| Commercial papers      | 19,065           | -             | 19,065           | 18,119         | -              | 18,119         |
| Other assets           | -                | 14,792        | 14,792           | -              | 2,411          | 2,411          |
| Promissory note        | -                | 7,455         | 7,455            | -              | 1,279          | 1,279          |
| Hybrid fund            | 1,440            | -             | 1,440            | 1,429          | -              | 1,429          |
| Other payables         | -                | (14,279)      | (14,279)         | -              | (11,288)       | (11,288)       |
| <b>Total</b>           | <b>1,104,060</b> | <b>17,789</b> | <b>1,121,849</b> | <b>966,379</b> | <b>(7,598)</b> | <b>958,781</b> |

None of the subsidiaries have plan assets to fund its defined benefit obligations.

ii. The principal assumptions used in determining defined benefit obligations and other long term benefits for the Group's plans are shown below:

#### Financial assumptions

|                                                        | Group                  |                        | Company                |                        |
|--------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                        | 2024<br>N million<br>% | 2023<br>N million<br>% | 2024<br>N million<br>% | 2023<br>N million<br>% |
| Discount rate                                          | 18.5%                  | 16%                    | 18.5%                  | 16%                    |
| Inflation rate                                         | 16%                    | 15%                    | 16%                    | 15%                    |
| Salary increase rate (Gratuity and long service award) | 16%                    | 15%                    | 16%                    | 15%                    |
| Salary increase rate (pension)                         | 7%                     | 7%                     | 7%                     | 7%                     |
| Rate of pension increase                               | 4%                     | 4%                     | 4%                     | 4%                     |
| Benefit inflation and medical cost escalation rate     | 8%                     | 7.25%                  | 8%                     | 7.25%                  |

#### Demographic Assumptions

The rates of mortality assumed for employees are the rates published in the A67/70 Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

| Mortality rate | Group              |                                                            | Company            |                                                            |
|----------------|--------------------|------------------------------------------------------------|--------------------|------------------------------------------------------------|
|                | 2024<br>Sample age | 2024<br>Number of deaths<br>in year out of<br>10,000 lives | 2024<br>Sample age | 2024<br>Number of deaths in year<br>out of 10,000<br>lives |
|                | 25                 | 7                                                          | 25                 | 7                                                          |
|                | 30                 | 7                                                          | 30                 | 7                                                          |
|                | 35                 | 9                                                          | 35                 | 9                                                          |
|                | 40                 | 14                                                         | 40                 | 14                                                         |
|                | 45                 | 26                                                         | 45                 | 26                                                         |

| Withdrawal from service | Group                                     |              | Company                                   |              |
|-------------------------|-------------------------------------------|--------------|-------------------------------------------|--------------|
|                         | 2024<br>Age band<br>Less than or Equal to | 2024<br>Rate | 2024<br>Age band<br>Less than or Equal to | 2024<br>Rate |
|                         | 30                                        | 0%           | 30                                        | 0%           |
|                         | 31-49                                     | 0%           | 31-49                                     | 0%           |
|                         | 40-44                                     | 0%           | 40-44                                     | 0%           |
|                         | 45-49                                     | 0%           | 45-49                                     | 0%           |
|                         | 50-54                                     | 0%           | 50-54                                     | 0%           |
|                         | 55-59                                     | 0%           | 55-59                                     | 0%           |
|                         | 60-60                                     | 100%         | 60-60                                     | 100%         |

#### iii. Risk exposures

The two key risk elements of pension financing are the longevity and the level of interest rates as described below;

##### Longevity risk:

The accrued liability is calculated based on the best estimate of expected mortality experience by the Fund members, the mortality assumption should be on a best estimate basis with appropriate adjustments to the standard mortality table to incorporate future mortality improvements. An increase in the members' life expectancy will increase the liability and vice versa.

##### Interest rate risk:



This is the valuation interest rate (Discount rate) used in determining the present value of the Fund's expected payments. In setting the valuation interest, IAS 19 requires a reference be made to the yield on Government Bonds (since there is no deep market for Nigeria corporate bonds) at the balance sheet date. Hence, a decrease in yield on the Government Bonds will lead to a decrease in discount rate and in turn an increase in the Fund's liability, however this may be partly offset by the corresponding increase in the Bonds component of the portfolio backing the Fund.

### Sensitivity analysis for pension

Impact on employee benefit liabilities;

|                            |                    | Group             |                   | Company           |                   |
|----------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
|                            |                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Base rate                  |                    | 687,701           | 694,536           | 559,929           | 575,999           |
| Discount rate              | 1% increase        | 670,618           | 674,707           | 552,270           | 566,839           |
|                            | 1% decrease        | 707,209           | 717,568           | 568,689           | 586,644           |
| Restricted salary increase | 1% increase        | 696,397           | 705,294           | 563,906           | 580,935           |
|                            | 1% decrease        | 679,637           | 684,598           | 556,245           | 571,438           |
| Pension increase           | 1% increase        | 700,471           | 708,444           | 565,583           | 582,453           |
|                            | 1% decrease        | 676,099           | 682,017           | 554,795           | 570,196           |
| Life expectancy            | Improved by 1 year | 687,097           | 695,712           | 560,414           | 576,981           |
|                            | Worsen by 1 year   | 688,244           | 691,314           | 559,417           | 574,988           |

### Sensitivity analysis for gratuity

Impact on employee benefit liabilities;

|                 |                    | Group             |                   | Company           |                   |
|-----------------|--------------------|-------------------|-------------------|-------------------|-------------------|
|                 |                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Base rate       |                    | 460,608           | 395,891           | 196,758           | 175,685           |
| Discount rate   | 1% increase        | 436,386           | 369,935           | 186,463           | 165,350           |
|                 | 1% decrease        | 487,782           | 420,424           | 208,275           | 187,297           |
| Salary increase | 1% increase        | 490,249           | 422,379           | 209,328           | 188,166           |
|                 | 1% decrease        | 433,811           | 367,826           | 185,363           | 164,414           |
| Life expectancy | Improved by 1 year | 450,123           | 388,578           | 196,709           | 175,616           |
|                 | Worsen by 1 year   | 448,827           | 392,077           | 196,819           | 175,761           |

### Sensitivity analysis for post- employment medical

Impact on employee benefit liabilities;

|                  |                    | Group             |                   | Company           |                   |
|------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
|                  |                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Base rate        |                    | 30,061            | 33,479            | 26,502            | 29,675            |
| Discount rate    | 1% increase        | 29,541            | 32,800            | 26,300            | 29,346            |
|                  | 1% decrease        | 30,669            | 34,398            | 26,737            | 30,066            |
| Pension increase | 1% increase        | 30,395            | 34,011            | 26,631            | 29,885            |
|                  | 1% decrease        | 29,752            | 33,092            | 26,382            | 29,483            |
| Life expectancy  | Improved by 1 year | 30,126            | 33,621            | 26,527            | 29,716            |
|                  | Worsen by 1 year   | 29,996            | 33,440            | 26,476            | 29,634            |

### Sensitivity analysis for long service awards

Impact on employee benefit liabilities;

|                    |                    | Group             |                   | Company           |                   |
|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
|                    |                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Base rate          |                    | 23,451            | 20,717            | 9,894             | 9,140             |
| Discount rate      | 1% increase        | 22,470            | 19,647            | 9,487             | 8,678             |
|                    | 1% decrease        | 24,525            | 21,901            | 10,339            | 9,651             |
| Salary increase    | 1% increase        | 24,628            | 21,970            | 10,387            | 9,687             |
|                    | 1% decrease        | 22,360            | 19,567            | 9,437             | 8,636             |
| Benefit escalation | 1% increase        | 23,460            | 20,509            | 9,896             | 9,141             |
|                    | 1% decrease        | 23,443            | 20,495            | 9,893             | 9,140             |
| Life expectancy    | Improved by 1 year | 23,526            | 20,792            | 9,926             | 9,174             |
|                    | Worsen by 1 year   | 23,408            | 20,668            | 9,875             | 9,118             |



#### 40.9 Expected future payments

The expected maturity of pension and gratuity are as follows;

|                                                   | Group                         |                              | Company                       |                              |
|---------------------------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|                                                   | 2024<br>Gratuity<br>N million | 2024<br>Pension<br>N million | 2024<br>Gratuity<br>N million | 2024<br>Pension<br>N million |
| Within the next 12 months (next reporting period) | 63,388                        | 6,620                        | 28,778                        | 3,032                        |
| Between 2 and 5 years                             | 251,974                       | 81,855                       | 128,166                       | 53,072                       |
| Between 5 and 10 years                            | 124,716                       | 116,928                      | 91,556                        | 80,945                       |
| Total expected payments                           | 440,078                       | 205,403                      | 248,500                       | 137,049                      |

|                                                   | Group                         |                              | Company                       |                              |
|---------------------------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|                                                   | 2023<br>Gratuity<br>N million | 2023<br>Pension<br>N million | 2023<br>Gratuity<br>N million | 2023<br>Pension<br>N million |
| Within the next 12 months (next reporting period) | 13,776                        | 1,450                        | 6,375                         | 683                          |
| Between 2 and 5 years                             | 362,110                       | 98,335                       | 176,387                       | 48,435                       |
| Between 5 and 10 years                            | 147,144                       | 171,834                      | 78,165                        | 85,477                       |
| Total expected payments                           | 523,030                       | 271,619                      | 260,927                       | 134,595                      |

The expected maturity of post-retirement medical benefits are as follows;

|                                                   | Group             |                   | Company           |                   |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Within the next 12 months (next reporting period) | 276               | 40                | 138               | 17                |
| Between 2 and 5 years                             | 1,885             | 2,136             | 1,096             | 867               |
| Between 6 and 9 years                             | 3,015             | 4,166             | 1,889             | 1,716             |
| Total expected payments                           | 5,176             | 6,342             | 3,123             | 2,600             |

The expected maturity of long service awards are as follows;

|                                                   | Group             |                   | Company           |                   |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Within the next 12 months (next reporting period) | 3,253             | 1,296             | 1,557             | 600               |
| Between 2 and 5 years                             | 13,378            | 18,137            | 7,728             | 7,790             |
| Between 6 and 9 years                             | 16,512            | 20,143            | 10,767            | 9,116             |
| Total expected payments                           | 33,143            | 39,576            | 20,052            | 17,506            |

- The weighted average duration of the defined benefit plan obligation (pension and gratuity) at the end of the reporting period is 12.65 years (2023 - 8.11 years).
- The weighted average duration of post-employment medical benefits and other long-term benefits at the end of the reporting period is 15.07 years (2023 - 11.85 years).
- The weighted average duration of the long service award at the end of the reporting period is 8.05 years (2023 - 4.68 years).
- The actuarial valuation was carried out by an independent valuer Miller Kingsley from Ernst & Young with FRC No: FRC/2012/NAS/00000002392



## 41 Contract liabilities

|                                          |                      | Group             |                   | Company           |                   |
|------------------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|
|                                          |                      | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| <b>Contract liabilities arising from</b> |                      |                   |                   |                   |                   |
| Forward sale agreements                  | Note 41.1, Note 41.3 | 6,207,474         | 3,370,072         | 4,977,238         | 2,152,873         |
| Sale of natural gas                      | Note 41.4            | 155,895           | 17,300            | -                 | -                 |
| Other contract liabilities               |                      | 759,939           | 498,315           | (970)             | -                 |
|                                          |                      | 7,123,308         | 3,885,687         | 4,976,268         | 2,152,873         |
| <b>Contract liabilities</b>              |                      |                   |                   |                   |                   |
| Non-current                              |                      | 6,359,182         | 3,237,078         | 4,710,590         | 1,866,192         |
| Current                                  |                      | 764,126           | 648,609           | 265,678           | 286,681           |
|                                          |                      | <b>7,123,308</b>  | <b>3,885,687</b>  | <b>4,976,268</b>  | <b>2,152,873</b>  |

Other contract liabilities relate majorly to downpayments from customers, for delivery of petroleum products (N392 billion) and balance on revolving credit facility paid using crude liftings (N271 billion) by the Group

Listed below are the various categories of contract liabilities that the Group currently have.

### 41.1 Contract liabilities on the forward sales agreements – Group

|                                                    |           | Group             |                   |
|----------------------------------------------------|-----------|-------------------|-------------------|
|                                                    |           | 2024<br>₦ million | 2023<br>₦ million |
| NLNG project financing                             |           | 90,731            | 86,927            |
| Eagle project financing                            |           | 1,097,809         | 709,859           |
| Project Brogues financing                          |           | -                 | 75,612            |
| OML 42 FTSA                                        |           | 14,390            | 331               |
| OML 13 FTSA                                        |           | 562               | 12,978            |
| OML 11 FTSA                                        |           | -                 | 326,580           |
| OML 65 FTSA                                        |           | 14,970            | 3,610             |
| APL contract liability                             |           | 271,265           |                   |
| Liquified Petroleum Gas (LPG) contract liabilities |           | 6,236             | 1,302             |
| Other forward sales agreement - Company            | Note 41.2 | 4,711,511         | 2,152,873         |
|                                                    |           | <b>6,207,474</b>  | <b>3,370,072</b>  |
| Current portion                                    |           | 915,700           | 372,696           |
| Non-current portion                                |           | 5,291,774         | 2,997,376         |
|                                                    |           | <b>6,207,474</b>  | <b>3,370,072</b>  |

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|                                 | NLNG Project<br>₦ million | Project Eagle<br>₦ million | Project brogues<br>₦ million | OML 13 FTSA<br>₦ million | OML 42 FTSA<br>₦ million | OML 11 FTSA<br>₦ million |
|---------------------------------|---------------------------|----------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| At 1 January 2024               | 86,927                    | 709,859                    | 75,612                       | 331                      | 12,978                   | 326,580                  |
| Amount received                 | 34,121                    | 194,919                    | 2,373                        | -                        | 2,217                    | -                        |
| Premium on contract liabilities | 11,042                    | 143,368                    | (1,869)                      | -                        | 1,350                    | -                        |
| Incremental gas sales           | (100,325)                 | -                          | -                            | -                        | -                        | -                        |
| Crude lifting                   | -                         | (1,055,468)                | -                            | -                        | (13,733)                 | -                        |
| Price imbalance and DSRA        | -                         | 645,036                    | 141,456                      | -                        | -                        | -                        |
| Repayment from DSRA             | -                         | (15,974)                   | (262,566)                    | -                        | -                        | -                        |
| Principal payment               | -                         | -                          | -                            | -                        | -                        | -                        |
| Interest payment                | -                         | -                          | -                            | -                        | -                        | -                        |
| Termination of FTSA             | -                         | -                          | -                            | -                        | -                        | (360,023)                |
| Translation difference          | 58,966                    | 476,069                    | 44,994                       | 231                      | 11,558                   | 33,443                   |
| At 31 December 2023             | <b>90,731</b>             | <b>1,097,809</b>           | <b>-</b>                     | <b>562</b>               | <b>14,390</b>            | <b>-</b>                 |



|                                 | APL contract liabilities<br>N million | OML 65 FTSA<br>N million | Liquefied Petroleum Gas (LPG) contract liabilities<br>N million | Others<br>N million | Total<br>N million |
|---------------------------------|---------------------------------------|--------------------------|-----------------------------------------------------------------|---------------------|--------------------|
| At 1 January 2024               | -                                     | 3,610                    | 1,302                                                           | 2,152,873           | 3,370,072          |
| Amount received                 | 756,322                               | 8,483                    | -                                                               | 2,418,064           | 3,416,499          |
| Premium on contract liabilities | 55,511                                | -                        | -                                                               | 249,843             | 459,244            |
| Incremental gas sales           | -                                     | -                        | 3,861                                                           | -                   | (96,464)           |
| Crude lifting                   | (551,707)                             | -                        | -                                                               | (1,172,518)         | (2,793,426)        |
| Price imbalance and DSRA        | -                                     | -                        | -                                                               | -                   | 786,492            |
| Repayment from DSRA             | -                                     | -                        | -                                                               | -                   | (278,540)          |
| Payment of financing component  | -                                     | -                        | -                                                               | (272,039)           | (272,039)          |
| Transfer to trade customers     | -                                     | -                        | -                                                               | (211,456)           | (571,479)          |
| Translation difference          | 11,139                                | 2,877                    | 1,073                                                           | 1,546,744           | 2,187,114          |
| At 31 December 2024             | <b>271,265</b>                        | <b>14,970</b>            | <b>6,236</b>                                                    | <b>4,711,511</b>    | <b>6,207,474</b>   |

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|                                                   | NLNG Project<br>N million | Project Eagle<br>N million | Project Brogues financing<br>N million | OML 13 FTSA<br>N million | OML 42 FTSA<br>N million | OML 11 FTSA<br>N million |
|---------------------------------------------------|---------------------------|----------------------------|----------------------------------------|--------------------------|--------------------------|--------------------------|
| At 1 January 2023                                 | 49,242                    | 158,285                    | 119,601                                | 164                      | 17,205                   | 24,111                   |
| Amount received during the year                   | 65,764                    | 705,213                    | -                                      | -                        | -                        | 282,638                  |
| Premium on contract liabilities                   | 5,662                     | 9,242                      | 8,129                                  | -                        | 861                      | -                        |
| Incremental gas sales during the year             | (61,354)                  | -                          | -                                      | -                        | -                        | -                        |
| Crude lifting during the year                     | -                         | (282,914)                  | (113,949)                              | -                        | (2,909)                  | -                        |
| Crude lifted from Federation                      | -                         | (12,337)                   | -                                      | -                        | -                        | -                        |
| Price imbalance and DSRA                          | -                         | 144,708                    | 118,861                                | -                        | -                        | -                        |
| Repayment from DSRA                               | -                         | (131,543)                  | (141,462)                              | -                        | -                        | -                        |
| Principal payment                                 | -                         | -                          | -                                      | -                        | -                        | -                        |
| Interest payment                                  | -                         | -                          | -                                      | -                        | -                        | -                        |
| Portion of the Neconde's drawdown use as cashcall | -                         | -                          | -                                      | -                        | (8,799)                  | -                        |
| Translation difference                            | 27,613                    | 119,205                    | 84,432                                 | 167                      | 6,620                    | 19,831                   |
| At 31 December 2023                               | <b>86,927</b>             | <b>709,859</b>             | <b>75,612</b>                          | <b>331</b>               | <b>12,978</b>            | <b>326,580</b>           |

|                                                   | OML 65 FTSA<br>N million | Liquefied Petroleum Gas (LPG) contract liabilities<br>N million | Others<br>N million | Total<br>N million |
|---------------------------------------------------|--------------------------|-----------------------------------------------------------------|---------------------|--------------------|
| <b>At 1 January 2024</b>                          | -                        | 96                                                              | 2,246,627           | 2,615,331          |
| Amount received during the year                   | 3,610                    | -                                                               | 567,256             | 1,624,481          |
| Transfers to SBUs                                 | -                        | -                                                               | (898,984)           | (898,984)          |
| Premium on contract liabilities                   | -                        | -                                                               | 177,667             | 201,561            |
| Incremental gas sales during the year             | -                        | 787                                                             | -                   | (60,567)           |
| Crude lifting during the year                     | -                        | -                                                               | -                   | (399,772)          |
| Crude lifted from Federation                      | -                        | -                                                               | -                   | (12,337)           |
| Price imbalance and DSRA                          | -                        | -                                                               | -                   | 263,569            |
| Repayment from DSRA                               | -                        | -                                                               | -                   | (273,005)          |
| Principal payment                                 | -                        | -                                                               | (517,856)           | (517,856)          |
| Interest payment                                  | -                        | -                                                               | (129,664)           | (129,664)          |
| Portion of the Neconde's drawdown use as cashcall | -                        | -                                                               | -                   | (8,799)            |
| Translation difference                            | -                        | 419                                                             | 707,827             | 966,114            |
| <b>At 31 December 2023</b>                        | <b>3,610</b>             | <b>1,302</b>                                                    | <b>2,152,873</b>    | <b>3,370,072</b>   |

### NLNG project financing

In October 2019, Nigerian National Petroleum Company ("NNPC") entered into a new agreement with NLNG on behalf of NNPC E&P Limited, through its equity holdings in Nigeria Agip Oil Company (NAOC), Shell Petroleum Development Company (SPDC) & Total Exploration & Production Nigeria Limited (TEPNG) JV's, to provide incremental gas supply to Nigerian Liquefied Natural Gas (NLNG) Feedstock and in return, NLNG being the buyer would provide an advance cash call payment (CAPEX Portion) of some selected 'Projects' as identified in the agreement. NLNG is to recover its funding as provided by the agreement when gas supply is made to it by the Seller (NNPC).

The agreed external financing amount is ₦3.7 trillion with duration of twelve (12) years as contained in the external financing agreement. Of the ₦3.7 trillion, ₦771.7 billion is available to NEPL for the NOAC JV projects while the remaining balance is available to the other two JV Partners. As at 31 December 2024, NEPL through the NOAC JV has drawn ₦479.5 billion (₦294.8





billion) and NLNG has so far recovered ₦337.9 billion of it. The prepayment is available to each seller by the buyer (NLNG) from time to time as the seller requests for it.

## Eagle project financing

Nigerian National Petroleum Company ("NNPC") (parent company of NNPC E&P Limited ("NEPL") formerly Nigerian Petroleum Development Company Limited ("NPDC")) entered into a Forward Sale Agreement (FSA) with Eagle Export Funding Limited for the sale of NEPL's future crude oil productions to provide funds to be used by NEPL to settle part of its obligations to the Federal Inland Revenue Service as well as other corporate purposes.

Arising from the above agreement, Eagle Export Funding Limited which is an orphan special purpose vehicle incorporated in the Bahamas ("SPV" or "Eagle") has obtained funds from third party lenders secured on NEPL's future oil production.

The payment received is required to be settled (together with payment of fees, transaction costs and interest expense) with delivery of crude oil volumes. There was no upfront payment for crude oil received by NEPL's during the year ended 31 December 2024 ₦189.2 trillion (31 December 2023:Nil)

The production under the FSA will support debt of up to ₦627.8 billion (US \$1.5 billion), which has been structured as a crude oil prepayment facility over two tranches.

## 41.2 Contract liabilities on the forward sale agreement – Company

|                        | Company           |                   |
|------------------------|-------------------|-------------------|
|                        | 2024<br>N million | 2023<br>N million |
| Project Falcon         | -                 | 3,755             |
| Project Santolina      | -                 | 82,957            |
| Project Panther        | 912,913           | 273,515           |
| NLNG SPDC              | 637,884           | 297,356           |
| NLNG TEPNG             | 435,434           | 287,345           |
| Project Yield          | 1,461,623         | 537,382           |
| Project Leopard        | 1,263,653         | -                 |
| Project Bison          | -                 | 383,882           |
| DSDP & Other Customers | 265,731           | 286,681           |
| At 31 December 2023    | 4,977,238         | 2,152,873         |

### 31 December 2024

|                                 | Project Falcon<br>N million | Project Santolina<br>N million | Project Panther<br>N million | NLNG SPDC<br>N million | NLNG TEPNG<br>N million | Project Yield<br>N million |
|---------------------------------|-----------------------------|--------------------------------|------------------------------|------------------------|-------------------------|----------------------------|
| At 1 January 2024               | 3,755                       | 82,957                         | 273,515                      | 297,356                | 287,345                 | 537,382                    |
| Additional drawdown             | -                           | -                              | 478,020                      | 206,127                | -                       | 911,452                    |
| Principal payment               | (6,107)                     | (134,927)                      | (47,453)                     | (79,251)               | (47,829)                | -                          |
| Premium on contract liabilities | 637                         | 7,436                          | -                            | 43,765                 | 36,878                  | 133,360                    |
| Interest payment                | (637)                       | (7,436)                        | -                            | (42,585)               | (38,849)                | (133,360)                  |
| Translation difference          | 2,352                       | 51,970                         | 208,831                      | 212,472                | 197,889                 | 12,788                     |
| At 31 December 2024             | -                           | -                              | 912,913                      | 637,884                | 435,434                 | 1,461,623                  |

|                                 | Project Leopard<br>N million | Project Bison<br>N million | DSDP & Other customers<br>N million | Total<br>N million |
|---------------------------------|------------------------------|----------------------------|-------------------------------------|--------------------|
| At 1 January 2024               | -                            | 383,882                    | 286,681                             | 2,152,873          |
| Additional drawdown             | 1,209,803                    | -                          | -                                   | 2,805,402          |
| Principal payment               | -                            | (626,517)                  | -                                   | (942,084)          |
| Premium on contract liabilities | 1,958                        | 30,267                     | (4,923)                             | 249,378            |
| Interest payment                | -                            | (30,267)                   | -                                   | (253,135)          |
| Transfer to trade customers     | -                            | -                          | (211,456)                           | (211,456)          |
| Translation difference          | 51,892                       | 242,635                    | 195,429                             | 1,176,259          |
| At 31 December 2024             | 1,263,653                    | -                          | 265,731                             | 4,977,238          |

### 31 December 2023

|                        | Project Falcon<br>N million | Project Santolina<br>N million | Project Panther<br>N million | NLNG SPDC<br>N million | NLNG TEPNG<br>N million | Project Yield<br>N million |
|------------------------|-----------------------------|--------------------------------|------------------------------|------------------------|-------------------------|----------------------------|
| At 1 January 2023      | 2,007                       | 79,758                         | 38,508                       | 116,656                | 161,002                 | 145,196                    |
| Translation difference | 1,746                       | 132,246                        | 94,861                       | 125,604                | 116,920                 | 219,080                    |
| Additional drawdown    | -                           | -                              | 128,520                      | 61,979                 | -                       | 173,106                    |



|                        |              |               |                |                |                |                |
|------------------------|--------------|---------------|----------------|----------------|----------------|----------------|
| Interest in the period | 343          | 11,918        | 11,626         | 17,015         | 19,938         | 49,288         |
| Principal payment      | -            | (128,787)     | -              | (23,898)       | (10,198)       | -              |
| Interest payment       | (341)        | (12,178)      | -              | -              | (317)          | (49,288)       |
| At 31 December 2023    | <b>3,755</b> | <b>82,957</b> | <b>273,515</b> | <b>297,356</b> | <b>287,345</b> | <b>537,382</b> |

|                                 | Project Bison<br>N million | DSDP & Other<br>customers<br>N million | Total<br>N million |
|---------------------------------|----------------------------|----------------------------------------|--------------------|
| At 1 January 2023               | 437,638                    | 1,265,862                              | 2,246,627          |
| Translation difference          | 301,217                    | (283,848)                              | 707,826            |
| Transfers to SBUs               | -                          | (898,984)                              | (898,984)          |
| Additional drawdown             | -                          | 203,651                                | 567,256            |
| Premium on contract liabilities | 67,539                     | -                                      | 177,667            |
| Principal payment               | (354,973)                  | -                                      | (517,856)          |
| Interest payment                | (67,539)                   | -                                      | (129,663)          |
| At 31 December 2023             | <b>383,882</b>             | <b>286,681</b>                         | <b>2,152,873</b>   |

#### 41.4 Contract liabilities on sale of natural gas

|                                                                                                         | Group                                 |                                       |
|---------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                                         | 31 December 2024<br>N million         | 31 December 2023<br>N million         |
| Advance payment on sale of natural gas                                                                  | 155,895                               | 17,300                                |
|                                                                                                         | 155,895                               | 17,300                                |
| Contract liabilities for NGML and NGIC relate to transactions entered into with the following entities: |                                       |                                       |
| Gaslink Nigeria Ltd.                                                                                    | 23,357                                | 11,569                                |
| Contec Global Energy Ltd                                                                                | -                                     | 237                                   |
| Transit Gas Ltd.                                                                                        | 1,292                                 | 7,596                                 |
| Kylin Industrial Nigeria Company                                                                        | 1,034                                 | -                                     |
| Merito World Wide Impex                                                                                 | 18                                    | -                                     |
| QSL- Greenhills Agricultural                                                                            | 1,705                                 | -                                     |
| Borkir International Co. Ltd                                                                            | -                                     | 60                                    |
| Shell Nigeria Gas Ltd                                                                                   | (7,042)                               | (2,870)                               |
| Dangote Fertilizer                                                                                      | 135,531                               | -                                     |
| Others                                                                                                  | -                                     | 708                                   |
|                                                                                                         | 155,895                               | 17,300                                |
| Reconciliation of contract liability on sale of natural gas                                             |                                       |                                       |
|                                                                                                         | <b>31 December 2024<br/>N million</b> | <b>31 December 2023<br/>N million</b> |
| At 1 January 2024                                                                                       | 17,300                                | 4,262                                 |
| Additions during the year                                                                               | 249,790                               | 35,273                                |
| Transferred to revenue during the period                                                                | (112,373)                             | (21,502)                              |
| Net reversals                                                                                           | 1,178                                 | (733)                                 |
| At 31 December                                                                                          | 155,895                               | 17,300                                |

## 42 Trade and other payables

|                          |           | Group             |                   | Company           |                   |
|--------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                          |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Trade payables           | Note 42.1 | 12,511,235        | 9,334,429         | 682,604           | 1,390,159         |
| Payables to Federation   | Note 42.2 | 4,039,291         | 3,883,560         | 3,837,266         | 3,839,325         |
| Stock overlift           | Note 42.3 | 3,995,268         | 2,415,313         | 3,776,918         | 2,321,490         |
| Stock underlift          | Note 42.3 | (485,612)         | (598,670)         | -                 | -                 |
| Related parties payables | Note 45   | (13)              | 229               | 20,510,479        | 14,171,964        |
| Other payables           | Note 42.4 | 11,793,296        | 6,602,291         | 5,925,165         | 2,652,770         |
|                          |           | <b>31,853,465</b> | <b>21,637,152</b> | <b>34,732,432</b> | <b>24,375,708</b> |



#### 42.1 Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within 45-day terms.

Payables to Federal Government of Nigeria are non-interest bearing and are normally settled within 90 days.

Payables to related parties are non-interest bearing and are normally settled within 30 days.

Other payables are non-interest bearing and have an average term of six months.

#### 42.2 Payable to federation relates to accrued expenses to various government agencies such as: NUPRC, FIRS, State Internal revenue services.

#### 42.3 Stock overlift, underlift and gain/loss on stock valuation

Stock overlifts are excess crude lifted above the share of production. It usually exist when the crude oil lifted by the Group during the period is above its ownership share of production. Stock underlift arises when the Group does not take its entire share of production in a period.

##### Stock overlift during the year

|                                   | Group             |                   | Company           |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Chevron                           | 21,120            | -                 | 21,120            | -                 |
| Amenam/Kpono                      | 3,680,047         | 2,223,616         | 3,680,090         | 2,225,650         |
| Seplat/NEPL JV (OML 4, 38 and 41) | 152,893           | 59,036            | -                 | -                 |
| NEPL/SHORELINE OML 30             | 8,216             | -                 | -                 | -                 |
| Oredo/Oziengbe/NEPL JV (OML 111)  | 18,833            | 15,534            | -                 | -                 |
| TEPNG JV                          | -                 | 5,752             | -                 | -                 |
| NEOL                              | 69,635            | 15,534            | 69,634            | -                 |
| OML 86/88 (Pennington)            | 6,074             | 8,854             | 6,074             | 8,854             |
| NEPL/FHN JOA (OML 26)             | 1,142             | -                 | -                 | -                 |
| NEPL/Newcross (OML 24)            | -                 | 58,974            | -                 | 58,974            |
| Abura (OML 65)                    | 6,422             | 28,013            | -                 | 28,012            |
| Oredo/Oziengbe (OML 111)          | 22,364            | -                 | -                 | -                 |
| NEPL/ND WESTERN JOA (OML 34)      | 8,522             | -                 | -                 | -                 |
|                                   | <b>3,995,268</b>  | <b>2,415,313</b>  | <b>3,776,918</b>  | <b>2,321,490</b>  |

##### Stock underlift during the year

|                                   | Group             |                   | Company           |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| NEPL/ND WESTERN JV (OML 34)       | -                 | 38,178            | -                 | -                 |
| NEPL/SHORELINE OML 30             | -                 | 10,708            | -                 | -                 |
| NEPL/ELCREST OML 40               | 21,155            | 22,265            | -                 | -                 |
| Abura/ (OML 65)                   | -                 | 353,467           | -                 | -                 |
| NEPL/NAOC JOA (OML 60-63)         | 80,255            | 7,621             | -                 | -                 |
| Okono/Okpoho/NEPL JV (OML 119)    | 37,936            | 4,674             | -                 | -                 |
| NEPL/NECONDE OML 42               | 49,521            | 69,359            | -                 | -                 |
| Oredo/Oziengbe (OML 111)          | 17,319            | 13,945            | -                 | -                 |
| NEPL/Sterling (OML 13)            | 113,031           | -                 | -                 | -                 |
| Seplat/NEPL JV (OML 4, 38 and 41) | 157,790           | -                 | -                 | -                 |
| NEPL/Pan Ocean (OML 98)           | 8,605             | 78,453            | -                 | -                 |
|                                   | <b>485,612</b>    | <b>598,670</b>    | <b>-</b>          | <b>-</b>          |



## 42.4 Other payables

|                                  |             | Group             |                   | Company           |                   |
|----------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                  |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Financial liabilities</b>     |             |                   |                   |                   |                   |
| Loans and borrowings             |             | -                 | 28,004            | -                 | -                 |
| Other accounts payable           | Note 42.4.1 | 5,291,848         | 4,927,055         | 4,550,701         | 2,134,091         |
| Dividend payable                 |             | 180,335           |                   |                   |                   |
| Accrued expenses                 | Note 42.4.2 | 5,537,328         | 1,226,899         | 1,291,475         | 502,028           |
|                                  |             | 11,009,511        | 6,181,958         | 5,842,176         | 2,636,119         |
| <b>Non-financial liabilities</b> |             |                   |                   |                   |                   |
| Value added tax payable          |             | 239,230           | 317,523           | 31,862            | 504               |
| Withholding tax payable          |             | 258,416           | 85,600            | 38,225            | 2,191             |
| Insurance contract liabilities   | Note 25.3.2 | 151,388           | -                 | -                 | -                 |
| Other remittances                | Note 42.3.3 | 117,957           | 17,210            | 12,902            | 13,957            |
| Minimum tax payable              | Note 11     | 16,794            | -                 | -                 | -                 |
|                                  |             | 783,785           | 420,333           | 82,989            | 16,651            |
| Total other payables             |             | 11,793,296        | 6,602,291         | 5,925,165         | 2,652,770         |

**42.4.1** Other accounts payable includes provisions (post-employment benefits, trade and non-trade provisions), project gazelle balance, etc

**42.4.2** Accrued expenses are contractual obligations which includes joint ventures partners payables, retention fees, legal fees, accrued materials, audit fees and other accruals

**42.4.3** Other remittances include NCD levy, PAYE and other fees due to government agencies.

## 43 Other liabilities

|                          |  | Group             |                   | Company           |                   |
|--------------------------|--|-------------------|-------------------|-------------------|-------------------|
|                          |  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Other liabilities</b> |  | 2,192,738         | 600,528           | 2,192,738         | 600,528           |

This balance represents liabilities for cash held on behalf of the Federation.

## 44 Cash generated from operations

|                                                                      |           | Group             |                   | Company           |                   |
|----------------------------------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                                                      |           | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Profit before taxation                                               |           | 9,558,252         | 5,988,688         | 9,447,916         | 4,041,862         |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b> |           |                   |                   |                   |                   |
| Depreciation of oil and gas properties                               | Note 20.1 | 3,226,995         | 1,246,829         | 2,370,756         | 930,799           |
| Depreciation of other property, plant and equipment (PPE)            | Note 20   | 623,409           | 101,034           | 386,911           | 10,645            |
| Depreciation of right-of-use assets                                  | Note 47.1 | 66,504            | 13,927            | 3,785             | 3,798             |
| Derecognition of property, plant and equipment                       | Note 20   | 1,382,161         | -                 | -                 | -                 |
| Dividend income                                                      |           | -                 | -                 | (577)             | -                 |
| Impairment of assets classified as held for sale                     |           | 98,065            | -                 | -                 | -                 |
| Amortisation of intangible assets                                    | Note 22   | 49,585            | 4,397             | 2,014             | 433               |
| (Gain)/ loss on disposal of PPE                                      | Note 20.5 | (325,427)         | (27,200)          | (87)              | 47                |
| Finance income                                                       | Note 16   | (175,340)         | (115,555)         | (91,039)          | (41,501)          |
| Finance costs                                                        | Note 15   | 1,751,621         | 441,456           | 956,817           | 316,018           |
| Royalties charge                                                     | Note 21   | 5,790,642         | 1,888,847         | 4,271,816         | 1,399,176         |
| Provision write-back                                                 | Note 21   | 16,127            | (31,161)          | -                 | -                 |
| Transfer of OML 24 assets                                            |           | -                 | -                 | 117,981           | -                 |
| Impairment charge/(reversals) on trade and other receivables         | Note 12   | 753,724           | (426,782)         | 705,826           | (637,776)         |



|                                                               |              |                   |                   |                  |                  |
|---------------------------------------------------------------|--------------|-------------------|-------------------|------------------|------------------|
| Impairment (reversals)/ increase on cash and cash equivalents | Note 12      | (167)             | 4                 | (117)            | 144              |
| Unrealised exchange loss / (gain)                             | Note 14      | 432,706           | 400,103           | (1,720,009)      | 533,192          |
| Write-off of intangible assets                                | Note 22      | 16,754            | 19,912            | -                | -                |
| Write-off of property, plant and equipment                    | Note 20      | 3,766             | 51,778            | 3,766            | 322              |
| Inventories write off                                         | Note 9       | 137,132           | 26,704            | -                | 986              |
| Share of profit - Joint ventures                              | Note 6.3.1   | (288,799)         | (6,631)           | -                | (5,372)          |
| Share of profit - Associates                                  | Note 6.4     | (8,240)           | (5,851)           | 2,936            | -                |
| Transfer of joint ventures                                    | Note 6.3.2   | -                 | -                 | 7,566            | -                |
| Impairment of joint ventures                                  | Note 6.3.2   | 4,760             | -                 | 2,920            | -                |
| Dividend declared by associate                                | Note 6.4.1   | 9,193             | -                 | -                | -                |
| Net post employment benefits / (returns)                      | Note 11.1ii  | 43,961            | 81,568            | (28,227)         | 7,977            |
| Employee benefit cost-other long term benefits                | Note 11.1iii | 3,388             | 16,577            | 1,345            | 7,173            |
| <b>Working capital adjustments</b>                            |              |                   |                   |                  |                  |
| (Increase) / decrease in trade and other receivables          | Note 44.1a   | (12,466,215)      | 1,182,440         | (20,793,500)     | (15,165,866)     |
| Increase in inventories                                       | Note 44.1b   | (1,038,485)       | (394,944)         | (285,041)        | (363,283)        |
| (Increase) / decrease in prepayments and other assets         | Note 44.1c   | (330,708)         | 353,199           | 46,960           | 214,189          |
| Increase in trade and other payables                          | Note 44.1f   | 4,760,168         | 754,750           | 10,385,739       | 15,722,995       |
| Decrease in other accruals                                    |              | (13,355)          | (4,783)           | (13,355)         | (4,783)          |
| Increase in other liabilities                                 | Note 44.1g   | 2,055,539         | 73,176            | 2,055,539        | 7,760            |
| Increase / (decrease) in contract liabilities                 | Note 44.1h   | 863,302           | (178,101)         | 1,650,892        | (979,248)        |
| <b>Cash generated from operations</b>                         |              | <b>16,960,282</b> | <b>11,454,380</b> | <b>9,252,572</b> | <b>5,999,696</b> |

#### 44.1 Working capital adjustments - reconciliation for purpose of cashflow

##### a) Trade and other receivables

|                                                              |             | Group             |                   | Company           |                   |
|--------------------------------------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                                                              |             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement                                     |             | (8,785,351)       | (3,163,111)       | (20,414,371)      | (17,262,736)      |
| Dividend receivable                                          | Note 6.4.1  | -                 | (2,000)           | -                 | -                 |
| Withholding tax credit used                                  | Note 19.1.1 | -                 | (23,463)          | -                 | -                 |
| Transfer of OML 24 assets                                    | Note 51     | -                 | -                 | (380,481)         | -                 |
| Investment in subsidiaries                                   |             | -                 | -                 | (2,215,842)       | -                 |
| Crude oil lifted in lieu of petroleum profit tax payment     |             | -                 | (15,743)          | -                 | -                 |
| Transfer from PSC                                            |             | -                 | 15,629            | -                 | 15,629            |
| Receivable from SBUs for transfer of assets                  |             | -                 | -                 | (3,616)           | (139,507)         |
| Impairment (expense)/reversal on trade and other receivables |             | (753,724)         | 426,782           | (705,826)         | 637,766           |
| Translation difference                                       |             | (2,927,376)       | 3,944,346         | 2,926,636         | 1,582,984         |
|                                                              |             | (12,466,451)      | (1,182,440)       | (20,793,500)      | (15,165,866)      |

##### b) Inventories

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | (1,678,840)       | (676,305)         | (1,062,524)       | (404,554)         |
| Write off                | (137,132)         | (26,704)          | -                 | (986)             |
| Translation difference   | 777,487           | 308,065           | 777,483           | 42,257            |
|                          | (1,038,485)       | (394,944)         | (285,041)         | (363,283)         |

##### c) Prepayment and other current assets

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | (480,597)         | 294,946           | (102,905)         | 206,581           |
| Lease prepayments        | (40,500)          | -                 | (1,025)           | -                 |
| Translation difference   | 149,889           | 58,253            | 149,890           | 7,608             |
|                          | (371,208)         | 353,199           | 45,960            | 214,189           |

##### d) Restricted Funds

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | (830,919)         | (725,278)         | (386,214)         | (614,916)         |
| Transfer from company    | 633,597           | 170,180           | 633,597           | 43,038            |
|                          | (197,322)         | (555,098)         | 247,382           | (571,878)         |





#### e) Other financial assets at amortised cost

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | 7,290             | 160,934           | (122,057)         | (43,061)          |
|                          | 7,290             | 160,934           | (122,057)         | (43,061)          |

#### f) Trade and other payables

|                                                  | Group             |                   | Company           |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement                         | 10,216,313        | (3,395,481)       | 10,356,724        | 14,318,946        |
| Dividend payable                                 | (2,308,702)       | -                 | (2,308,702)       | -                 |
| Finance interest from insurance contracts issued | (3,092)           | -                 | -                 | -                 |
| Transfer of OML 24 assets                        | -                 | -                 | 296,346           | -                 |
| Investment in subsidiaries                       | -                 | -                 | (27,389)          | -                 |
| Net transfer in - defined benefits               | -                 | 59,916            | (9,333)           | 50,156            |
| Translation difference                           | (3,144,351)       | 4,090,315         | 2,078,093         | 1,353,893         |
|                                                  | 4,760,168         | 754,750           | 10,385,739        | 15,722,995        |

#### g) Other Liabilities

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | 1,592,210         | (40,349)          | 1,592,210         | (25,594)          |
| Translation difference   | 463,329           | 113,525           | 463,329           | 33,354            |
|                          | 2,055,539         | 73,176            | 2,055,539         | 7,760             |

#### h) Contract liabilities

|                          | Group             |                   | Company           |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Closing balance movement | 3,237,621         | 995,388           | 2,823,395         | (93,755)          |
| Finance Cost             | (459,244)         | (207,376)         | (249,379)         | (177,667)         |
| Interest Paid            | 272,039           | -                 | 253,135           | -                 |
| Translation difference   | (2,187,115)       | (966,114)         | (1,176,259)       | (707,826)         |
|                          | 863,302           | (178,102)         | 1,650,892         | (979,248)         |

#### i) Purchase of oil and gas properties

|                                     | Group             |                   | Company           |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Additions to oil and gas properties | 5,923,722         | 1,699,324         | 2,255,233         | 1,411,273         |
| Additions to decommissioning cost   | (306,173)         | (27,442)          | -                 | -                 |
|                                     | 5,617,549         | 1,671,882         | 2,255,233         | 1,411,273         |

## 45 Related party disclosures

The following table provides the total balance of transactions that have been entered into with related parties for the relevant financial period:

### i Controlling interest

The Nigerian National Petroleum Company Limited (NNPC LIMITED) is jointly controlled by the Ministry of Finance Incorporated (MoFI) and the Ministry of Petroleum Incorporated (MoPI) on behalf of the Federation.

### ii Balances with related parties – Company

|                                                          |            | 31 December 2024                             |                                              | 31 December 2023                             |                                              |
|----------------------------------------------------------|------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| Relationship                                             |            | Amounts owed by related parties<br>N million | Amounts owed to related parties<br>N million | Amounts owed by related parties<br>N million | Amounts owed to related parties<br>N million |
|                                                          |            |                                              |                                              |                                              |                                              |
| Port-Harcourt Refining Company Limited                   | Subsidiary | 4,222,235                                    | -                                            | 1,997,633                                    | -                                            |
| NNPCE & P limited (NEPL)                                 | Subsidiary | -                                            | 4,021,817                                    | 1,978,739                                    | 4,845,571                                    |
| Kaduna Refining and Petrochemical Company Limited (KRPC) | Subsidiary | 2,390,321                                    | -                                            | 1,356,042                                    | 27,213                                       |
| NNPC gas Infrastructure Company Ltd (NGIC)               | Subsidiary | 847,978                                      | 106,974                                      | 1,855,614                                    | -                                            |



|                                                         |               |                   |                   |                   |                   |
|---------------------------------------------------------|---------------|-------------------|-------------------|-------------------|-------------------|
| Petroleum products Marketing Company Limited (PPMC)     | -             | -                 | -                 | -                 | -                 |
| NNPC Energy Services Limited (Enserv)                   | Subsidiary    | 264,752           | -                 | 154,195           | 710               |
| Warri Refining and Petrochemical Company Limited (WRPC) | Subsidiary    | 2,055,693         | -                 | 1,171,530         | 81,641            |
| NNPC Shipping and Logistics Limited                     | Subsidiary    | 99,988            | -                 | 42,861            | -                 |
| Nidas Shipping Service Agency Limited                   | Subsidiary    | 1,237             | -                 | -                 | -                 |
| Nikorma Transpot Limited                                | Joint venture | -                 | -                 | 4,873             | 229               |
| NNPC Engineering and Technical Company Limited (NETCO)  | Subsidiary    | 50,858            | -                 | 34,099            | 718               |
| Hyson (Nigeria) Limited                                 | Joint venture | 102               | -                 | 60                | -                 |
| NNPC Retail Limited (NRL)                               | Subsidiary    | -                 | 10,952            | 38,742            | 81                |
| NNPC Gas Marketing Company Limited (NGML)               | Subsidiary    | 54,706            | -                 | 20,998            | 525               |
| Nigerian Pipelines and Storage Company Limited (NPSC)   | Subsidiary    | 468,744           | -                 | 237,998           | -                 |
| NNPC HMO                                                | Subsidiary    | -                 | 3,467             | -                 | 2,099             |
| NNPC Trading Limited (NTL)                              | Subsidiary    | -                 | 16,360,069        | 123,383           | 6,697,961         |
| NNPC Trading SA                                         | Subsidiary    | 19,145,135        | -                 | 8,573,967         | 2,424,330         |
| NNPC Trading Services (UK) Limited                      | Subsidiary    | 1,972             | -                 | 730               | -                 |
| NNPC Liquefied petroleum Gas Limited (NNPC LPG)         | Subsidiary    | -                 | -                 | -                 | -                 |
| NNPC Properties Limited (NPL)                           | Subsidiary    | 18,937            | -                 | 10,532            | -                 |
| NNPC LNG Limited                                        | Subsidiary    | 28,222            | -                 | 22,201            | 12,700            |
| NNPC Medical Services Limited (NMSL)                    | Subsidiary    | 106,753           | -                 | 56,502            | 65                |
| National Petroleum Telecommunication Limited (NAPET)    | Subsidiary    | 26,369            | -                 | 17,681            | -                 |
| NNPC New Energy Limited (NNEL)                          | Subsidiary    | 5,110             | -                 | 80                | -                 |
| NNPC Eighteen Operating Limited                         | Subsidiary    | 681               | -                 | -                 | 10                |
| Antan Producing Limited                                 | Subsidiary    | -                 | 7,200             | -                 | 512               |
| Maiduguri Emergency Power Plant                         | Subsidiary    | 179,334           | -                 | 71,080            | -                 |
| Kaduna IPP Limited                                      | Subsidiary    | 1,833             | -                 | -                 | -                 |
| Kano IPP Limited                                        | Subsidiary    | 1,466             | -                 | -                 | -                 |
| Gwagwalada Power Limited                                | Subsidiary    | 326,577           | -                 | -                 | -                 |
| NNPC Gas and Power Investment Company Limited (NGPIC)   | Subsidiary    | -                 | -                 | 13,032            | 77,602            |
| Other related parties                                   | Related party | -                 | -                 | -                 | -                 |
|                                                         |               | <b>30,299,003</b> | <b>20,510,479</b> | <b>17,782,572</b> | <b>14,171,967</b> |

The following relates to transactions that occurred with related parties during the period. These includes transactions with both subsidiaries and joint venture companies;

|                                         |                        | <b>Group</b>      |                  |
|-----------------------------------------|------------------------|-------------------|------------------|
|                                         |                        | <b>2024</b>       | <b>2023</b>      |
|                                         |                        | <b>N million</b>  | <b>N million</b> |
| <b>Income</b>                           | <b>Counter parties</b> |                   |                  |
| Sales of Crude                          | NTSA                   | 13,431,236        | -                |
| Sales of Gas                            | NTSA                   | 604,935           | 9,825,329        |
| Sales of Gas                            | NGML                   | 36,890            | -                |
|                                         |                        | <b>14,073,061</b> | <b>9,825,329</b> |
| <b>Expenses</b>                         |                        |                   |                  |
| Gas Purchases                           | NGML                   | 4,867             | -                |
| Crude/Gas Purchases                     | NNPC Trading SA        | -                 | -                |
| Throughput charges paid to subsidiaries | NGIC, NGML             | 42,181            | 99,655           |
| Others **                               | NAPET, NNPC HMO        | -                 | -                |
|                                         |                        | <b>47,048</b>     | <b>99,655</b>    |

\*\* Others include NAPET telecommunication services and vessel hire services

#### Balances with related parties - Group

|                         |               | <b>2024</b>                     | <b>2023</b>                     |
|-------------------------|---------------|---------------------------------|---------------------------------|
|                         |               | Amounts owed by related parties | Amounts owed by related parties |
|                         |               | N million                       | N million                       |
|                         |               | Relationship                    | Relationship                    |
| Hyson(Nigeria)Limited   | Joint venture | 20                              | 44                              |
| NikormaTransportLimited | Joint venture | -                               | 4,889                           |
|                         |               | <b>20</b>                       | <b>4,933</b>                    |
|                         |               |                                 | <b>229</b>                      |



| S/No | Subsidiaries                                     | Nature of transaction                              |
|------|--------------------------------------------------|----------------------------------------------------|
| 1    | Port Harcourt Refining Company Limited           | Funding of operations, and bank charge of expenses |
| 2    | NNPC E&P Limited                                 | Sales of crude and back charge of expenses         |
| 3    | Kaduna Refining & Petrochemical Company Limited  | Funding of operations and bank charge of expenses  |
| 4    | NNPC Gas Infrastructure Company Limited (NGIC)   | Back charge of expenses                            |
| 5    | Petroleum Products & Marketing Company Limited   | Back charge of expenses                            |
| 6    | NNPC Energy Services Limited                     | Back charge of expenses                            |
| 7    | Warri Refining & Petrochemical Company Limited   | Funding of operations and back charge of expenses  |
| 8    | Calson (Bermuda) Limited                         | Sales of crude                                     |
| 9    | NNPC Shipping and Logistics Limited              | Back charge of expenses                            |
| 10   | Nikorma Transport Limited                        | Back charge of expenses                            |
| 11   | National Engineering & Technical Company Limited | Back charge of expenses                            |
| 12   | Hyson (Nigeria) Limited                          | Back charge of expenses                            |
| 13   | NNPC Retail Limited                              | Back charge of expenses                            |
| 14   | NNPC Gas Marketing Company Limited               | Gas purchases and back charge of expenses          |
| 15   | NNPC Trading Limited                             | Back charge of expenses                            |
| 16   | NNPC Trading Services (UK) Limited               | Back charge of expenses                            |
| 17   | Nigerian Pipeline and Storage Company Limited    | Funding of operations and back charge of expenses  |
| 18   | NNPC Properties Limited                          | Funding of operations and back charge of expenses  |
| 19   | NNPC LNG                                         | Back charge of expenses                            |
| 20   | NNPC Medical Services Limited                    | Back charge of expenses                            |
| 21   | NNPC HMO                                         | Health insurance and back charge of expenses       |
| 22   | NNPC LPG                                         | Back charge of expenses                            |

#### Entity with significant influence over the Group

The Federal Government of Nigeria, as the primary financier of the Company has significant influence over the Group.

#### Loan to a subsidiary

|                                       | Relationship | 2024                                 |                                              | 2023                                 |                                              |
|---------------------------------------|--------------|--------------------------------------|----------------------------------------------|--------------------------------------|----------------------------------------------|
|                                       |              | Loan to related parties<br>N million | Borrowings from related parties<br>N million | Loan to related parties<br>N million | Borrowings from related parties<br>N million |
| NNPC Energy Services Limited (Enserv) | Subsidiary   | 174,008                              | -                                            | 56,381                               | -                                            |
| NNPC Shipping and Logistics Limited   | Subsidiary   | 1,780                                | -                                            | 1,050                                | -                                            |
| Nidas Shipping Service Limited        | Subsidiary   | 9,756                                | -                                            | 5,752                                | -                                            |
| The Wheel Insurance Limited           | Subsidiary   | -                                    | 48,538                                       | -                                    | -                                            |
| NNPC E&P Limited (NEPL)               | Subsidiary   | -                                    | 104,219                                      | -                                    | 55,698                                       |
|                                       |              | <b>185,544</b>                       | <b>152,757</b>                               | <b>63,183</b>                        | <b>55,698</b>                                |

As at December 2024, the outstanding intercompany loan balance and other receivables between NNPC Limited and NIDAS Shipping Services Limited stood at N9.8bn and N1.8bn respectively. On January 28 2021, the Top Management Committee (TMC) recommended the conversion of the loan and other receivable to investment and capital contribution in both entities. Pending the legal formalities, the interest on the loans has been suspended and the balance reported inline with the applicable IFRS standard.

As at the year end, the total loan due from Enserv amount to N174bn for the purpose of Keana drilling campaign, Chad Basin re-entry as well as other 3D Seismic acquisition projects.

#### Terms and conditions of transactions with related parties

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.



## Compensation of key management personnel of the Group

|                                                            | 2024<br>N million | 2023<br>N million |
|------------------------------------------------------------|-------------------|-------------------|
| Short-term employee benefits                               | 985               | 818               |
| Post-employment pension and medical benefits               | 980               | 631               |
| <b>Total compensation paid to key management personnel</b> | <b>1,965</b>      | <b>1,449</b>      |

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel. The key management personnel include the Group Chief Executive Officer (GCEO), Chief Financial Officer (CFO), General counsel & Company secretary, and all the Executive Vice Presidents.

## 46 Borrowings

|                     | Group             |                   | Company           |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
|                     | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance     | -                 | -                 | 55,699            | -                 |
| Additions           | -                 | -                 | 44,360            | 54,796            |
| Interest on loan    | -                 | -                 | 11,686            | 903               |
| Exchange difference | -                 | -                 | 41,013            | 796               |
| Closing balance     | -                 | -                 | 152,757           | 55,699            |

|             | Group             |                   | Company           |                   |
|-------------|-------------------|-------------------|-------------------|-------------------|
|             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Current     | -                 | -                 | 70,556            | 44,522            |
| Non-current | -                 | -                 | 82,201            | 11,177            |
|             | -                 | -                 | 152,757           | 55,699            |

### Loan arrangements

NEPL and The Wheel Insurance Company disbursed funds to NNPC limited to enable the funding of Gwagwalada Independent Power Project (GIPP). The Company received NGN 92 billion from NEPL in 2023. The loan is repayable over a 4-year period, with a 1-year moratorium on the principal repayment beginning from the date of disbursement. Interest is payable on outstanding loan balances and shall accrue at a rate of 90-day Term SOFR plus 6.5% margin and 1% Liquidity (Premium).

The Company received NGN 46 billion from The Wheel Insurance in 2024. The loan is repayable over a 1-year period, with a 6-month moratorium on the principal repayment beginning from the date of disbursement. Interest is payable on outstanding loan balances and shall accrue at a rate of 30-day Term SOFR plus 4% margin.

## 47 Leases

### 47.1 Right-of-use assets

All the Group's right-of-use assets are non-current assets. A reconciliation of the right-of-use assets as at 31 December 2024 is shown below for Group and Company:

|                                   | Group             |                   | Company           |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                   | 404,807           | 10,133            | 11,259            | 4,198             |
| Additions during the year         | 62,365            | 258,902           | 1,025             | -                 |
| Lease modifications               | (275,197)         | -                 | 204               | 4,694             |
| Less: depreciation for the period | (66,504)          | (13,927)          | (3,785)           | (3,798)           |
| Translation difference            | 275,220           | 149,699           | 7,681             | 6,165             |
| Closing balance                   | 400,691           | 404,807           | 16,384            | 11,259            |



## 47.2 Lease liabilities

A reconciliation of the lease liabilities as at 31 December 2024 is shown below for Group and Company:

|                                    | Group             |                   | Company           |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                    | 401,025           | 6,472             | 5,339             | 1,325             |
| Additions during the year          | 21,865            | 258,902           | -                 | -                 |
| Lease modifications                | (275,197)         | -                 | 204               | 4,694             |
| Add: interest on lease liabilities | 105,454           | 10,206            | 750               | 1,079             |
| Payments made during the year      | (122,486)         | (1,603)           | (11)              | (2,610)           |
| Exchange difference                | 278,726           | 127,048           | (3)               | 851               |
| Closing balance                    | 409,387           | 401,025           | 6,279             | 5,339             |

|             | Group             |                   | Company           |                   |
|-------------|-------------------|-------------------|-------------------|-------------------|
|             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Current     | 1,444             | 31                | -                 | -                 |
| Non-current | 407,943           | 400,994           | 6,279             | 5,339             |
|             | 409,387           | 401,025           | 6,279             | 5,339             |

## 47.3 Amount recognized in the statement of profit or loss

|                                             | Group             |                   | Company           |                   |
|---------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                             | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Depreciation charge of right-of-use assets  | 66,504            | 13,927            | 3,785             | 3,798             |
| Interest expense (included in finance cost) | 105,454           | 10,206            | 750               | 1,079             |

## 48 Events after the reporting period

### a) Equity interest in OML 13 assets

On April 22, 2024, a member of the group entered a Deed of Assignment to terminate the Financing and Technical Service Arrangement with Sumedha Energy Limited (SEL) for a 45% equity stake in OML 13. The Deed of Assignment received the Ministerial consent on November 1, 2024.

Upon the execution of the agreement, the 45% net carrying amount of the OML 13 assets of \$1.2billion was classified as "asset held for sale" and presented under current asset in the statement of financial position. This transaction was consummated on January 1, 2025, and on March 1, 2025, NUPRC announced through its upstream concession situation report, the new ownership structure of OML 13, showing Sumedha Energy Limited with 45% ownership of OML 13.

### b) Reconciliation of receivables due from federation and payables due to Federation

The Federal Government set up a stakeholders' alignment committee to aggregate and reconcile the amounts due to/from NNPC Limited and pertinent government agencies such as Nigerian Upstream Petroleum Regulatory Commission (NUPRC) for royalty and Federal Island Revenue Services (IFRS) for Petroleum Profit Taxes (PPT), Hydrocarbon Tax, Companies Income Taxes (CIT) as at December 2024, to determine the net indebtedness between the parties. The report of the alignment committee is awaiting consideration and approval for implementation.

### c) Changes to the Members of the Board of Directors of NNPC Limited

On the 2nd April, 2025, the Chairman and Members of the Board of Directors of NNPC Limited stood down. However, a new board was constituted with an effective date of 2nd April, 2025.

There were no other events after the reporting date of 31 December 2024 that could have had a material effect on the financial statements that have not been provided for or disclosed.





## 49 Exchange rate used in translating the accounts to US Dollar

|                                 | Basis                | 2024<br>N/\$    | 2023<br>N/\$    |
|---------------------------------|----------------------|-----------------|-----------------|
| Fixed assets – opening balances | Historical rate      | Historical      | Historical      |
| Fixed assets - additions        | Average rate         | 1475.37         | 644.21          |
| Fixed assets - closing balances | Closing rate         | 1538.55         | 907.11          |
| Current assets                  | Closing rate         | 1538.55         | 907.11          |
| Current liabilities             | Closing rate         | 1538.55         | 907.11          |
| Equity                          | Historical rate      | Historical rate | Historical rate |
| Income and Expenses:            | Overall average rate | 1475.37         | 644.21          |

|                                 | Basis                | 2024<br>N/AED   | 2023<br>N/AED   |
|---------------------------------|----------------------|-----------------|-----------------|
| Fixed assets – opening balances | Historical rate      | Historical      | Historical      |
| Fixed assets - additions        | Average rate         | 0.27            | 172.57          |
| Fixed assets - closing balances | Closing rate         | 0.27            | 244.13          |
| Current assets                  | Closing rate         | 0.27            | 244.13          |
| Current liabilities             | Closing rate         | 0.27            | 244.13          |
| Equity                          | Historical rate      | Historical rate | Historical rate |
| Income and Expenses:            | Overall average rate | 0.27            | 172.57          |

|                                 | Basis                | 2024<br>N/£ | 2023<br>N/£ |
|---------------------------------|----------------------|-------------|-------------|
| Fixed assets – opening balances | Historical rate      | Historical  | Historical  |
| Fixed assets - additions        | Average rate         | 1.25        | 846.92      |
| Income and Expenses:            | Overall average rate | 1.28        | 846.92      |

## 50 Legal claim contingency

A provision has been made in the Financial Statements for contingent liabilities for lawsuits against the Group estimated at N474.8bn. The contingent liabilities are based on confirmations received from the Company's external legal counsels.

Furthermore, the Group has also been advised by its legal counsel that it is only possible, but not probable, that action will succeed for some lawsuits against the Group which are pending in various courts estimated at N1.8 trillion. Accordingly, no provision has been made in the financial statements for contingent liabilities in respect of these lawsuits.

## 51 Transfer of OML 24 assets

On 30th July, 2024, NUPRC via a letter with reference NUPRC/ER&SP/ER/VA/LOC/V.1/47 notified NNPC Limited about the erroneous transfer of OML 24 to NPDC in 2019 and the subsequent approval of Honourable Minister of State, Petroleum Resources (HMSPR) to reverse the asset that was erroneously transferred to NPDC back to NNPC Limited and the utilisation of initial payment made by NPDC on the asset to be used to offset other statutory obligations of NPDC to NUPRC.

Upon receipt of the NUPRC letter, NEPL derecognized the 55% share of OML 24 assets and liabilities, as well as the N46bn renewal fee, which was used to offset its other liabilities to NUPRC in line with the requirement of IFRS.

|                                                       | Group             |                   | Company           |                   |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                       | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Transfer of OML 24 cost of PPE from NEPL (note 20)    | -                 | -                 | (125,267)         | -                 |
| Transfer of OML 24 cost of PPE from NEPL (note 20)    | -                 | -                 | (15,943)          | -                 |
| Transfer of OML 24 cost of intangible asset from NEPL | -                 | -                 | (4,443)           | -                 |
| Transfer of liability relating to OML 24 (note 38)    | -                 | -                 | 107,066           | -                 |
| Transfer of payable                                   | -                 | -                 | (296,346)         | -                 |
| Transfer of receivables                               | -                 | -                 | 380,481           | -                 |
| Other income                                          | -                 | -                 | 117,981           | -                 |
| Retained earnings                                     | -                 | -                 | 163,529           | -                 |



## 52 Commitments and contingencies

### Capital commitments

#### i) Pre-export financing

The Company had no capital commitments regarding pre-export financing as at the accounting year end 2024. This related to the settlement of pre-export finance loans (PXF1 and PXF2) obtained by NNPC for the settlement of debts owed by the NNPC Limited Group to some import vendors of petroleum products. As at 31 December 2024, there are no capital commitments regarding pre-export financing as outstanding PXF 2 liability balance was refinanced through a forward sale of crude valued at N1.1tn to Eagle Export Limited tagged "Project Eagle Subsequent" on 15 March 2021

#### ii) Eagle Exporting

The Company had capital commitments of N1.1tn as at the year ended 31 December 2024 (31 December 2023: N1.2tn). This relates to the forward sale agreement with Eagle Export Funding Limited for the delivery of Crude Oil. Under the contract, Eagle Export Funding limited will make an upfront payment to NEPL for crude in a Forward Sale Agreement (FSA). The payment received is required to be settled with delivery of crude oil volumes i.e. NEPL sells crude to Eagle Export Funding Limited based on a delivery schedule. Based on the agreement, at least 1,800,000 barrels of Crude oil must be nominated and scheduled by NEPL (and delivered at the relevant delivery terminal to Eagle Export Limited in every delivery period commencing on 28 August 2020

#### iii) NLNG third party financing

The Company had capital commitments of N90.3bn as at 31 December 2024 (31 December 2023: N87bn. This relates to the Incremental gas supply agreement between NNPC/NEPL and NLNG in which NLNG train 1 - train 6 (T1-6) is required to avail NEPL with a total of N771bn for the purchase of gas for a period of 12 years. Under the agreement, Nigerian National Petroleum Company Limited ("NNPC Limited") in October 2019, entered into a new agreement with NLNG on behalf of NEPL, through its equity holdings in NAOC, SPDC & TEPNG JOA's, to provide Incremental Gas Supply to NLNG T1-6 Feedstock and in return, NLNG being the buyer would provide an advance cash call payment (CAPEX Portion) of some selected 'Projects' as identified in the agreement. NLNG is to recover their funding as provided by the agreement when Gas Supply is made to them by the Seller (NNPC Limited).

As at 31 December 2024, NEPL through the NAOC JOA has drawn N535bn from the N772bn and NLNG has so far recovered N312bn worth of gas out of the N772bn leaving an outstanding balance of N460bn worth of gas to be delivered to NLNG. Also, a financing charge of N12bn arose as a result of incremental gas supply to NLNG in the period.

#### iv) Project Yield

This is a 7-year N1.5tn PxP loan obtained in October 2022 for general corporate purposes with the ultimate use being the execution of the EPC Contract between PHRC and Tecnimont for the rehabilitation of Port Harcourt Refinery. It is secured with a forward sale of refined product equivalent of 67kbpd of crude oil. As of 31 December 2024, the amount drawn is N1.4tn with principal repayment to commence in June 2025 after a moratorium period of 2years and 6 months. Therefore, loan commitment as of 31 December 2024 is N1.4tn

#### v) Project Leopard

In December 2024, NNPC Limited entered into a 5-year forward sale agreement with Leopard Funding Limited to supply 35,000 bbl. of crude oil per day for the settlement of the N3.1tn funding received for general corporate purposes. The interest rate for the facility is 3- month Term SOFR plus a 6.50% margin and Liquidity Premium of 0.50%. Repayment of the loan is to commence in June 2025 through scheduled quarterly principal repayment after a moratorium period of 6months. The drawdown as at 31st December 2024 is N1.3bn.

#### vi) Investment in African Refinery Port Harcourt Limited (ARPHC)

The Board of NNPC Limited at its sitting on 23rd November 2022, approved the acquisition of 10% equity stake in African Refinery Port Harcourt Limited (ARPHL) at an agreed value of N77bn by the 12 months following project Final Investment Decision (FID).

The proposed 100kbpd African Refinery Port Harcourt Limited (a greenfield refinery) will be co-located within the premises of the Port Harcourt Refinery Company Limited in Rivers State.

The Head of Terms (HOT) signed between the ARPHL and NNPC Limited indicates the modalities for funding NNPC Limited 10% stake, which includes the combination of cash payment and lease rental fees of 64 years.

The consideration by NNPC Limited for further additional 5% sweat brand equity to increase its total holding in the proposed refinery to 15% was confirmed by the Company on the 26th February 2024 via a letter with a reference NDIS/CDIO/ARPHL/001. The Share Subscription Agreement (SSA) is yet to be executed as at the end of this financial period.

The project is undergoing Front End Engineering Design (FEED) review with estimated completion date of December 2028.

#### vii) Investment in Clairgold Oil and Gas Engineering Limited

The Management of NNPC Limited has accepted the 10% sweat equity stake offered by Clairgold Oil and Gas Engineering Ltd in its refinery to be situated on 27.6 hectares of Land at Koko Beach Front, Delta State as contained in the signed Head of Terms between the two Companies.



Meanwhile, NNPC Limited had made a commitment to increase its investment with additional 10% Financial equity upon the expected expansion of the proposed refinery from 20,000 bpsd to 50,000 bpsd. The additional equity value will be determined upon a value for money audit.

The project is undergoing Front End Engineering Design (FEED) review with estimated completion date of December 2027. The project CAPEX is estimated to be N523bn and variable OPEX of N3,846/bbl for the 20,000 bpsd.

#### **viii) Project Gazelle**

In December 2023, NNPC Limited entered into a forward sale agreement with Project Gazelle Funding Limited to supply 90,000 bbl. of crude oil per day from Production Sharing Contract (PSC) Assets for the settlement of a 5 years N2.7tn funding. The funding was utilised by the company to finance an advance payment of future taxes and royalty obligations due to the federation on PSC assets managed by the Company on behalf of the Federation.

As at 31st December 2024, a drawdown of N4.9tn has been achieved from the initial facility of N5.1tn. The interest rate for the facility is 3- month SOFA plus 6.5% while the margin and Liquidity Premium of 0.5% respectively. A total value of Crude Oil worth N991bn has been lifted with a balance of N3.8tn as at 31st December 2024.

#### **ix) Callable Capital Commitment - Afrexim Bank Limited**

As at 31 December 2024, the Company holds Class B shares in Afrexim Bank Limited, representing a total subscribed share capital of N159.98 billion, comprising paid-up capital of N63.99 billion and callable capital of N95.99 billion.

In accordance with the terms of the investment, the callable portion is subject to call by Afrexim Bank Limited Board of Directors. The callable capital does not constitute a present obligation and has therefore not been recognized as a liability in the statement of financial position in line with IAS 37.

## **53 Reporting on Internal Control over Financial Reporting (ICFR)**

On the 27 January 2025, the Company obtained a waiver from the Financial Reporting Council (FRC) of Nigeria to be exempted from the requirement to report on the internal control over financial reporting (ICFR) for the year ended 31 December 2024.

## **54 Financial risk management objectives and policies**

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Group finance committee that advises on financial risks and the appropriate financial risk governance in line with the Group policies framework. The financial risks are identified, measured and managed in accordance with Group policies framework. This is to ensure that the financial risks affecting the Group operations are maintained at the level of the Group risk appetite. The Group finance committee is a team made up of specialists that have the appropriate skills, experience and supervision.

The Board of Directors review and agree the policies for managing financial risks of NNPC. The risks are summarized below.

### **54.1 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 comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. The Group's financial instruments affected by market risk include: lease obligations, receivables and payables denominated in foreign currencies, short term deposits and financial assets at FVTOCI.

#### **54.1.1 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by funding its operations mostly through its equity. The Group's policy is to keep borrowing cost to its barest minimum. To manage this, the Group rarely borrows.

#### **54.1.2 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency - Nigerian Naira and Pound Sterling- from the Company's functional currency) and the Group's net investments in foreign subsidiaries. The Group has set up a policy requiring the management of foreign exchange risk against the functional currency. The Subsidiaries are required to manage their entire foreign exchange risk exposure with the Group finance committee. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, each entity within the Group seeks to ensure contracting in their own functional currency.

The following are the financial instruments of the Group that are exposed to foreign currency risk.



|                                                                | Group             |                   | Company           |                   |
|----------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Foreign currency denominated balances (Naira)</b>           |                   |                   |                   |                   |
| <b>Financial assets</b>                                        |                   |                   |                   |                   |
| Cash and bank balances                                         | 983,144,188       | 2,447,530         | 880,019           | 2,140,579         |
| Trade and other receivables                                    | 24,887,391        | 699,830           | 24,857,735        | 86,237            |
|                                                                | 1,008,031,579     | 3,375,390         | 25,737,754        | 2,454,847         |
| <b>Financial liabilities</b>                                   |                   |                   |                   |                   |
| Trade and other payables                                       | (13,192,845)      | (5,117,455)       | (13,190,520)      | (4,700,593)       |
|                                                                | 994,838,734       | (2,223,414)       | 12,547,234        | (2,727,097)       |
| <b>Foreign currency denominated balances (Pounds Sterling)</b> |                   |                   |                   |                   |
| <b>Financial assets</b>                                        |                   |                   |                   |                   |
| Cash and bank balances                                         | 7,065             | 4,006             | 3,320             | 3,265             |
| Trade and other receivables                                    | -                 | 2,862             | 3,351             | 2,419             |
|                                                                | 7,065             | 6,868             | 6,671             | 5,684             |
| <b>Financial liabilities</b>                                   |                   |                   |                   |                   |
| Trade and other payables                                       | (4,402)           | (3,046)           | (4,402)           | -                 |
|                                                                | 2,663             | 3,822             | 2,269             | 5,684             |
| Net exposure to foreign exchange risk                          | 994,841,397       | (2,219,592)       | 12,549,503        | (2,721,413)       |

#### 54.1.2.1 Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the Nigerian naira and the Pound sterling exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

|                       | Group          |                                          | Company        |                                          |
|-----------------------|----------------|------------------------------------------|----------------|------------------------------------------|
|                       | Change in rate | Effect on profit before tax<br>N million | Change in rate | Effect on profit before tax<br>N million |
| <b>Nigerian Naira</b> |                |                                          |                |                                          |
| <b>31-Dec-24</b>      | 10%            | 99,483,873                               | 10%            | 1,254,723                                |
|                       | -10%           | (99,483,873)                             | -10%           | (1,254,723)                              |

|                       | Group          |                                          | Company        |                                          |
|-----------------------|----------------|------------------------------------------|----------------|------------------------------------------|
|                       | Change in rate | Effect on profit before tax<br>N million | Change in rate | Effect on profit before tax<br>N million |
| <b>Nigerian Naira</b> |                |                                          |                |                                          |
| <b>31-Dec-23</b>      | 20%            | (444,683)                                | 20%            | (545,419)                                |
|                       | -20%           | 444,683                                  | -20%           | 545,419                                  |

|                        | Group          |                                          | Company        |                                          |
|------------------------|----------------|------------------------------------------|----------------|------------------------------------------|
|                        | Change in rate | Effect on profit before tax<br>N million | Change in rate | Effect on profit before tax<br>N million |
| <b>Pounds Sterling</b> |                |                                          |                |                                          |
| <b>31-Dec-24</b>       | 10%            | 266                                      | 10%            | 227                                      |
|                        | -10%           | (266)                                    | -10%           | (227)                                    |

|                        | Group          |                                          | Company        |                                          |
|------------------------|----------------|------------------------------------------|----------------|------------------------------------------|
|                        | Change in rate | Effect on profit before tax<br>N million | Change in rate | Effect on profit before tax<br>N million |
| <b>Pounds Sterling</b> |                |                                          |                |                                          |
| <b>31-Dec-23</b>       | 20%            | 764                                      | 20%            | 1,137                                    |
|                        | -20%           | (764)                                    | -20%           | (1,137)                                  |

The movement on the before-tax effect is a result of a change in monetary assets and liabilities denominated in Nigerian Naira and Pounds Sterling, where the functional currency of the entity is a currency other than Nigerian Naira and Pounds Sterling.



### 54.1.3 Commodity price risk

Although the Group does not have any financial instruments that is exposed to commodity price risk the group is affected by the volatility of certain commodities. Its operating activities involve the sale of crude oil and other allied products.

#### 54.1.3.1 Commodity price sensitivity

The following table shows the effect of price changes for crude oil, gas and power prices.

|                         | Change in crude oil price | The Group<br>Effect on profit<br>before tax<br>N million | The Company<br>Effect on profit<br>before tax<br>N million |
|-------------------------|---------------------------|----------------------------------------------------------|------------------------------------------------------------|
| <b>31 December 2024</b> | 6%                        | 2,704,524                                                | 1,179,376                                                  |
|                         | -6%                       | (2,704,524)                                              | (1,179,376)                                                |

|                         | Change in crude oil price | The Group<br>Effect on profit<br>before tax<br>N million | The Company<br>Effect on profit<br>before tax<br>N million |
|-------------------------|---------------------------|----------------------------------------------------------|------------------------------------------------------------|
| <b>31 December 2023</b> | 6%                        | 1,439,403                                                | 487,889                                                    |
|                         | -6%                       | (1,439,403)                                              | (487,889)                                                  |

### Equity price risk

The Group's quoted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis which is managed and controlled by the Group finance committee. The Group's Board of Directors reviews and approves all equity investment decisions.

#### Equity price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the value of the securities and its impact on the Group's other comprehensive income.

|                      | Group                     |                                                   | Company                   |                                                   |
|----------------------|---------------------------|---------------------------------------------------|---------------------------|---------------------------------------------------|
|                      | Change in price of equity | Effect on other comprehensive income<br>N million | Change in price of equity | Effect on other comprehensive income<br>N million |
| <b>Quoted equity</b> |                           |                                                   |                           |                                                   |
| <b>31-Dec-24</b>     | 4%                        | 64,452                                            | 4%                        | 64,452                                            |
|                      | -4%                       | (64,452)                                          | -4%                       | (64,452)                                          |

|                      | Group                     |                                                   | Company                   |                                                   |
|----------------------|---------------------------|---------------------------------------------------|---------------------------|---------------------------------------------------|
|                      | Change in price of equity | Effect on other comprehensive income<br>N million | Change in price of equity | Effect on other comprehensive income<br>N million |
| <b>Quoted equity</b> |                           |                                                   |                           |                                                   |
| <b>31-Dec-23</b>     | 4%                        | 49,175                                            | 4%                        | 49,175                                            |
|                      | -4%                       | (49,175)                                          | -4%                       | (49,175)                                          |

### 54.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients and related parties. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions and committed transactions.

#### 54.2.1 Impairment of financial assets

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 the customer is assessed based on credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. The Group assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are Grouped into homogenous Groups and assessed for impairment collectively. The calculation is based on actual incurred historical data adjusted by forward looking information. The maximum exposure to credit





risk at the reporting date is the carrying value of each class of financial assets, as shown below. The Group does not hold collateral as security.

### Maximum exposure to credit risk

|                                               |           | Group             |                   | Company           |                   |
|-----------------------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                                               |           | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Trade receivables                             | Note 25   | 6,121,000         | 4,119,760         | 839,462           | 480,278           |
| Other receivables                             | Note 25.3 | 8,418,970         | 8,570,719         | 4,850,985         | 1,651,902         |
| Related parties receivables                   | Note 25   | 20                | 4,933             | 30,299,003        | 17,782,572        |
| Receivable from Federal Government of Nigeria | Note 25   | 17,512,046        | 9,382,584         | 14,545,043        | 8,888,401         |
| Other financial assets at amortised cost      | Note 23.1 | 27,753            | 35,043            | 195,977           | 73,920            |
| Restricted funds                              | Note 28   | 1,731,143         | 900,224           | 1,161,082         | 774,868           |
| Cash and short-term deposits                  | Note 27   | 10,305,031        | 7,720,142         | 6,345,510         | 3,174,965         |
|                                               |           | 44,115,963        | 30,733,405        | 58,237,062        | 32,826,905        |
| Impairment of financial assets                |           | (2,474,189)       | (1,494,736)       | (1,646,434)       | (536,994)         |
|                                               |           | 41,641,774        | 29,238,668        | 56,590,628        | 32,289,911        |

### i. Measuring impairment loss

The Group has five types of financial assets (Company: six) that are subject to IFRS 9's new expected credit loss model. The details of the Group's impairment are detailed below:

- Trade receivables
- Other receivables
- Related parties receivables
- Receivable from Federal Government of Nigeria
- Staff loan
- Cash and short term deposits

### Simplified approach:

The Group performs an impairment analysis on Trade receivables and Other receivables using the provisional matrix to measure expected credit losses. The provision rates are based on days past due for Groupings of various customer segments with similar loss patterns. 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. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

### General approach:

The Group measures impairment on Related parties receivables and Cash and short term deposits using the General approach. The parameters used to determine impairment for Related parties receivables, receivables from Federal Government, staff loans, cash and short-term deposits are shown below. For all balances presented in the table, the respective 12-month Probability of Default (PD) equates the Lifetime PD for stage 2 as the maximum contractual period over which the Group is exposed to credit risk arising from the balance is less than 12 months.

|                                                                              | Probability weightings                                                                                                                            | Probability of Default (PD)                                                                                                                                                                          | Loss Given Default (LGD)                                                                                                                                                       | Exposure at Default (EAD)                                         | Macroeconomic indicators                                   |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|
| Cash and short term deposits                                                 | 60%, 20% and 20% of historical Crude Oil prices observations fall within acceptable bounds, periods of boom and periods of downturn respectively. | The 12 month PD for stage 1 and stage 2 were determined by credit rating from the S & P Annual Global Corporate default and transition study publication for 2022 while for stage 3 the PD was 100%. | The 12-month LGD and lifetime LGD were determined using the estimated recovery rate of Moody Junior subordinated Bond for Corporate and estimated recovery rate for FGN bonds. | The EAD is the maximum exposure of the receivable to credit risk. | The historical inflation rate and GDP growth rate was used |
| Related parties balance, receivables from Federal Government and Staff loans | 60%, 20% and 20% of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively.  | The 12 month PD for stage 1 and stage 2 were determined by credit rating from the S & P Annual Global Corporate default and transition study publication for 2022 while for stage 3 the PD was 100%. | The 12-month LGD and lifetime LGD were determined using the estimated recovery rate of Moody Junior subordinated Bond for Corporate and estimated recovery rate for FGN bonds. | The EAD is the maximum exposure of the receivable to credit risk. | The historical inflation rate and GDP growth rate was used |



**Stage 1:** This stage includes financial assets that are less than 30 days past due (Performing).

**Stage 2:** This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

**Stage 3:** This stage includes financial assets that have been assessed as being in default (i.e. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

The reconciliation of impairment on financial assets is shown below;

#### Reconciliation of impairment of financial assets

|                                                                    | Group             |                   | Company           |                   |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                    | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Impairment as at 1 January</b>                                  | 1,494,736         | 1,375,010         | 536,994           | 593,559           |
| Reclassification *                                                 | (258,320)         | -                 | -                 | -                 |
| Increase/(decrease) in impairment of trade receivables             | 740,393           | (480,155)         | 205,084           | (575,889)         |
| (Decrease)/increase in impairment of other receivables             | (27,326)          | 53,373            | 192,776           | 47,793            |
| Increase/(decrease) in impairment of related parties receivables   | -                 | -                 | 267,315           | (109,670)         |
| Increase in impairment of other financial assets at amortised cost | -                 | -                 | 334               | -                 |
| Increase in impairment of government receivables                   | 41,822            | -                 | 41,822            | -                 |
| (Decrease)/increase in impairment of cash and short term deposits  | (167)             | 4                 | (117)             | 144               |
| Exchange difference                                                | 483,051           | 546,504           | 402,226           | 581,057           |
| <b>Impairment as at 31 December</b>                                | <b>2,474,189</b>  | <b>1,494,736</b>  | <b>1,646,434</b>  | <b>536,994</b>    |

\* Reclassification relates to movement within the opening impairment provisions to align the classification of various receivable categories with the current year's IFRS 9 impairment groupings.

#### a. Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. Trade receivables represent the amount of receivable from customers for the sale of the products and provision of services. The expected credit loss rate for this receivable is determined using a provision matrix approach.

The provision matrix approach is based on the historical credit loss experience observed according to the behaviour of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables.

The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2024 are as follows:

| Group                 | 31 December 2024 |           |           |              |           |
|-----------------------|------------------|-----------|-----------|--------------|-----------|
|                       | 0-30             | 31-60     | 61-90     | More than 90 | Total     |
|                       | N million        | N million | N million | N million    | N million |
| Gross carrying amount | 4,629,082        | 57,307    | 47,632    | 1,386,979    | 6,121,000 |
| Expected loss rate    | 10.2%            | 59.7%     | 83.3%     | 96.7%        | -         |
| Lifetime ECL          | 473,367          | 34,192    | 39,696    | 1,340,812    | 1,888,067 |

| Group                 | 31 December 2023 |           |           |              |           |
|-----------------------|------------------|-----------|-----------|--------------|-----------|
|                       | 0-30             | 31-60     | 61-90     | More than 90 | Total     |
|                       | N million        | N million | N million | N million    | N million |
| Gross carrying amount | 1,173,730        | 211,757   | 424,732   | 2,309,541    | 4,119,760 |
| Expected loss rate    | 2.41%            | 4.79%     | 15.37%    | 22.23%       | -         |
| Lifetime ECL          | 28,318           | 10,134    | 65,281    | 513,486      | 617,219   |



## Company

|                    | 31 December 2024 |           |           |              |           |
|--------------------|------------------|-----------|-----------|--------------|-----------|
|                    | 0-30             | 31-60     | 61-90     | More than 90 | Total     |
|                    | Days past due    |           |           |              |           |
|                    | N million        | N million | N million | N million    | N million |
| Gross carrying     | 338,182          | 13,204    | 14,402    | 473,674      | 839,462   |
| Expected loss rate | 8.9%             | 26.7%     | 100.0%    | 100.0%       |           |
| Lifetime ECL       | 30,171           | 3,528     | 14,402    | 473,674      | 521,775   |

## Company

|                    | 31 December 2023 |           |           |              |           |
|--------------------|------------------|-----------|-----------|--------------|-----------|
|                    | 0-30             | 31-60     | 61-90     | More than 90 | Total     |
|                    | Days past due    |           |           |              |           |
|                    | N million        | N million | N million | N million    | N million |
| Gross carrying     | 122,428          | 178,220   | 52,624    | 127,005      | 480,278   |
| Expected loss rate | 1.31%            | 1.57%     | 26.11%    | 86.63%       | -         |
| Lifetime ECL       | 1,609            | 2,790     | 13,739    | 110,023      | 128,161   |

Movements in the provision for trade receivables as at 31 December 2024 is as follows:

|                                  | Group             |                   | Company           |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Opening balance                  | 617,219           | 806,952           | 128,161           | 378,263           |
| Reclassification                 | 114,923           | -                 | 53,718            | -                 |
| Increase/(decrease) in allowance | 740,393           | (480,155)         | 205,084           | (575,889)         |
| Exchange difference              | 415,532           | 290,422           | 134,812           | 325,787           |
| <b>Closing balance</b>           | <b>1,888,067</b>  | <b>617,219</b>    | <b>521,775</b>    | <b>128,161</b>    |

## b) Other receivables

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for other receivables

The Group also applies the IFRS 9 simple approach to measuring expected credit losses which uses a lifetime expected loss allowance for other receivables that are trade related.

Other receivables include sundry receivables.

The expected credit loss rate for this receivable is determined using a provision matrix. The provision matrix used is based on the Group's historical default rates observed over the expected life of the receivable and is adjusted for forward-looking estimates.

An expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2024 are:

| Group<br>Simplified Approach |  | 31 December 2024 |           |           |              |           |
|------------------------------|--|------------------|-----------|-----------|--------------|-----------|
|                              |  | Current          | 31-60     | 61-90     | More than 90 | Total     |
|                              |  | Days past due    |           |           |              |           |
|                              |  | N million        | N million | N million | N million    | N million |
| Gross carrying amount        |  | 2,539,765        | 49,663    | 372       | 278,910      | 2,868,710 |
| Expected loss rate           |  | 0.3%             | 100.0%    | 100.0%    | 100.0%       |           |
| Lifetime ECL                 |  | 7,106            | 49,663    | 372       | 278,910      | 336,051   |

|                       |  | 31 December 2023 |           |           |              |           |
|-----------------------|--|------------------|-----------|-----------|--------------|-----------|
|                       |  | Current          | 31-60     | 61-90     | More than 90 | Total     |
|                       |  | Days past due    |           |           |              |           |
|                       |  | N million        | N million | N million | N million    | N million |
| Gross carrying amount |  | 7,005,916        | 663,077   | 62,895    | 838,831      | 8,570,719 |
| Expected loss rate    |  | 0.0%             | 3.2%      | 17.7%     | 100.0%       |           |
| Lifetime ECL          |  | 5,568            | 21,394    | 11,139    | 838,831      | 876,932   |



## General Approach

|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Credit Grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 7,669,724                            | -                                    | 184,596                              | 7,854,320          |
| Loss allowance as at 31 December 2024 | (125,033)                            | -                                    | (184,596)                            | (309,629)          |
| <b>Net exposure at default</b>        | <b>7,544,691</b>                     | <b>-</b>                             | <b>-</b>                             | <b>7,544,691</b>   |

## Company Simplified Approach

|                       | 31 December 2024     |                                     |                    |                           |                    |
|-----------------------|----------------------|-------------------------------------|--------------------|---------------------------|--------------------|
|                       | Current<br>N million | 31-60<br>Days past due<br>N million | 61-90<br>N million | More than 90<br>N million | Total<br>N million |
| Gross carrying amount | 2,539,766            | 49,663                              | 372                | 278,910                   | 2,868,710          |
| Expected loss rate    | 0.3%                 | 100.0%                              | 100.0%             | 100.0%                    |                    |
| Lifetime ECL          | 7,107                | 49,663                              | 372                | 278,910                   | 336,051            |

|                       | 31 December 2023     |                                     |                    |                           |                    |
|-----------------------|----------------------|-------------------------------------|--------------------|---------------------------|--------------------|
|                       | Current<br>N million | 31-60<br>Days past due<br>N million | 61-90<br>N million | More than 90<br>N million | Total<br>N million |
| Gross carrying amount | 1,494,888            | 46,731                              | 18,332             | 91,951                    | 1,651,902          |
| Expected loss rate    | 1.6%                 | 100.0%                              | 100.0%             | 100.0%                    |                    |
| Lifetime ECL          | 23,463               | 46,731                              | 18,332             | 91,951                    | 180,477            |

## General Approach

|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Credit Grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 2,718,155                            | -                                    | 184,590                              | 2,902,745          |
| Loss allowance as at 31 December 2024 | (1,114)                              | -                                    | (184,590)                            | (185,704)          |
| <b>Net exposure at default</b>        | <b>2,717,042</b>                     | <b>-</b>                             | <b>-</b>                             | <b>2,717,042</b>   |

Movements in the provision for other receivables as at 31 December 2024 is as follows:

|                                  | Group             |                   | Company           |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Loss allowance at 1 January      | 876,932           | 567,991           | 180,477           | 6,376             |
| Reclassification                 | (420,831)         | -                 | (99,912)          | -                 |
| (Decrease)/Increase in allowance | (27,326)          | 53,373            | 192,776           | 47,793            |
| Exchange difference              | 32,315            | 255,568           | 63,824            | 126,308           |
| <b>At 31 December</b>            | <b>461,090</b>    | <b>876,932</b>    | <b>337,165</b>    | <b>180,477</b>    |

## c) Related parties receivables

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for related parties and other receivables. Receivables from related parties represents amount due to the Company from related strategic business units (SBU's). All the subsidiaries have been assessed to have uniform credit qualities. The credit qualities takes into account its financial position, past experience and other factors.

The ECL recognised for the period is a probability-weighted estimate of credit losses 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).

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.



| Company                               | 31 December 2024          |                           |                           |                   |
|---------------------------------------|---------------------------|---------------------------|---------------------------|-------------------|
|                                       | Stage 1                   | Stage 2                   | Stage 3                   | Total             |
|                                       | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million         |
| Credit grade                          | B-                        |                           |                           |                   |
| Gross exposure at default             | 30,299,003                | -                         | -                         | 30,299,003        |
| Loss allowance as at 31 December 2024 | (662,300)                 | -                         | -                         | (662,300)         |
| <b>Net exposure at default</b>        | <b>29,636,703</b>         | <b>-</b>                  | <b>-</b>                  | <b>29,636,703</b> |

|                                       | 31 December 2023          |                           |                           |                   |
|---------------------------------------|---------------------------|---------------------------|---------------------------|-------------------|
|                                       | Stage 1                   | Stage 2                   | Stage 3                   | Total             |
|                                       | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million         |
| Credit grade                          | B-                        |                           |                           |                   |
| Gross exposure at default             | 22,048,090                | -                         | -                         | 22,048,090        |
| Loss allowance as at 31 December 2023 | (228,181)                 | -                         | -                         | (228,181)         |
| <b>Net exposure at default</b>        | <b>21,819,909</b>         | <b>-</b>                  | <b>-</b>                  | <b>21,819,909</b> |

Movements in the provision for related parties and other receivables impairment as at 31 December 2024 are follows:

| Company                             | 31 December 2024          |                           |                           |                |
|-------------------------------------|---------------------------|---------------------------|---------------------------|----------------|
|                                     | Stage 1                   | Stage 2                   | Stage 3                   | Total          |
|                                     | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million      |
| Loss allowance as at 1 January 2024 | 228,181                   | -                         | -                         | 228,181        |
| Reclassification                    | (1,611)                   | -                         | -                         | (1,611)        |
| Additional provision                | 267,315                   | -                         | -                         | 267,315        |
| Exchange difference                 | 168,415                   | -                         | -                         | 168,415        |
| <b>At 31 December 2024</b>          | <b>662,300</b>            | <b>-</b>                  | <b>-</b>                  | <b>662,300</b> |

|                                     | 31 December 2023          |                           |                           |                |
|-------------------------------------|---------------------------|---------------------------|---------------------------|----------------|
|                                     | Stage 1                   | Stage 2                   | Stage 3                   | Total          |
|                                     | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million      |
| Loss allowance as at 1 January 2023 | 208,889                   | -                         | -                         | 208,889        |
| Additional provision                | (109,670)                 | -                         | -                         | (109,670)      |
| Exchange difference                 | 128,962                   | -                         | -                         | 128,962        |
| <b>At 31 December 2023</b>          | <b>228,181</b>            | <b>-</b>                  | <b>-</b>                  | <b>228,181</b> |

#### d) Receivable from Federal Government of Nigeria

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognizing the expected loss allowance for FGN receivables. Receivables from FGN represent the outstanding payments due to the Group from the Federal Government of Nigeria. The receivable has been assessed for impairment and has remained in stage 1.

| Group                                 | 31 December 2024          |                           |                           |                   |
|---------------------------------------|---------------------------|---------------------------|---------------------------|-------------------|
|                                       | Stage 1                   | Stage 2                   | Stage 3                   | Total             |
|                                       | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million         |
| Credit grade                          | B-                        |                           |                           |                   |
| Gross exposure at default             | 17,512,046                | -                         | -                         | 17,512,046        |
| Loss allowance as at 31 December 2024 | (124,574)                 | -                         | -                         | (124,574)         |
| <b>Net exposure at default</b>        | <b>17,387,472</b>         | <b>-</b>                  | <b>-</b>                  | <b>17,387,472</b> |

Movements in the provision for federation receivables impairment as at 31 December 2024 are follows:

| Group                               | 31 December 2024          |                           |                           |                |
|-------------------------------------|---------------------------|---------------------------|---------------------------|----------------|
|                                     | Stage 1                   | Stage 2                   | Stage 3                   | Total          |
|                                     | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million      |
| Loss allowance as at 1 January 2024 | -                         | -                         | -                         | -              |
| Reclassification                    | 47,805                    | -                         | -                         | 47,805         |
| Additional provision                | 41,822                    | -                         | -                         | 41,822         |
| Exchange difference                 | 34,947                    | -                         | -                         | 34,947         |
| <b>At 31 December 2024</b>          | <b>124,574</b>            | <b>-</b>                  | <b>-</b>                  | <b>124,574</b> |

|  | 31 December 2023          |                           |                           |           |
|--|---------------------------|---------------------------|---------------------------|-----------|
|  | Stage 1                   | Stage 2                   | Stage 3                   | Total     |
|  | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million |





| Company                               | Stage 1                   | Stage 2                   | Stage 3                   | Total             |
|---------------------------------------|---------------------------|---------------------------|---------------------------|-------------------|
|                                       | 12-month ECL<br>N million | Lifetime ECL<br>N million | Lifetime ECL<br>N million | N million         |
| Credit grade                          | B-                        |                           |                           |                   |
| Gross exposure at default             | 14,545,043                | -                         | -                         | 14,545,043        |
| Loss allowance as at 31 December 2023 | (124,574)                 | -                         | -                         | (124,574)         |
| <b>Net exposure at default</b>        | <b>14,420,469</b>         | <b>-</b>                  | <b>-</b>                  | <b>14,420,469</b> |

Movements in the provision for federation receivables impairment as at 31 December 2024 are follows:

| Company                             | 31 December 2024                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2024 | -                                    | -                                    | -                                    | -                  |
| Reclassification                    | 47,805                               | -                                    | -                                    | 47,805             |
| Additional provision                | 41,822                               | -                                    | -                                    | 41,822             |
| Exchange difference                 | 34,947                               | -                                    | -                                    | 34,947             |
| <b>At 31 December 2024</b>          | <b>124,574</b>                       | <b>-</b>                             | <b>-</b>                             | <b>124,574</b>     |

#### e) Restricted Funds

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for Restricted funds. The restricted funds represents the balances in the Group's bank restricted for funding contractual obligations. The funds has been assessed for impairment and has remained in stage 1. From the computation, impairment on restricted funds is deemed immaterial and has not been recognised.

#### f) Other financial assets at amortised cost

Other financial assets at amortised cost relates to related party loan and staff loan. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for Related party loan and Staff loans. Staff loans represent the outstanding balances due from loans given to staff. Related party loan represents amount due to the Company from related strategic business units (SBU's). The loan has been assessed for impairment and has remained in stage 1.

|                                       | 31 December 2023                     |                                      |                                      |                    |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Credit grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 196,325                              | -                                    | -                                    | 196,325            |
| Loss allowance as at 31 December 2023 | (348)                                | -                                    | -                                    | (348)              |
| <b>Net exposure at default</b>        | <b>195,977</b>                       | <b>-</b>                             | <b>-</b>                             | <b>195,977</b>     |

Movements in the provision for other financial assets at amortised cost as at 31 December 2024 are follows:

| Company                             | 31 December 2024                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2024 | -                                    | -                                    | -                                    | -                  |
| Additional provision                | 334                                  | -                                    | -                                    | 334                |
| Exchange difference                 | 14                                   | -                                    | -                                    | 14                 |
| <b>At 31 December 2024</b>          | <b>348</b>                           | <b>-</b>                             | <b>-</b>                             | <b>334</b>         |

#### g) Other cash and bank balances

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for Bank balances and other short term deposits. Bank balances and short term deposits represents the amount of cash balances domiciled in the Group's various Banks including fixed deposits. All the other cash and bank balances have been assessed to have uniform credit qualities.

The ECL recognised for the period is a probability-weighted estimate of credit losses 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). 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).

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.



## Group

|                                       | 31 December 2024                     |                                      |                                      |                    |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Credit grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 10,305,031                           | -                                    | -                                    | 10,305,031         |
| Loss allowance as at 31 December 2024 | (458)                                | -                                    | -                                    | (458)              |
| <b>Net exposure at default</b>        | <b>10,304,573</b>                    | <b>-</b>                             | <b>-</b>                             | <b>10,304,573</b>  |

|                                       | 31 December 2023                     |                                      |                                      |                    |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Credit grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 7,720,186                            | -                                    | -                                    | 7,720,186          |
| Loss allowance as at 31 December 2023 | (585)                                | -                                    | -                                    | (585)              |
| <b>Net exposure at default</b>        | <b>7,719,601</b>                     | <b>-</b>                             | <b>-</b>                             | <b>7,719,601</b>   |

## Company

|                                       | 31 December 2024                     |                                      |                                      |                    |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Credit grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 6,345,510                            | -                                    | -                                    | 6,345,510          |
| Loss allowance as at 31 December 2024 | (272)                                | -                                    | -                                    | (272)              |
| <b>Net exposure at default</b>        | <b>6,345,238</b>                     | <b>-</b>                             | <b>-</b>                             | <b>6,345,238</b>   |

|                                       | 31 December 2023                     |                                      |                                      |                    |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                       | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Credit grade                          | B-                                   |                                      |                                      |                    |
| Gross exposure at default             | 3,174,965                            | -                                    | -                                    | 3,174,965          |
| Loss allowance as at 31 December 2023 | (175)                                | -                                    | -                                    | (175)              |
| <b>Net exposure at default</b>        | <b>3,174,791</b>                     | <b>-</b>                             | <b>-</b>                             | <b>3,174,791</b>   |

Movements in the impairment provision for other cash and bank balance as at 31 December 2024 are as follows

## Group

|                                     | 31 December 2024                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2024 | 585                                  | -                                    | -                                    | 585                |
| Reclassification                    | (216)                                | -                                    | -                                    | (216)              |
| Decrease in impairment allowance    | (167)                                | -                                    | -                                    | (167)              |
| Exchange difference                 | 256                                  | -                                    | -                                    | 256                |
| <b>At 31 December 2024</b>          | <b>458</b>                           | <b>-</b>                             | <b>-</b>                             | <b>458</b>         |

|                                     | 31 December 2023                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2023 | 67                                   | -                                    | -                                    | 67                 |
| Additional provision                | 4                                    | -                                    | -                                    | 4                  |
| Exchange difference                 | 514                                  | -                                    | -                                    | 514                |
| <b>At 31 December 2023</b>          | <b>585</b>                           | <b>-</b>                             | <b>-</b>                             | <b>585</b>         |



## Company

|                                     | 31 December 2024                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2024 | 175                                  | -                                    | -                                    | 175                |
| Decrease in Impairment allowance    | (117)                                | -                                    | -                                    | (117)              |
| Exchange difference                 | 214                                  | -                                    | -                                    | 214                |
| <b>At 31 December 2024</b>          | <b>272</b>                           | <b>-</b>                             | <b>-</b>                             | <b>272</b>         |

|                                     | 31 December 2023                     |                                      |                                      |                    |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
|                                     | Stage 1<br>12-month ECL<br>N million | Stage 2<br>Lifetime ECL<br>N million | Stage 3<br>Lifetime ECL<br>N million | Total<br>N million |
| Loss allowance as at 1 January 2023 | 31                                   | -                                    | -                                    | 31                 |
| Additional provision                | 144                                  | -                                    | -                                    | 144                |
| <b>At 31 December 2023</b>          | <b>175</b>                           | <b>-</b>                             | <b>-</b>                             | <b>175</b>         |

### ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury Department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as shown above.

### iii) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to dilute potential concentration of risks. The Group also ensures that concentrations of credit risks are identified early enough, controlled and managed accordingly.

## 54.2.2 Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Group's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Group's financial assets.

### a. Expected cashflow recoverable

The table below demonstrates the sensitivity of the Group's profit before tax to a 10% change in the expected cashflows from financial assets, with all other variables held constant:

|                                            | Group<br>(Effect on profit before tax) |                   |                   |                   |
|--------------------------------------------|----------------------------------------|-------------------|-------------------|-------------------|
|                                            | 2024<br>N million                      | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| Increase/decrease in estimated cash flows: |                                        |                   |                   |                   |
| +10%                                       | 3,988,797                              | 17,041,509        | 3,600,597         | 14,174,026        |
| -10%                                       | (3,988,797)                            | (17,041,509)      | (3,600,597)       | (14,174,026)      |



## b. Significant unobservable inputs

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the loss given default (LGD) for financial assets, with all other variables held constant:

|                                          | Group<br>(Effect on profit before tax) |                   | Company<br>(Effect on profit before tax) |                   |
|------------------------------------------|----------------------------------------|-------------------|------------------------------------------|-------------------|
|                                          | 2024<br>₦ million                      | 2023<br>₦ million | 2024<br>₦ million                        | 2023<br>₦ million |
| Increase/decrease in loss given default: |                                        |                   |                                          |                   |
| +10%                                     | 75,356                                 | (42,678)          | 70,604                                   | (63,762)          |
| -10%                                     | (75,356)                               | 42,678            | (70,604)                                 | 63,762            |

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the forward looking macroeconomic indicators, with all other variables held constant:

|                                                               | Group<br>(Effect on profit before tax) |                   | Company<br>(Effect on profit before tax) |                   |
|---------------------------------------------------------------|----------------------------------------|-------------------|------------------------------------------|-------------------|
|                                                               | 2024<br>₦ million                      | 2023<br>₦ million | 2024<br>₦ million                        | 2023<br>₦ million |
| Increase/decrease in forward looking macroeconomic indicators |                                        |                   |                                          |                   |
| +10%                                                          | 75,356                                 | (149,474)         | 70,604                                   | (53,699)          |
| -10%                                                          | (75,356)                               | 149,474           | (70,604)                                 | 53,699            |

## 54.3 Liquidity risk

The Group monitors its risk to shortage of funds using a liquidity planning strategy. The Group's objective is to maintain a balance between continuity of equity funding and flexibility through the use of trade and other payables. The Group's policy is to maintain below 1% borrowings and this explains why the Group has no debt in its equity structure. The Group assesses the concentration risk as fairly good as funding is sufficiently available from its shareholders. The Group is only significantly exposed to liquidity risk through its trade and other payables, lease liabilities and royalties payable.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

| Group<br>Year ended 31 December 2024 | Below 1 year<br>₦ million | 1-2 years<br>₦ million | Above 2 years<br>₦ million | Total<br>₦ million |
|--------------------------------------|---------------------------|------------------------|----------------------------|--------------------|
| Trade and other payables **          | 31,355,819                | -                      | -                          | 31,355,819         |
| Lease liabilities                    | 1,444                     | -                      | 407,943                    | 409,387            |
| Borrowings                           | -                         | -                      | -                          | -                  |

| Year ended 31 December 2023 | Below 1 year<br>₦ million | 1-2 years<br>₦ million | Above 2 years<br>₦ million | Total<br>₦ million |
|-----------------------------|---------------------------|------------------------|----------------------------|--------------------|
| Trade and other payables ** | 28,251,325                | -                      | -                          | 28,251,325         |
| Lease liabilities           | 401,025                   | -                      | -                          | 401,025            |
| Borrowings                  | -                         | -                      | -                          | -                  |

The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

| Company<br>Year ended 31 December 2024 | Below 1 year<br>₦ million | 1-2 years<br>₦ million | Above 2 years<br>₦ million | Total<br>₦ million |
|----------------------------------------|---------------------------|------------------------|----------------------------|--------------------|
| Trade and other payables **            | 34,732,432                | -                      | -                          | 34,732,432         |
| Lease Liabilities                      | -                         | -                      | 6,279                      | 6,279              |
| Borrowings                             | 89,994                    | 69,794                 | -                          | 159,788            |

| Year ended 31 December 2023 | Below 1 year<br>₦ million | 1-2 years<br>₦ million | Above 2 years<br>₦ million | Total<br>₦ million |
|-----------------------------|---------------------------|------------------------|----------------------------|--------------------|
| Trade and other payables ** | 24,359,057                | -                      | -                          | 24,359,057         |
| Borrowings                  | 7,022                     | 45,541                 | 19,493                     | 72,056             |

\*\* Withholding tax payables and Value added tax payables are excluded from trade and other payables because they are not financial liabilities.

The disclosed financial instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.



## 54.4 Fair value measurements

Set out below is a comparison by category of carrying amounts and fair value of all financial instruments:

|                                                | Group             |                   |                   |                   |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                | Carrying value    | Fair value        | Carrying value    | Fair value        |
|                                                | 2024<br>₦ million | 2024<br>₦ million | 2023<br>₦ million | 2023<br>₦ million |
| <b>Financial assets at amortised cost</b>      |                   |                   |                   |                   |
| Trade and other receivables *                  | 29,554,060        | 29,554,060        | 28,251,325        | 28,251,325        |
| Other financial assets                         | 27,753            | 27,753            | 35,043            | 35,043            |
| Cash and bank balances                         | 10,306,152        | 10,306,152        | 7,719,601         | 7,719,601         |
| Restricted funds                               | 1,731,143         | 1,731,143         | 774,868           | 774,868           |
|                                                | 41,619,108        | 41,619,108        | 36,780,837        | 36,780,837        |
| <b>Financial assets at fair value</b>          |                   |                   |                   |                   |
| Quoted equity shares                           | 10,570            | 10,570            | 11,902            | 11,902            |
| Unquoted equity                                | 1,601,046         | 1,601,045         | 1,217,466         | 1,217,466         |
|                                                | <b>43,230,724</b> | <b>43,230,724</b> | <b>38,010,205</b> | <b>38,010,205</b> |
| <b>Financial liabilities at amortised cost</b> |                   |                   |                   |                   |
| Trade and other payables                       | 31,069,680        | 31,069,680        | 24,359,057        | 24,359,057        |
| Borrowings                                     | -                 | -                 | -                 | -                 |
|                                                | <b>31,069,680</b> | <b>31,069,680</b> | <b>24,359,057</b> | <b>24,359,057</b> |

|                                                | Company           |                   |                   |                   |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                | Carrying value    | Fair value        | Carrying value    | Fair value        |
|                                                | 2024<br>₦ million | 2024<br>₦ million | 2023<br>₦ million | 2023<br>₦ million |
| <b>Financial assets at amortised cost</b>      |                   |                   |                   |                   |
| Trade and other receivables *                  | 48,864,447        | 48,864,447        | 28,251,325        | 28,251,325        |
| Other financial assets                         | 195,977           | 195,977           | 73,920            | 73,920            |
| Cash and bank balances                         | 6,345,238         | 6,345,238         | 3,174,791         | 3,174,791         |
| Restricted funds                               | 1,161,082         | 1,161,082         | 774,868           | 774,868           |
|                                                | 56,566,744        | 56,566,744        | 32,274,904        | 32,274,904        |
| <b>Financial assets at fair value</b>          |                   |                   |                   |                   |
| Quoted equity shares                           | 10,570            | 10,570            | 11,902            | 11,902            |
| Unquoted equity                                | 1,601,046         | 1,601,046         | 1,217,467         | 1,217,467         |
|                                                | <b>1,611,616</b>  | <b>1,611,616</b>  | <b>1,229,369</b>  | <b>1,229,369</b>  |
| <b>Financial liabilities at amortised cost</b> |                   |                   |                   |                   |
| Trade and other payables **                    | 34,649,443        | 34,649,443        | 24,359,057        | 24,359,057        |
| Borrowings                                     | 152,757           | 138,442           | 55,699            | 55,699            |
|                                                | <b>34,802,200</b> | <b>34,802,200</b> | <b>24,414,756</b> | <b>24,414,756</b> |

\* Trade and other receivables exclude VAT receivables and advance payments.

\*\* Trade and other payables (excludes non-financial liabilities such as provisions, accruals, taxes, pension and other non-contractual payables), trade and other receivables (excluding prepayments) and cash and short-term deposits are financial instruments whose carrying amounts as per the financial statements approximate their fair values. This is mainly due to their short term nature.

### 54.4.1 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 31 December 2024, the Group held the following financial instruments measured at fair value:





| Group and the company          |                     |                         | Group          |                | Company        |                |
|--------------------------------|---------------------|-------------------------|----------------|----------------|----------------|----------------|
|                                |                     |                         | 2024<br>FVTOCI | 2024<br>FVTOCI | 2024<br>FVTOCI | 2024<br>FVTOCI |
|                                | Number of<br>shares | Fair value<br>hierarchy | N million      | N million      | N million      | N million      |
| <b>Quoted equity shares</b>    |                     |                         |                |                |                |                |
| First Bank of Nigeria Holdings | 279,864,073         | Level 1                 | 7,850          | 9,845          | 7,850          | 9,710          |
| Nestle                         | 7,479               | Level 1                 | 8              | 25             | 8              | 25             |
| Cadbury                        | 1,599               | Level 1                 | -              | -              | -              | -              |
| Unilever                       | 8,138               | Level 1                 | -              | -              | -              | -              |
| Nigerian-German Chemical       | 5,337               | Level 1                 | -              | -              | -              | -              |
| Schlumberger                   | 45,900              | Level 1                 | 2,712          | 2,032          | 2,712          | 2,167          |
|                                |                     |                         | <b>10,570</b>  | <b>11,902</b>  | <b>10,570</b>  | <b>11,902</b>  |

The fair value of the quoted equity instrument has been determined using the price quote on the Nigeria Stock Exchange (NSE) market as at the year end.

## Measurement of fair values

### i. Fair value hierarchy

The fair value measurements for the following financial assets have been categorised as Level 3 fair values based on the inputs to the valuation techniques used

|                               |                     |                         | Group            |                  | Company          |                  |
|-------------------------------|---------------------|-------------------------|------------------|------------------|------------------|------------------|
|                               |                     |                         | 2024<br>FVTOCI   | 2024<br>FVTOCI   | 2024<br>FVTOCI   | 2024<br>FVTOCI   |
|                               | Number of<br>shares | Fair value<br>hierarchy | N million        | N million        | N million        | N million        |
| <b>Unquoted equity shares</b> |                     |                         |                  |                  |                  |                  |
| Dangote Oil Refining Company  | 2,249               | Level3                  | 1,503,325        | 1,081,862        | 1,503,325        | 1,081,862        |
| Afrexim Bank                  | 72,464              | Level3                  | 97,721           | 135,604          | 97,721           | 135,604          |
|                               |                     |                         | <b>1,601,046</b> | <b>1,217,466</b> | <b>1,601,046</b> | <b>1,217,466</b> |

### ii. Level 3 fair values

The following table shows a breakdown of the total (losses)/gains recognised in respect of Level 3 fair values

|                                    |  | Group             |                   | Company           |                   |
|------------------------------------|--|-------------------|-------------------|-------------------|-------------------|
|                                    |  | 2024<br>N million | 2023<br>N million | 2024<br>N million | 2023<br>N million |
| <b>Gains included in OCI</b>       |  |                   |                   |                   |                   |
| Changes in fair value (unrealised) |  | (455,084)         | 276,059           | (455,084)         | 276,059           |

### iii. Valuation techniques and significant unobservable inputs

| Financial assets               | Valuation Technique                                            | Significant unobservable inputs                                 | Range<br>(probability<br>weighted<br>average)  | Sensitivity of the input to fair<br>value                                                                                                              |
|--------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unquoted equity<br>investments | Comparable market<br>method (Price-to-<br>Book Value multiple) | Long-term growth rate<br>for cash flows for<br>subsequent years | 2024: 11.65% 2023: 11.31%                      | 5% increase (decrease) in<br>the growth rate would<br>result in an increase<br>(decrease) in fair value by<br>N266.6 billion (2023:<br>N198.6 billion) |
|                                |                                                                | Operating Profit Margin                                         | 2024: 58% - 64% (65%)<br>2023: 65% - 66% (66%) | 5% increase (decrease) in<br>the margin would result in<br>an increase (decrease) in<br>fair value by N1008.6<br>billion (2023: N864.4<br>billion)     |
|                                |                                                                | WACC                                                            | 2024: 28%<br>2023: 19%                         | 5% increase (decrease) in<br>the WACC would result in<br>a increase (decrease) in<br>fair value by N528.3 billion<br>(2023: N292.2 billion)            |
|                                |                                                                | Risk-adjusted discount<br>rate                                  | 2024: 23%<br>2023: 28%                         | 5% increase (decrease) in<br>the discount would<br>increase (decrease) the<br>fair value by N448.3 billion<br>(2023: N401.8 billion)                   |



During the reporting year ended 31 December 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements

## 55 Details of professionals that provided services to Company during the period

(a) Details of professionals that provided services during the period:

| Name of professional firm | Summary of services provided                                                     | Name of professional | FRCN Number               |
|---------------------------|----------------------------------------------------------------------------------|----------------------|---------------------------|
| Ernst and Young (EY)      | Actuarial valuation service                                                      | Miller Kingsley      | FRC/2012/NAS/0000002392   |
| Ernst and Young (EY)      | IFRS 9, 15 and 16 assessment                                                     | Samuel Agbevem       | FRC/2020/002/00000020538  |
| Phillips Oyedele & Co     | Valuation of NNPC Investments in Dangote Oil Refinery and AFREXIM Bank Limited   | Phillips Oyedele     | FRC/2019/ICAN/00000019742 |
| Ernst and Young (EY)      | Goodwill impairment Assessment of Nueoil Energy Limited as at 31st December 2024 | Olufemi Alabi        | FRC/2021/004/00000024748  |

(b) Details of non-audit services provided by joint external auditors to the Company during the year are below:

There were no non-audit services provided by joint external auditors to the Company during the period.

## 56 Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit position and healthy capital ratios in order to support its business and maximize stakeholder value.

The Group manages its capital structure in light of changes in economic conditions.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt trade and other payables, lease liabilities less cash and cash equivalents.

|                                    | Group             |                   | Company           |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2024<br>₦ million | 2023<br>₦ million | 2024<br>₦ million | 2023<br>₦ million |
| Cash and short-term deposits       | (10,306,610)      | (7,720,186)       | (6,345,510)       | (3,174,965)       |
| Trade and other payables           | 31,853,465        | 21,637,152        | 24,375,708        | 25,032,633        |
| Lease liabilities                  | 407,943           | 400,994           | 6,279             | 5,339             |
| Net debt                           | 21,954,798        | 14,317,960        | 18,036,477        | 21,863,007        |
| Total equity                       | 38,912,230        | 28,530,037        | 35,630,014        | 19,621,438        |
| <b>Total capital plus net debt</b> | <b>60,867,028</b> | <b>42,847,997</b> | <b>53,666,491</b> | <b>41,484,445</b> |
| <b>Gearing ratio</b>               | <b>36%</b>        | <b>33%</b>        | <b>34%</b>        | <b>53%</b>        |

\* Trade and other payables excludes statutory obligation balances as at year end.

## 57 Reclassification

### 57.1 Reclassification from general and administrative expenses to exchange gain or loss

The company and group previously presented exchange gain and loss within the general and administrative expenses. For comparability, these balances have now been reclassified as a separate line item within other gains and losses in the statement of profit or loss. Prior year comparatives as at 31 December 2023 have been adjusted by reclassifying N899.4 billion (group) and N824.6 billion (company) from general and administrative expenses. See the break down for each of the line item:

| General and administrative expenses     |         | Group<br>₦ million | Company<br>₦ million |
|-----------------------------------------|---------|--------------------|----------------------|
| As at 31 December 2023                  |         | 2,991,144          | 1,818,692            |
| Less: Exchange loss                     | Note 14 | (899,399)          | (824,608)            |
| Restated balance as at 31 December 2023 | Note 11 | 2,091,745          | 994,084              |



## 57.2 Reclassification of joint venture payable to receivable in sundry receivable

The company and the group had previously presented the cumulative cash calls paid on the JOAs in sundry receivable. For comparability, the prior year comparative balances have been adjusted by netting off N106 trillion joint venture payables from sundry receivables.

| Sundry receivables                      |           | Group<br>₦ million | Company<br>₦ million |
|-----------------------------------------|-----------|--------------------|----------------------|
| As at 31 December 2023                  |           | 108,161,158        | 107,626,612          |
| Less: JV payables                       | Note 42.4 | (105,974,710)      | (105,974,710)        |
| Restated balance as at 31 December 2023 | Note 25.3 | 2,186,448          | 1,651,902            |

## 57.3 Reclassification of joint venture payables to receivable in other account payable and accrued expenses

The company and the group had previously presented the cumulative cash calls paid on the JOAs in other account payable and accrued expenses. For comparability, the prior year comparative balances have been adjusted by netting of N106 trillion from joint venture payables and reclassified same to sundry receivables.

| Other account payables and accruals     |           | Group<br>₦ million | Company<br>₦ million |
|-----------------------------------------|-----------|--------------------|----------------------|
| As at 31 December 2023                  |           | 112,156,668        | 108,610,829          |
| Less: JV receivables                    | Note 25.3 | (105,974,710)      | (105,974,710)        |
| Restated balance as at 31 December 2023 | Note 42.4 | 6,181,958          | 2,636,119            |

## 57.4 Related parties' intercompany balances

The company and the group had previously presented the intercompany balances separately on the statement of financial position. For comparability, the prior year, comparative balances have been adjusted within related parties receivable and payable, and the group balances reported in the other comprehensive income in line with IAS 1

| Related parties' intercompany receivable |         | Group<br>₦ million | Company<br>million |
|------------------------------------------|---------|--------------------|--------------------|
| <b>Previous</b>                          |         | 42,506,113         | 22,048,090         |
| Less: related party payables             | Note 45 | (36,116,909)       | (4,265,518)        |
| Sundry receivable                        |         | (6,384,271)        | -                  |
| Adjusted balance as at 31 December 2023  | Note 45 | 4,933              | 17,782,572         |

| Related parties' intercompany payable   |         | Group<br>₦ million | Company<br>₦ million |
|-----------------------------------------|---------|--------------------|----------------------|
| Previous                                |         | 36,117,138         | 18,437,482           |
| Less: transfer to related receivable    | Note 45 | (36,116,909)       | (4,265,518)          |
| Adjusted balance as at 31 December 2023 | Note 45 | 229                | 14,171,964           |



## Other National Disclosures

| Group                                                                         | 2024                |               | 2023                |               |
|-------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                               | N million           | %             | N million           | %             |
| Revenue                                                                       | 45,075,407          | 281%          | 23,990,048          | 286%          |
| Other income                                                                  | 3,391,508           | 21%           | 1,986,630           | 24%           |
| Finance Income                                                                | 175,340             | 1%            | 115,555             | 1%            |
|                                                                               | <b>48,642,255</b>   | <b>304%</b>   | <b>26,092,233</b>   | <b>311%</b>   |
| Bought in materials and services                                              |                     |               |                     |               |
| - Direct cost                                                                 | (30,086,055)        | (188%)        | (13,550,599)        | (162%)        |
| - Other indirect cost                                                         | (2,530,091)         | (16%)         | (4,161,646)         | (50%)         |
|                                                                               | <b>(32,616,146)</b> | <b>(204%)</b> | <b>(17,712,245)</b> | <b>(211%)</b> |
|                                                                               |                     |               |                     |               |
| <b>Value added</b>                                                            | <b>16,026,109</b>   | <b>100%</b>   | <b>8,379,988</b>    | <b>100%</b>   |
| <b>Applied as follows:</b>                                                    |                     |               |                     |               |
| <b>To employees:</b>                                                          |                     |               |                     |               |
| Salaries, wages and other benefits                                            | 749,743             | 5%            | 583,797             | 33%           |
|                                                                               |                     |               |                     |               |
| <b>To Government</b>                                                          |                     |               |                     |               |
| Income tax                                                                    | 4,143,948           | 26%           | 2,691,296           | 151%          |
|                                                                               |                     |               |                     |               |
| <b>To Providers of Funds</b>                                                  |                     |               |                     |               |
| Interest on loans                                                             | 1,751,621           | 11%           | 441,456             | 25%           |
|                                                                               |                     |               |                     |               |
| <b>Retained for future placement of assets<br/>And expansion of business:</b> |                     |               |                     |               |
| - Depreciation                                                                | 3,916,908           | 24%           | 1,361,790           | 76%           |
| - Amortisation                                                                | 49,585              | 0%            | 4,257               | 0%            |
| - Profit for the year                                                         | 5,414,304           | 34%           | 3,297,392           | (185%)        |
|                                                                               | <b>16,026,109</b>   | <b>100%</b>   | <b>8,379,988</b>    | <b>100%</b>   |

Statement of Value added represents wealth created through the efforts of the Group and Company and its employees. This statement shows the allocation of that wealth to employees, shareholders, government and that retained for the creation of more wealth.

| Company                                                                         | 2024                |              | 2023               |              |
|---------------------------------------------------------------------------------|---------------------|--------------|--------------------|--------------|
|                                                                                 | N million           | %            | N million          | %            |
| Revenue                                                                         | 19,656,264          | 147%         | 8,131,487          | 148%         |
| Other income                                                                    | 3,758,925           | 28%          | 522,810            | 10%          |
| Finance Income                                                                  | 91,039              | 1%           | 41,501             | 1%           |
|                                                                                 | <b>23,506,228</b>   | <b>176%</b>  | <b>8,695,798</b>   | <b>158%</b>  |
| Bought in materials and services                                                |                     |              |                    |              |
| - Direct cost                                                                   | (9,905,478)         | (74%)        | (2,046,478)        | (37%)        |
| - Other indirect cost                                                           | (240,251)           | (2%)         | (1,151,205)        | (21%)        |
|                                                                                 | <b>(10,145,729)</b> | <b>(76%)</b> | <b>(3,197,683)</b> | <b>(58%)</b> |
|                                                                                 |                     |              |                    |              |
| <b>Value added</b>                                                              | <b>13,360,499</b>   | <b>100%</b>  | <b>5,498,116</b>   | <b>100%</b>  |
| <b>Applied as follows:</b>                                                      |                     |              |                    |              |
| <b>To employees:</b>                                                            |                     |              |                    |              |
| Salaries, wages and other benefits                                              | 192,300             | 1%           | 194,561            | 4%           |
|                                                                                 |                     |              |                    |              |
| <b>To Government</b>                                                            |                     |              |                    |              |
| Income tax                                                                      | 3,524,313           | 26%          | 1,821,869          | 33%          |
|                                                                                 |                     |              |                    |              |
| <b>To Providers of Funds</b>                                                    |                     |              |                    |              |
| Interest on loans                                                               | 956,817             | 7%           | 316,018            | 6%           |
|                                                                                 |                     |              |                    |              |
| <b>Retained for future replacement of assets<br/>and expansion of business:</b> |                     |              |                    |              |
| - Depreciation                                                                  | 2,761,452           | 21%          | 945,242            | 17%          |
| - Amortisation                                                                  | 2,014               | 0%           | 433                | 0%           |
| - Profit for the year                                                           | 5,923,603           | 44%          | 2,219,993          | 40%          |
|                                                                                 | <b>13,360,499</b>   | <b>100%</b>  | <b>5,498,116</b>   | <b>100%</b>  |



Statement of Value added represents wealth created through the efforts of the Group and Company and its employees. This statement shows the allocation of that wealth to employees, shareholders, government and that retained for the creation of more wealth.

#### Statement of profit or loss and other comprehensive income

|                                                  | Group             |                   |                   | Company           |                   |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                  | 2024<br>₦ million | 2023<br>₦ million | 2022<br>₦ million | 2024<br>₦ million | 2023<br>₦ million | 2022<br>₦ million |
| Revenue                                          | 45,075,407        | 23,990,048        | 8,816,384         | 19,656,264        | 8,131,487         | 2,890,334         |
| Profit before taxation                           | 9,558,252         | 5,988,688         | 1,806,440         | 9,447,916         | 4,041,862         | 1,533,168         |
| Taxation                                         | (4,143,948)       | (2,691,296)       | 717,074           | (3,524,313)       | (1,821,869)       | 459,771           |
| <b>Profit after taxation</b>                     | <b>5,414,304</b>  | <b>3,297,392</b>  | <b>2,523,514</b>  | <b>5,923,603</b>  | <b>2,219,993</b>  | <b>1,992,939</b>  |
| Other comprehensive income                       | 7,637,679         | 16,475,878        | 2,160,381         | 12,800,704        | 9,559,421         | 1,776,213         |
| <b>Total comprehensive income for the period</b> | <b>13,051,983</b> | <b>19,773,270</b> | <b>4,683,895</b>  | <b>18,724,307</b> | <b>11,779,414</b> | <b>3,769,152</b>  |

#### Statement of financial position

|                                      | Group             |                   |                   | Company           |                   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | 2024<br>₦ million | 2023<br>₦ million | 2022<br>₦ million | 2024<br>₦ million | 2023<br>₦ million | 2022<br>₦ million |
| <b>Capital employed:</b>             |                   |                   |                   |                   |                   |                   |
| Share capital                        | 200,000           | 200,000           | 200,000           | 200,000           | 200,000           | 200,000           |
| Retained earnings                    | 8,134,309         | 5,276,086         | 2,518,288         | 6,884,167         | 3,676,295         | 1,992,939         |
| Capital contribution                 | 4,409,509         | 4,409,509         | 4,409,509         | 4,409,509         | 4,409,509         | 4,409,509         |
| Actuarial reserve                    | (40,186)          | 232,123           | (14,127)          | (71,794)          | 206,782           | 33,717            |
| Financial assets at FVOCI reserves   | (178,538)         | 276,546           | 487               | (178,860)         | 276,224           | 165               |
| Foreign currency translation reserve | 26,493,790        | 18,128,451        | 2,177,638         | 24,386,992        | 10,852,628        | 1,742,331         |
| Other reserves                       | 3,743             | -                 | -                 | -                 | -                 | -                 |
| Re-organisation reserve              | (123,104)         | -                 | -                 | -                 | -                 | -                 |
| Non-controlling interests            | 12,707            | 7,322             | 1,609             | -                 | -                 | -                 |
| <b>Total equity</b>                  | <b>38,912,230</b> | <b>28,530,037</b> | <b>9,293,404</b>  | <b>35,630,014</b> | <b>19,621,438</b> | <b>8,378,661</b>  |
| <b>Represented by:</b>               |                   |                   |                   |                   |                   |                   |
| Non-current assets                   | 116,225,645       | 74,179,899        | 36,888,332        | 93,498,108        | 57,110,182        | 26,607,022        |
| Current assets                       | 45,960,283        | 30,544,430        | 21,597,753        | 57,458,609        | 32,583,586        | 12,889,957        |
| Current liabilities                  | (52,290,814)      | (31,703,672)      | (29,371,228)      | (50,740,172)      | (31,568,972)      | (13,378,422)      |
| Non-current liabilities              | (70,982,884)      | (44,490,620)      | (19,821,453)      | (64,586,531)      | (38,503,359)      | (17,739,896)      |
| <b>Net assets</b>                    | <b>38,912,230</b> | <b>28,530,037</b> | <b>9,293,404</b>  | <b>35,630,014</b> | <b>19,621,437</b> | <b>8,378,661</b>  |





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Notes

Area for notes, consisting of multiple horizontal dashed lines for text entry.

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