



QUARTERLY PROJECT PERFORMANCE REPORT

Q2 2026 | April — June 2026



WHAT HAPPENED AT

PALM CITY IN Q2, 2026?

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LETTER FROM THE CEO

DEAR VALUED PALM CITY STAKEHOLDER,



Q2 2026 was a quarter of meaningful progress for Palm City, alongside a number of operational challenges. We made important strides in developing our infrastructure and strengthening our nursery operations, while also navigating some issues that required us to adjust our plans and priorities.

During the quarter, we transplanted thousands of healthy oil palm seedlings into newly prepared nursery fields at Agunrege, significantly expanding our productive nursery area. We also strengthened our water infrastructure with the installation of six additional 30,000-litre water storage tanks, while structured crop nutrition and crop protection programmes were rolled out across all nursery blocks. Alongside these activities, work continued on critical infrastructure, including internal access roads, land clearing & irrigation expansion. At the peak of our transplanting and fertilizer campaigns, we deployed over 500 casual workers, contributing meaningfully to local employment and livelihoods within the host communities.

The quarter was not without its challenges. Water access proved tighter than initially anticipated, requiring us to drill additional boreholes and expand our irrigation system to meet the increasing demand across the farm. We also experienced a deterioration in the security situation around the Dananu Estate in Ogbomoso, which required us to temporarily pause site mobilisation and redeploy the team to Agunrege. Looking ahead to Q3, our immediate priority is to finalise the nursery strategy for the Dananu Estate. This will require further internal discussion & will be informed by our own ground-level research into the security and weather conditions, alongside the findings of the assessments already conducted. At Agunrege, we will continue to strengthen nursery performance and expand the supporting infrastructure required to sustain healthy crop development.

Beyond our immediate operations, we are also focused on deepening our understanding of the oil palm industry and building stronger relationships within the sector. I will be visiting some of the leading oil palm-producing regions in the next quarter to gain practical insights, benchmark our operations & explore opportunities for strategic partnerships that can further strengthen Palm City's long-term development.

Overall, Q2 was a quarter of building, learning and adapting. While some challenges required us to change course, the progress made at Agunrege provides a strong foundation for the next phase of Palm City's development. We remain focused on building a well-structured, productive and sustainable plantation, and we appreciate your continued confidence and support as we move forward.

Thank you for being part of the Palm City journey.

Warm regards,

A handwritten signature in black ink that reads "Olisa Umerah". The signature is fluid and cursive.

Founder & CEO Xymbolic Development Ltd

Q2 Performance Snapshot

Key metrics across the **Palm City portfolio for Q2 2026 (April—June 2026)**

Metrics	Q1 2026
Estates under development	2
Total hectares secured	1,600+
Hectares under development	400
Hectares planted	0
Total seedlings transplanted (in main nursery)	63,221
Total healthy seedlings	47,154
Total seedlings in recovery	9,926
Total labour engagements	500 >
Local suppliers engaged	12

Note: The Q2 Performance Snapshot is prepared after all section data is finalised. Figures reflect end-of-quarter positions.

PROJECT UPDATE

**PALM CITY,
AGUNREGE ESTATE.****Main Nursery Operations**

Q2 marked an important transition for Palm City, moving from large-scale nursery establishment into a phase of more intensive crop management and infrastructure expansion. During the quarter, significant progress was recorded across seedling establishment, irrigation expansion, nutrition management, field maintenance and overall operational organisation.



Throughout April and May, thousands of healthy oil palm seedlings were successfully transplanted into newly prepared nursery fields. To support uniform stand establishment and maintain the quality of the nursery, dead or weak seedlings were identified and replaced, while additional attention was given to weaker seedlings to improve their chances of healthy development. These efforts have helped strengthen the nursery and create a more consistent foundation for the next stage of Palm City's plantation development.



PROJECT UPDATE

Q2 AGRONOMIC MAINTENANCE

1. Nursery Irrigation Management

- Daily irrigation across all nursery blocks via drip irrigation and manual methods where needed.
- Procured six additional 30,000-litre irrigation storage tanks (installed early April), increasing water storage capacity.
- We experienced difficulty accessing adequate water supply during the quarter. Additional boreholes were drilled and more taps installed to close the gap.

2. Weed Management Programme

- Routine top weeding, row weeding, general nursery weeding, weed disposal, and manual clearing across every block.

Result: improved airflow, reduced pest habitat, minimised nutrient competition, healthier seedling growth.



3. Crop Nutrition Programme

- A structured fertilizer programme was successfully implemented
- Organic and inorganic nutrient sources applied according to seedling developmental stage.
- Fertilizer application was always followed by irrigation to improve nutrient uptake.

4. Crop Protection Programme

- Insecticide application, pesticide spraying, general sanitation spraying, herbicide application.
- Reduced pest pressure and supported healthy seedling development.

5. Infrastructure Development

- Commenced internal farm access roads and perimeter road development.
- Bulldozing of new areas for transplanting; road opening & land clearing for field development.
- Expansion & upgrading of irrigation infrastructure.
- Installation of additional solar panels

6. Seedling Maintenance Programme

- Daily irrigation, seedling straightening, root reinforcement, replacement of dead seedlings, bag repositioning, foliar water spraying, line straightening, housekeeping, slashing, general sanitation.

7. Inventory & Nursery Monitoring

- Regular stock-taking to verify seedling inventory and monitor nursery progress.

Tracked: Survival rates, weak seedlings, block population, field conditions, irrigation performance, nutrient application progress.

8. Labour Management

- Coordinated permanent farm staff, supervisors, labourers, contractors, procurement, logistics, & technical support.
- Deployment peaked at over 500 casual workers during major transplanting & fertilizer application exercises.

9. Stakeholder Confidence

- Regular site inspections gave visitors firsthand visibility into nursery development, infrastructure expansion, & field operations, reinforcing investor and stakeholder confidence.

PROJECT UPDATE ISSUES/CHALLENGES



1. Seedling Health

Challenge

As expected during large-scale transplanting operations, a significant number of seedlings failed to establish successfully after being transferred into the main nursery. Factors contributing to these losses included non-sprouting, transplant shock, root exposure, dehydration, and natural variability in seedling vigour.

Impact

- Reduction in the initial plant population
- Additional labour required for monitoring, inspection and replacement.
- Slight increase in operational costs due to added audit measures and replacement activities.

Mitigation Measures

Implementation of several corrective actions to minimize losses:

- Improved crop audit systems to verify seedling health and inventory
- Immediate removal & replacement of dead seedlings to maintain the planned nursery population.
- Quarantined care of healthy yet weak seedlings
- Reinforcement and straightening of unstable seedlings.
- Immediate irrigation after every transplanting operation.
- Continuous monitoring of newly transplanted fields during the establishment period.
- Foliar water spraying to reduce transplant stress.

Outcome

While these interventions are still underway, they have delivered measurable significant improvements in seedling establishment and helped sustain nursery population targets despite anticipated transplant losses.



2. Water Supply Constraints

Challenge

Despite the installation of 2 new boreholes to support nursery operations, water yield during parts of the quarter was lower than projected and insufficient to fully meet the irrigation demands of the expanding nursery, particularly during periods of high temperatures & intensive

transplanting activities. Erratic rainfall patterns in the region further compounded the situation & remain a factor that will require continued monitoring as we assess future water requirements and infrastructure needs.

Impact

- Increased pressure on the irrigation system during peak demand periods.
- Greater reliance on careful water allocation and irrigation scheduling.
- Elevated risk of moisture stress for newly transplanted seedlings.
- Increased seedling mortality

Mitigation Measures

To minimise the impact of the water supply constraints, Palm City:

- Optimised irrigation schedules to maximise available water resources.
- Expanded on-site water storage capacity through the drilling of two new boreholes and installation of additional storage tanks.
- Closely monitored seedling moisture levels to prioritise irrigation where most needed.
- Leveraged seasonal rainfall to supplement irrigation & stabilise nursery water availability.

Outcome

Seasonal rainfall significantly improved overall water availability during the latter part of the quarter, reducing pressure on the irrigation system and supporting continued seedling establishment and recovery. Management continues to evaluate additional long-term water infrastructure to ensure adequate irrigation capacity as nursery operations expand.



3. Transplant Stress and fertiliser application crisis during Establishment

Challenge

Some newly transplanted seedlings experienced temporary moisture stress during periods of high temperatures. In addition, an issue during liquid fertilizer application affected a portion of the nursery. While few seedlings were lost to that, most have recovered following prompt corrective measures, with recovery efforts continuing across the affected areas.

Impact

- Reduction in seedling vigour.
- Total death of some seedlings
- Increased need for close monitoring during establishment.

Mitigation Measures

To reduce transplant stress, the farm implemented:

- Improved daily irrigation schedules.
- Intensified daily irrigation to boost recovery process for affected seedlings
- Foliar water spraying on newly transplanted seedlings.
- Adjustment and repositioning of irrigation lines to improve water coverage.
- Continuous monitoring of moisture conditions across nursery blocks.

Outcome

A vast majority of affected seedlings recovered successfully and resumed normal growth within a short period.



4. Weed Pressure

Challenge

Rapid weed growth occurred throughout the quarter due to favourable weather conditions and frequent irrigation.

Impact

Uncontrolled weeds could have:

- Competed with seedlings for water and nutrients.
- Restricted seedling growth.
- Increased pest habitats.
- Reduced operational efficiency.

Mitigation Measures

PalmCity maintained an intensive weed management programme through:

- Continuous row weeding.
- Top weeding.
- General weeding.
- Herbicide application in designated areas.
- Weed collection and disposal after field operations.

Outcome

The nursery remained generally clean and well maintained throughout the reporting period, with weed competition effectively controlled.

PROJECT UPDATE

SEEDLING PERFORMANCE SUMMARY (Q2 2026)

Block	Healthy Palm	Weak Palm	Dead Palm	Total Bag Planted
A	14,498	3,662	3,012	21,172
B	15,616	2,363	2,181	20,160
C	5,042	1,525	290	6,857
D	11,998	2,376	658	15,032
Total	47,154	9,926	6,141	63,221

- Palm alive (healthy + weak): 57,080
- Survival rate: 90.28%
- Weak palm rate: 17.38%

Note: culling (sorting out of undesirable seedlings) will be carried out before final transfer to the permanent field for planting.

PROJECT UPDATE

PALM CITY, DANANU ESTATE OGBOMOSO

Security Assessment & Project Readiness

- Planned Q2 site mobilisation at the Dananu Estate was temporarily suspended following a deterioration in the local security situation.
- The company commissioned an intel and physical security assessment to evaluate the risks of commencing physical operations on site.
- Management resolved to defer all on-site development activities until conditions improve and the site is considered suitable for sustained operations.



Nursery Development Strategy

The nursery development strategy will be informed by a combination of on-ground assessments & independent secondary research, particularly around the prevailing climate, weather patterns, security pattern, and other environmental factors relevant to nursery development.

Rather than relying solely on existing assessment findings, the team will evaluate the available evidence to determine the most suitable strategy for the Dananu Estate, with consideration given to security and operational feasibility. This approach is intended to ensure that the eventual nursery model is based on a well-rounded understanding of the site and is positioned for long-term sustainability.



Operational Readiness

- Plantation Manager & Plantation Supervisor are now integrated into operations, currently supporting plantation development at Agunrege.
- This builds operational familiarity with company systems ahead of the Ogbomoso rollout.
- All critical resources and materials required to commence the pre-nursery have been procured and are in place.

Outlook

- Core project team established, operational resources secured, and an alternative nursery strategy in progress. Ogbomoso remains positioned for implementation.
- Physical site development will commence once security assessments confirm conditions are appropriate.

Project Impact Snapshot

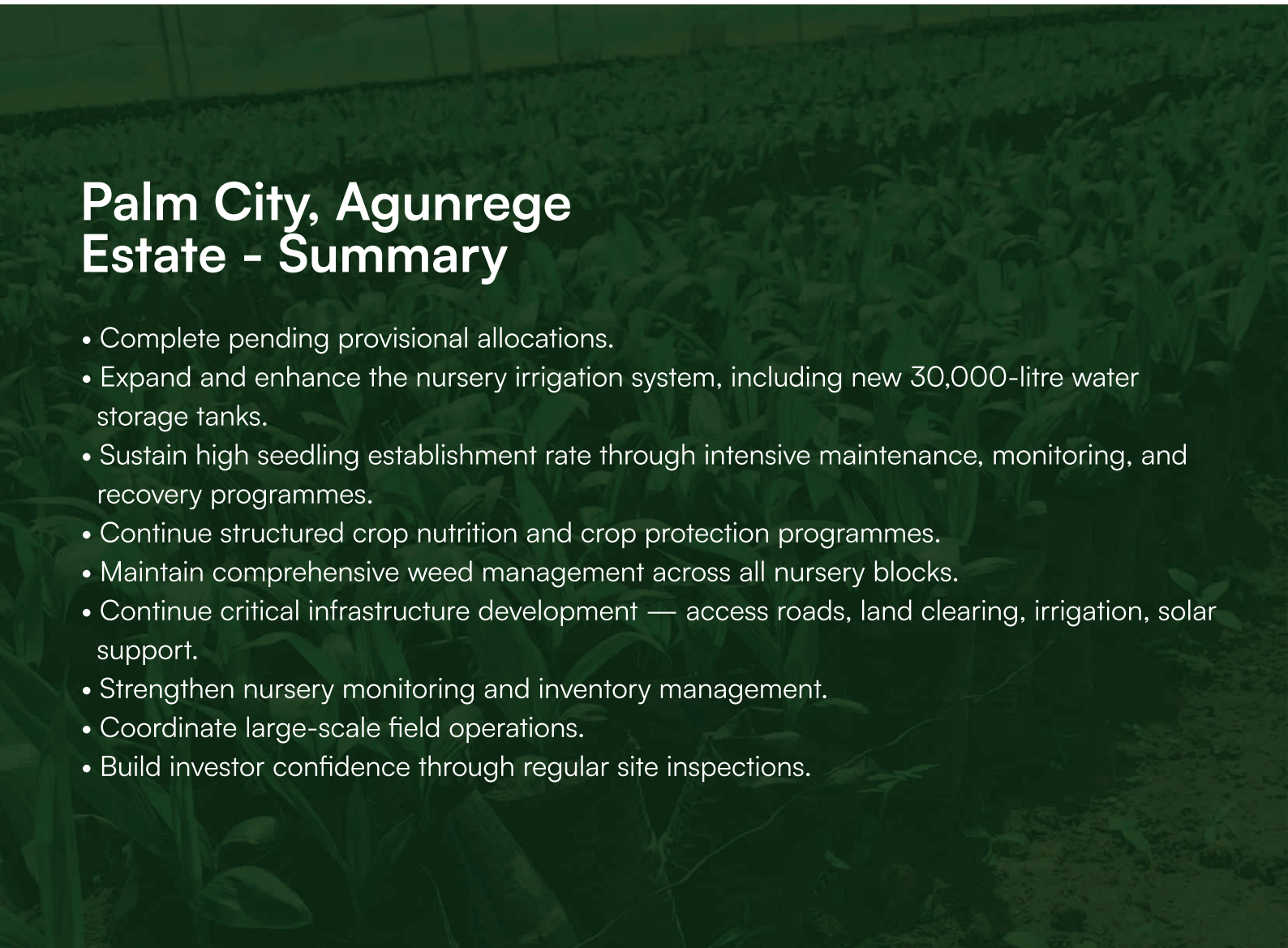
Labour engagement scaled sharply as nursery transplanting moved into full swing, with peak workforce deployment reaching over 500 casual workers during major transplanting & fertilizer campaigns. As transplanting wound down toward quarter-end, labour and supplier needs tapered accordingly.

Impact Area	Result
Labour engagements (Q2 2026)	500 >
Local suppliers engaged	12 (down from Q1 as major transplanting activity concluded)



Next Quarter Outlook

Q3 2026 will focus on strengthening nursery performance, expanding operational capacity, and advancing key infrastructure as Palm City continues laying the foundation for long-term plantation success.



Palm City, Agunrege Estate - Summary

- Complete pending provisional allocations.
- Expand and enhance the nursery irrigation system, including new 30,000-litre water storage tanks.
- Sustain high seedling establishment rate through intensive maintenance, monitoring, and recovery programmes.
- Continue structured crop nutrition and crop protection programmes.
- Maintain comprehensive weed management across all nursery blocks.
- Continue critical infrastructure development — access roads, land clearing, irrigation, solar support.
- Strengthen nursery monitoring and inventory management.
- Coordinate large-scale field operations.
- Build investor confidence through regular site inspections.

Palm City, Ogbomoso Estate - Summary

- Maintain project readiness while advancing implementation plans for the Dananu Estate.
- Continue monitoring security conditions through periodic assessments and stakeholder engagement.
- Proceed with physical mobilisation once conditions are safe for personnel, equipment, and project assets.
- Core team continues strengthening technical capacity and systems at Agunrege ahead of the Ogbomoso rollout.
- Priority: preserve project momentum, make prudent operational decisions, ensure sustainable long-term value for stakeholders.

Long-Term Vision

Palm City's long-term vision remains unchanged: to build Africa's leading network of community-owned oil palm estates that deliver sustainable income, long-term capital appreciation, and lasting value for investors.

The progress achieved during Q2 represents another important step towards that vision. Continued expansion of nursery operations, strengthening of agronomic systems, investment in supporting infrastructure, and disciplined operational management have further reinforced the foundations required to scale the project successfully. While external factors required adjustments to the implementation strategy for the Dananu Estate, Palm City remains focused on preserving project momentum through proactive planning and prudent risk management.

Beyond plantation development, the Company remains committed to creating meaningful economic opportunities for host communities, generating employment, strengthening Nigeria's agricultural value chain, and contributing to reducing the country's dependence on imported palm oil.

As Palm City expands across multiple estates, the Company will continue building an integrated agricultural ecosystem where professionally managed plantations, modern processing infrastructure, and transparent governance work together to create resilient operations, scalable growth, and enduring wealth for current and future generations.

Target	Goal
Estate Network	30,000+ hectares
Processing Mills	State-of-the-art centralized mills
Integrated Supply Chain	Yes
Community Empowerment	Thousands of direct and indirect jobs, multiple CSR projects across host communities
Sustainable Operations	Industry-leading plantation management supported by modern infrastructure and transparent governance



PALM CITY

Report by:
Xymbolic Development Ltd

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