

This Programme Memorandum has been prepared in accordance with the guidelines of the Central Bank of Nigeria on the Issuance and Treatment of Bankers Acceptance and Commercial Paper and the FMDQ Commercial Paper Registration and Quotation Rules in force as at the date hereof. The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of Viathan Funding PLC and they individually accept full responsibility for the accuracy of all information given.



VIATHAN

RC: 1418760

## VIATHAN FUNDING PLC

[INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA]

**₦20,000,000,000**

## COMMERCIAL PAPER ISSUANCE PROGRAMME

Viathan Funding PLC ("Viathan" or the "Issuer" or the "Company"), a public limited liability company incorporated in Nigeria, established this ₦20,000,000,000 Commercial Paper Issuance Programme (the "CP Programme" or "Programme") on October 21, 2021, under which Viathan may from time to time issue Commercial Paper notes ("CP Notes" or "Notes"), denominated in Nigerian Naira or in such other currency as may be agreed between the Issuer and each relevant Dealer and or the Arrangers (as defined in the section entitled, "Summary of the Programme", in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum (the "Programme Memorandum").

Each Series or Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement (as defined herein) applicable to such series or tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦20,000,000,000 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

This Programme Memorandum, and the Applicable Pricing Supplement and the CP Notes have not been and will not be registered with the Securities and Exchange Commission, or under the Investment and Securities Act, No. 29 of 2007.

The Notes issued under this Programme will be issued in dematerialised form and may be registered, quoted and traded via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of Commercial Papers as may be prescribed by the Central Bank of Nigeria ("CBN") and the FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as Registrars and Clearing Agent for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake, omission or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the FMDQ Exchange Commercial Paper Registration and Quotation Rules (the "Rules") in force as at the date thereof. This document is important and should be read carefully. If any recipient is in doubt about its content or the actions to be taken, such recipient should kindly consult his/her banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of the Issuer and they individually and jointly accept full responsibility for the accuracy of all information given.

**Lead Arranger and Dealer  
Issuing, Placing, Paying and Collection Agent**



RC: 264978

**Joint Arranger and Dealer /  
Issuing and Placing Agent**



RC 685973

This Programme Memorandum is dated October 21, 2021

## TABLE OF CONTENTS

---

GLOSSARY OF DEFINED TERMS	3
IMPORTANT NOTICES	7
INCORPORATION OF DOCUMENTS BY REFERENCE	8
TRANSACTION OVERVIEW	9
SUMMARY OF THE PROGRAMME	10
DESCRIPTION OF THE VIATHAN COMPANIES	12
USE OF PROCEEDS	24
TERMS AND CONDITIONS OF THE NOTES	25
TAX CONSIDERATIONS	32
RISK FACTORS	33
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	38
PRO FORMA APPLICABLE PRICING SUPPLEMENT	41
AUDITOR'S COMFORT LETTER	45
ISSUER RATING REPORT	50
LEGAL OPINION ON THE NOTES	52
GENERAL INFORMATION	55
PARTIES TO THE TRANSACTION	58

## GLOSSARY OF DEFINED TERMS

Except where expressed otherwise, the following definitions apply throughout this document.

“Agency Agreement”	The paying and collection agency agreement dated October 21, 2021 and entered into between the Issuer and the Paying and Collection Agent
“Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes
“Arrangers”	Lead Arranger and Dealer and Joint Arranger and Dealer
“Authorised Participants”	Dealing Members of the FMDQ Securities Exchange Limited who are licenced members authorised to make market in securities admitted to trade on the FMDQ Exchange platform
“Board” or “Directors”	Board of Directors of Viathan Funding PLC
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
“CBN”	Central Bank of Nigeria
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 <sup>th</sup> September 2019, and the CBN Circular of 12 <sup>th</sup> July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time
“Co-Obligors”	Akute Power Limited Gasco Marine Limited Island Power Limited Lisabi Power Limited Marine Power Limited PIPP LVI Genco Limited Tofu Energy and Power Company Viathan Engineering Limited
“CSD”	means the Central Securities Depository or FMDQ Depository Limited or any duly licensed securities depository approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
“CSD Rules”	The rules and operating procedures for the time being of the relevant CSD
“CGT”	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004
“CITA”	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007)
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	Unsecured Commercial Paper Notes to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed “Terms and Conditions of the Notes”
“CP Programme” or “Programme”	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦20,000,000,000
“Day Count Fraction”	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement
“Dealer Agreement”	The Dealer Agreement dated October 21, 2021 and entered into between the Issuer and the Dealers
“Dealers”	FBNQuest Merchant Bank Limited, Renaissance Securities (Nigeria) Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing

## GLOSSARY OF DEFINED TERMS

	basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Dealing Member"	An FMDQ-licensed member authorised to make market in securities admitted to trade on the FMDQ platform
"Deed of Covenant"	The Deed of Covenant dated October 21, 2021 which shall take effect as a deed of poll by the Issuer and Co-Obligors for the benefit of the holders of the Notes
"Event of Default"	Means an event of default by the Issuer as set out in Condition 9 of the "Terms and Conditions of the Notes"
"Eligible Investor" or "EI"	An investor that is not a QII as defined in FMDQ Exchange Rules, which has executed a declaration attesting to his/her/its eligibility in the manner prescribed in FMDQ Exchange Rules.
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FIRS"	Federal Inland Revenue Service
"FMDQ Exchange Rules"	The Commercial Paper Registration and Quotation Rules of FMDQ Exchange dated April 2021 (as may be amended from time to time) and includes rules, guidelines, membership agreements, market bulletins and such other regulations with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"FMDQ Exchange"	means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for listing, quotation, registration and trading of debt securities amongst others;
"Force Majeure"	Means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"Holder" or "Note holder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issuer", "Viathan", or the "Company"	Viathan Funding PLC
"Issuing and Placing Agent" or "IPA"	FBNQuest Merchant Bank Limited, Renaissance Securities (Nigeria) Limited and any other Issuing and Placing Agent appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Issuing and Placing Agent
"Joint Arranger and Dealer"	Renaissance Securities (Nigeria) Limited
"Lead Arranger and Dealer"	FBNQuest Merchant Bank Limited
"LFN"	Laws of the Federation of Nigeria
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due

**GLOSSARY OF DEFINED TERMS**

“Material Adverse Change”	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "₦"	The Nigerian Naira
“NIBOR”	the Nigerian Inter-bank Offered Rate
“Noteholders”	Mean the several persons for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
“Notes”	The Commercial Paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD
“Outstanding”	means, in relation to the Notes, all the Notes issued, other than: (i) those Notes which have been redeemed pursuant to these Conditions (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Agency Agreement and (iii) those Notes which have become void under the provisions of the Paying and Collection Agency Agreement
“Collection and Paying Agent” or “CPA”	FBNQuest Merchant Bank Limited and any other Collection and Paying Agent appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Paying and Collection Agent
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
“Pricing Supplement” or “Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme”	The ₦20,000,000,000 (Twenty Billion Naira) CP issuance programme established by the Issuer which allows for the multiple issuance of Notes from time to time
“Programme Memorandum”	This information memorandum dated October 21, 2021 sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investor” or “QII”	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time
“Redemption Amount”	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
“Redemption Date”	Means in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
"Register"	A register or such registers as shall be maintained by the Registrar in which are recorded details of Note holders
“Registrar”	The Central Securities Depository or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme

**GLOSSARY OF DEFINED TERMS**

“Relevant Currency”	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
“SEC”	The Securities and Exchange Commission
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“Special Resolution”	A resolution passed by at least three-fourths (3/4) majority of the total number of Noteholders at any point in time
“Promoter”	Viathan Engineering Limited
“The NSE”	The Nigerian Stock Exchange
“Tranche”	Notes which are identical in all respects
“VAT”	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007)
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of overdue payment

## IMPORTANT NOTICES

---

This Programme Memorandum contains information provided by the Issuer and Co-Obligors in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ~~£~~20,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained or incorporated in this Programme Memorandum is correct and does not omit any material fact that is likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum and the Applicable Pricing Supplement is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

No person has been authorised by the Issuer to give any information or to make any representation not contained or not consistent with this Programme Memorandum or any information supplied in connection with the CP Programme and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation or the rendering of investment advice by the Issuer, the Dealers, or the Arrangers that any recipient of this Programme Memorandum should purchase any Notes.

No representation, warranty or undertaking, express or implied is made and no responsibility is accepted by the Arrangers, the Dealers, or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arrangers, the Dealers and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

**SPECIFICALLY, FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.**

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

This Programme Memorandum should be read and construed in conjunction with:

1. Each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. The audited annual financial statements of the Issuer and the Co-Obligors for the financial years prior to each issue of Notes under this Programme.

which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The audited financial statements and documents incorporated by reference shall be at the specified offices of the Issuer or Arrangers, unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer or Arrangers at their specified offices as set out in this Programme Memorandum.

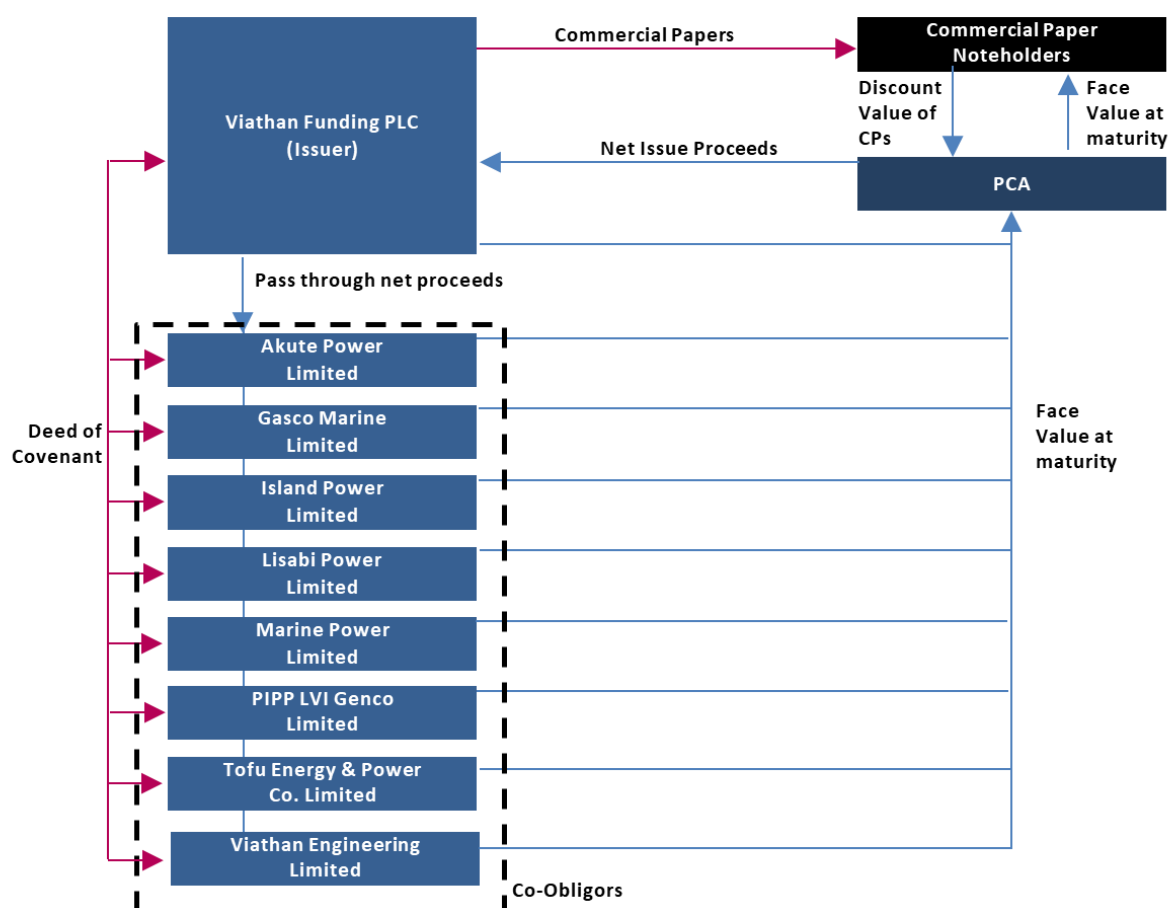


The information contained in this section is a summary of certain aspects of the Programme and the principal features of the Commercial Papers; and the related Programme Documents. This summary does not contain all of the information that you should consider before investing in any particular Series of Commercial Papers under this Programme nor does it purport to be complete. Therefore, it should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented in the remainder of this Programme Memorandum and to the detailed provisions of each of the Programme Documents and the applicable Pricing Supplement. Investors should read the entire Programme Memorandum carefully, especially the risks involved in investing in any particular Series of Commercial Papers under this Programme which are discussed under “Risk Factors”:

### Issuance of Commercial Papers

The Issuer will issue Commercial Papers from time to time which at any point in time the amount in issue and outstanding will not exceed the maximum amount of ₦20 Billion under the Commercial Paper Issuance Programme. The net proceeds of each issue of Commercial Papers by the Issuer under the Programme will be passed through to the Co-Obligors. The Issuer and the Co-Obligors shall have a joint and several obligations to repay the aggregate principal amount outstanding and interest in accordance with the terms and conditions of the CP Notes.

The following diagram sets out the transaction structure relating to the issue of the Commercial Papers by the Issuer under the Programme. This diagram is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Programme Memorandum:



## SUMMARY OF THE PROGRAMME

This summary information should be read in conjunction with the full text of this Programme Memorandum, from where it is derived. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

TERMS	DESCRIPTION
<b>Issuer:</b>	Viathan Funding PLC
<b>Promoter:</b>	Viathan Engineering Limited
<b>Co-Obligors:</b>	Akute Power Limited Gasco Marine Limited Island Power Limited Lisabi Power Limited Marine Power Limited PIPP LVI Genco Limited Tofu Energy and Power Company Viathan Engineering Limited
<b>Lead Arranger &amp; Dealer:</b>	FBNQuest Merchant Bank Limited
<b>Joint Arranger &amp; Dealer:</b>	Renaissance Securities (Nigeria) Limited
<b>Issuing and Placing Agents:</b>	FBNQuest Merchant Bank Limited and Renaissance Securities (Nigeria) Limited
<b>Paying and Collection Agent:</b>	FBNQuest Merchant Bank Limited
<b>Auditors:</b>	PricewaterhouseCoopers
<b>Registrars/Custodian:</b>	The applicable Central Securities Depository
<b>Solicitors:</b>	The New Practice
<b>Programme:</b>	The commercial paper issuance programme established by the Issuer, on its and the Co-Obligors behalf, which allows for the multiple issuance of Notes from time to time under a standardized documentation framework
<b>Programme Size:</b>	₦20,000,000,000 (Twenty Billion Naira)
<b>Issuance in Series:</b>	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
<b>Issue Price:</b>	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
<b>Issue Size:</b>	As specified in the Applicable Pricing Supplement
<b>Use of Proceeds:</b>	Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer and Co-Obligors for their general corporate purposes.
<b>Interest Payments:</b>	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
<b>Default Rate:</b>	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)
<b>Currency of Issue:</b>	Nigerian Naira
<b>Redemption:</b>	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines
<b>Issuer Rating:</b>	The Issuer has been assigned 'BBB+' ratings from DataPro Limited and 'BBB-' from Global Credit Rating Co. Limited. <b><i>{A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency}</i></b>
<b>Tenor:</b>	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity date of all outstanding Notes shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme
<b>Status of Notes:</b>	Each Note constitutes a direct, unconditional, senior and unsecured obligation of the Issuer and the Co-Obligors. The Notes rank <i>pari passu</i> among themselves, and

## SUMMARY OF THE PROGRAMME

---

	save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer and the Co-Obligors outstanding from time to time
<b>Quotation:</b>	The Issuer will Quote Series or Tranche of Notes on the FMDQ Exchange Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted or listed on the relevant trading platform
<b>Source of Repayment</b>	The repayment of all obligations under the CP issuance will be funded from the cash flows of the Issuer and the Co-Obligors
<b>Taxation:</b>	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.
<b>Governing Law:</b>	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
<b>Settlement Procedures:</b>	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")

## DESCRIPTION OF THE VIATHAN COMPANIES

*The Information in this section has been extracted from documents and publications available and released by the Issuer. Neither the Issuer nor its advisers are able to ascertain if facts have been omitted that would render the reproduced information inaccurate or misleading.*

### Introduction

Viathan Funding PLC (“the Issuer”) was incorporated in Nigeria on the 13th of June 2017 (registered number 1418760) as a public limited company. The registered office of the Issuer is at 17B Chibo Ofodile Close, Off Ladipo Latinwo Crescent, Lekki Phase 1, Lagos.

The Issuer is a special purpose vehicle of the Viathan Companies with no subsidiaries or business operations of its own, other than borrowing, advancing/passing through funds to, and receiving funds from the Viathan Companies (“Co-Obligors”).

The authorised share capital of the Issuer is ₦1,000,000 divided into 1,000,000 ordinary shares of ₦1.00 each, all of which have been issued at par, and are held by each of the Co-Obligors as follows:

	Name	Number of shares	% of holding
1	Akute Power Limited	100,000	10%
2	Gasco Marine Limited	200,000	20%
3	Island Power Limited	100,000	10%
4	Lisabi Power Limited	50,000	5%
5	Marine Power Limited	200,000	20%
6	PIPP LVI Genco Limited	100,000	10%
7	Tofu Energy and Power Company Limited	50,000	5%
8	Viathan Engineering Limited	200,000	20%
		<b>1,000,000</b>	<b>100%</b>

The principal objectives of the Issuer, a special purpose vehicle, as set out in clause 3 of its Memorandum of Association and, amongst other things, are to raise or borrow money to lend and to grant security over its assets for such for such purposes and to enter into arrangements for such purpose.

### No Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

### Litigation

The Issuer is not and has not been since its incorporation engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its respective financial position and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened.

For the purpose of the contemplated transaction, Akute Power Limited, Gasco Marine Limited, Island Power Limited, Lisabi Power Limited, Marine Power Limited, PIPP LVI Genco Limited, Tofu Energy and Power Company Limited, PIPP Energy Ltd and Viathan Engineering Limited are herein referred to as “the Viathan Companies” or “the Group”

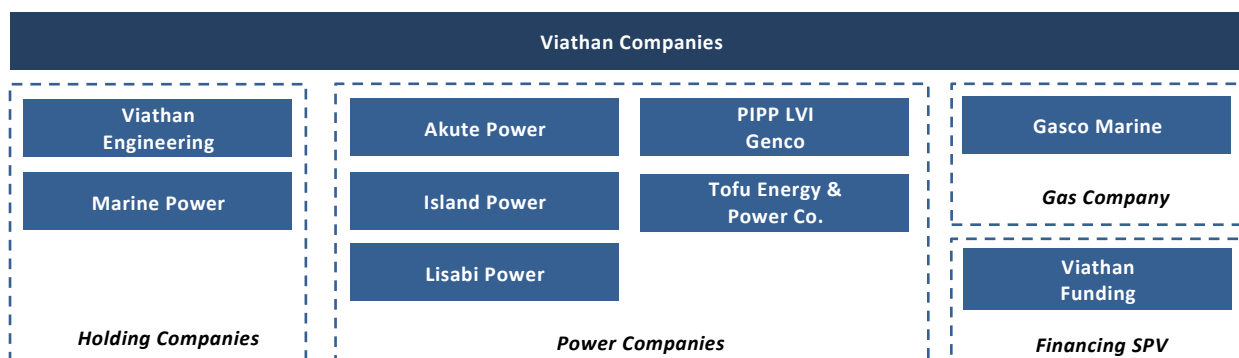
### Overview of Viathan Companies (also referred to as “the Group”)

The Viathan Companies (also referred to as “the Group”) through the various operating entities are involved in:

- i. The development of independent power solutions and management of long-term agreements for power distribution to governmental (B2G), commercial (B2B) and bulk residential (B2C) clients in the Lagos metropolis and key cities across Nigeria, using natural gas (CNG or piped gas) as fuel; and
- ii. The development and operation of gas infrastructure such as pipelines and compression tanks to facilitate end to end supply to the Group’s power assets and other third-party customers

The Group currently consists of six operational entities notably Viathan Engineering Limited (“VEL”), Akute Power Limited (“Akute”), Lisabi Power Limited (“Lisabi”), Island Power Limited (“IPL”), PIPP LVI Genco Limited (“PIPP”), and Gasco Marine Limited (“GML”) and a holding company, Marine Power Limited. While VEL is the largest among the entities with majority shareholdings in both Akute and Lisabi, other companies are not consolidated in VEL. Rather, the Group is united by common ownership across the various entities, all under the holding company, Viathan Power Mauritius Limited (“VPML”).

The premier Group company (“VEL”) was incorporated in 2011 and has since evolved to become a leading domestic captive power company that offers power and gas infrastructure solutions to individuals and entities across major cities in Nigeria. The Group currently operates 5 power with combined installed capacity of c.51.33MW, servicing a distribution network of over 110km. In addition, the Group has developed gas supply capacity of c.144,000 standard cubic meter per day (SCM/day) which it uses to supply gas to commercial offtakers and its various power plants. The following chart shows the Group’s operational structure.



### Viathan Engineering Limited

Established in 2011 to house investments in the power industry and successfully acquired Akute Power Limited in 2015. VEL also holds 60% and 100% interest in the Lisabi and Ilupeju plants respectively. It is the largest of the Viathan companies and given its operational control of other entities, will serve as the promoter for the commercial paper programme.

### Akute Power Limited

Acquired into the Group in 2020. The entity manages gas-fired 12.15MW capacity plant under a Build, Operate, Own & Transfer (BOOT) for LaSG. The plant provides uninterrupted electricity supply to the Lagos State Water Corporation’s Iju and Adiyan water treatment plants.

### Lisabi Power Limited

Incorporated in 2016, construction of the Lisabi plant was only completed in May 2017, and started operations in November 2017. The plant has an installed capacity of 5.15MW, with the potential to expand to 25MW as civil infrastructure has been completed for the anticipated expansion. The Lisabi plant is part of an agreement with the Ogun State Government, which aims to build and manage scalable, modular and efficient power plants

through Independent Power Producers (“IPPs”) that will reduce the state’s power supply deficit. The plant currently powers the State Secretariat complex, Governor’s Office, Street lights, Waterworks and other government assets in Abeokuta, as well as the Providence Hotels and Olusegun Obasanjo Presidential Library. In addition, discussions have been finalized with the State government to develop IPPs for the following State Government assets, including Olabisi Onabanjo University in Ago-Iwoye, OPIC Industrial Estate in Agbara, Makun City, Sagamu, among others.

#### *Ilupeju Plant*

Built by VEL with current capacity of 3.88MW, the Ilupeju Power plant became operational in April 2017. It is located within the Spar Mall facility to provide power to commercial customers within and around the Ilupeju Industrial Estate and other commercial establishments within the Ilupeju-Mushin axis of Lagos State. The plant currently provides power to commercial customers.

#### *Island Power Limited*

Acquired into the Group in 2016. The Island power plant has a capacity of 17.15MW, providing uninterrupted power supply to crucial Lagos State facilities (health, education, water, judicial, sports and public lighting installations on Lagos Island) via its 75km underground distribution network.

#### *PIPP LVI Genco Limited*

Incorporated in 2013 and operates a 8.5MW gas fired plant which powers critical public infrastructure and social amenities in Lekki, Victoria Island and Ikoyi axis of Lagos, through a 25km distribution network.

#### *Tofu Energy and Power Company Limited*

Incorporated to house the UniBen plant with planned installed capacity of 7.5MW located in Benin, Edo State.

#### *Gasco Marine Limited*

Operates as a subsidiary of Gasco Marine Mauritius (a direct subsidiary of the Viathan Power Mauritius Limited). It represents the Group’s gas operations and diversifies revenue streams away from power sales only. Gasco Marine also assures consistent gas supply to the Viathan Group which is expected to drive efficiency in their operations. It has a CNG plant installed in Ogun State with a production capacity of 144,000scm per day.

### **Synergy Private Equity**

The Viathan Group is not a legally consolidated unit; rather, the Viathan Companies are ultimately owned by Synergy Viathan Holdings through direct and indirect ownership; combined by common directorship and operational reliance of group companies along the value chain.

Synergy Private Equity (“SPEF”) is one of the beneficial owners of Viathan Group through Synergy Viathan Holdings. SPEF is private equity fund domiciled in Mauritius and focused on making investments in select high growth sectors in Nigeria and Ghana. SPEF has committed capital of over US\$100m and has invested in 10 companies in Nigeria and Ghana across various sectors.

SPEF’s partners and investors are leading Developmental Finance Institutions (DFIs), US, European and African institutional investment firms that are identified below:

- **International Finance Corporation (IFC)** – IFC is the private sector arm of the World Bank and has deployed over US\$1 billion in Africa, supporting investment funds such as SPEF. IFC and SPEF believe that capital invested in growing businesses have a significant impact on company growth, job creation and supporting families.
- **European Investment Bank (EIB)** – EIB is the investment and finance bank of the European Union with a balance sheet of over EUR242 billion. EIB prides itself in supporting funds that provide capital to small and medium sized businesses in emerging and frontier markets such as Nigeria.
- **Kuramo Capital Management** – Kuramo is a New York-based fund of funds that invests on behalf of prominent US and European endowments, pension funds and foundations. Kuramo’s principals are fellow Africans with a vested interest in the economic development of their continent. In addition to its New York base, Kuramo has staff on the ground in Lagos and imminently in Nairobi.

- **Grinnell College** – Grinnell College is a private liberal arts college with an endowment fund of \$1.83 Billion located in Grinnell, Iowa, United States of America.
- **IDI Emerging Markets** - IDI Emerging Markets ("IDI EM") is an independent growth-capital specialist in emerging markets since 2004. IDI EM has built a unique track record with more than US\$400 million deployed across Asia, Latin America, Middle East and Africa.
- **Sango Capital** – Sango is a Johannesburg –based fund of funds that invests on behalf of US institutional investors, including several University endowments and pension funds. Sango's principals are also fellow Africans with a passion for Africa's economic development.
- **CDC Group** – is the developmental finance institution of the UK government and has been making meaningful investments since 1948. CDC provides patient capital to fund businesses only in Africa and South Asia.
- **Swiss Investment Fund for Emerging Markets (SIFEM)** – SIFEM is the developmental finance institution (DFI) of the Swiss government focused on institutions investing in the small and medium enterprise (SME) sector. SIFEM has deployed USD 567million in over 16 years of investing.
- **Nigeria Sovereign Investment Authority (NSIA)** – NSIA manages the Nigeria Sovereign Wealth Fund (SWF) into which the surplus income produced from Nigeria's hydrocarbon assets are saved.

## **Power Operations**

The Group's operating model is focused on acquiring and/or building scalable and modular power plants that are captive or embedded, to provide power as a service to local authorities, state-owned entities, corporate, industrial and residential clusters. Through the various Viathan companies, the Group has over the last few years successfully deployed generating assets for the benefit of public institutions such as hospitals, schools and waterworks under a 90% guaranteed availability service level agreement, thus allowing its clients to focus on their core operations.

The Group operates a Distribution Generation ("DG") model for its various power plants, encapsulating the captive and embedded generation policy. As such, its operating license enables the construction of scalable and modular power plants with a capacity range of 1.5-20MW. Power is therefore provided directly to end users, without the requirement to transmit power generated to the national grid. This insulates the Group from the operational bottlenecks (dealing with many parties) and minimizes business risks associated with inefficient collection of receipts from offtakers and other players in the power supply value chain. The Group's relationship with end users is strictly guided by executed Purchase Agreements ("PPAs"), stipulating of the obligations of each party. Also beneficial, is the relatively lower cost of building and operating the plants, compared to plants with higher generation capacity. Moreover, the modular plants can be in the middle of the cities and closer to its offtakers bringing power closer to end users and reducing transmission costs.

To ensure minimal downtime and optimal operation efficiency, the Group has developed a strong culture of maintenance and servicing across all its operating plants. Specifically, the Group has developed strong in-house operation and maintenance (O&M) capabilities with the leading MWM-certified engineer serving as the technical lead for the Group. In addition, the Group is committed to best-in class health, safety and environment compliance and obtained ISO certification across all operating plants in 2020. Furthermore, the Group ensures employees undergo bi-monthly health, safety and environment (HSE) training and annual assessments in line with global best practices.

The Group continues to seek opportunities to diversify its power asset base across different energy sources including gas, solar and hydro. Overall, the Group plans to expand its power capacity to 150MW by 2025 and double its distribution ring over the next 2 years. To support future expansion plans, the Group has developed strong in-house project management capabilities to drive its engineering, procurement process and is poised to achieve power delivery below US\$700,000 per MW. These efforts are complimented by strategic partnerships with some of the leading global power and engineering firms, notably:

### *Technical Partners*

#### **i. Caterpillar/MWM GmbH**

One of the world's leading suppliers of environmentally friendly systems for energy production based on gas and diesel engines. The company has over 140 years' experience in the development and optimization of gas engines for natural gas, special gases, and diesel. Caterpillar/MWM natural gas fired engines are designed to meet the challenges of a dynamic market environment such as Nigeria. Currently, the Group has 200MW worth of engine orders agreed with Caterpillar/MWM for delivery over the next 5 years.

#### **ii. GE Jenbacher**

Began production of gas engines in 1957 and now specializes in the manufacturing of lean burn gas engines and containerized power generator sets. GE Jenbacher has been operating in Nigeria for over 20 years through its sole distributor Clarke Energy Nigeria. Its engines are renowned for being able to operate on gases with extremely low and high calorific value, low methane number.

#### **iii. Akkon AG**

The Group is in co-operation with TG-German Group and AKKON, global leading solar panel/renewable energy producers. AKKON Solar panels are easily expandable with land availability and they adopt a photo voltaic technology which in a photoelectric phenomenon, produce electricity in a direct electricity generation way. The operating and maintenance costs for AKKON PV panels are significantly lower compared to costs of other renewable energy systems.

#### **iv. SNS Energy PVT Limited**



A total-solution provider in Power Generation, Co-generation, Power Transmission & Distribution system with focus on reciprocating Engine based power generation. They offer turn-key power-solutions with new or fairly-used engines and cover Installations -Commissioning of multi-engine power plant with Distribution network.

**v. Safe**

**vi. Clark Energy**

Clarke Energy, a KOHLER Company, is a multi-award-winning global business specialising in the engineering, installation and maintenance of distributed power generation solutions. Clarke Energy provides distributed power plant solutions with market leading engineering, installation and maintenance support.

**vii. Kojobs Limited**













**viii. MWM**

The Company is a Major Brand With Almost 150 Years of Experience in Distributed Energy Generation. one of the world's leading providers of highly efficient, eco-friendly plants for decentralized energy generation. Development and optimization of gensets for natural gas and special gases.

**ix. Schneider Electric**

Despite the known operational challenges and bottlenecks in the sector, the Group has been able to achieve significant execution track record in the market off the back of its flexible and superior business model which is designed to limit its exposure to industry transmission challenges and ATC&C losses.

**Viathan Companies' Power Model Versus Industry**

Market Characteristics	Grid Supply	NIPP	Viathan Companies
Transmission Challenges			
High Capital Barrier			
Stronger Regulator			
ATC & C Losses			



High Impact



Medium Impact



No Impact

**Target Market and Pipeline Development**

Presently the Group has c.51.33MW of contracted power supply agreements and has executed additional 18MW of Power Purchase Agreements (PPAs) which are ready to be connected over the next two quarters. In terms of pipeline development, the Group is in various stages of discussions with potential clients with aggregate demand

of c.200MW. Some of the Group's target clients include banks, commercial buildings, shopping malls, industrial clusters and residential housing estates.

### Gas Operations

The Group's gas operation is carried out thorough Gasco Marine Limited ("GML"). GML is engaged in the supply and distribution of piped and compressed natural gas to Viathan's power assets and other third-party customers. GML's target market includes captive power plants and industries such as manufacturers and foundries as well as automobiles such as trucks and forklift. Presently, GML has capacity to deliver 58,590 SCM/day to its various power plants and other third-party customers and plans to achieve delivery capacity of 108,000 SCM/day by 2021 YE

GML's operations consist of three complementary business segments notably GML Gas: GML Trading and GML Logistics.

- **GML Gas** is involved in the development and operation of a CNG mother station which serves as a storage facility for the CNG. GML Gas commissioned its flagship CNG mother station in July 2019 with an installed capacity of 144,000 scm/day and has plans to establish additional two CNG mother stations which will bring GML Gas Solutions' combined compression- capacity to 432,000 scm/day
- **GML Trading** is involved in the marketing of gas (Natural, Industrial and Domestic) to wholesale and retail end users in various sectors of the economy. GML trading strategically targets clusters of customers such as companies in heavy industries, power plants FMCG companies, commercial buildings and residential estate clusters, who collectively have an aggregate gas demand of c.700,000 SCM/day across the country
- **GML Logistics** is involved in CNG transportation and distribution infrastructure to facilitate gas supply to industrial, commercial and private consumers. GML logistics currently has gas distribution capacity of 58,590 SCM/day with plans to increase delivery capacity to 108,000 scm/day by acquiring addition 10 CNG skids and 5 truck heads.

Some of the GML's strategic technical partners include SAFE, SinoTruck and Luxi.

#### *Technical Partners*

##### **i. SAFE**

Designs and manufactures turnkey solutions with the possibility of installation in metal transportable containers referred to as "all-in-one". These containers include both the compressor unit equipped with all the accessories and the dispensing unit, making fast and easy transferring the station from an area to another, depending on the needs of CNG.

##### **ii. SinoTruck**

Leading manufacturers of commercial vehicles in China and actively expanding into overseas markets with branches currently in Sudan, Nigeria, Angola, Burkina Faso, Tanzania, Congo (DRC), Ghana and other countries. Its products range from general- purpose trucks with a gross vehicle weight of 7.5tons to 44tons and special- purpose vehicles with a gross train weight of up to 250tons.

##### **iii. Luxi**

Primarily manufactures vehicle-mounted LNG and CNG cylinders, low temperature liquid storage tanks and tankers, as well as the design, manufacture and installation of gas stations, skid-mounted stations, liquidation stations, and storage and transport stations. The light weight, mixed-material skids by Luxi are beneficial as they decrease transportation costs

### Medium Term Strategic Growth Plans

Key highlights of the Group's growth plan over the next 5 years include:

- **Grow Power Generation Capacity**

Plans underway to grow its installed capacity from c.51.33MW to a minimum of 186MW by 2025. With over 200MW of PPAs at various stages of negotiation with commercial, wholesale, and industrial clients,

immediate market demand is assured as new power plants come on stream. **Assure Gas supply independence**

Construction of CNG compression plant has been completed and operations commenced in May 2019. Other plans include activating the medium-term plan to develop gas fields for CNG, LNG and LPG production which is expected to further improve margins

▪ **Diversify Client Base**

Diversify customer base into a more balanced ratio of 50:50 (public to commercial) by end of 2021 and expand client base out of Lagos state to other states notably Ogun, Rivers and Edo States, while intensifying efforts on commercial off-takers where the Group can optimize existing distribution network infrastructure to increase margins

▪ **Diversify Inputs Sources**

Diversify input model from gas-only to other renewables, including solar and hydro over the next 5 years with solar power pilot projects expected to be activated in the fourth quarter of 2021

▪ **Accelerate Transition to Group-Led Engineering Procurement and Contracting (EPC) process**

Ongoing plans to accelerate internally driven EPC process at sub US\$700,000 per MW, below comparable power companies in Nigeria. This will strengthen local competencies in engineering, operations and project management to further lower EPC and operation & maintenance (O&M) costs

## **Profiles of Board of Directors of Promoter**

### ***Wale Adeosun, CFA – Non-Executive Director***

He is the Founder & CIO at Kuramo Capital and has over 30 years' experience investing globally. He pioneered the multi-asset class approach to investing institutional capital in Africa. Wale is the former Chair of the Investment Advisory Committee of the US\$180 billion New York State Common Retirement Fund. Prior to founding Kuramo, he was CIO at Rensselaer Polytechnic Institute managing over \$1 billion in endowment assets and at the MacArthur Foundation where he managed \$2 billion in public equities & hedge fund assets. He obtained a BSc from Coe College in 1984 and served on President Obama's Advisory Council on Africa.

### ***Richard Okello – Non-Executive Director***

Richard co-founded and manages Sango Capital, an institutional private equity business backed by leading global investors that takes a 360-degree approach to African private equity. Prior to Sango Capital, he was a Principal at Makena Capital, a US\$20 billion private endowment managing assets for sophisticated global institutional clients. Prior to Makena, he spent 9 years at Bridgewater Associates, a US\$150 billion global hedge fund. Richard graduated from Swarthmore College in 1998 and earned an M.B.A. from the Lubin School of Business at Pace University in 2003

### ***Ayodele Arogbo, CFA – Non-Executive Director***

Ayodele is a Co-founding Partner of Synergy Capital Managers and fund manager of the Synergy Private Equity Fund. His experience spans over 25 years in commercial banking, financial advisory and private equity. Prior to Synergy Capital, Ayodele worked at FSB International Bank and African Capital Alliance (ACA). Ayodele graduated from the University of Lagos with a bachelor's degree in Finance in 1991. He is a CFA Charterholder and a trustee of the CFA Society of Nigeria

### ***Yinka Odeleye, CFA-Non-Executive Director***

Yinka Odeleye is a Partner of Synergy Capital Managers, fund manager of the Synergy Private Equity Fund. He has over 15 years' experience in capital markets, financial advisory and corporate finance. Prior to Synergy, Yinka worked at Union Capital, Citigroup, Lehman Brothers & GTBank. Yinka has an MBA from Rutgers Business School and is a CFA Charterholder.

### ***Faruk Agoro- Non-Executive Director***

Faruk Agoro co-founded PIPP LVI Genco Ltd. Faruk gained extensive experience as an internal and business systems consultant in the United Kingdom and Nigeria. He worked with several leading multinational companies including Cadbury Schweppes, MTN Nigeria, Nokia, Norwich Union (now Aviva) and British Gas, where he developed interest in gas-fired power generation and distribution. Faruk completed a B.A. in Business from London Metropolitan University and a Post-graduate Diploma in Knowledge Management for Enterprise Development from Cranfield University, UK.

**Afolabi Williams-Non-Executive Director**

Labi is an investment professional with more than 20 years of experience in investment banking and private equity. He is currently a partner at Kuramo Capital

**Dunn Mukosa- Non-Executive Director**

Dunn is a power utilities expert with 12 years of experience managing executive performance and plant operational performance in Eskom, Africa's largest power utility company. Dunn currently is the Managing Partner of Bi Technologies Africa, a consulting firm he founded with focus on executive coaching, business advisory and technology.

**William Holland- Non-Executive Director**

CFO of Echo Energy Plc, where he leads Finance, M&A & Governance, among other functions. Will has extensive experience in oil, gas and power sectors starting out technically at Halliburton inside and outside Africa, and working at various companies including running AIM-listed E&P companies and monetizing African gas resources

***Habeeb Alebiosu – Chief Executive Officer***

Habeeb is Partner at Vista Advisory Partners (VAP) where he is involved in various corporate finance and sell & buy-side advisory mandates. Under Habeeb's leadership, Vista successfully managed the project lifecycle and implementation of PIPP LVI Genco, an 8.5MW independent power plant in the Lekki area of Lagos. He is also a Director at Petra Trust, an Accra-based pension fund administrator. Habeeb graduated with a bachelor's degree in Computer Science from University of the West of England, and an MSc in Economics from Bristol Business School, UK

**Profiles of Management Team of Promoter**

***Habeeb Alebiosu – Chief Executive Officer, Viathan Engineering Limited***

Habeeb is Partner at Vista Advisory Partners (VAP) where he is involved in various corporate finance and sell & buy-side advisory mandates. Under Habeeb's leadership, Vista successfully managed the project lifecycle and implementation of PIPP LVI Genco, an 8.5MW independent power plant in the Lekki area of Lagos. He is also a Director at Petra Trust, an Accra-based pension fund administrator. Habeeb graduated with a bachelor's degree in Computer Science from University of the West of England, and an MSc in Economics from Bristol Business School, UK

***Babajide Ibironke – Chief Finance Officer, Viathan Engineering Limited***

Babajide is the CFO of Viathan Engineering with almost 2 decades experience in Finance, Strategy and General Management roles in global and market positions. He has extensive industry experience in banking, financial services, heavy industrials, power and healthcare sectors.

Prior to joining Viathan, he was the Chief Finance Officer of Mantrac Nigeria Limited. In his role as co-pilot, he was responsible for leading multi-talented and diverse Finance team of about 2 scores spread across our 12 branches in Nigeria, working closely with other Finance Leaders across markets/territories within Mantrac Group. He previously held senior Finance Leadership positions in multinational organisations including Nestle Nigeria Plc and Guinness Nigeria Plc. He was also the CFO at Kakawa Discount House Limited (now FBN Merchant Bank).

Babajide is a fellow of Institute of Chartered Accountants of Nigeria (ICAN), a fellow of the Association of Chartered Certified Accountants (ACCA), member of the Institute of Directors of Nigeria (IoDN) and a fellow of The Chartered Institute of Taxation of Nigeria (CITN).

***Solabomi Oreagba – General Manager, General Services, Viathan Engineering Limited***

Solabomi Oreagba is the GM, General Services with Viathan Engineering Limited. She previously held the position of Controller at Rensource Distributed Energy Limited, a startup renewable energy company as the pioneer staff managing finance, human resources and legal services. She also held the position of Manager, FP&A at Atlantic Aviation Company Limited, part of the CHC Helicopter Group.

Prior to joining Atlantic Aviation, Solabomi worked as Business Planning Manager at Aero Contractors Company of Nigeria as part of the Aero Leadership Team with responsibility for determining and executing key business initiatives that drove Aero's strategy and operations. Solabomi also served as the Head; Project Management Office where she supervised all major projects undertaken by Aero.

Solabomi also worked as an Analyst at Oceanic Capital Limited, investment bank subsidiary of Oceanic Bank PLC. She started her career as an Underwriter with Mascot Insurance Brokers and also worked as a Business Analyst at the Department of Work and Pensions, UK where she was part of a team restructuring the Debt Management Office.

Solabomi holds a Bachelor of Science degree in Insurance and a Master of Science degree in Corporate Risk Management.

***Okechi Ugoji – Head of Operations***

Okechi is a high-level technical leader, dedicated to the highest international standards of optimal Operations and Management of the Company's power plants and assets. As a master's graduate with international education and international work experience who is well versed in Oil & Gas upstream operations as well as Power Generation & Distribution, he also excels in Project management and Asset management and very knowledgeable on QHSE policies and procedures as well as Supply Chain.

He began his career at KPMG as a financial analyst before accepting a Project Manager role at IHS Infrastructure where he coordinated the deployment of engineers and supplies to erect and install telecommunication towers. Following IHS, he transitioned to various roles at Transocean in Operations, Project and Asset Management in Nigeria Ghana, Namibia, Angola, Canary Island and the USA.

Okechi holds a bachelor's and Master's degrees in Electrical Engineering from Temple and Columbia Universities, respectively.

**Corporate Governance Structure***Commitment to Corporate Governance*

The Group remains committed to institutionalizing corporate governance principles as part of the Viathan Companies structures and continues to ensure adherence to the implementation of corporate governance principles in line with industry best practices.

*Corporate Governance Framework*

The Group's corporate governance framework provides an overview of the corporate governance structures, principles, policies and practices of the Board of Directors of the Viathan Companies, which together enables the Group meet governance expectations of regulators. There are four (4) Board Committees which perform various oversight and governance functions. To serve the interests of shareholders and other stakeholders, the Group's corporate governance system is subject to ongoing review, assessment and improvement. The Board of Directors proactively adopts governance policies and practices designed to align the interests of the Board and management with those of shareholders and other stakeholders and to promote the highest standards of ethical behavior and risk management at every level of the organization.

**- Ethical Culture**

Trust, integrity and good governance are hallmarks of the Board's governance approach. By setting the tone at the top, the Board champions the values of trust, integrity and good governance that are well entrenched in the culture of the Viathan Companies, and reinforces the ethical principles on which the Group's reputation and success are founded.

**- Strategic Oversight**

The members of the Board are the key advisors to management, advising on strategic direction, objectives, and action plans, taking into account both the opportunities and the Group's risk appetite. In carrying out this oversight role, the Board actively engages in setting the long term strategic goals for the organization, reviews and approves business strategies, corporate financial objectives and financial and capital plans that are consistent with the strategic goals, and monitors the performance of the various Viathan Companies' in executing strategies and meeting objectives.

- **Risk Oversight**

The Board oversees the frameworks, policies and systems to identify and manage risks to the businesses and seeks to entrench a strong risk management culture throughout the Group's operations. The Board actively monitors the organization's risk profile relative to risk appetite and seeks to ensure that management's plans and activities provide an appropriate balance of return for the risks assumed and are prudently focused on generating shareholder value.

- **Independence**

Independence from management is fundamental to the Board's effective oversight and mechanisms are in place to ensure its independence. All direct and indirect material relationships with the Viathan Companies are considered in determining whether a member of the Board is independent.

- **Accountability**

Transparency is a key component of good governance. The Board is committed to clear and comprehensive financial reporting and disclosure, and constructive shareholder engagement. The Board has carefully defined the expectations and scope of duties of the Board, its committees and management.

- **Continuous Improvement**

The Board is committed to continuous improvement of its corporate governance principles, policies and practices, which are designed to align the interests of the Board and management with those of shareholders, to support the stewardship role of the Board, and to enhance the Board's ability to safeguard the interests of shareholders through independent supervision of management.

**Group's Social Impact**

The Viathan Companies' operations continue to have significant social impact in Lagos state where it powers majority of its social infrastructure including water infrastructure, streetlights, hospitals, schools and courts. Some of its notable social impacts include:

**8 of 10**

cups of water produced in Lagos state is powered by Viathan Companies



**100km**

of streetlights are powered by Viathan Companies, providing security and night time trading



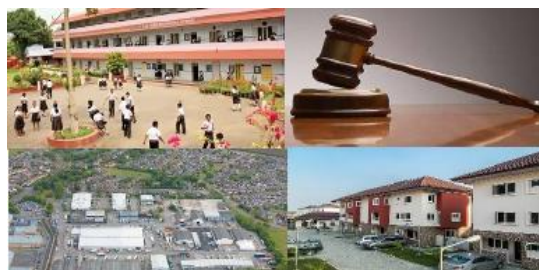
**24/7**

Island Maternity and other hospitals powered by Viathan companies enabling emergency services and diagnostics



**>55**

Schools, courts, industrial and housing estates powered by Viathan companies



## **USE OF PROCEEDS**

---

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer and Co-Obligors for their general corporate purposes.



*The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The applicable Pricing Supplement in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such series of Notes.*

## **1. ISSUANCE OF NOTES**

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate outstanding principal amount not exceeding ₦20,000,000,000 (Twenty Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from, the Deed of Covenant.

## **2. FORM, DENOMINATION AND TITLE**

### **2.1 Form and Denomination**

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦ 5,000,000 (Five Million Naira) and integral multiples of ₦ 1,000 (One Thousand Naira) thereafter; and will be sold at such discount from their face amounts as shall be agreed upon by the Dealer and the Issuer; and shall have a maturity not exceeding two hundred and seventy (270) days, including the roll over from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 Notes issued will be in the form of Zero-Coupon Notes and will not pay interest.
- 2.1.4 The Notes will be delivered to the Dealer in dematerialised (uncertificated, book entry) form; shall be registered with the CSD, which shall serve as the custodian and central depository of the Notes; and the Dealer may deal in the Notes in accordance with Central Securities depository procedures and guidelines.

### **2.2 Title**

- 2.2.1 Title to the Notes will pass upon credit to the CSD account of the Noteholder.
- 2.2.2 Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer and the IPA/CPA may deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

## **3. STATUS OF THE NOTES**

The Notes shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes shall rank *pari passu* among themselves and, save for certain debt obligations mandatorily preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

**4. REDEMPTION**

Subject to Condition 6 (*Event of Default*), the Notes are only redeemable at maturity and will be redeemed at the Face Value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 (*Payments*) below.

**5. PAYMENTS**

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Relevant Date(s). The registered Holder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Holder in respect of each amount so paid.

**5.1 Method of Payments**

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira to the account of the Noteholder specified in the Register.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Paying and Collection Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Paying and Collection Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 If the Issuer or the CPA is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the CPA shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) and the Issuer and the CPA shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Relevant Date as possible.
- 5.1.7 Cheques may be posted by registered mail, provided that neither the Issuer nor the CPA shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

**5.2 Payment Day**

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a

Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made on or by the immediately preceding Business Day. The Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

### 5.3 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of five (5) days ending on the Redemption Date; or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 6.2 (*Action upon Event of Default*).

## 6. EVENT OF DEFAULT

### 6.1 Event of Default

An event of default in relation to the Notes (each an “**Event of Default**”) shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 Subject to Condition 5.1.6 above, if the Issuer fails to make payment in full by the Relevant Date save for where such failure is as a result of an administrative or technical error and payment is made within ten (10) Business Days of the Relevant Date; or
- 6.1.2 If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of thirty (30) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3 Should any representation or warranty made in connection with any documentation supplied by the Issuer in connection with the Programme be in the reasonable opinion of the Arrangers materially incorrect or materially misleading; or
- 6.1.4 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or
- 6.1.5 Should an order be made or the members of the Issuer pass a resolution for the winding up of the Issuer or the Issuer ceases, or through an official action of its Board threatens to cease, to carry on all or a substantial part of its business or operations; or
- 6.1.6 Any event occurs that may have a material adverse effect on the Issuer’s business, financial condition or assets, or its ability to perform its obligations under the Issue; or
- 6.1.7 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within ninety (90) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.8 If a writ of execution is issued by any competent court attaching any material or substantial part of the assets belonging to the Issuer and such remains unsatisfied for more than ten (10) Business Days after the date on which it is issued.

**6.2 Action upon Event of Default**

- 6.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of Force Majeure or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 6.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Relevant Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 6.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

**7. REGISTER**

- 7.1 The Register shall be maintained by the CPA/CSD. The Register shall reflect each Tranche and Series of Notes, the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the CPA as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection during the normal business hours of the CPA/CSD to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The CPA/CSD shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

**8. NOTICES****8.1 Notices to the Noteholders**

- 8.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant Register of Notes of a Series maintained by the CPA. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

**8.2 Notices from the Noteholders**

- 8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing or via electronic mail and given by lodging the same with the Issuing and Placing Agents at their registered or specified office.

- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to any of the Issuing and Placing Agents who shall inform the CSD to effect the change in the Register.

## 9. MODIFICATION

- 9.1 The Dealer and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Dealer is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:
- 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and
- 9.2.2 such amendment:
- 9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than seventy-five percent (75%) of the outstanding Principal Amount of all the Notes; or
- 9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than seventy-five percent (75%) of the outstanding Principal Amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

## 10. MEETING OF NOTEHOLDERS

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8 (*Notices*). Such Notice shall specify the date, place, agenda and time of the meeting to be held, which place shall be in Nigeria.
- 10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than ten percent (10%) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within ten (10) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 A Noteholder may by an instrument in writing (a “**Form of Proxy**”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an

attorney or a duly authorised officer of the corporation, appoint any person (a “**Proxy**”) to act on his or its behalf in connection with any meeting or proposed meetings of the Noteholders.

- 10.5** Any Noteholder, which is a corporation, may by resolution of its directors or other governing body authorise any person to act as its representative (a “**Representative**”) in connection with any meeting or proposed meetings of the Noteholders.
- 10.6** Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meetings of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates, and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7** The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within ten (10) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 10.8** At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.9** If thirty (30) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty-one (21) days thereafter and at the same time and place. At such adjourned meeting, two (2) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.10** A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

## **11. CHANGE OF CPA**

- 11.1** The Issuer is entitled to vary or terminate the appointment of the CPA and /or appoint additional or other CPAs and/or approve any change in the office of the CPA through which any CPA acts, provided that there will at all times during the subsistence of the Programme, be a CPA with an office.
- 11.2** The CPA acts solely as agent of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

## **12. TAXATION**

The Notes issued under the Programme will be Zero Coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders.

However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

**13. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to issue further Notes under the Programme.

**14. GOVERNING LAW**

The provisions of the Programme Memorandum and the Notes are governed by and shall be construed in accordance with the laws of the Federal Republic of Nigeria.

## TAX CONSIDERATIONS

---

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest,<sup>1</sup> and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

---

<sup>1</sup> However, in the case of a late payment, interest will accrue on the redemption monies to be paid to the Note holders.



## RISK FACTORS

---

*The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following section are provided as general information only. Prospective investors should refer to and carefully consider the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes. **Investors should also seek professional advice before making investment decisions in respect of the Notes.***

### Risks Relating to Nigeria

*Emerging markets such as Nigeria are subject to greater risks than more developed markets, and financial turmoil in any emerging market could cause the price of the Securities to decrease*

The Group's operations are based in Nigeria and as such face the same risks typical of an emerging market. These risks included greater political risk, changes to the economic environment and underinvestment in infrastructure. Emerging markets are also more likely to experience higher instances of corruption, fraud, bribery, and criminal activity. Failure to prevent any of the risk may result in criminal penalties and reputational damage that may materially affect the Company's financial condition or operations. Although the Company has a sound governance structure it may not be possible to detect or prevent all instances of fraud, criminal activity, bribery, or corruption.

The COVID-19 outbreak severely impacted economic activity in Nigeria, creating large external and fiscal financing needs in 2020. The contraction in global economic activity has also constrained the economic recovery momentum, following the recession experienced in 2016. Nigeria is gradually recovering from the impact of COVID as year-on-year growth in Q1 2020 was 0.5%.

In addition, generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Programme Memorandum may become outdated relatively quickly.

Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Nigeria and adversely affect the Nigerian economy. In addition, during such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Thus, even if the Nigerian economy remains relatively stable, financial turmoil in any emerging market country could adversely affect the Issuer's business, as well as result in a decrease in the price of the Securities.

Despite Nigeria's emerging market challenges, the country has seen sustained capital inflow over the past decade as a result of the country's expanding economy driven largely by its significant population size and large and growing economy. This growth has also been accompanied by economic stability driven by Nigeria's 18 years of uninterrupted democracy. During this period the country has experienced a growth in investor confidence as well as generally positive investor sentiment with Nigeria often being the investment destination of choice for several Africa focused investors. The country's renewed drive against graft and corruption has also served to bolster investor confidence in the economy.

*Global prices of oil have a significant impact on the Nigerian economy:*

The Nigerian economy was significantly affected by the global slide in oil prices evidenced by the weakening of the currency, substantial drop in foreign currency earnings and reserves, withdrawal of foreign portfolio capital and a corresponding decline in stock market performance and government revenues. While the Federal Government advances in its efforts to diversify the economy from its dependence on oil revenue, Although, oil prices are trending up in 2021, the Nigerian economy remains susceptible to adverse effects which in turn might impact the Issuer's operations and profitability.

*Insecurity*

The country is plagued by insurgency attacks in some northern states while battling militant attacks on oil pipelines and kidnapping episodes in some southern states. Amidst the setback caused by the global slide in oil prices which saw a considerable reduction in oil revenues to the economy, pipeline vandalism had further worsened the country's predicament by not only a decline in production but also a reduction in operations by major international companies in the region. The combined effect of these security challenges is the increased political instability and reduced confidence of foreign investors in the local economy. In recent times, there has been an increase in the frequency of kidnapping cases across the country, the sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in Northern Nigeria; and the Fulani herdsmen crisis still contribute to the regions' security challenges. The negative effects of such incidences on the nation's economy portend a negative impact on the Company and the industry in which it operates

**Risks Related to The Industry and The Power Sector***Regulatory Risks:*

The main industry-related risk the Company faces is potential changes in government regulation. The company is currently operating in a heavily regulated industry. The current Government has outlined few details with regards to power sector policy. Whilst Viathan operates as a private operator, the Government may, at any time in the future, change sector regulation or implement new regulation that may adversely affect the company

The Nigerian government has intensified efforts to create an enabling environment for investors in the power sector. In recent times, the government has taken steps to ensure the financial viability of the Nigerian power sector with its favourable policies such as tax holidays to power companies as well as sector funding.

**Risks Related to the Issuer***Change in Law*

The Terms and Conditions of the Issuer are based on Nigerian law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

*Repayment Risk*

There is a likelihood that the Issuer may not be able to repay outstanding obligations on the CP on a maturity date. The Viathan Companies shall under the Deed of Covenant and/or the Master Intercompany Loan Agreement, jointly and severally, irrevocably and unconditionally undertake, not merely as a surety but also as a primary obligor and co-debtor, joint and several liability with the Issuer in respect of the Commercial Paper.

**Risks Related to the Viathan Companies**

The Viathan Companies, listed on page [●] herein, are exposed to various risks which impact on their operations, assets and overall financial performance. These risks are enumerated below:

*Offtaker Risks:*

The company's business model is dependent on production being purchased by its offtakers. The company may be unable to find buyers for some of its generated power. Additionally, power generated is sold to various offtakers under agreed pre-contract terms. Offtakers are under no obligation to and may refuse to renew their existing contracts with Viathan. The continued renewal of these offtaker agreements or the execution of

## **RISK FACTORS**

---

equivalent offtake agreements is required to ensure that the continued successful operations and profitability of the company.

That said, the Nigerian power sector is a grossly undersupplied with power and thus there is excess demand for power.

### *Losses resulting from operational downtime*

The Viathan companies' business model is reliant on its generating plants being operational to generate power. Unforeseen challenges may however cause these plants to have operational downtimes which will have significant adverse effects on the Viathan companies' business model. An example of such unforeseen challenges includes an interruption of the company's gas supply. The Viathan companies' operations are reliant on a steady gas supply to function and as such an uninterrupted gas supply is required to ensure the smooth running of the gas plants.

The Viathan companies have strong gas supply arrangements with dedicated pipeline infrastructure in place that supplies gas to the plant. The plant also has back-up diesel power generation systems to work in the event of a gas supply interruption. The Viathan companies also have a strong maintenance culture which will minimize the likelihood of operational downtimes.

### *The loss of key management personnel could adversely affect the business*

The loss of key management personnel or inability to hire and retain qualified employees could have an adverse effect on the company's business, financial condition and results of operations. Operations depend on the continued efforts of executive officers and senior management. The Company is not able to guarantee that any member of management at the corporate or subsidiary level will continue in his or her capacity for any particular period of time. If the company were to lose one or more key personnel, its operations could be adversely affected.

### *Risk management activities might not prevent losses*

The company is exposed to commodity risk, interest-rate risk and foreign exchange risk arising from operating, financing and investment activities. Although there is a risk management system in place that uses various methodologies to quantify risk, these systems might not always be followed or might not always work as planned. Further, such risk measurement systems do not in themselves manage risk, and adverse changes involving volatility, adverse correlation of commodity prices and the liquidity of markets might still adversely affect earnings and cash flows and the Company's balance sheet, even if such risks have been identified.

### *Claims against the Issuer could have a material impact on the revenue or business of the Issuer.*

To date, claims against the Company have not had a material impact on the revenue or business of the Company, although there can be no assurance that the it will not, in the future, be subject to a claim which may have a material impact upon its revenue or business, with associated reputational damage.

### *No protection against all potential losses and damages caused by natural disasters, operational catastrophes and deliberate sabotage*

The company has many business activities that are characterized by substantial investments in complex generation facilities and distribution equipment. The production process, equipment and output are highly hazardous and dangerous in uncontrolled circumstances, including fires, explosions, accidents, major equipment failures, etc. Despite insurance coverage, the Company could incur uninsured losses and liabilities arising from such events, including damage to reputation, and/or suffer substantial losses in operational capacity, which could negatively affect the operating results and financial condition of the company.

## **Risks Relating to the Commercial Papers**

### *Change in interest rates may affect the price of the Commercial Papers*

## **RISK FACTORS**

---

Where commercial papers are offered with a fixed rate of interest they are subject to price risk. Consequently, the price of the commercial papers may vary inversely with changes in prevailing interest rates. That is, a rise in interest will cause the price of a fixed rate commercial paper to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Commercial Paper

### *Independent Review and Advice*

Each prospective investor in the Commercial Papers must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Commercial Papers is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Commercial Papers. A prospective investor may not rely on the Issuer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Commercial Papers or as to the other matters referred to above.

### *Liquidity risk for the Commercial Papers*

There is a risk that the Commercial Papers may not have an established trading market when issued. There is no guarantee that a secondary market for Commercial Papers or liquidity will exist upon issuance. Consequently, investors may not be able to readily sell their Commercial Papers or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market.

### *The trading market for debt securities may be volatile and may be adversely impacted by many events*

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Commercial Papers

### *Exchange rate risks and exchange controls*

Payments of principal and interest on the Commercial Papers will be made in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the Naira. These include the risk that exchange rates may significantly change (including changes due to devaluation of Naira or revaluation of the investor's currency). An appreciation in the value of the Investor's Currency relative to Naira would decrease (1) the Investor's Currency-equivalent yield on the Commercial Papers, (2) the Investor's Currency equivalent value of the principal payable on the Commercial Papers and (3) the Investor's Currency equivalent market value of the Commercial Papers. The government may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Legality of Purchase:*

Neither the Issuer, the Arrangers and Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### *Change of Law:*

The Terms and Conditions of the Commercial Papers are based on Nigerian law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Commercial Papers.

## **RISK FACTORS**

---

### *Modification, waivers and substitution:*

The conditions of the Commercial Papers contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

### *Credit ratings may not reflect all risks:*

The Issuer has been assigned a rating by GCR, and any independent rating agencies may decide to rate the Issuer or Commercial Papers. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial Papers. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.*

**CSD**

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche of Notes will be held in custody by the CSD, either in the name of the beneficial owner or Nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through Authorised Participants who will follow the electronic settlement procedures prescribed by CSD.

**Authorised Participants**

The CSD will maintain a central securities account for Dealing Members (the "Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participants are FBNQuest Merchant Bank Limited and Renaissance Securities (Nigeria) Limited and any other Authorised Participant as duly appointed by the Issuer.

**Registration**

- i. The Authorised Participant shall register with the CSD where CP custody and depository services are required. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form.
- ii. Noteholders are required to route their account opening applications and transactions through any of the above-mentioned Authorised Participants, who will officially notify the CSD to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- iii. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- iv. FMDQ shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ and the Authorised Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- v. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

**Custody and Dematerialisation**

- i. An Authorised Participant with physical CP notes may decide to dematerialise CP(s) with the CSD by completing the relevant form.
- ii. All holders of CP notes must route these notes through the Authorised Participant who will then submit on the CSD authorised platform in dematerialized form.
- iii. Authorised Participants may also decide to keep the CPs in physical form with the CSD (subject to service agreement with CSD), acting as the Custodian for the issue.
- iv. Authorised Participants can also lodge the CP(s) electronically by using the CSD e-lodgement format.
- v. The Authorised Participants (or Lead Arranger) will advise the CSD, after dematerialisation or e-lodgement to transfer CPs to Noteholders' (or their custodians') accounts at the CSD before trading commences.
- vi. Cut-off time for e-lodgement of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process the same within 24 hours of receipt.

**Redemption**

- i. No transactions or trades may be effected for any CPs two (2) working days prior to its maturity date as the register closes two (2) working days before the Maturity Date.
- ii. The Paying and Collection Agent will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) working days before the Maturity Date.
- iii. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- iv. The Maturity Date shall be on a Business Day, however if the Maturity Date falls on a public holiday, payment will be made on the following working day.

**Roll-Over**

- i. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- ii. Upon granting approval for rollover, FMDQ shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ and the Authorised Participants with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the Authorised Participants.
- iii. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

**Default**

- i. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Paying and Collection Agent shall notify the CSD, FMDQ, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the Paying and Collection Agent pays off the Noteholders and notifies the CSD and the FMDQ with evidence.
- iv. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

**Secondary Market Trading (OTC) Guidelines**

- i. Standard settlement cycle is T+2.
- ii. FMDQ shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform, based on the following settlement timelines:
  - Same Day Settlement: 12.30 p.m.
  - T+1 or T+2 Settlements: 3.00 p.m.
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorised platform by 2.00 p.m. on the settlement date to FMDQ and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. Authorised Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ and CSD simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is three (3) Business Days before the Maturity Date.

**Reporting**

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by Authorised Participants or the FMDQ and keep records of consideration for each transaction.
- ii. The CSD will advise Authorised Participants or the FMDQ for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iv. Authorised Participants can visit the CSD website to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

**Transfer of Notes**

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

**Cash Settlement**

Transaction parties will be responsible for effecting the payment transfers via Real Time Gross Settlement, National Electronic Funds Transfer or any other transfer mode agreed by the transaction parties and recognised by the CBN.





---

**Issue of Up to ₦[●] (Series 1) Commercial Paper Notes  
Under its ₦20,000,000,000  
Commercial Paper Issuance Programme**

---

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 21 October, 2021 prepared by FBNQuest Merchant Bank Limited and Renaissance Securities (Nigeria) Limited on behalf of Viathan Funding PLC in connection with its ₦20,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “Programme Memorandum”).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Applicable Pricing Supplement relating to the issue of Commercial Paper Notes (“CP Notes” or “the Notes”) described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11<sup>th</sup> September 2019 and the FMDQ Exchange Commercial Paper Registration and Quotation Rules in force from time to time. The document is not required to be registered with the Nigerian Stock Exchange (“NSE”) or the Securities and Exchange Commission (“SEC”). This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

---

**Lead Arranger and Dealer  
Issuing, Placing, Paying and Collection Agent**



RC: 264978

**Joint Arranger and Dealer  
Issuing and Placing Agent**



RC 685973

This Pricing Supplement Is Dated [●]

<b>Issuer</b>	Viathan Funding PLC
<b>Lead Arranger and Dealer</b>	FBNQuest Merchant Bank Limited
<b>Joint Arranger and Dealer</b>	Renaissance Securities (Nigeria) Limited
<b>Issuing and Placing Agents</b>	FBNQuest Merchant Bank Limited and Renaissance Securities (Nigeria) Limited
<b>Placing and Collection Agent</b>	FBNQuest Merchant Bank Limited
<b>Auditors</b>	PricewaterhouseCoopers
<b>Custodian</b>	FMDQ Depository Limited
<b>Series Number</b>	[●]
<b>Programme Size</b>	₦20,000,000,000
<b>Issued and Outstanding at the date of this Pricing Supplement</b>	₦[●]
<b>Face Value</b>	₦[●]
<b>Discounted Value</b>	₦ [●]
<b>Nominal Amount Per Note</b>	₦ [●]
<b>Issue Price</b>	[●]
<b>Tenor</b>	[●]
<b>Issue Date</b>	[●]
<b>Maturity Date</b>	[●]
<b>Final Redemption Amount</b>	[●]
<b>Minimum Subscription</b>	₦5,000,000 and multiples of ₦1,000 thereafter
<b>Specified Currency</b>	Nigerian Naira (₦)
<b>Status Of Notes</b>	Each Note constitutes a direct, unconditional, senior and unsecured obligation of the Issuer and Co-obligors, and the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, pari passu with other present and future senior unsecured obligations of the Issuer outstanding from time to time
<b>Form Of Notes</b>	Uncertificated
<b>Quotation</b>	Notes may be quoted on the FMDQ Exchange platform or any other recognized Exchange
<b>Taxation</b>	Please refer to the 'Tax Considerations' section in the Programme Memorandum
<b>Method Of Offer</b>	Fixed Price Offer
<b>Book Closed Period</b>	The Register will be closed from [●] to [●] until the Maturity Date
<b>Implied Yield</b>	[●]%
<b>Discount Rate</b>	[●]%
<b>Any Other Formula or basis For Determining Amount(s) Payable</b>	[●]

<b>Basis For Determining Amount(s)</b>	PV=FV*(1-(DR*t/actual number of days in a year)	
<b>Payable</b>		
<b>Day Count Fraction</b>	Actual/Actual (actual number of days in a month and actual number of days in a year)	
<b>Business Day Convention</b>	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria	
<b>Redemption/Payment Basis</b>	Redemption at par	
<b>Issuer's Early Redemption</b>	Not Applicable	
<b>Issuer's Optional Redemption</b>	Not Applicable	
<b>Other Terms Applicable On Redemption</b>	[●]	
<b>Offer Opens</b>	[●]	
<b>Offer Closes</b>	[●]	
<b>Allotment Date</b>	[●]	
<b>Notification Of Allotment</b>	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]	
<b>Payment Date</b>	[●], 2021	
<b>Details Of Bank Account To Which</b>	<b>Bank:</b>	FBNQuest Merchant Bank Limited
<b>Payments Are To Be Made In Respect Of</b>	<b>Account Name:</b>	[●]
<b>The Notes</b>	<b>Account Number:</b>	[●]
	<b>Sort Code:</b>	[●]
<b>Settlement Procedures And Settlement Instructions</b>	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)	
<b>Issuer Rating</b>	'BBB+' by DataPro Limited 'BBB-' by Global Credit Rating Co. Limited	
<b>Delivery Date</b>	[●]	

## CORPORATE ACTIONS

Except as disclosed in this document, there have been no corporate actions since the December 31, 2018 audited accounts.

## MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the December 31, 2020 audited accounts.

## RESPONSIBILITY

The Issuer and its Executive Management accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum and supplemental Programme Memorandum, if any, contains all information that is material in the context of the issue of the Notes.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2021

For and on behalf of

Viathan Funding PLC

\_\_\_\_\_  
Name  
Capacity: Director  
Who warrants his/her authority hereto

\_\_\_\_\_  
Name  
Capacity: Director  
Who warrants his/her authority hereto



## *Independent auditor's report*

To the Board of Directors of Viathan Funding Plc

### *Report on the audit of the special purpose combined financial statements*

#### *Our opinion*

In our opinion, the special purpose combined financial statements comprising Viathan Engineering Limited, PIPP LVI Genco Limited, Akute Power Limited, Lisabi Power Limited, Tofu Energy and Production Company Limited, Gasco Marine Limited, Island Power Limited, Marine Power Limited and Viathan Funding Plc ('the Obligors') are prepared, in all material respects, in accordance with the accounting policies described in Note 1 to the financial statements. The accounting policies used, and disclosures made are not intended to, and do not comply with all the requirements of International Financial Reporting Standards.

#### **What we have audited**

The Obligors' special purpose combined financial statements comprise:

- the special purpose combined statement of financial position as at 31 December 2019 and 31 December 2020;
- the special purpose combined statement of profit or loss and other comprehensive income for the years then ended;
- the special purpose combined statement of cash flows for the years then ended.
- the notes to the special purpose combined financial statements, which include a summary of significant 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 special purpose combined 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 Obligors 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.

#### *Emphasis of matter - Basis of accounting and restriction on distribution and use*

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The accounting policies used, and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards. The special purpose combined financial statements are prepared to assist the Obligors comprising Viathan Engineering Limited, PIPP LVI Genco Limited, Akute Power Limited, Lisabi Power Limited, Tofu Energy and Production Company Limited, Gasco Marine Limited, Island Power Limited, Marine Power Limited and Viathan Funding Plc to comply with the financial reporting provisions required for the registration of a commercial paper programme with FMDQ Securities Exchange Plc. As a result, the special purpose combined financial statements may not be suitable for another purpose.

*PricewaterhouseCoopers Chartered Accountants Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



Our report is intended solely for the Obligor comprising Viathan Engineering Limited, PIPP LVI Genco Limited, Akute Power Limited, Lisabi Power Limited, Tofu Energy and Production Company Limited, Gasco Marine Limited, Island Power Limited, Marine Power Limited and Viathan Funding Plc, and should not be distributed to or used by parties other than the Obligor and any other previously agreed recipients. Our opinion is not modified in respect to this matter.

#### *Other matter*

Each Obligor has prepared a separate set of financial statements for the years ended 31 December 2019 and 31 December 2020 in accordance with International Financial Reporting Standards, on which we issued a separate auditor's report to the shareholders of each Obligor dated 29 July 2020 and 4 June 2021 respectively for Viathan Funding Plc and 26 June 2020 and 4 June 2021 respectively for the other Obligors.

#### *Responsibilities of management and those charged with governance for the special purpose combined financial statements*

Management is responsible for the preparation of the special purpose combined financial statements in accordance with the accounting policies described in Note 1 to the special purpose combined financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose combined financial statements, management is responsible for assessing the Obligor'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 management either intends to liquidate the Obligor or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Obligor's financial reporting process.

#### *Auditor's responsibilities for the audit of the special purpose combined financial statements*

Our objectives are to obtain reasonable assurance about whether the special purpose combined 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 special purpose combined 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 special purpose combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Obligor's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Obligor'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 special purpose combined 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 Obligors to cease to continue as a going concern.

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.

Tosin Labedan

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Tosin Labedan  
FRC/2020/004/00000021470



26 July 2021

**Viathan Funding Plc**  
Special purpose combined financial statements  
For the year ended 31 December 2020  
*Statement of profit or loss and other comprehensive income*

	Notes	31 December 2020 N'000	31 December 2019 N'000
Revenue	4	7,723,550	7,794,910
Cost of sales	5	(5,340,968)	(4,831,244)
<b>Gross profit</b>		<b>2,382,582</b>	<b>2,963,666</b>
General and administrative expenses	6	(2,172,403)	(1,891,806)
Other gains/ (losses) - net	7	(234,376)	(1,036,599)
Impairment of financial assets	8	(1,081,810)	(452,432)
Other operating (costs)/ income - net	9	269,818	771,789
<b>Operating (loss)/ income</b>		<b>(836,389)</b>	<b>354,618</b>
Finance income	10	757,611	1,493,300
Finance costs	11	(2,432,053)	(5,386,970)
<b>Loss before income tax</b>		<b>(2,510,831)</b>	<b>(3,539,052)</b>
Taxation	12	528,210	1,182,801
<b>Loss for the year</b>		<b>(1,982,621)</b>	<b>(2,356,251)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,982,621)</b>	<b>(2,356,251)</b>



**Viathan Funding Plc**  
Special purpose combined financial statements  
For the year ended 31 December 2020  
Statement of financial position

	Notes	31 December 2020 N'000	31 December 2019 N'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	10,744,719	10,657,683
Intangible assets	14	2,722	7,569
Deferred tax assets	12	6,893,366	6,309,146
Investment in subsidiaries/associates	15	3,122,812	3,122,812
Derivative financial instruments	16	-	225,640
Finance lease receivables	17	1,351,872	2,176,425
Other receivables	18	84,810	88,423
Total non-current assets		22,200,301	22,587,698
<b>Current assets</b>			
Inventory	19	94,199	92,963
Finance lease receivables	17	2,990,178	3,582,594
Trade and other receivables	20	6,731,870	5,635,954
Cash and cash equivalents	21	512,057	2,242,346
Total current assets		10,328,304	11,553,857
<b>Total assets</b>		<b>32,528,605</b>	<b>34,141,555</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	22	6,667,170	5,717,183
Deferred tax liabilities	12	1,577,005	1,552,003
Total non-current liabilities		8,244,175	7,269,186
<b>Current liabilities</b>			
Trade and other payables	27	7,158,510	7,024,382
Current tax liabilities	12	704,096	883,700
Borrowings	22	2,259,538	3,808,841
Total current liabilities		10,122,144	11,716,923
<b>Total liabilities</b>		<b>18,366,319</b>	<b>18,986,109</b>
<b>EQUITY</b>			
Share capital	23	305,500	305,500
Share premium	24	3,961,608	3,961,608
Deposit for shares	25	14,950,141	14,950,141
Other reserves	26	490,390	490,390
Retained earnings		(5,545,353)	(4,552,193)
<b>Total equity</b>		<b>14,162,286</b>	<b>15,155,446</b>
<b>Total equity and liabilities</b>		<b>32,528,605</b>	<b>34,141,555</b>



Viathan Funding Plc

2020 Corporate Rating

## VIATHAN FUNDING PLC

This report is provided by DataPro subject to the terms & condition stipulated in our Terms of Engagement

### CORPORATE RATING REPORT

#### References

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

#### EVALUATION

**VALID TILL: September, 2021**

DataPro Rating: BBB\*  
Short term Rating: A2  
Previous Rating: N/A  
Rating Outlook: Stable  
Trend: UP  
Currency: Naira

#### SUMMARY

- Rating:

**BBB<sup>+</sup>**

- Report Type:  
Corporate Rating

- Client:  
Viathan Funding  
Plc

- Date Compiled  
21-Sep-2020

#### EXECUTIVE SUMMARY

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Gross Earning	8,927,222	8,060,318	7,100,000	5,403,311	5,390,957
Profit before Tax	(3,777,000)	(4,508,184)	(4,424,635)	(2,205,884)	2,244,205
Total Asset	46,553,181	45,312,418	45,120,364	37,988,135	26,665,165
Equity	14,733,637	2,603,702	5,489,135	8,452,892	10,199,702
Total Liabilities	29,861,509	41,869,469	40,811,385	30,810,032	16,465,463
Fixed Asset	10,657,682	11,015,145	9,401,946	7,051,545	5,579,053

#### RATING EXPLANATION

The Short-term rating of A2 indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The long-term rating of BBB\* indicates *Slight Risk*. It shows fair financial strength, operating performance and business profile when compared to the standard established by DataPro. This company, in our opinion, has the ability to meet its ongoing obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

DataPro @ 2020

2

Viathan Funding Plc Rating Report



GLOBAL CREDIT RATING CO.  
Local Expertise • Global Presence

## Viathan Funding PLC

Nigeria Corporate Analysis

October 2020

Rating class	Rating scale	Rating	Outlook	Expiry date
Long term	National	BBB <sup>(NG)</sup>	Stable	September 2021
Short term	National	A3 <sup>(NG)</sup>		

### Financial data:

(USD'm comparative)

	31/12/18	31/12/19
N/USD (avg.)	305.6	306.4
N/USD (close)	306.5	306.5
Total assets	149.5	149.9
Total debt	79.6	31.1
Total capital	9.7	37.2
Cash & equiv.	5.2	7.3
Turnover	26.4	29.1
EBITDA	4.0	4.8
NPAT	neg	neg
Op. cash flow	19.0	3.6

Market share: <5%\*

Market cap: n.a

\*Based on the estimated generation of 6,000MW across Nigeria  
Viathan Funding PLC ("Viathan" or "the Group")

### Rating history:

Initial ratings: (July 2017)

Long term: BBB<sup>(NG)</sup>

Short term: A3<sup>(NG)</sup>

Outlook: Stable

Last ratings: (October 2019)

Long term: BBB<sup>(NG)</sup>

Short term: A3<sup>(NG)</sup>

Outlook: Stable

### Rating methodologies/research

Global Master Criteria for rating corporate entities (updated February, 2018)

VFP Issuer rating reports (2017-19)

Glossary of terms/ratios, February 2018

### GCR contacts:

Primary Analyst:

Samuel Popoola

Analyst

samuel@gcrratings.com

Committee Chairperson:

Dave King

Analyst location: Lagos, Nigeria

+23 41 904 9462

www.globalratings.com.ng

### Summary rating rationale

- Viathan Funding PLC maintains a strong but defensive market share in the Nigerian electricity supply market, having attained an important mass across the power value chain and the gas industry. This is underpinned by the benefits of extensive technical expertise and linkages with well-established international partners it enjoys, being key factors enabling Viathan take advantage of the huge power supply deficit and structural inefficiencies.
- While the broader power sector manifests low cyclicality, Viathan's operating model manifests some exposures to economic cycles (as witnessed during the pandemic) and comparably lower earnings margins, but the model also exempts it from collection and liquidity challenges faced by on-grid players. Regulatory risks seem to have abated somewhat, with the hitherto litigation with a distribution company resolved out-of-court.
- Viathan has demonstrated sound revenue progression over the review period, evidenced by a five-year CAGR of 18.2% in FY19, driven by capacity expansion, increased capacity utilisation, expanded clientele and tariff escalations. The earnings quality is further underpinned by diversification initiatives, resulting in steady growth in gas revenues. The Group has secured the intention of some bulk electricity off-takers which it expects to drive an aggressive revenue growth of an average of 40% over the next two years.
- Profit margins have remained volatile over the years, primarily reflecting the multiplicity of operating/administrative structures across the underlying entities. A more recent pressure emanated from higher personnel expenses and COVID-19 donations during 7M FY20, translating to y/y contractions relative to prior year. As such, operating profits have been insufficient to cover the high interest costs during FY16-FY19. However, some respite was witnessed in 7M FY20 due to the elimination of interest on shareholder loans, following its conversion. Although, Viathan intends to raise more debt, thereby elevating interest obligations, EBITDA coverage of interest is expected to trend around the 2x-2.5x range over the medium term, but this could lag projections should earnings shock manifest.
- Following the said conversion of shareholder loans to preference shares, Viathan's capital structure and liquidity position have strengthened somewhat, but Global Credit Rating Company Limited ("GCR") negatively views the significant depletion of core capital (due to persistent net losses) to a negative position in FY19, which is expected to persist until the Group returns to net profitability in FY22.
- Positively, gross debt has drastically reduced (by c.60%) to N9.5bn at FY19 (7M FY20: N9.3bn) translating in a substantial improvement in net debt to EBITDA to 419% in FY19 from >1,800% in FY8. The management forecasts indicate that the margin will trend around 350% to 400% over the next two years, owing to planned additional debt to fund expansion and support working capital. While the improvement in the metrics is well noted, the projected range is above those reported by similarly rated entities, and could deteriorate even further if any material earnings shock manifests.

### Factors that could trigger a rating action may include

**Positive change:** Critical to upward ratings migration, is Viathan's return to sustainable profit levels, particularly, meaningful improvement in debt service metrics. Net debt to EBITDA sustained at the range of 2x to 3.5x would also be positively considered.

**Negative change:** Material adverse regulatory developments, significant revenue underperformance, weaker earnings margins, contraction in interest coverage metrics below 1.5x, and substantial deterioration in earnings-based gearing metrics beyond expectation, could trigger a rating downgrade.

Nigeria Corporate Analysis | Public Rating

24<sup>th</sup> June 2021

**FBN Quest Merchant Bank Limited**  
10, Keffi Street  
South West Ikoyi  
Lagos.

**Renaissance Securities (Nigeria) Limited**  
17A Ozumba Mbadiwe Road  
Victoria Island  
Lagos.

Dear Sir,

**OPINION IN RESPECT OF THE UP TO ₦20,000,000,000.00 (TWENTY BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME ESTABLISHED BY VIATHAN FUNDING PLC**

**Introduction**

We are solicitors to Viathan Funding Plc's (the "Issuer") proposed up to ₦20,000,000,000 (Twenty Billion Naira) Commercial Paper Issuance Programme (the "CP Notes").

We have provided our legal opinion on the CP Notes below for your benefit.

**1. The Documents**

This legal opinion is based on our review of the following documents:

- 1.1 a draft Programme Memorandum;
- 1.2 a draft Dealer Agreement;
- 1.3 a draft Deed of Covenant;
- 1.4 a draft Paying and Collection Agency Agreement;

The documents listed above are referred to below as the "Transaction Documents".

**2. Sources**

We have not sought to establish the accuracy of the information contained in the Transaction Documents and the constitutional documents of the Issuer or the reliability of the same by reference to independent evidence. However, we are not aware of any of these assumptions being incorrect or misleading.

In respect of each of the materials provided to us, we have assumed that:

- 2.1 any information was, when supplied (and continues to be), true, accurate and not misleading;

- 2.2 all signatures and company seals on all documents we have examined or on the relevant originals where we have examined copies are genuine;
- 2.3 each party to the Transaction Documents has the right, power and authority and has taken all actions necessary to validly execute and deliver, and to exercise its rights and perform its obligations under the relevant document, agreement or arrangement.

### 3. Opinion

Based on the above and subject to the qualifications below, we are of the opinion that should the transaction proceed on the terms as presently contained in the Transaction Documents:

#### 3.1 *Validity of Transaction Documents*

- 3.1 All Transaction Documents are valid, binding, have been duly stamped (where necessary) and are enforceable in line with their terms.

#### 3.2 *Legal Status and capacity of the Parties*

Each party to the Transaction Documents including the Issuer and the Co-Obligors (i) is a limited company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual existence and the capacity to sue or to be sued in its own name; and (iii) by virtue of its constitutional documents, has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes.

#### 3.3 *Consent and Filings*

- 3.3.1 All parties to the Transaction Documents have obtained the essential consents, authorizations and licences empowering them to execute the respective Transaction Documents.
- 3.3.2 Under the laws of the Federal Republic of Nigeria, no party which is not registered in Nigeria will, by reason of its purchase of the Notes, and enforcing its rights (i) be required to make any filing with any public registries in the Federal Republic of Nigeria prior to any enforcement of the Transaction Documents, including the CP Notes or (ii) be required to be registered, qualified, licensed or otherwise entitled to do business in the Federal Republic of Nigeria; or be deemed to be resident, domiciled or carrying on business in the Federal Republic of Nigeria for tax or any other purposes.
- 3.3.3 The performance by any party under the Transaction Documents, including the CP Notes will not violate any existing applicable law in Nigeria.

#### 3.4 *Legal and enforceable obligations*

The CP Notes and the Transaction Documents constitute legal, valid and binding obligations of the Issuer and the Co-Obligors enforceable against each of the parties in accordance with their respective terms.



### 3.5 *Validity of the Deed of Covenant*

The Deed of Covenant embodies the Issuer's and Co-obligors' undertaking to the Noteholders to duly perform and fulfill their obligations in respect of each CP Note. By virtue of Clause 2.3 of the Deed of Covenant, the Issuer and each Co-Obligor shall be jointly and severally liable to the Noteholders for obligations under the CP Notes.

The obligations of the Issuer and Co-obligors are valid, legal and binding obligations enforceable by the holders of the CP Notes against the Issuer and Co-obligors in accordance with the Deed of Covenant.

### 3.6 *Validity of the Paying and Collection Agency Agreement*

The Paying and Collection Agency Agreement ("PCA Agreement") sets out the rights and duties of the Issuer and Paying and Collection Agent ("PCA") in respect of the issuance of the CP Notes. By virtue of Clause 4 of the PCA Agreement, the Issuer must ensure there are sufficient funds in the account designated by the PCA to repay any matured CP Notes.

### 3.7 *Validity of the Dealer Agreement*

By virtue of the Dealer Agreement the Issuer appointed the Dealers for the purpose of overseeing the CP Notes. Under Clause 4.1.2 of the Dealer Agreement, the Issuer is required to promptly notify the Dealers in writing of any change in the Issuer's or any of the Co-obligor's financial conditions, operations or business prospects that would be material to holders of the CP Notes or potential holders of the CP Notes.

### 3.8 *Effect of Issuer's Default*

In the event of the failure of the Issuer to perform its obligations under the CP Notes, the Deed of Covenant makes the Co-obligors jointly and severally liable to the Noteholders for the Issuer's obligations under the CP Notes.

### 3.9 *Tax and Stamp Duty*

- 3.9.1 The provisions of the Stamp Duties Act CAP S8 LFN, 2004 require any instrument executed in the Federal Republic of Nigeria or relating to any property situated or any matter or thing done or to be done in the Federal Republic of Nigeria to be stamped. Any unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of the Federal Republic of Nigeria.
- 3.9.2 Each of the Transaction Documents are required to be stamped in Nigeria within a period of thirty (30) days after execution (where they are executed in the Federal Republic of Nigeria) or within a period of forty (40) days after the Transaction Documents are first brought into the Federal Republic of Nigeria (in the event the Transaction Documents are executed outside the Federal Republic of Nigeria)
- 3.9.3 The Issuer is not required to make any withholding or deduction from any payment due to the Noteholders on the Notes. However, the discount on any of the Notes may be taxed in accordance with applicable tax laws in Nigeria.

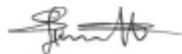
**4. Qualification**

- 4.1 The validity and enforceability of rights and remedies under the Transaction Documents may be subject to limitations imposed by applicable Nigerian bankruptcy, insolvency, reorganization, administration, moratorium, limitation, prescription and time-bar or other laws affecting the rights of creditors in general and to any provision generally applicable under Nigerian law regarding the invalidation or revision of unfair contract terms.
- 4.2 For the purposes of this opinion, we have limited our review to matters of Nigerian law as of the date of this opinion. The laws of Nigeria shall also govern any obligations in connection with this opinion.
- 4.3 This opinion is expressly limited to the matters stated in the same and we render no opinion whether by implication or otherwise as to any other matters.
- 4.4 We have issued this opinion on the basis that the unsigned Transaction Documents will not deviate materially from the versions we have reviewed and we assume no obligation to update or supplement our opinion contained in this document to reflect any facts or circumstances that may come to our attention or any changes in law that may occur or become effective after the date of this opinion.

**5. Addressee**

- 5.1 This legal opinion is addressed exclusively to FBN Quest Merchant Bank Limited and Renaissance Securities (Nigeria) Limited on the understanding that no other person, except stakeholders to this transaction, may use or rely on its contents or any views expressed in it without our prior written consent. Accordingly, we do not accept any responsibility or bear any duty of care or other liability to any person other than the Addressees in respect of this opinion.
- 5.2 The opinion may be included in the Programme Memorandum and may be disclosed in connection with any actual or potential dispute or claim to which the Addressees are parties in relation to the Transaction on the understanding that any disclosure is made solely for information purposes and not for the purposes of reliance. Accordingly, we do not accept any responsibility or bear any duty of care or other liability in that regard.

Yours faithfully,



**Innocent Abidoye**

○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolutions of the Board of Directors of the Issuer and each of the Co-Obligors dated 27 November 2019.

○ **Auditors**

PricewaterhouseCoopers acted as auditors of the annual financial statements of the Issuer and the Co-Obligors for the financial years ended December 31, 2018, December 31, 2019, and December 31, 2020, and were responsible for the audit, and issued unqualified reports.

○ **Commercial Paper Outstanding**

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending 31 December 2020, the Issuer does not anticipate the amount of the said commercial paper outstanding and the Notes outstanding under this CP Programme to exceed the Programme Size.

○ **Going Concern**

The Issuer and the Co-Obligors are as at the date hereof a going concern and can be reasonably expected to meet all of their obligations as and when they fall due.

○ **Litigation**

According to the Solicitors to the Transaction vide the Opinion dated 24<sup>th</sup> June 2021 on the effect of all pending or contemplated claims by or against the Viathan Group<sup>2</sup>:

In the ordinary course of their business, Island Power Limited, Viathan Engineering Limited, PIPP Genco Limited, Akute Power Limited, PIPP LVI Disco Limited, Lisabi Power Limited and PIPP LVI Genco Limited, are currently involved in eight (8) lawsuits; out of which three (3) were all instituted against them and five (5) were instituted by them. Furthermore, Lisabi Power Limited has an administrative proceeding pending before the Nigerian Electricity Regulatory Commission and parties are currently in discussions towards resolving the matter.

From the review of the documents provided, there are no monetary claims against the Viathan Group and in the opinion of the solicitors of the transaction, the contingent liability to which the Viathan Group may likely be exposed on account of the above matters are not likely to exceed the claims made in these matters. Having considered the information provided by the solicitors defending the various claims against the Viathan Group and made such other enquiries, as we consider necessary and appropriate, we are of the opinion that none of the claims against the Viathan Group is material to the proposed CP Notes.

Except as stated above, the solicitors are not aware of any other pending or threatened claims involving the Viathan Group which are material to the proposed CP Notes. They are also of the opinion that none of the cases referred to above is likely to have any material adverse effect on the Viathan Group or the proposed CP Notes.

Viathan Engineering Limited, the sponsor of the CP Notes has also indicated that it is not aware of any other pending and or threatened claims or litigation except for those referred to above and that in its opinion, none of the cases is likely to have any material adverse effect on the Viathan Group or the proposed CP Notes.

---

<sup>2</sup> The companies within the Viathan Group are (a) Viathan Engineering Limited (b) Tofu Energy & Power Company Limited (c) PIPP LVI Genco Limited (d) Marine Power Limited (e) Island Power Limited (f) Gasco Marine Limited (g) Viathan Funding Plc (h) Lisabi Power Limited (i) IPL Distribution Company Limited (j) Akute Power Limited



○ **Material Contracts**

The following agreements have been entered into and are considered material to this Programme:

- i. The Deed of Covenant dated 21 October, 2021 executed by the Issuer and the Co-Obligors as a deed poll in favour of the Note holders;
- ii. The Dealer Agreement dated 21 October, 2021 executed by the Dealers and the Issuer;
- iii. The Paying and Collection Agency Agreement dated 21 October, 2021 executed by the Issuer and the Paying and Collection Agent; and
- iv. The Issuing and Placing Agency Agreement Dated 21 October, 2021 executed by the Issuer and the Issuing and Placing Agent.

On 15<sup>th</sup> December 2017, the Issuer established a ₦50,000,000,000.00 (Fifty Billion Naira) Medium Term Notes Programme under which it issued the ₦10,000,000,000.00 (Ten Billion Naira) Series 1 Senior Guaranteed Fixed Rate Bonds due 2027 (the “Viathan Bonds”). We have itemized the documents in respect of the Viathan Bonds which we consider material to this Programme:

- i. Programme Trust Deed dated 15<sup>th</sup> December 2017 executed by the Issuer, Co-Obligors and UTL Trust Management Services Limited;
- ii. Series 1 Trust Deed dated 15<sup>th</sup> December 2017 executed by the Issuer, Co-Obligors and UTL Trust Management Services Limited;
- iii. Deed of Guarantee dated 15<sup>th</sup> December 2017 executed by Infrastructure Credit Guarantee Company Limited in favour of UTL Trust Services Management Limited;
- iv. Recourse Deed dated 14<sup>th</sup> December 2017 executed by the Co-Obligors, Infrastructure Credit Guarantee Company Limited and Stanbic IBTC Trustees;
- v. Amendment and Restatement to the Recourse Deed executed by the Co-Obligors, Infrastructure Credit Guarantee Company Limited and Stanbic IBTC Trustees; and
- vi. Deeds of All Assets Debenture executed by all the Co-Obligors in favour of Stanbic IBTC Trustees.

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

○ **Ultimate Borrower**

The Issuer and the Co-Obligors are the borrowers in respect of the Notes and together assume joint and several liabilities for the obligations under the Notes.

**ISSUER**

**Viathan Funding PLC**  
17B, Chibo Ofodile Close  
Off Ladipo Latinwo Crescent  
Lekki Phase 1, Lagos  
Nigeria



**SPONSOR**

**Viathan Engineering Limited**  
17B, Chibo Ofodile Close  
Off Ladipo Latinwo Crescent  
Lekki Phase 1, Lagos  
Nigeria



**LEAD ARRANGER AND DEALER  
ISSUING, PLACING, PAYING AND COLLECTION AGENT**

**FBNQuest Merchant Bank Limited**

10 Keffi Street  
Off Awolowo Road  
S/W Ikoyi, Lagos  
Nigeria



**JOINT ARRANGER AND DEALER  
ISSUING AND PLACING AGENT**

**Renaissance Securities (Nigeria) Limited**

6<sup>th</sup> Floor, East Tower, The Wings Office Complex  
17 A Ozumba Mbadiwe Road  
Victoria Island, Lagos  
Nigeria



**AUDITORS**

**PricewaterhouseCoopers**  
Landmark Towers  
5B, Water Corporation Road  
Victoria Island, Lagos  
Nigeria



**SOLICITORS**

**The New Practice**  
49 Raymond Njoku Street  
S/ W Ikoyi, Lagos  
Nigeria

  
**Bukola Bankole**