

This Programme Memorandum has been prepared in accordance with the guidelines of the Central Bank of Nigeria 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 Mixta Real Estate plc and they individually accept full responsibility for the accuracy of all information given.



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

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## **₦20,000,000,000**

### **COMMERCIAL PAPER ISSUANCE PROGRAMME**

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Mixta Real Estate plc (“Mixta Nigeria”) or (the “**Issuer**”) or (the “**Company**”), a public limited liability company incorporated in Nigeria, has established this ₦20,000,000,000 Commercial Paper Issuance Programme (the “**CP Programme**”), under which Mixta Nigeria 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.

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 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 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 will be issued in dematerialised form and may be registered, quoted and traded over the counter (“**OTC**”) via the FMDQ Securities Exchange PLC (“**FMDQ**”) Platform in accordance with the rules, guidelines and such other regulation as may be prescribed by the Central Bank of Nigeria (“**CBN**”) and FMDQ from time to time, or any other recognized trading platform, and securities will settle via the Central Securities Clearing System PLC (“**CSCS**”), 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 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 CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued in November 18, 2009, 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 Commercial Paper Registration and Quotation Rules (the “**Rules**”) of FMDQ in force as at the date thereof.

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**Arranger and Dealer**  
**Issuing, Calculation and Paying Agent**

**FBNQUEST MERCHANT BANK LIMITED**  
RC: 264978

This Programme Memorandum is dated 14 August 2019

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## GLOSSARY OF DEFINED TERMS

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

“Agency Agreement”	The issuing, calculation and paying agency agreement dated on or about 14 August 2019 and entered into between the Issuer and the Issuing, Calculation and Paying Agent
“Arranger”	FBNQuest Merchant Bank Limited
“Board” or “Directors”	Board of Directors of Mixta Real Estate 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 18 <sup>th</sup> November 2009, 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
“CSCS” or the “Clearing System”	Central Securities Clearing Systems plc which expression shall include its successors or any additional or alternative clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
“CSCS Rules”	The rules and operating procedures for the time being of the CSCS
“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”	FBNQuest Merchant Bank 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 basis, subject to the Issuer’s right to terminate the appointment of any Dealer
“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 Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in FMDQ Rules. Clean CPs (i.e. CPs not backed by guarantees or such other credit enhancement) shall be sold to QIIs and EIs
“Face Value”	The par value of the Notes
“FGN”	Federal Government of Nigeria
“FIRS”	Federal Inland Revenue Service
“FMDQ Rules”	The FMDQ Commercial Paper Registration and Quotation Rules, August 2019 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration

**GLOSSARY OF DEFINED TERMS**

	and quotation of commercial papers as may be prescribed by FMDQ from time to time
“FMDQ”	means FMDQ Securities Exchange PLC, a securities exchange and self-regulatory organisation licenced by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration and trading of debt securities
“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 CSCS 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
“Issuing, Calculation and Paying Agent”	FBNQuest Merchant Bank Limited or any successor issuing, calculation and paying agent in respect of the Notes, appointed by the Issuer
"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
“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
“Mixta Nigeria”, “Issuer”, or the “Company”	Mixta Real Estate plc
"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 CSCS 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 CSCS
“OTC”	Over The Counter
“Outstanding”	means, in relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> <li>(i) those Notes which have been redeemed pursuant to these Conditions</li> <li>(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</li> <li>(iii) those Notes which have become void under the provisions of the Agency Agreement</li> </ul>
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)

**GLOSSARY OF DEFINED TERMS**

“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) commercial paper issuance programme established by the Issuer which allows for the multiple issuance of Notes from time to time
“Programme Memorandum”	This information memorandum dated August 14, 2019 which 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 FMDQ from time to time. Clean CPs shall only be sold to QIIs and EIs
“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 CSCS or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
“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 CSCS 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
“Specified Office”	The office of the Issuing, Calculation and Paying Agent as specified under the Agency Agreement and shall include such other office or offices as may be specified from time to time thereunder
“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

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This Programme Memorandum contains information provided by the Issuer 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 OTC PLC 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.

## INCORPORATION OF DOCUMENTS BY REFERENCE

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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 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 available on the website of the Issuer, [www.mixtanigeria.com](http://www.mixtanigeria.com), 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.

## 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>	Mixta Real Estate plc
<b>Arranger &amp; Dealer, Issuing, Calculation and Paying Agent:</b>	FBNQuest Merchant Bank Limited
<b>Auditors:</b>	Deloitte & Touche
<b>Registrars/Custodian:</b>	Central Securities Clearing System plc
<b>Solicitors:</b>	Banwo & Ighodalo
<b>Programme:</b>	The commercial paper issuance programme established by the Issuer 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 for its 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 Agusto & Co. Limited. <b>{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}</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
<b>Restriction on the Issuance/Sale and Transfer of the CP Notes</b>	The issuance, sale, and transfer of Clean CPs issued under the CP Programme shall be restricted to Qualified Institutional Investors ("QIIs") and Eligible Investors ("EIs"), as outlined in FMDQ Rules
<b>Status of Notes:</b>	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
<b>Listing/ Quotation:</b>	The Issuer will quote Series or Tranche of Notes on the FMDQ 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 or listing 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 Mixta Real Estate PLC

## SUMMARY OF THE PROGRAMME

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<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 Nigerian law
<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”)

## BRIEF COMPANY PROFILE

Mixta Nigeria formerly ARM Properties plc, is a leading real estate development company in Nigeria. The Company has a strong track record and diverse real estate portfolio, with operations spanning the residential, commercial, retail and leisure sectors of the Nigerian real estate industry.

Mixta Nigeria has successfully delivered close to 3,000 real estate assets, comprising homes, plots and retail outlets to end-buyers. As a result of its successful business model, the Company's Net Asset Value<sup>1</sup> has grown to almost ₦70 billion, thus making it one of the largest real estate companies in Nigeria. The Company's key distinguishing factors include competent and experienced management, deep relationships with key players in the market and a consistent pipeline of projects. The Company's strategy is to create value for investors and clients by delivering innovative solutions, with the objective of positioning the Company as a dominant player in the Nigerian real estate market.

The Company's target segments are:

- ✓ Residential real estate development, particularly in the affordable and middle income segments;
- ✓ Commercial and retail developments, comprising mid-tier shopping centres and markets; and
- ✓ Mixed use developments

The key strengths of the Company include:

- ✓ Partnerships with strong and experienced counterparties to lower overall investment and execution risks
- ✓ Structuring real estate projects to strike a balance between short term income needs and consideration for sustainable long term investment objectives
- ✓ Excellent reputation for quality and value delivery in the country's real estate market
- ✓ Strong distribution network, on account of its ability to leverage the wide group clientele
- ✓ Proven pre-sales track record, with almost 100% of its homes pre-sold prior to construction
- ✓ Substantial land bank across key markets, measuring approximately 16 million sqm
- ✓ De-risked portfolio in Lagos, following the deployment of significant capital and major infrastructure in the Lagos New Town, thus reducing the infrastructure component and financing requirements of subsequent phases

## HISTORY OF THE COMPANY

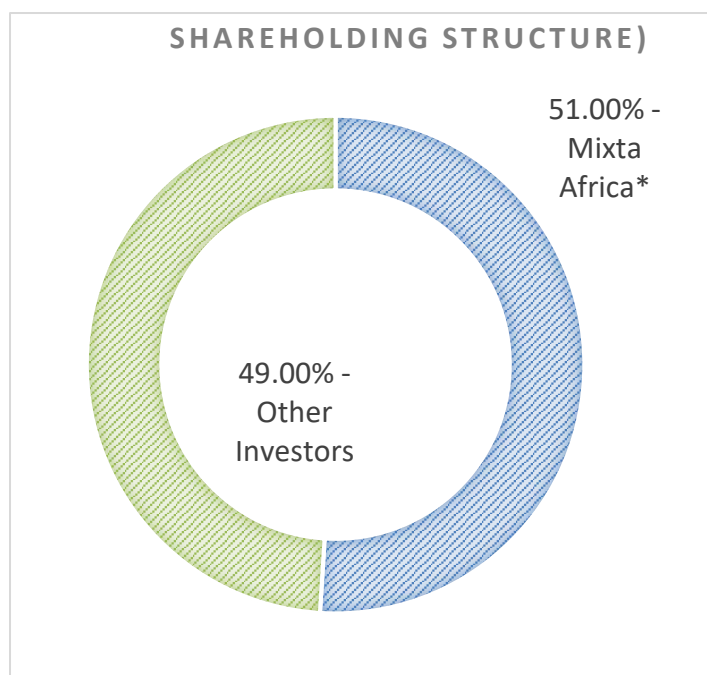
The Company commenced operations in February 2006 as a Real Estate Investment Fund (the "Fund") promoted by Asset & Resource Management Holding Company Ltd ("ARM"), an established asset management company headquartered in Lagos, Nigeria. Prior to this time, ARM had built a successful track record of advisory experience in real estate. In 2007, following the growth of the Company and its extensive experience delivering on real estate projects, the Fund was converted to a property company, ARM Properties plc. In 2008, the Company made its inaugural equity fund raising and admitted approximately 2,000 new shareholders, raising ₦5.7 billion in the process.

Driven by the need to strategically grow the company's real estate business, and exploit opportunities in the African real estate sector, in 2015 ARM acquired Mixta Africa SA, an Africa-focused large scale property development company headquartered in Spain with subsidiary operations in several countries across North and sub-Saharan Africa. With the acquisition, ARM Properties plc has since become a subsidiary of Mixta Africa, and has undergone a name change to Mixta Real Estate plc, with Mixta Nigeria as the brand.

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<sup>1</sup> Includes Deposit for shares

**SHAREHOLDING STRUCTURE**



\*Upon regulatory approval following conversion of Deposit for Shares

**OPERATING STRUCTURE AND SUBSIDIARIES**

The Company executes its projects through Special Purpose Vehicles (SPVs) with an asset/liability structure set up to provide legal form for the acquisition, financing and delivery of specific real estate projects. Mixta Nigeria provides the required project management and other resource requirements of the SPVs. The SPVs are expected to be wound up after the real estate is developed and sold.

Mixta Nigeria currently operates through 4 SPVs for the execution of its projects, and they are as follows:

1. **Adiva Properties Ltd:** Adiva Properties Ltd is an SPV established for the purpose of executing a residential real estate project in Lagos. The Company owns a total of 111 hectares of land, 50 hectares of which has been developed with 213 units of residential homes and 393 serviced plots successfully sold and mostly delivered.

By Court Order dated 8<sup>th</sup> April 2019, Crosstown Malls Properties Ltd, Oakland Properties Limited and Adiva Properties Limited were merged into Adiva Properties Ltd. As a consequence, in addition to the aforementioned assets, Adiva Properties Limited also owns:

- a. 13,797 square meters of undeveloped land along the Badagry Expressway in Lagos; and
- b. a mall in Iju, Lagos which measures over 3,000 sqm in size and comprises 141 units of lock up shops.

2. **Toll System Development Company Ltd:** Toll System Development Company Ltd (TSD) was established to hold land assets for future developments, and currently holds 941 hectares of undeveloped land in Ibeju-Lekki, Lagos.
3. **Summerville Golf Club Ltd:** Summerville Golf Club Ltd was established for the development of premium and upper middle class developments around a golf course in Ibeju Lekki. The Company owns 308 hectares of land and has executed an 18-hole golf course on the site, with the ongoing development of residential homes and plots. These projects include the Enclave – 206 Homes & Villas; and the Village – 18 Premium

Homes. About 200 plots have also been delivered. Phase II of Summerville Plots is currently in development.

4. Garden City Golf Estate Development Ltd: Garden City Golf Estate Development Ltd is a Company set up to develop golf courses and ancillary amenities, and is a joint-venture with the Rivers State Government. The Company owns a total of 200 hectares of land, which will be developed into a golf course and residential estate.

In addition to the above Special Project Vehicles, Mixta Nigeria also owns parcels of land directly. The Company owns 50 hectares of land in the Lagos New Town, 25 hectares of land in the Townsville extension, and 12.1 hectares of undeveloped land in Farapark II and 4.5 hectares of land in Beechwood Estate, Iwerekun, Ibeju-Lekki, Lagos.

#### SUMMARY OF COMPLETED PROJECTS

Name	Description	Location	Completion Date
<b>Sierras at Adiva Plainfields</b>	Mid-market residential development comprising 80 units of 3-bedroom flats within the Adiva Plainfield's Estate.	Lagos	2015
<b>Adiva Plainfields Estate</b>	111-hectare residential estate, comprising 1,300 homes and serviced plots, and infrastructure including roads, power, water supply and drainage systems.	Lagos	Phase I comprising of 526 units was delivered in 2012 & 2013
<b>Lakowe Lakes Golf Course</b>	An 18-hole golf course with a clubhouse and other leisure facilities, within an exclusive, secure and serene gated community.	Lagos	2012
<b>Oluwole Urban Market</b>	Retail complex consisting of 684 shops, executed as a PPP with the Lagos State Government.	Lagos	2010
<b>Cross Town Mall</b>	Retail complex in Agege, Lagos. All 141 units have been delivered.	Lagos	2010
<b>Beechwood Estate</b>	100-hectare gated site and service estate in Lagos, offering land in varied plot sizes. Over 1,000 plots sold and delivered.	Lagos	2007
<b>Fara Park Estate</b>	15-hectare residential estate comprising 307 homes.	Lagos	Phase I 2006 & Phase II 2015
<b>Townsville Estate</b>	25-hectare gated layout development without infrastructure comprising of over 350 plots	Lagos	2015
<b>Lakeside Mews I &amp; II</b>	Luxury residential estate of 10 homes developed in the exclusive residential district of the Osborne Layout, Ikoyi	Lagos	1998, 2002

## SUMMARY OF PROJECTS

Project Name	Asset Class	Location	Status	Number of Units
Lakeside Mews I & II	Residential – Premium	Lagos	Completed	10
Townsville Estate	Residential – Affordable	Lagos	Completed	367
Fara Park Estate	Residential – Upper Mid-market	Lagos	Completed	307
Beechwood Estate	Residential – Mid-market	Lagos	Completed	1000+
Oluwole Urban Mall	Retail	Lagos	Completed	684
Crosstown Mall	Retail	Lagos	Completed	141
Lakowe Lakes Golf Course	Hospitality	Lagos	Completed	-
Adiva Plainfields Estate	Residential – Mid-market	Lagos	Completed	960
The Enclave	Residential – Upper Mid-market	Lagos	Ongoing	213
The Village	Residential – Premium	Lagos	Ongoing	18
Lakowe Plots Phase I	Residential – Upper Mid-market	Lagos	Ongoing	341
Garden City Golf Estate	Residential – Upper Mid-market	Port Harcourt	Ongoing	747
Residence de la Paix Lagos	Residential – Affordable	Lagos	Ongoing	4,256
Townsville Extension	Residential – Affordable	Lagos	Ongoing	311
Beechwood Phase II	Residential – Mid-market	Lagos	Ongoing	68
Adiva Homes Phase II & III	Residential – Mid-market	Lagos	Pipeline	548
Adiva Plots Phase II & III	Residential – Mid-market	Lagos	Pipeline	304
Oluwole Phase II	Retail	Lagos	Pipeline	413
The Enclave Phase II	Residential – Upper Mid-market	Lagos	Pipeline	116
Little Rome	Residential – Premium	Lagos	Pipeline	80
Lakowe Plots Phase II	Residential – Upper Mid-market	Lagos	Pipeline	96
Residence de la Paix Ogun	Residential – Affordable	Ogun	Pipeline	1,532
Residence de la Paix PH	Residential – Affordable	Rivers State	Pipeline	768
Lakowe Plots Phase III	Residential – Upper Mid-market	Lagos	Pipeline	133
The Enclave at Garden City	Residential – Upper Mid-market	Port Harcourt	Pipeline	69
Urban Renewal	Residential – Mid-market	Various	Pipeline	1,040

## PROFILE OF DIRECTORS AND KEY MANAGEMENT STAFF

### **Mr. Kola Ashiru-Balogun – Managing Director**

Kola Ashiru-Balogun is the Managing Director of Mixta Real Estate plc. Kola has also worked in various capacities in Harbor Point Limited, Schonbraun McCann Group, Stonehenge Real Estate Group, The Church Pension Group and Goldman Sachs. Kola holds a B.Sc in Business Administration from the Bernard Baruch College, Zicklin School of Business and MSc Real Estate with Finance Concentration from the New York University.

### **Mr. Ugochukwu Ndubuisi – Executive Director, Legal & Corporate Services**

Mr. Ugochukwu is the Executive Director, Legal & Corporate Services of the Company. In this role, he oversees the legal unit, corporate services department and general administration of the Company. Prior to assuming this role, Ugo worked as the Head of the Legal and Corporate Services Division and also as a Senior Counsel in the Group Holding Company – Asset & Resource Management Holding Company Limited (ARM).

At ARM, Ugo advised on ARM's Structured Finance Transactions, Mergers and Acquisitions and diverse Corporate Commercial dealings. He was also an integral part of the team that superintended over the Group's restructuring exercise. Ugo holds a First Class Degree in Law from the University of Ibadan and has been called to the Nigerian Bar. He also holds a Master's Degree (Distinction) from the University College London with specialization in the Law of Banking & Finance.

### **Mr. Deji Alli (OFR) – Non-Executive Director**

Deji Alli is the Chairman and CEO of Mixta Africa SA. Prior to this, he served as the founding CEO of Asset & Resource Management Company Limited, a role which he stepped down from in July 2015. Deji's career also spans Prudential Portfolio Managers Limited, UK and the African Development Bank. He holds a B.Sc. degree in Accounting and a post-graduate degree in Finance from the University of Lagos.

### **Mr. Daniel Font – Non-Executive Director**

Daniel Font is the Chief Operating Officer and Deputy CEO of Mixta Africa SA. Prior to joining the Firm in 2008, Daniel held several key positions in Group Diagonal and Bouygues Corp. He holds a Bachelor's Degree in Civil Engineering from the Polytechnic School, an MBA from ESADE Business School and General Management Program from IESE Business School.

### **Mr. Wale Odutola – Non-Executive Director**

Wale Odutola is the Managing Director of ARM Pension Managers (PFA) Limited. Prior to this, he served as the Managing Director of ARM Securities, ARM Properties plc and ARM Hospitality and Retail Fund, and the Head of ARM's Research and Investment Management functions department at various times. Wale holds a B.Sc. in Accounting from the University of Lagos, and is an alumnus of the Harvard Business School.

### **Mr. Dafe Akpedeye (SAN) – Non-Executive Director (Independent)**

Dafe Akpedeye is a Senior Advocate of Nigeria and a Partner at Akpedeye and Company, a Law Firm he founded in 1987. He also lectures at the Delta State University. He is a member of the International Bar Association and sits on the National Executive Committee of Nigerian Bar Association. He is a graduate of the University of Lagos and holds a Master of Law (LLM) degree from Harvard University.

### **Mrs. Olanike Anani – Non-Executive Director**

Olanike Anani has cognate experience in investment management and finance. She is the CEO of CLAD Ltd, a single family office that invests in a range of sectors primarily in Nigeria. Prior to her role at CLAD Ltd, she worked in leading corporations globally including Deloitte LLP UK and GFI Group. She is a member of the Institute of Chartered Accountants England and Wales and a First Class Economics graduate from University College London, UK. She sits on the boards of several companies.

## KEY MANAGEMENT STAFF

In addition to the Managing Director, Mr Kola Ashiru Balogun, and the Executive Director, Mr. Ugochukwu Ndubuisi, below are other key management staff of Mixta Nigeria plc:

### **Mr. Oyeniyi Fakunle – Chief Financial Officer**

Oyeniyi Fakunle is the Chief Financial Officer, a role which he assumed in August 2018. Prior to this, he worked with Baker Tilly Nigeria and SIAO as Audit Manager; Kakawa Discount House Limited as Chief Financial Officer, and FBNQuest Merchant Bank Limited as Financial Controller. Oyeniyi is a graduate of Accounting and a Fellow member of the Institute of Chartered Accountants of Nigeria (FCA). He is also a Certified Information System Auditor (CISA).

Oyeniyi has over 17years of work experience spanning across financial services and audit practises. He is an expert in financial reporting, financial management, tax management and audit.

### **Mr. Korede Lawrence-Salu – Head of Business Development, Sales and Marketing**

Korede is Head, Business Development, and Marketing & Sales at Mixta Nigeria. An alumnus of the University of Lagos, Akoka, the Lagos Business School, Lekki- Ajah and De Montfort University, Leicester ,United Kingdom where he obtained degrees in Cell Biology & Genetics and Business Administration . Korede is responsible for marketing direction, safe guarding the value chain of product sales and generating new business for the Company.

With over 14 years spanning sectors like Advertising, Banking, the organized recreational sector in the United Kingdom, he has been responsible for the sale of commercial and residential real estate within notable projects at Lagos, Abuja, Port-Harcourt and Cross River all in Nigeria, across the different market segments. Some of these projects include the Sunnyvale Project, Dakwo District Abuja, the Royal Gardens Estate Project Ajah Lagos, the Summit Hill Project, Cross River and other projects that have all generated enduring value for their respective market segments.

### **Miss Lantana Elhassan, Head Design, Procurement and Contracting**

Lantana is a Senior Design, Procurement and Contracting Associate at Mixta Real Estate Plc. Prior to this, she worked with ARM Properties as Senior Analyst. She has also worked with Mark Reeves Architects, Relief International and The Good Earth Trust, building expertise in real estate development , regeneration and urban development. Lantana has a M.Sc. in Urban Development and planning from University College London and a M.Sc. in Architecture from Ahmadu Bello University, Zaria.

### **Mr. Udo Ukpai Aso – Head of Technical Services**

Udo Ukpai Aso is the Head of Technical Services at Mixta Real Estate Plc. He has over 20 years' experience in Construction and project Management. Udo worked in several Multinational companies including DYS Trocca Valsesia & Co. Ltd where he rose to become the Civil Engineering Manager. Udo holds a B..Eng honours degree in Building and Construction Engineering from Federal University of Technology Owerri as well as a Masters degree in Construction Management from the University of Lagos. He has also attended several Management and Project Management courses

## CORPORATE GOVERNANCE STRUCTURE

### **Board Structure**

The Board currently has eight (8) Directors, comprised of six (6) non-executive directors and two (2) executive directors. In accordance with the requirements of the relevant Corporate Governance Codes, the positions of Chairman and Managing Director/Chief Executive Officer are held by different persons. The Board carries out its oversight functions using Board and Management Committees both at Mixta Nigeria and Mixta Africa Group level. This makes for efficiency and allows for a deeper attention to specific matters for the Board. The Committees are set up in line with statutory and regulatory requirements, and are consistent with global best

practice. The Committees' roles and responsibilities are set out in their Charters. In addition, the Committees' Charters set out the scope of authority, composition and procedures for reporting to the Board.

The Board and Management Committees are as follows:

**AUDIT AND RISK COMMITTEE**

This Committee provides oversight functions with regard to both the Company's financial statements and its internal control and risk management functions. The prime functions of the Committee are:

- To review the company's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls;
- To review the adequacy and scope of the external and internal audit functions;
- To ensure compliance with regulatory and financial reporting requirements; and
- To provide assurance to the Board that Executive Management's control assurance processes are implemented and are complete and effective.

Members of the Committee are: Mrs. Adenike Ogunlana, Mr. Esan Ogunleye, Mr. Deji Alli, Mr. Wale Odutola, Mr Daniel Font and Mr. Ralph Osayameh.

**INVESTMENT COMMITTEE**

The Investment Committee was established to assist in fulfilling Management's responsibilities relating to the Company's investment activities. The Committee has oversight responsibility for the design, approval, and evaluation of the finance and investment strategies, policies and programs of the Company. It approves all significant investments and ensures a balance between risks and returns.

The functions of the Committee include:

- Carry out extensive due diligence on significant investment decisions and recommend to the Board
- Consult with Management when considering important transactions, such as acquiring other businesses, obtaining loans or issuing securities
- Review and approve:
  - Investment strategies, policies and guidelines
  - Investment portfolio performance
  - Performance of investment manager(s)
  - Company's need for capital and how it is to be allocated
- Assesses the financial viability and execution mode for projects and transactions contemplated by core business units of the Company.

## **USE OF PROCEEDS**

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Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its 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 CSCS, which shall serve as the custodian and central depository of the Notes; and the Dealer may deal in the Notes in accordance with CSCS procedures and guidelines.

### 2.2 Title

- 2.2.1 Title to the Notes will pass upon credit to the CSCS 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 CSCS.
- 2.2.3 The Issuer and the Agent may deem and treat the registered holder of any Note as indicated in the records of CSCS 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 ICPA. Noteholders shall not be required to present and/or surrender any documents of title to the ICPA.
- 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 Agent 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 Agent 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 Agent 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 Agent 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 due date for redemption in respect of that Note; 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 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 ICPA. 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 CSCS as to the aggregate number of Notes standing to the CSCS 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 Agent 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 ICPA to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The ICPA 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 Agent. 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 FMDQ, the CSCS 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 ICPA at its registered or specified office.
- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly following notifications to the CSCS.

**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 meeting 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 meeting 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 meeting 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. CHANGING OF AGENT**

- 11.1** The Issuer is entitled to vary or terminate the appointment of the Agent and /or appoint additional or other agents and/or approve any change in the office of the agent through which any agent acts, provided that there will at all times during the subsistence of the Programme, be an agent with an office.
- 11.2** The Agent 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

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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>2</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.

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<sup>2</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

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*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.*

### ***Business risks- These are risks associated with the business activities of the Company***

#### ***Risks related to Management Activities***

Mixta Nigeria's board of directors and management determine the company's significant policies, including the investment and financing decisions. Any policy changes made could adversely affect the operations of the Company and thus its financial condition. Additionally, new business strategies and acquisition of new assets are inherently risky as they involve expenses and unforeseen issues not necessarily captured in the due diligence process.

#### ***Source of Building/Construction Materials***

Mixta Nigeria mainly sources its raw materials from within the country while also importing some for real estate development. The quality and availability of raw materials, as well as supply chain efficiency remain a risk. Imported raw materials could be subject to arbitrary increase in taxes and duties as well as the depreciation of the Naira. Foreign exchange market volatility and sudden increases in input costs due to shortages may not be easily passed on to consumers.

#### ***Risks related to Co-Venture Investments by lack of sole decision-making authority***

Mixta Nigeria holds some real estate assets through Co-Ventures which mean that in certain circumstances, it may be unable to independently make decisions on such assets. There are also risks that comes directly from JV partners such as if they become bankrupt, develop business goals that are different from the Company's over time or incur liabilities for which the Company could be held liable for. However, the Company may mitigate some of these risks through the appropriate legal structures and arrangements.

#### ***Lower consumer discretionary spending poses a threat to the revenues of the Company***

Sales of developed units may be impacted due to the inability or unwillingness of property buyers to meet their instalment obligations for properties they have committed to purchase as at when due. This could impact completion timeline, cost and quality of the development project.

#### ***Property title and cost of conveyance***

The process of confirmation, obtaining and transfer of title of real estate property in Nigeria is cumbersome and costly which leads to frustration for off-takers. Furthermore, costs of creating a charge on property is exorbitant while the foreclosure process is cumbersome leading to increase in the cost of business and product cost which further impacts availability of demand. Given the observed increase in government activities to boost revenue through taxation, real estate is faced with risk of increased or multiplicity of taxes which may impact business operations and cost.

#### ***Underdeveloped power and transport infrastructure continues to add to the cost of doing business***

Real estate developers are impacted by the intermittent supply of electricity and the underdeveloped transport infrastructure in the country. Despite the privatisation of the power sector, problems with power generation, transmission and distribution and congested ports persist and severely constrain production efficiency in the real estate sector. Reliance on alternative electricity and water supplies, as well as delays at the ports lead to increase in overall business costs. The unstable pricing and, oftentimes, scarcity of fuel for power generation also increases the operational challenges which businesses encounter, contributing to the potential fluctuation of overheads.

In addition, poor rail and road networks limit land based transport, further increasing the overall business costs.

***Competition risk – the Company’s market share could be reduced by the activities of other developers in the industry***

The construction sector in Nigeria is highly fragmented though with few developers having established a niche track record of high quality developments. The barrier to entry is moderate given lax enforcement of standards by regulators and ability to obtain funding through presale arrangements to a vastly undersupplied populace. Although the Company is recognised as a market leader, it could cede market share to competitors which may have an adverse effect on Mixta Real Estate plc’s ability to generate adequate cash flows.

***Leverage related risks – Adverse situations that could occur from the use of leverage in funding the Company’s business activities***

Mixta Nigeria leverages its portfolio by borrowing against the market value of its assets to fund its business activities. This leaves the Company susceptible to the risk of default should there be any adverse changes in interest rates and market values of assets. The Company is also at risk of a rising borrowing costs due to possible deterioration in its credit profile where access to capital may, consequently, be constrained.

***Legal risks - These may arise from the type and nature of Mixta Nigeria’s contractual agreements.***

There is a risk that the company’s counterparties, such as project contractors may fail to fulfil their obligations. There is also the risk that the company itself may not meet its own contractual obligations, therefore rendering Mixta Nigeria vulnerable to litigation. The company is involved in litigation or claims from time to time, arising from the conduct of its business. Where proceedings lead to a substantial legal liability, this may impact the Company’s operation, reputation and cash flows.

***Foreign exchange risk – The Company is exposed to currency risks and is affected by changes in the value of the Naira against other currencies***

Following the decline in the prices of crude oil between 2014 to 2017, the Central Bank of Nigeria devalued the Naira by circa 100% bringing the spot exchange rate in the investors and exporters foreign exchange window close to ₦365/USD1.00. While supply has improved and prices stabilised in the last year, the economy and foreign exchange remains vulnerable to decline in global oil prices, reduction in production quantities or ability to find a market for the country’s crude oil given increase in global competition. Hence, given the current situation, any further depreciation or devaluation of the Naira may negatively impact the Company’s cash flows and its ability to meet its obligations due to possible increase in input costs.

***Political risks – These are risks associated with the political climate***

Although the relatively peaceful and successful handover of executive government to an opposition party in 2015 signals a maturing of the country’s democratic political system, political stability continues to be undermined by risks related to agitation for larger share of resources, insecurity, religious differences and ethnicity in Nigeria. Nigeria’s diverse political, religious and ethnic landscape has led to struggles for power between rival groups, which have consistently hindered the smooth governance of the country. In addition, frustrations over poor living conditions often crystallise into further conflict.

The continued criminal activities, sabotage, unrest and political and religious conflicts in the country may lead to lower oil production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria’s economy and therefore the operations of Mixta Nigeria.

*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.*

**Clearing System**

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 CSCS, 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 CSCS. 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 CSCS.

**Authorised Participants**

CSCS 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 CSCS only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is FBNQuest Merchant Bank Limited and any other bank appointed by the Issuer to act as ICPA.

**Registration**

- i. The Authorised Participant shall register with the CSCS, where CP custody and depository services are required. The Authorised Participant shall complete Form: CSCS-CP001 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 the Authorised Participant, who will officially notify CSCS to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- iii. The CSCS 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 CSCS, 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 CSCS 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 CSCS by completing Form CSCS-CP003.
- ii. All holders of CP notes must route these notes through the Authorised Participant who will then submit on the CSCS authorised platform in dematerialized form.
- iii. The Authorised Participant may also decide to keep the CPs in physical form with CSCS (subject to service agreement with CSCS), acting as the Custodian for the issue.
- iv. The Authorised Participant can also lodge the CP(s) electronically by using the CSCS e-lodgement format.
- v. The Authorised Participant will advise CSCS, after dematerialisation or e-lodgement to transfer CPs to Noteholders' (or their custodians') accounts at CSCS 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 CSCS 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 Authorised Participant will submit a letter to CSCS 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. CSCS 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 CSCS, who in turn shall furnish FMDQ and the Authorised Participant with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the Authorised Participant.
- iii. CSCS 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 Authorised Participant shall notify CSCS, FMDQ, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- ii. CSCS 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 CSCS until the ICPA pays off the Noteholders and notifies CSCS and the FMDQ with evidence.
- iv. Thereafter, CSCS will notify the public and expunge the CP from the CSCS 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 CSCS 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 CSCS shall deliver securities and send confirmation of transfers via the CSCS authorised platform by 2.00 p.m. on the settlement date to FMDQ and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. The Authorised Participant 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 CSCS 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 CSCS shall effect the transfer of CPs on the settlement date as advised by the Authorised Participant or the FMDQ and keep records of consideration for each transaction.
- ii. The CSCS will advise the Authorised Participant or the FMDQ for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iv. The Authorised Participant can visit the CSCS website ([www.cscsnigeriaapl.com](http://www.cscsnigeriaapl.com)) to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSCS 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 CSCS and may be transferred only in accordance with rules and operating procedures of the CSCS.

**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**

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This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 14 August 2019 prepared by FBNQuest Merchant Bank Limited on behalf of Mixta Real Estate 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 18<sup>th</sup> November 2009 and the FMDQ 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.

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**Arranger and Dealer  
Issuing, Calculation and Paying Agent**

**FBNQUEST MERCHANT BANK LIMITED**

RC: 264978

This Pricing Supplement Is Dated [●]

<b>Issuer</b>	Mixta Real Estate plc
<b>Arranger and Dealer, Issuing, Calculation and Paying Agent</b>	FBNQuest Merchant Bank Limited
<b>Auditors</b>	Deloitte & Touche
<b>Custodian</b>	Central Securities Clearing Systems plc
<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, unsubordinated and unsecured obligation of the Issuer, 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>Listing</b>	Notes may be quoted on the FMDQ OTC 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) Payable</b>	$PV=FV*(1-(DR*t/\text{actual number of days in a year}))$
<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>	[●], 2019	
<b>Details Of Bank Account(s) To Which Payments Are To Be Made In Respect Of The Notes</b>	<b>Bank:</b>	First Bank of Nigeria Limited
	<b>Account Name:</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 Agosto & 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, 2018 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 \_\_\_\_\_ 2019

For and on behalf of

Mixta Real Estate plc

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

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



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## Independent Auditors' Report on Summary Financial Information

To the Board of Directors of Mixta Real Estate Plc.

### Report on the summary Financial Information

#### Opinion

The accompanying summary financial information which comprise the summary of Financial position as at 31 December 2018, the summary statements of comprehensive income and the summary statements of cash flows for the years then ended, are derived from the audited consolidated financial statements of Mixta Real Estate Plc ("the company") and its subsidiary companies (together "the group") for the year ended 31 December 2018.

In our opinion, the summary financial information derived from the audited consolidated financial statements of Mixta Real Estate Plc ("the company") and its subsidiary companies (together "the group") for the year ended 31 December 2018 is consistent, in all material respects, with those financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council (FRC) of Nigeria Act, 2011.

#### Summary Financial Information

The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004 and Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited financial statements. Reading the summary financial statements and the auditor's thereon therefore is not a substitute for reading the audited consolidated financial statements of the Group and the auditor's report of Mixta Real Estate Plc. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those financial statements in our report dated **28 June 2019**. Those financial statements and summary financial information do not reflect the effects of events that occurred subsequent to the dates of the reports on those financial statements.

#### Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparing and presenting an appropriate summary of the audited financial statements for the year ended 31 December 2018 in accordance with Section 355 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011 and the International Financial Reporting Standards.

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary information are consistent,, in all material respects with the audited financial statements based on our procedures which were conducted in accordance with International standard on Auditing (ISA 810 revised). "Engagement to Report on Summary Financial Statements".

**For: Deloitte & Touche**

Chartered Accountants

Lagos, Nigeria

23 July, 2019

**Engagement Partner:** David Achugamonu  
FRC/2013/ICAN/00000000840



List of partners and partner equivalents available on the website

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

## Mixta Real Estate Plc and Subsidiary Companies

Annual Report & Financial Statements  
For the year ended 31 December 2018

## Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income


<i>In thousands of Naira</i>		Group		Company	
		Notes	2018	2017	2018
Revenue-sales of trading properties	9	7,012,933	6,079,834	898,069	2,922,943
Cost of sales- trading properties	10	(6,257,842)	(5,535,724)	(394,053)	(2,212,327)
<b>Profit on sale of trading properties</b>		<b>755,091</b>	<b>544,110</b>	<b>504,016</b>	<b>710,616</b>
Fair value gain on investment property	11	7,891,350	12,387,835	-	-
Interest income	12	1,084,646	582,302	3,207,575	1,268,915
Other income	13	133,865	233,095	1,161,670	834,842
<b>Other operating income</b>		<b>9,109,861</b>	<b>13,203,232</b>	<b>4,369,245</b>	<b>2,103,757</b>
Net impairment (loss)/reversal on assets	14	(1,281,892)	(2,266,287)	(1,287,849)	-
Personnel expenses	15	(513,650)	(386,109)	(476,722)	(386,109)
Depreciation	19	(224,938)	(223,471)	(31,541)	(28,141)
Operating expenses	16	(1,330,974)	(770,789)	(620,757)	(508,659)
<b>Total expenses</b>		<b>(3,351,454)</b>	<b>(3,646,656)</b>	<b>(2,416,869)</b>	<b>(922,909)</b>
<b>Operating profit before finance costs</b>		<b>6,513,498</b>	<b>10,100,686</b>	<b>2,456,392</b>	<b>1,891,464</b>
Finance costs	17	(4,425,046)	(2,186,287)	(3,460,807)	(1,780,622)
Share of profit /(loss) of equity-accounted investment	22(c)	70,514	31,083	-	-
<b>Profit/ (loss) before income tax</b>		<b>2,158,966</b>	<b>7,945,482</b>	<b>(1,004,415)</b>	<b>110,842</b>
Income tax expense	30(b)	(813,654)	(1,283,182)	(4,059)	(36,923)
<b>Profit/ (loss) for the year</b>		<b>1,345,312</b>	<b>6,662,300</b>	<b>(1,008,474)</b>	<b>73,919</b>
Other comprehensive income		-	-	-	-
Other comprehensive income net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>1,345,312</b>	<b>6,662,300</b>	<b>(1,008,474)</b>	<b>73,919</b>
<b>Profit attributable to:</b>					
Equity holders		1,122,048	6,640,953	(1,008,474)	73,919
Non-controlling interests		223,264	21,347	-	-
		<b>1,345,312</b>	<b>6,662,300</b>	<b>(1,008,474)</b>	<b>73,919</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders		1,122,048	6,640,953	(1,008,474)	73,919
Non-controlling interests		223,264	21,347	-	-
		<b>1,345,312</b>	<b>6,662,300</b>	<b>(1,008,474)</b>	<b>73,919</b>
Basic and Diluted Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in kobo per share):					
<b>- Basic and Diluted Earnings per share (in kobo)</b>	18	<b>11.42k</b>	<b>281k</b>	<b>-10k</b>	<b>3k</b>

## Mixta Real Estate Plc and Subsidiary Companies


Annual Report & Financial Statements  
For the year ended 31 December 2018Consolidated and Separate Statements of Financial Position  
As at 31 December 2018

In thousands of Naira	Notes	Group		Company	
		2018	2017	2018	2017
<b>Non-current assets</b>					
Property, plant and equipment	19	11,273,699	11,424,838	76,715	92,643
Investment property	20	78,000,000	70,000,000	-	-
Investment in subsidiaries	21	-	-	31,664,272	31,608,019
Equity-accounted investment	22	2,599,395	2,528,881	2,505,100	2,505,100
Goodwill		56,106	-	-	-
Debtors and prepayments	25	1,458,090	4,851,207	2,345,889	9,932,324
Loans to related entities	23	8,139,653	6,816,261	8,256,339	10,987,227
<b>Total non-current assets</b>		<b>101,526,943</b>	<b>95,621,187</b>	<b>44,848,315</b>	<b>55,125,313</b>
<b>Current assets</b>					
Loan to related entities	23	1,186,878	154,745	15,130,818	3,398,050
Trading properties	24	29,883,828	30,361,980	2,751,116	4,358,846
Debtors and prepayments	25	8,520,697	5,200,768	14,061,817	6,046,854
Cash and cash equivalents	26	2,792,908	2,094,167	2,449,820	1,960,482
<b>Total current assets</b>		<b>42,384,311</b>	<b>37,811,660</b>	<b>34,393,571</b>	<b>15,764,232</b>
<b>Total assets</b>		<b>143,911,254</b>	<b>133,432,847</b>	<b>79,241,886</b>	<b>70,889,545</b>
<b>Non-current liabilities</b>					
Borrowings	29	16,623,547	12,050,139	13,308,816	10,239,654
Deferred tax liabilities	27	7,729,562	6,940,427	12,441	12,441
Deposit for shares	28	253,746	247,500	-	-
<b>Total non-current liabilities</b>		<b>24,606,855</b>	<b>19,238,066</b>	<b>13,321,257</b>	<b>10,252,095</b>
<b>Current liabilities</b>					
Borrowings	29	26,405,285	22,477,684	11,381,922	4,532,038
Current income tax liability	30	1,898,946	2,007,764	276,296	342,127
Other liabilities and accruals	31	16,515,475	11,833,093	17,924,378	15,412,718
Deferred revenue-deposit from customers	32	4,394,441	5,161,790	(9,843)	851,039
Provisions	33	3,115,988	3,799,133	410,811	777,359
<b>Total current liabilities</b>		<b>52,330,135</b>	<b>45,279,464</b>	<b>29,983,564</b>	<b>21,915,281</b>
<b>Total liabilities</b>		<b>76,936,990</b>	<b>64,517,530</b>	<b>43,304,821</b>	<b>32,167,376</b>
<b>Equity</b>					
Share capital	34	4,914,135	4,914,135	4,914,135	4,914,135
Share premium	35	35,565,809	35,565,809	35,565,809	35,565,809
Common control acquisition deficit	36(a)	(2,920,407)	(2,920,407)	(2,156,000)	(2,156,000)
Retained earnings	36(b)	22,769,216	24,448,810	(2,386,879)	398,225
		60,328,753	62,008,347	35,937,065	38,722,169
Non-controlling interest	37	6,645,511	6,906,970	-	-
<b>Total equity</b>		<b>66,974,264</b>	<b>68,915,317</b>	<b>35,937,065</b>	<b>38,722,169</b>
<b>Total liabilities and equity</b>		<b>143,911,254</b>	<b>133,432,847</b>	<b>79,241,886</b>	<b>70,889,545</b>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



**Deji Alli**  
FRC/2013/IODN/00000002752  
Acting Chairman



**Kola Ashiru-Balogun**  
FRC/2016/IODN/00000015616  
Managing Director



**Oyeniyi Fakunle**  
FRC/2013/MULTI/00000005480  
Chief Financial Officer

Approved by the Board of Directors on 31 May 2019

**Mixta Real Estate Plc and Subsidiary Companies**

*Annual Report & Financial Statements  
For the year ended 31 December 2018*

**Consolidated and Separate Statements of Cash Flows**

**In thousands of naira**

	Notes	Group 2018	2017	Company 2018	2017
<b>Operating activities:</b>					
Profit/ (loss) for the year		1,345,312	6,662,300	(1,008,474)	73,919
Income tax expense	30(b)	813,654	1,283,182	4,059	36,923
Profit before income tax		2,158,966	7,945,482	(1,004,415)	110,842
Adjustments to reconcile profit before taxation to net cash flow from operating activities:					
- Depreciation	19	224,938	223,471	31,541	28,141
- Net impairment loss in financial assets	14	1,281,892	2,266,287	1,287,849	-
- Fair value gain on investment property	11	(7,891,350)	(12,387,835)	-	-
- Interest income earned	12	(998,447)	(582,302)	(3,137,443)	(1,268,915)
- Interest expense incurred	17	4,408,245	1,976,032	3,445,890	1,571,806
- Provision	38(f)	(683,143)	1,464,754	(366,551)	610,443
- Exchange loss/(gain)	13/16	(766)	62,481	(1,501)	60,307
- Loss on disposal of subsidiary - Oluwole				-	7
- Share of profit of equity-accounted investment	22(c)(i)	(70,514)	(31,083)	-	-
Net cash flow from operating activities before changes in operating assets and liabilities		(1,570,179)	(937,287)	255,370	1,112,631
<b>Changes in:</b>					
- Loan to related entities	38(a)	(1,889,402)	(1,447,108)	(6,358,312)	(3,394,168)
- Goodwill					
- Trading properties	38(b)	3,718,863	2,045,243	1,612,977	137,437
- Debtor and prepayments	38(c)	(4,150,353)	(1,858,428)	(3,271,689)	(2,050,824)
- Other liabilities and accruals	38(d)	4,194,715	(750,447)	2,474,969	(1,069,235)
- Deposit for shares		6,246	-	-	-
- Deferred revenue- customer deposits	38(e)	(767,349)	(2,305,356)	(860,882)	(31,480)
Interest received		(457,459)	(3,378,809)	(6,147,567)	(5,295,639)
Income tax paid		41,462	46,655	41,462	42,702
VAT paid	30(a)	(278,883)	(109,279)	(69,892)	(109,280)
Interest paid	29(d)	(19,562)	(293)	(19,562)	(293)
Net cash (used in) operating activities		(2,055,172)	(2,124,601)	(907,157)	(428,142)
		(2,769,614)	(5,566,327)	(7,102,716)	(5,790,652)

**Mixta Real Estate Plc and Subsidiary Companies**

Annual Report & Financial Statements  
For the year ended 31 December 2018

<b>Investing activities:</b>					
Additional investment in investment properties	20b	(108,650)	(36,281)	-	-
Cash acquired through business combination	39	505,120	-	-	-
Cash transferred on disposal of investment		238,215	(207)	238,214	-
Acquisition of property and equipment	19	(73,805)	(35,660)	(21,231)	(18,860)
Interest income earned on borrowed funds invested		-	(50,549)	-	(44,919)
<b>Net cash (used in) generated from investing activities</b>		<b>560,880</b>	<b>(122,697)</b>	<b>216,983</b>	<b>(63,779)</b>
<b>Financing activities:</b>					
Dividend paid		-	(303,040)	-	(303,040)
Deposit for shares		-	(1,250)	-	-
Net proceeds from borrowings	29(d)	10,166,280	10,844,147	13,448,784	10,537,266
Repayment of borrowings	29(d)	(7,258,805)	(3,413,504)	(6,073,714)	(2,941,776)
<b>Net cash generated from financing activities</b>		<b>2,907,475</b>	<b>7,126,353</b>	<b>7,375,070</b>	<b>7,292,450</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>698,741</b>	<b>1,437,329</b>	<b>489,338</b>	<b>1,438,019</b>
Cash and cash equivalent as at beginning of the year	26	2,094,167	656,838	1,960,482	522,463
<b>Cash and cash equivalent as at year end</b>	<b>26</b>	<b>2,792,908</b>	<b>2,094,164</b>	<b>2,449,820</b>	<b>1,960,482</b>

# MIXTA REAL ESTATE PLC

Rating Assigned:

## Bbb-

This refers to a company with satisfactory financial condition and adequate capacity to meet obligations as and when they fall due.

**Outlook:** Negative  
**Issue Date:** 31 July 2019  
**Expiry Date:** 30 June 2020

Previous Rating: Bbb-

**Industry:** Real Estate

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 57, Marina  
 Lagos, Nigeria  
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## RATING RATIONALE

- Agusto & Co. affirms the "Bbb-" rating assigned to Mixta Real Estate Plc. ("Mixta Nigeria", MRE", or "the Company"). The rating reflects the Company's adequate working capital, moderate leverage, strong brand presence in the Nigerian real estate market and a stable and experienced management team. However, the rating is tempered by subpar profitability and weak cash flow. Further constraining the rating is the averse macroeconomic environment which has negatively impacted demand for real estate as well as MRE's cash flow position.
- Management has disclosed plans to improve the Company's financial performance through the introduction of new retail products in the affordable housing segment targeted at low to middle-income earners as well as capital raising initiatives aimed at reducing borrowing costs and leverage. Agusto & Co notes that the non-occurrence of these initiatives will have negative rating implications.
- Mixta Nigeria is a member of the Mixta Africa S. A.- a large property development company operating in seven African countries and Europe. MRE is one of the leading real estate development companies in Nigeria and has a track record and diverse real estate portfolio, with operations spanning the residential, commercial, retail and leisure sub-segments of the Nigerian real estate industry. Mixta Nigeria has a vast land bank measuring 16 million square metres (with only circa 40% currently under development).
- As at 31 December 2018 (FYE 2018), the Company's spontaneous financing was more than its working assets, resulting in a short-term financing surplus of ₦8.9 billion. In the FYE 2018, Mixta Nigeria's long-term funds were sufficient to finance long term assets, leaving a long-term financing surplus of ₦60.6 billion, thus recording an overall working capital surplus of ₦69.6 billion. Agusto & Co. notes that Mixta Nigeria continues to enjoy favourable trade terms which support the Company's financing structure.
- During the financial year ended 31 December 2018, Mixta Nigeria's revenue increased by 15% to ₦7 billion, following the growth in the sale of luxury properties. Notwithstanding, the Company recorded an operating loss of ₦1.3

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billion – for a second consecutive year, on account of rising operating expenses. However, a revaluation gain on investment property resulted in a pre-tax profit of ₦2.1 billion, accounting for 30.8% of sales. High financing costs which represented 63.1% of sales remained a drag on profitability, with pre-tax return on average assets (ROA) of 4.7% and pre-tax return on average equity (ROE) of 3.6%, both well below our benchmarks.

- In the FYE 2018, the Company's operating cash flow (OCF) dipped by 48% to ₦3.1 billion, due to the decrease in net income, increase in trade debtors and rise in amounts due from related parties. As at year-end, operating cash flow to sales was good at 44%. However, OCF was insufficient to cover interest expense of ₦4.42 billion as at year-end, thus the Company relied on short term borrowings from commercial papers.
- As at 31 December 2018, Mixta Nigeria's interest-bearing liabilities stood at ₦25.2 billion, up from ₦16.5 billion the prior year, following the issuance of commercial paper (CP). During the period under review, the Company registered a ₦20 billion commercial paper programme and has an outstanding balance of ₦11.2 billion. As at year-end, interest-bearing debt (net of cash & equivalents) as a percentage of equity stood at 37% which is in line with our expectation and the ratio of net debt to total assets of 41% is at par with our benchmark.
- Unaudited management accounts for the half-year ended 30 June 2019 (H1 2019) show an improvement in financial performance, with Mixta Nigeria recording revenue of ₦4.7 billion, representing 34% growth over the corresponding period of 2018. Operating expenses moderated, on account of cost-saving measures implemented in H1 2019, to record an operating profit margin of 9.3% which is just within our acceptable level. However, profitability ratios remained subdued.
- Overall, the company's low profitability, weak cash flow, high-interest burden and poor interest coverage ratio remain a concern. Agusto & Co. is of the view that Mixta Nigeria needs to raise equity, particularly as its never-ending foray in the loan market will continue to have an adverse effect on the Company's financial condition, given its current high interest expense to revenue ratio as well as low profit margins in the real estate market.
- Based on the foregoing, Agusto & Co. hereby attached a **negative** outlook to the rating of Mixta Real Estate Plc.

Figure 1: Rating Triggers

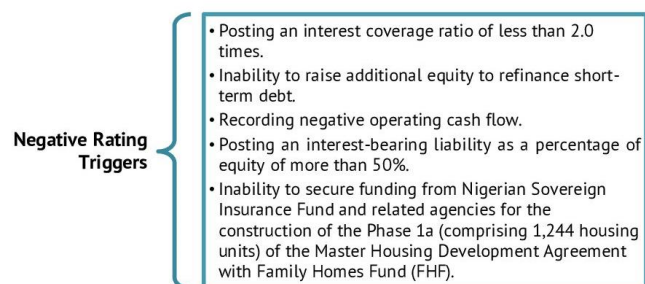


Figure 2: Mixta Nigeria's Strengths, Weakness, Opportunities & Threats





14 August 2019

**FBNQuest Merchant Bank Limited**

10, Keffi Street  
South-West, Ikoyi  
Lagos, Nigeria

**Attention: Oluseun Olatidoye**

Dear *Sir*,

**RE: MIXTA REAL ESTATE PLC'S ₦20,000,000,000 (TWENTY BILLION NAIRA) DOMESTIC COMMERCIAL PAPER ISSUANCE PROGRAMME AND THE ISSUANCE OF NOTES THEREUNDER**

**1. INTRODUCTION**

We have acted as Transaction Counsel in connection with the (a) ₦20,000,000,000 (Twenty Billion Naira) domestic commercial paper issuance programme (increased from ₦15,000,000,000 (Fifteen Billion Naira) (the "Programme") by Mixta Real Estate PLC (the "Issuer") (the "Transaction") under which the Issuer, a public limited liability company incorporated under the laws of Federal Republic of Nigeria, may from time to time issue commercial paper notes (the "Notes"), in separate series or tranches, subject to the terms and conditions (the "Terms and Conditions") contained in the Programme Memorandum (defined below) and Applicable Pricing Supplement; and (b) the preparation, review, negotiation, execution and delivery of the Transaction Documents (defined below) and all transactions contemplated thereunder.

This opinion is rendered pursuant to clause 6.1 (*Conditions Precedent*) of the amended and restated Dealer Agreement dated 28 November, 2018 and entered into by and amongst the Issuer and FBNQuest Merchant Bank Limited as Arranger and Dealer (the "Dealer Agreement").

The Notes issued will be constituted by, subject to, and have the benefit of, an amended and restated Deed of Covenant dated 28 November, 2018 which shall take effect as a deed poll for the benefit of the holders of the Notes (the "Deed of Covenant").

For the avoidance of doubt, all capitalised terms used in this opinion, and not otherwise defined herein, shall have the meanings assigned to such terms in the Programme Memorandum or any Pricing Supplement, as applicable.

Attorney list at [www.banwo-ighodalo.com](http://www.banwo-ighodalo.com)

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## 2. THE DOCUMENTS

In rendering our legal opinion ("**Opinion**"), we have examined such documents as we have considered necessary for the opinions expressed in this Opinion and principally the following documents provided to us in physical or electronic form (unless otherwise stated):

- 2.1 A copy of the ₦20,000,000,000 (Twenty Billion Naira) domestic commercial paper issuance programme memorandum dated 14 August 2019 including the Terms and Conditions relating to each Series or Tranche of Notes issued under the Programme, and which incorporates a sample form of the Pricing Supplement (the "**Programme Memorandum**");
- 2.2 An executed copy of the deed of amendment and restatement dated 14 August 2019 relating to the dealer agreement dated 28 November 2018;
- 2.3 An executed copy of the deed of amendment and restatement dated 14 August 2019 relating to the deed of covenant dated 28 November 2018;
- 2.4 An executed copy of the deed of amendment and restatement dated 14 August 2019 relating to the Issuing, Calculation and Paying Agency Agreement dated 28 November 2018 between the Issuer and FBNQuest Merchant Bank Limited as Agent (the "**ICPA**");  
  
(The documents referred to in paragraphs 2.2 to 2.4 are referred to as the "**Transaction Documents**").
- 2.5 Certified true copy of the Certificate of Incorporation of the Issuer at incorporation dated February 6, 2006 and a subsequent Certificate of Incorporation of the Issuer dated 29 September 2015 which evidences a change of name of the Issuer from ARM Properties PLC to Mixta Real Estate PLC;
- 2.6 A copy of the Memorandum and Articles of Association of the Issuer dated 6 August 2015 and certified as a true copy by the Corporate Affairs Commission ("**CAC**") on 5 October 2015;
- 2.7 A certified true copy of the Issuer's most recent Form CAC 7A (Particulars of Directors and any Changes therein, Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director) certified as a true copy by the CAC on 6 November 2017; and
- 2.8 A copy of the extracts of the resolution of board of directors of the Issuer passed at the meetings held on 8 June 2016, 11 October 2018 and 30 May 2019 respectively, authorizing the

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establishment of the Programme, the increase in the programme size, the issuance of the Notes and entry into of the Transaction Documents.

(The documents referred to in paragraphs 2.5 to 2.8 are referred to as the “**Constitutional Documents**” while the documents referred to in paragraphs 2.1 to 2.8 are referred to as the “**Documents**”).

### 3. ASSUMPTIONS

For the purpose of this Opinion, we have assumed, without our own independent verification, each of the following:

- 3.1 the authenticity or genuineness of all seals and signatures on all documents and the completeness and conformity with original documents of all copies of the Documents submitted to us in physical or in electronic form and that any Document submitted to us continues in full force and effect;
- 3.2 that the board of directors' resolutions referred to in paragraph 2.8 were duly passed at properly convened, constituted and conducted meetings at which all constitutional, statutory and other formalities were duly observed and that such resolutions have not been amended, altered or superseded and remain in full force;
- 3.3 other than the Issuer, each person which is expressed to be party to the Transaction Documents:
  - (i) is duly incorporated and is validly existing;
  - (ii) is not the subject of any insolvency proceedings (which includes those relating to bankruptcy, liquidation, administration, administrative receivership and reorganisation) in any jurisdiction;
  - (iii) has the capacity to execute each Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it;
  - (iv) has taken all necessary corporate action to authorise it to execute such Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it; and
  - (v) has duly executed and delivered each Transaction Document to which it is expressed to be a party.

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- 3.4 the Transaction Documents which are governed by the laws of the Federal Republic of Nigeria ("Nigeria") are, or will be, legal, valid, binding and enforceable against all relevant parties (other than the Issuer), in accordance with their respective terms under the laws of Nigeria;
- 3.5 the power, authority and legal right of all parties under all the relevant laws and regulations (other than the laws of Nigeria) to enter into, execute and perform their respective obligations under the Transaction Documents;
- 3.6 the due compliance with all matters (including without limitation, the obtaining of necessary consents, authorisations and approvals and the making of necessary filings and registrations) required in connection with the Transaction Documents to render them enforceable in all relevant jurisdictions (other than Nigeria) has been effected and such compliance remains in full force and effect and will continue to be effected where required for the validity and enforceability, under such laws as applicable (other than the laws of Nigeria), of the Transaction Documents (or any document in connection therewith);
- 3.7 the accuracy of all representations and warranties as to factual matters contained in, and made by the Issuer under, the Transaction Documents;
- 3.8 that there are no other facts relevant to this opinion that are not contained in the Documents; and
- 3.9 that there is no other information known to the Issuer which has not been disclosed to us which would affect the opinions expressed below.
- 4. SCOPE AND PURPOSE OF THE OPINION**
- 4.1 This Opinion is given on the basis of the assumptions set out in paragraph 3 (*Assumptions*) above and is subject to the qualifications set out in paragraph 6 (*Qualifications*) below.
- 4.2 This Opinion is confined to matters of Nigerian law as at the date hereof and we have no duty to keep you informed of subsequent developments which may affect this opinion.
- 4.3 We express no opinion on, and have taken no account of, the laws of any jurisdiction other than Nigeria.
- 4.4 We express no opinion on matters of fact.

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- 4.5 Our Opinion is limited to the matters expressly stated in paragraph 5 (*Opinion*) below and it is not extended by implication. In particular, we express no opinion on the accuracy of the assumptions contained in paragraph 3 (*Assumptions*). A statement in the said paragraph which has the effect of limiting our opinion is independent of any other statement and is not to be impliedly restricted by it. As far as we are aware, none of our assumptions are incorrect.

**5. OPINION**

Based on the foregoing and subject to the qualifications below and to any matters not disclosed to us, we are of the opinion that:

**5.1. Corporate Existence, Power and Authority**

5.1.1. The Issuer (i) is a public limited liability company, duly incorporated under the laws of Nigeria; (ii) is validly existing and duly authorised to carry on its business as currently conducted, under the laws of Nigeria (iii) has perpetual corporate existence and can sue and be sued in its own name; and (iv) has the capacity and power to issue the Notes, enter into the Transaction Documents to which it is a party and to exercise its rights and perform the obligations expressed and assumed by it thereunder and under the Notes.

5.1.2. All corporate actions required to authorise the issuance of the Notes, the execution by the Issuer of the Transaction Documents to which it is a party, the exercise by the Issuer of its rights and the performance by it of its obligations under the Notes and the Transaction Documents have been duly taken.

**5.2. Legal, valid, binding and enforceable obligations**

5.2.1. The Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of Nigeria and the Constitutional Documents of the Issuer.

5.2.2. The Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms.

5.2.3. The holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer.

5.2.4. The Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer.

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5.2.5. The issuance of the Notes in dematerialised form is valid and legal under the laws of Nigeria.

**5.3. Consents, Filings and Form**

5.3.1. No consent, approval, registration or filing with any court or governmental authority in Nigeria (including the Central Bank of Nigeria (“CBN”) and the Securities and Exchange Commission) is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes.

5.3.2. The Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the CBN on 18<sup>th</sup> November 2009 and the CBN Circular of 12<sup>th</sup> July 2016 on Mandatory Registration and Listing of Commercial Papers.

5.3.3. The Transaction Documents are in the proper form for their admissibility in evidence and their enforcement (save for payment of stamp duty as described in paragraph 5.7 below) against the Issuer in the courts of Nigeria.

**5.4. Non conflict with laws**

5.4.1. The execution of and the performance by the Issuer of its obligations under the Transaction Documents and the Notes, and the compliance with the provisions of the Transaction Documents to which it is a party and the Notes will not contravene, violate or conflict with any law, statute, rule or regulation of Nigeria or the Constitutional Documents of the Issuer.

**5.5. Insolvency**

To the best of our knowledge, no procedure has been commenced in Nigeria with a view to the winding up, reorganisation, or dissolution (or similar procedure) of the Issuer or with a view to the appointment of a liquidator, receiver, receiver/manager or similar officer in respect of the Issuer or any of its properties, assets or interest.

**5.6. Immunity**

Neither the Issuer, nor any of its assets is entitled to any form of immunity on the grounds of sovereignty, diplomacy or otherwise from any legal action or proceeding that may be brought in

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Nigerian courts arising out of or relating to the Transaction Documents (which shall include, without limitation, suit, attachment, judgement, execution or other legal process).

#### 5.7. Stamp Duties

- 5.7.1. The provisions of the Stamp Duties Act<sup>1</sup> require any instrument executed in Nigeria, or relating, wheresoever executed, to any property situated or any matter or thing done or to be done in Nigeria to be stamped and the appropriate stamp duty paid in respect of the said instrument. Unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of Nigeria.
- 5.7.2. Stamp duty is payable in Nigeria either at a *flat* rate or an *ad valorem* rate. Based on the Stamp Duties Act, the rate of stamp duty payable in respect of the Notes is 0.1% levied on an *ad valorem* basis on the value of the underlying transaction. However, the Notes being issued as dematerialised Notes, would not be subject to stamp duty. It is unclear whether the Deed of Covenant, the Dealer Agreement and the ICPA will be assessed for stamp duties at a flat rate or an *ad valorem* rate. Historically, the Deed of Covenant, the Dealer Agreement and the Issuing, Calculation and Paying Agency Agreement have each attracted a nominal stamp duty of ₦500.00 (Five Hundred Naira) for an original copy and ₦50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Dealer Agreement and the ICPA will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping.
- 5.7.3. Each of the Transaction Documents are required to be stamped in Nigeria within a period of forty (40) days after their execution (where they are executed in Nigeria) or within a period of thirty (30) days after they are first brought into Nigeria (in the event that they are executed outside Nigeria).
- 5.7.4. No other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes.

#### 5.8. Withholding Tax

Under Nigerian Law, interest payments on debt obligations are subject to withholding tax. Given that interest is not payable on the Notes, the Issuer is not required by any law or regulation or any relevant taxing authority in Nigeria to make any withholding or deduction from any payment due to the Noteholders under the Notes. However, the discount on the Notes may be taxed in

<sup>1</sup> Cap S8 Laws of the Federation of Nigeria 2004

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accordance with applicable Nigerian tax laws.

**5.9. Foreign Exchange Control**

There are no foreign exchange control consents, licences or approvals required (including without limitation by any governmental authority, including the CBN) for the entry into and performance by the Issuer of its obligations under the Transaction Documents or the Notes; save that non-residents of Nigeria who have brought funds into Nigeria for the purchase of the Notes through an approved and lawful channel may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon the submission of all relevant documentation including a Certificate of Capital Importation, which evidences the in-flow of the funds into Nigeria by the non-resident holders of the Notes in accordance with the provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act<sup>2</sup> and the Foreign Exchange Guidelines issued by the CBN.

**5.10. Pari passu ranking**

The obligations of the Issuer under the Transaction Documents and the Notes (when issued) will rank at least *pari passu* as to priority of payment with the claims of all other present and future unsecured and unsubordinated creditors of the Issuer other than those claims which are mandatorily preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application.

**5.11. Licensing and Qualifications etc**

5.11.1 Under the laws of Nigeria, no party which is not registered in Nigeria will, by reason of its purchase of the Notes, and enforcing its rights thereunder, (i) be required to be registered, qualified, licensed or otherwise entitled to do business in Nigeria or be required to comply with any requirement as to foreign registration or qualification in Nigeria; or (ii) be required to make any filing with any court or other agency in Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or (iii) be deemed to be resident, domiciled or carrying on business in Nigeria for tax or any other purpose.

5.11.2 The exercise or performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in Nigeria.

<sup>2</sup> Chapter F34 Laws of the Federation of Nigeria 2004.

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**5.12. Choice of Law and Jurisdiction**

The choice of Nigerian Law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will recognize and apply this choice of law as the governing law of a Transaction Document to give effect to the provisions contained therein.

**5.13. Forum of Dispute Resolution**

5.13.1 The submission to arbitration by the parties under the Dealer Agreement and the ICPA would be upheld in Nigeria as parties are permitted under the laws of Nigeria to choose arbitration as a means of settling their disputes. Parties are also permitted to choose the seat and governing rules of the arbitration.

5.13.2 The courts of Nigeria will accept jurisdiction in any suit, action or proceedings against the Issuer arising out of or in connection with the Transaction Documents and the Notes and can give judgement in a currency other than the legal tender/lawful currency of Nigeria for the payment of any sum due under the Transaction Documents or the Notes.

**6. QUALIFICATIONS**

This Opinion is subject to the following qualifications:

- 6.1. this Opinion is limited in all respects to the laws of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to, the laws of any other jurisdiction;
- 6.2. this Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective;
- 6.3. our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are

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**BANWO & IGHODALO**

discretionary and are not generally available in circumstances where damages are considered by the courts in t Nigeria to be an adequate remedy;

- 6.4. save for paragraphs 5.7 and 5.8 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- 6.5. where any obligation is to be performed or observed in a jurisdiction outside Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of Nigeria or under the laws of such jurisdiction.

**7. RELIANCE**

This Opinion is issued at the request of the Dealer for the purpose of the Programme and any Note issuances thereunder. The opinion may be relied upon only by the Dealer and persons seeking to invest in the Notes, in connection with the matters dealt with herein and may not without our prior written consent be relied upon by any other person or for any other purpose. Neither its contents nor its existence may be disclosed to any other person unless we have given our prior written consent.

This Opinion may be disclosed (a) if required by law or regulation; and (b) to the officers, directors, employees, affiliates, professional advisers (including legal advisers), auditors or regulators of the Dealer; and (c) in connection with any actual or potential dispute or claim in respect of the Note issuance provided that such disclosure is made solely to enable such persons to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance.

Yours faithfully,

**ASUE IGHODALO**  
**PARTNER**  
**BANWO & IGHODALO**

○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolutions of the Board of Directors of Mixta Real Estate plc dated October 11, 2018, and May 30, 2019.

○ **Auditors**

Deloitte & Touche acted as auditors of the annual financial statements of the Issuer for the financial year ended December 31, 2018 while KPMG Professional Service acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, and were responsible for the audit, and issued unqualified reports.

○ **Commercial Paper Outstanding**

The Issuer has ₦14,984,382,000 commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending 31 December 2019, 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 is at the date hereof a going concern and can be reasonably expected to meet all of its obligations as and when they fall due.

○ **Litigation**

According to the Solicitors to the Transaction vide the Opinion dated July 3, 2019:

Mixta Real Estate PLC (“the Company” or “Mixta Nigeria”) and two (2) of its affiliate companies namely – Asset & Resources Management Holding Company Limited (“ARMHCO”) and Toll Systems Development Company Limited (“TSDCL”) (“the Companies”) are in the ordinary course of business involved in sixteen (16) litigation cases.

Of the sixteen (16) cases, Mixta Nigeria is a defendant in four (3) cases and counter-claimant in one (1) of the three (3) cases in which it is a defendant. TSDCL is a defendant in ten (10) cases and counter-claimant in nine (9) cases in which it is a defendant. ARMHCO is a defendant in one (1) case. While TSDCL and ARMHCO are co-defendants and counter-claimants in two (2) cases.

The total monetary value of the claims against Mixta Nigeria and the Companies in the sixteen (16) cases is approximately ₦999,825,546.95 (Nine Hundred and Ninety-Nine Million, Eight Hundred and Twenty Five Thousand, Five Hundred and Forty Six Naira, Ninety Five Kobo) while the total monetary claim in the counter-claims filed by Mixta Nigeria and the Companies is approximately ₦139,703,329.53 (One Hundred and Thirty Nine Million, Seven Hundred and Three Thousand, Three Hundred and Twenty Nine Naira, Fifty Three Kobo). Please note that the amounts referred to herein do not include interest and costs, which can only be ascertained or determined after the final resolution of the cases. Ultimately, the actual liability of Mixta Nigeria and the Companies in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the relevant suits.

Based on the assessment of the information contained in the case files provided by Mixta Nigeria and the Companies, the Solicitors to the Transaction are of the opinion that the contingent liability that would arise from the cases, where same are diligently defended, would not have a material adverse effect on the proposed Transaction.

The Directors of the Company are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on Mixta Nigeria and/or the Companies, and are not aware of any other pending and/or threatened claim or litigation involving Mixta Nigeria and/or the Companies other than the cases referenced above.

- **Material Contracts**

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

- i. The deed of amendment and restatement of the Deed of Covenant dated August 14, 2019 executed by the Issuer as a deed poll in favour of the Note holders;
- ii. The deed of amendment and restatement of the Dealer Agreement dated August 14, 2019 executed by the Arranger, Dealer and the Issuer; and
- iii. The deed of amendment and restatement of the Issuing, Calculation and Paying Agency Agreement dated August 14, 2019 executed by the Issuer and the Issuing, Calculation and Paying Agent.

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 is the borrower in respect of the Notes.

**PARTIES TO THE TRANSACTION**

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**ISSUER**

**Mixta Real Estate plc**  
8 Kasumu Ekemode Street  
Off Saka Tinubu Street  
Victoria Island  
Lagos, Nigeria



**ARRANGER**

**ISSUING, CALCULATION AND PAYING AGENT**

**FBNQuest Merchant Bank Limited**

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



**AUDITORS**

**Deloitte & Touche**  
Civic Towers, Plot GA 1  
Ozumba Mbadiwe Avenue  
Victoria Island, Lagos  
Nigeria



**SOLICITORS**

**Banwo & Ighodalo**  
98, Awolowo Road  
S/ W Ikoyi, Lagos  
Nigeria

