THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER. **INVESTING IN THIS OFFER INVOLVES RISKS.FOR INFORMATION ABOUT RISKS FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO RISK FACTORS ON PAGES 120 TO 124.**

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0) 94621168

Axxela

AXXELA FUNDING 1 PLC

RC 1517428

₦50,000,000,000 MULTI-INSTRUMENT ISSUANCE PROGRAMME

This Shelf Prospectus has been issued in compliance with Rule 279 of the Rules and Regulations of the Securities and Exchange Commission ("SEC" or the "Commission") and the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ") and Nigerian Exchange Limited ("NGX") and contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the programme (as defined herein). A copy of this Shelf Prospectus has been delivered to the Commission for registration.

This Shelf Prospectus and the securities that it offers have been approved and registered by the SEC. It is a civil wrong and criminal offence under the investments & securities act (No. 29 of 2007) (the "ISA") to issue a prospectus which contains false or misleading information. The clearance and registration of this prospectus and the securities which it offers does not relieve the parties from any liability arising under the act for false and misleading statements contained herein or for any omission of a material fact. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in Sections 85 and 86 of the ISA

This Shelf Prospectus is to be read and construed in conjunction with any supplement thereto and all documents which are incorporated herein, by reference and, in relation to any tranches (as defined herein) of instruments, together with the applicable pricing supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

The registration of the Shelf Prospectus And any pricing supplement thereafter does not in any way whatsoever suggest that the SEC endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

The Issuer accepts responsibility for the information contained in this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Shelf Prospectus has been approved by the members of the board of directors of Axxela Funding 1 PLC and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in Sections 85 and 86 of the ISA. This Shelf Prospectus shall be valid for a period of three years.

LEAD ISSUING HOUSE/ BOOK RUNNER

Stanbic IBTC Capital Limited

Stanbic IBTC Capital RC 1031358

JOINT ISSUING HOUSE/ BOOK RUNNER

Chapel Hill Denham Advisory Limited

CHAPEL HILL DENHAM RC 1381308

THIS SHELF PROSPECTUS IS DATED THE 12th DAY OF APRIL 2024

This Shelf Prospectus will be available on the following websites throughout the Validity Period

www.axxelagroup.com , www.sec.gov.ng

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1. PRESENTATION OF INFORMATION

The Issuer and Sponsor maintain their books of accounts in Naira and in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Unless otherwise indicated, financial information set forth herein related to the Issuer and Sponsor and its consolidated subsidiaries (the "**Group**") has been derived from the Group's audited consolidated and separate financial statements as at and for the year ended 31 December 2022 financial statements (the "**2022 Financial Statements**"), 31 December 2021 financial statements (the "**2021 Financial Statements**"), 31 December 2020 financial statements (the "**2020 Financial Statements**"), 31 December 2019 financial statements (the "**2019 Financial Statements**") and 31 December 2018 financial statements (the "**2018 Financial Statements**"); together, these Financial Statements shall be called (the "**Financial Statements**"). The Financial Statements were prepared in accordance with IFRS issued by the International Accounting Standards Board.

The Financial Statements were also prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 ("**CAMA**") and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

The Financial Statements, including the audit report of Ernst & Young ("**Auditors**") therein are set forth in this Prospectus. The Financial Statements were audited by the Auditors, in accordance with International Standards on Auditing.

Ernst & Young is the independent auditor of the Company in accordance with the International Standards on Auditing. The firm is located at UBA House (10^{th} & 13^{th}) Floors, 57 Marina, Lagos.

Certain statistical information presented in this document on topics such as the Nigerian economy and political landscape and related subjects have been obtained from certain third-party sources, as described herein. This third-party information is presented in the following sections of this document: "*Nigeria Overview*", and "*Risk Factors*". Axxela has accurately reproduced such information and as far as the Company is aware and is able to ascertain, from information published by such third parties, no facts have been omitted that would render the information inaccurate or misleading.

Nevertheless, prospective investors are advised to consider this data with caution. Prospective investors should note that some of the Company's estimates are based on such third-party information. The Issuer, Sponsor and the Issuing Houses have not independently verified the figures, market data or other information on which third-parties have based their studies.

2. NOTICE TO PROSPECTIVE INVESTORS

PRESENTATION OF INFORMATION

This Shelf Prospectus has been prepared by Axxela Limited ("Axxela" or "Company" or "Sponsor") and Axxela Funding 1 Plc ("Issuer" or "Axxela Funding") with the assistance of the Issuing Houses in connection with its ₦50,000,000,000 Multi-Instrument Issuance Programme (pursuant to which the Issuer will issue Instruments with varying maturities) for purposes of giving information to prospective investors in respect of the Issuer, the Sponsor and the Instruments described herein.

Following the registration of this Shelf Prospectus, SEC will register the specific Instruments as issued from time to time, under a Series (defined hereinafter).

This Shelf Prospectus includes certain statements, estimates and projections with respect to the future performance of the Sponsor. These statements, estimates and projections reflect various assumptions by the Sponsor concerning its anticipated development and expansion programme, which have been included solely for illustrative purposes. These statements, estimates and projections should not however, be relied upon as a representation, warranty or undertaking, expressed or implied, as to the future performance of the Sponsor and actual occurrences may vary materially from the projected developments contained herein and or the assumptions on which such statements, estimates and projections were based. Neither this Shelf Prospectus nor any other information supplied in connection with the Programme or the Instruments constitutes an offer or invitation by or on behalf of the Issuer, the Sponsor, the Issuing Houses or the Trustees to any person to subscribe for or to purchase the Instruments.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing Houses to any prospective investor. Each prospective investor contemplating the purchase of any Instrument should make their own independent assessment of the merits or otherwise of subscribing for the securities offered herein and should take their own professional advice in connection with any prospective investment by them.

The Issuer, Sponsor and members of its Board individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue. Additional information may be obtained through the offices of the Issuing Houses as listed on page 17 of this Shelf Prospectus on any Business Day during the period of the respective opening and closing dates of the issuance of Instruments under the Multi-Instrument Issuance Programme, provided the Issuing Houses possess such information or can acquire it without unreasonable effort or expense.

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Sponsor obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian economy and the Nigerian political landscape in general from certain government and other third-party sources as identified where it appears herein.

This third-party information is presented in the following sections of the Shelf Prospectus: "*Nigeria Overview*", and "*Risk Factors*". The Sponsor has accurately reproduced such information and as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the information inaccurate or misleading.

There is not necessarily any uniformity of views among such sources as to such information provided. The Company has not independently verified the information included in these sections. Some of the information in this Shelf Prospectus has been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text. The Company has accurately reproduced such information and, so far as the Company is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Company has relied on the accuracy of this information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The Issuer, Sponsor and the Issuing Houses have not independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been reproduced from official publications of, and information supplied by, a number of government agencies and ministries, and other governmental and intergovernmental organisations, including:

- The Central Bank of Nigeria (CBN);
- The International Monetary Fund (IMF);
- U.S Energy Information Administration;
- Fitch Business Monitor; and
- the National Bureau of Statistics (NBS).

FORWARD-LOOKING STATEMENTS

Certain statements included herein and in any Pricing Supplement may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer and Sponsor’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer and Sponsor’s operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future development of the industry in which the Company operates, as this may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. In addition, even if the Company’s results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this Shelf Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Company’s expectations are contained in the cautionary statements in this Shelf Prospectus.

The sections of this Shelf Prospectus titled “Risk Factors”, “Description of Axxela Funding 1 Plc” and “Statutory and General Information” contain a more detailed discussion of the factors that could affect the Company’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Shelf Prospectus.

STATEMENTS IN THE PRICING SUPPLEMENT

Following the publication of this Shelf Prospectus, Pricing Supplement(s) will be issued in relation to each issuance of a Series or Tranche of Instruments that are offered for subscription from time to time by the Issuer under the Programme. Each applicable Pricing Supplement will be cleared and approved by the SEC.

Specific statements on an Instrument as contained in the relevant Pricing Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified shall not, except as modified or superseded, constitute a part of this Shelf Prospectus.

AMENDMENTS TO THE SHELF PROSPECTUS

In the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus, which is capable of affecting the assessment of the Instruments, the Issuer shall prepare an addendum to this Shelf Prospectus. The addendum shall also be subject to the clearance and approval of the Commission.

3. DEFINITION OF TERMS

"Account Bank"	Any CBN-licensed bank appointed as such by the Issuer and specified in the applicable Pricing Supplement
"Agusto & Co"	Agusto & Co Limited
"Auditors"	Ernst & Young Nigeria, or any other appointed auditor
"Axxela" or "Company" or "Sponsor"	Axxela Limited
"Axxela Funding" or "Issuer" or "Issuer Trustee" or "SPV"	Axxela Funding 1 Plc
"Axxela Companies"	Axxela, CHGC, Gaslink, Gasnexus, GNSL, Transit Gas and any other portfolio of new ventures
"Board" or "Directors"	Board of Directors of Axxela Funding
"Bondholder(s)"	In relation to any Bond of a Series or Tranche, a person (whether currently or in the future) registered in the applicable Register of such Tranche or Series, as the holder of those Bonds from time to time and shall include the legal, personal representative or successor of such holder and those entered as joint holders
"Bond(s)"	Registered bonds including Green Bonds, Sustainability Linked Bonds, Transition Bonds, Social Bonds, Zero-Coupon Bonds, Fixed Rate Bonds, Floating Rate Bonds or any other type of debt instruments that may be issued by the Issuer from time to time under the Programme in accordance with the terms of the Shelf Prospectus and any subsequent Pricing Supplement by which the Issuer is obligated to repay the Bondholders in a manner set out in the Final Terms
"Bond Trustees"	ARM Trustees Limited and STL Trustees Limited or any successor trustee(s) acting on behalf of the Instrument-holders that may be appointed by the Issuer from time to time, acting in respect of the Instruments and the Notes
"Book"	The "book" is the off-market collation of investor demand by the Book Runner and is confidential to the Book Runner and Issuer
''Book Building''	A process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net-Worth Investors
''Book Runner(s)''	The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Instruments being sold by way of Book Building

"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
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act, 2020 (As amended)
"CBN"	Central Bank of Nigeria
"Central Securities Depository" or "CSD"	Central Securities Clearing Systems Plc, FMDQ Depository Limited or any other SEC recognized central securities depository
"Chapel Hill Denham"	Chapel Hill Denham Advisory Limited
"CHGC"	Central Horizon Gas Company Limited, a subsidiary of Axxela
"CITA"	Companies Income Tax Act Cap C21, LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Acts, 2019, 2020, 2021, 2022 and 2023))
"CNG"	Compressed Natural Gas
"Conditions" or 'Terms and Conditions"	Terms and conditions in accordance with which the Instruments will be issued, set out in the section of this Shelf Prospectus headed "Terms and Conditions of the Instruments", in the section of the applicable Pricing Supplement headed "Summary of the Offer" and in the Programme Trust Deed
"Co-Obligors"	Axxela, Gaslink, or as may be supplemented or replaced from time to time in accordance with the Trust Deed
"Coupon"	The interest paid on a Series of Bonds periodically, expressed as a percentage of the face value of the relevant Series of Bonds as specified in the applicable Pricing Supplement
"Coupon Commencement Date"	The date on which the Coupons on each Series of Bonds starts accruing to Instrument-holders as specified in the applicable Pricing Supplement
"Coupon Payment Date"	The date on which the Coupons are payable to the Instrument-holders as specified in the applicable Pricing Supplement
"Daily Official List"	The publication of the Nigerian Exchange Limited, published daily, detailing price movements and information on all securities quoted on the Exchange
"Daily Quotations List"	The publication of FMDQ Securities Exchange Limited, published daily, detailing price movements and information on all securities quoted on the FMDQ Securities Exchange Limited platform

"Dealers"	All Broker/Dealers and Primary Dealers/Market Makers with substantive registrations with the SEC and the NGX/FMDQ, who may be appointed by the Company to facilitate liquidity in the Instruments to be issued under the Programme
"Declaration of Trust"	The trust deed between the Issuer, the Sponsor and the Delegate Trustees, dated on or about the date of the relevant Pricing Supplement issued in connection with the Certificates, by which the Issuer constitutes a trust over the Trust Assets any assets in favour of the Certificate-holders and appointed the Delegate Trustees as its delegate trustee under the trust where applicable, refers to the deed of guarantee executed by the Guarantor and the Bond Trustees pursuant to a Series
"Delegate Trustees" or "Sukuk Trustees"	ARM Trustees Limited or any other trustee appointed by the Issuer Trustee in relation to the Sukuk
"Dissolution Distribution Amount"	In relation to each Certificate: (a) the sum of: (i) the outstanding face amount of such Certificate; and (ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or (b) such other amount specified in the applicable Final Terms as being payable upon any Dissolution Date
"Distribution Commencement Date"	Means the date specified in the applicable Pricing Supplement
"Events of Default"	All such events as are defined under the Programme Trust Deed
"Exchange(s)"	Nigeria Exchange Limited, FMDQ Securities Exchange Limited, the Green Exchange and any other SEC-approved securities exchanges that the Issuer elects to list the Instruments
"FGN" or "Federal Government"	Federal Government of Nigeria
"Final Terms"	Means the document specifying the final terms applicable to a Series
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis
"Floating Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a floating rate basis
"FMDQ"	FMDQ Securities Exchange Limited
"Gaslink" or "GNL"	Gaslink Nigeria Limited, a subsidiary of Axxela
"Gasnexus"	Gasnexus Limited, a subsidiary of Axxela
"GCR"	Global Credit Ratings Company Limited
"GNSL"	Gas Network Services Limited, a subsidiary of Gaslink
"Green Bonds"	Bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement / Supplementary Prospectus, the proceeds of which are to be

	applied towards projects or other uses with positive environmental impact
“Guarantee”	The credit enhancement (if applicable) provided by the Guarantor in relation to the applicable Series, the details of which are set out in the Deed of Guarantee
“Guarantor”	The entity providing the Guarantee in relation a Series or Tranche of the Instruments
“Helios”	Helios Investment Partners
“High Net-Worth Investors” or “HNI”	As defined in the SEC Rules 321
“IFRS”	International Financial Reporting Standards
“Instruments”	The registered debt securities issued under the Programme including but not limited to Bonds, and other non-interest bearing securities including Sukuk, Floating Rate Sukuk, Fixed Rate Sukuk, and any combinations thereof (as applicable, where possible) or any other type of debt securities that will be issued by the Issuer from time to time in accordance with the terms of this Shelf Prospectus and any applicable Pricing Supplement / Supplementary Prospectus, with the maximum aggregate principal amount not exceeding ₦50,000,000,000.
“Instrument-holder”	A person in whose name an Instrument is registered in the Register respectively (and in the case of joint holders, the first named holder)
“Instrument-holder(s)”	Means Bondholders and Sukukholders
“ISA”	Investments and Securities Act 2007 (as amended)
“Issue Date”	In respect of any particular Series or Tranche, the date on which an Instrument is issued and when accrual of the interest on such Instrument commences as specified in the applicable Pricing Supplement
“Issue Price”	The price at which an Instrument is issued as specified in the applicable Pricing Supplement
“Issuing Houses”	Stanbic IBTC Capital Limited, Chapel Hill Denham Advisory Limited, and any other Issuing House that may be appointed by the Issuer either generally in respect of the Programme and/or in relation to a particular Series or Tranche of Instruments
“Lead Issuing House”	Any Issuing House that may be appointed from time to time as lead adviser for a Series of Instruments under the Programme
“LFN”	Laws of the Federation of Nigeria 2004
“Master Notes Subscription Agreement”	Means the agreement dated on or about the date of this Prospectus and made between the Issuer, the Note Issuers, and the Trustee in relation to the Notes

"Minimum Reserve Account"	Means an account of such name which the Issuer may establish for a Series pursuant to the relevant Final Terms and which shall be managed by the Bond Trustees or such other trustee specified in the Final Terms
"Multi-Instrument Issuance Programme" or the "Programme"	The ₦50,000,000,000 multi-instrument issuance programme being undertaken by Axxela Funding 1 Plc as described in this Shelf Prospectus and each Pricing Supplement, pursuant to which the Issuer may issue several Series or Tranches of Bonds or other Instruments from time to time with varying maturities, terms and conditions and variable rates of interests; provided however that the aggregate value does not exceed ₦50,000,000,000
"NGX" or "The Exchange"	Nigerian Exchange Limited
"Nigeria"	The Federal Republic of Nigeria, and the term "Nigerian" shall be construed accordingly
"Note Issuers"	Means Axxela, Gaslink, Transit Gas and any subsidiary of Axxela, which provides security and or undertaking, accedes to a deed of accession in the form provided in Schedule [4] of the Master Notes Subscription Agreement and is entitled to issue Notes in accordance with the Master Notes Subscription Agreement
"Note(s)"	The notes to be issued by each Note Issuer to Axxela Funding, which shall collectively not exceed the total value of Instruments permitted to be issued under the Multi-Instrument Issuance Programme
"Payment Account"	Means, in relation to a Series, an account established by the Issuer with the Account Bank under control of the Trustees which shall be funded by the Issuer with instalments to be determined in accordance with the applicable Final Terms
"PITA"	Personal Income Tax Act Cap, P8, LFN 2004 (as amended)
"Pricing Supplement" or "Supplementary Shelf Prospectus"	The document(s) with respect to the Instruments to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series or Tranche of Bonds or Instruments under the Programme and read in conjunction with the Shelf Prospectus
"Principal Amount"	The nominal amount of each Instrument, as specified in the Applicable Pricing Supplement
"Profit" or "Distribution"	Profit or rent due on the Certificates issued under the Programme as may be specified in the applicable Final Terms
"Profit Commencement Date"	The Issue Date or such other date as may be specified in the applicable Final Terms that applies to a Sukuk
"Programme Document"	All the agreements and documents, which relate to the Programme

"Programme Trust Deed" or "Trust Deed"	The trust deed between the Issuer, the Co-Obligors and the Trustees dated on or about the date of this Shelf Prospectus as may be amended, supplemented or restated from time to time
"Qualified Institutional Investor"	As defined in the SEC Rules, institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms
"Qualified Investors"	Qualified Institutional Investors and High Net-Worth Investors
"Register"	The record maintained by the Registrar detailing the particulars of Instrument-holders, the Instrument-holders, respective Instruments held by each Instrument-holder of them and the particulars, transfers and redemption of the Instruments held by each Instrument-holder.
"Registrar"	Any SEC licensed registrar company appointed by the Issuer and specified in the applicable Pricing Supplement
"SEC" or "The Commission"	Securities and Exchange Commission, Nigeria
"SEC Rules"	The Rules and Regulations of the Securities and Exchange Commission 2013 (as amended) issued pursuant to the ISA
"Security Trustee"	Any trustee company licensed by the SEC appointed by the Issuer, to hold the various security interests created on trust for the various creditors, such as banks or Instrument-holders, as specified in the applicable Pricing Supplement
"Senior Instruments"	Bond Instruments that rank pari passu without any preference of one above another by reason of priority of date of issue, currency of payment or otherwise with all other senior unsecured obligations of the Issuer, present and future, and such additional features as may be specified in the applicable Pricing Supplement
"Series"	Tranche of Instruments together with any further Tranche or Tranches of Instruments which are: i. expressed to be consolidated and form a single series; and ii. are identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Payment Dates and/or Issue Prices
''Series Trust Deed''	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, the Co-obligors and the Trustees with regards to a specific Series under

	the Programme and empowering the Trustees to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	This document issued in accordance with the SEC Rules, which details the aggregate size and broad terms and conditions of the Programme
“Social Bonds”	Bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement, the proceeds of which are to be applied towards projects or other uses with positive social impact
“SPV” or “Issuer” or “Issuer Trustee”	a special purpose vehicle incorporated by the Sponsor
“Stanbic IBTC Capital”	Stanbic IBTC Capital Limited
“Subordinated Instruments”	Instruments that rank pari passu, without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations
“Sukuk”	Shariah compliant instruments issued by the Issuer or the Issuer Sukuk Trustee (as applicable) from time to time, pursuant to the Programme Trust Deed and the applicable Series Trust Deed, which represent an undivided ownership interest in the Trust Assets, proportionate to the value of the Sukukholder’s investment in the Trust Assets
“Sukuk Certificates” or “Certificates”	Investment certificates of equal value issued by the Issuer or Issuer Trustee (as applicable) representing an undivided beneficial ownership interest held by a certificate holder in the Trust Assets in connection with Sukuks issued under the Programme, which shall be in the form set out in the Programme applicable Series Trust Deed
“Sukukholder”	a person in whose name a Sukuk Certificate is registered in the relevant register maintained by the Registrar (and in the case of joint Sukuk Certificate holders, the first named thereof), as holder of the Sukuk Certificate
“Sustainability Linked Bonds”	bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement, the proceeds of which are to be applied towards projects or other uses with positive sustainability impact
“The Constitution”	The Constitution of the Federal Republic of Nigeria 1999 (as amended)
“Tranche”	Instruments which are identical in all respects (including as to listing)
“Transit Gas”	Transit Gas Nigeria Limited, a subsidiary of Axxela

"Transition Bonds"	bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement, the proceeds of which are to be applied towards projects or other uses with positive energy transition impact
"Trust Assets"	in relation to the relevant Series or Tranche of Instruments will be (a) the cash proceeds of the issue of the relevant Series or Tranche of Sukuk, Bond Certificates, pending application thereof in accordance with the terms of the transaction documents; (b) all of the Issuer Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the assets acquired with the cash proceeds 15atered to in (a) above; (c) all of the Issuer Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the transaction documents; (d) all monies standing to the credit of the relevant transaction account from time to time; and I all proceeds of the foregoing listed (a) to (d)
"Trust Deeds"	The Programme Trust Deed and the applicable Series Trust Deed Programme is constituted
"Trustee" or "Joint Trustee"	ARM Trustees Limited or any successor trustee acting on behalf of the Instrument-holders that may be appointed by the Issuer from time to time, in accordance with the Trust Deed
"USD" or "US Dollar" or "$"	United States Dollars
"Validity Period''	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus
"VAT"	Value Added Tax
"Zero Coupon Bond"	A non-interest-bearing bond or a bond issued at a discount to its face value

4. PARTIES TO THE OFFER

PARTIES TO THE ISSUE

The Issuer
Axxela Funding 1 Plc
The Wings Office Complex, East Tower
17A, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

Issuer's Board of Directors

Mr. Lazarus Angbazo
(Chairman)

Mr. Mobolaji Osunsanya
(Chief Executive Officer)

Mr. Ogbemi Ofuya
(Director)

Mr. Jeremy Bending
(Director)

Ms. Kaat Van Hecke
(Director)

Mr. Tuoyo Ejueyitchie
(Company Secretary)

TUOYO EJUEYITCHIE

The Sponsor
Axxela Limited
The Wings Office Complex, East Tower
17A, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

Sponsor's Board of Directors

Mr. Boye Olusanya
(Chairman)

Mr. Mobolaji Osunsanya
(Chief Executive Officer)

Mr. Jeremy Bending
(Director)

Mr. Kaat Van Hecke
(Director)

Mr. Nitin Kaul
(Director)

Mr. Lazarus Angbazo
(Director)

Mr. Ogbemi Ofuya
(Director)

Mr. Satoshi Awaya
(Director)

Mr. Tuoyo Ejueyitchie
(Company Secretary)

TUOYO · EJUEYITCHIE

PROFESSIONAL PARTIES TO THE ISSUE

Issuing House:
Stanbic IBTC Capital Limited
Stanbic IBTC Towers, Walter Carrington Crescent Victoria Island
Lagos

Issuing House:
Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi
Lagos

Kemi Aruleba

Solicitors to the Offer:
Aluko & Oyebode
1 Murtala Muhammed Drive
Ikoyi
Lagos

Ayodeji Oyetunde

Solicitors to the Issuer:
The New Practice (TNP)
49 Raymond Njoku Street
Ikoyi
Lagos

BUKOLA BANKOLE

Auditor:
Ernst & Young
10th Floor, UBA House
57 Marina Rd
Lagos

Adewuyi Adeyomi

Reporting Accountant:
Pricewaterhouse Coopers
5B Water Corporation Road
Landmark Towers
Victoria Island
Lagos

Onatolale Adeleye

Rating Agency:
Agusto & Co Limited
5th Floor, UBA House
57 Marina
Lagos

Tonka Adeleke

Rating Agency:
Global Credit Rating Co.
11th Floor, New Africa House
31 Marina
Lagos

Hafeez Okunola.

Bond Trustees:
ARM Trustees Limited
1, Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi
Lagos

GOZIE ALOZIEUWA

STL Trustees Limited
Plot 183, Moshood Olugbani Street,
Victoria Island
Lagos

Funmi Ekundayo

5. DECLARATION BY THE ISSUER

Axxela Funding 1 PLC RC: 1517428

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: [illegible] **Website:** www.axxelagroup.com

3 January 2024

The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

MICHAEL A. ABIIBA, ESQ.
NOTARY PUBLIC, NIGERIA
[illegible]
SIGNATURE
DATE 04-01-2024

Dear Sir,

<u>Establishment of a ₦50 billion multi-instrument issuance programme by Axxela Funding 1 Plc (the "Programme") and the subsequent issue of bonds under the Programme</u>

This Shelf Prospectus has been prepared by the Issuing Houses on behalf of Axxela Funding 1 Plc (the "**Issuer**") with a view to providing a description of the relevant aspects of the business of the Issuer and Axxela Limited (the Sponsor of the Programme) in connection with the establishment of the Programme.

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;

2. there has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the date of the Shelf Prospectus;

3. the Issuer is not in breach of any term or condition in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months immediately preceding the date of the Shelf Prospectus; and

4. no proceeding has been commenced against the Issuer during the 12 (twelve) calendar months immediately preceding the date of the Shelf Prospectus in respect of any breach or contravention of any provision of the Companies and Allied Matters Act 2020.

SIGNED for and on behalf of Axxela Funding 1 PLC

By its duly authorised representatives:

Mobolaji Osunsanya	**Lazarus Angbazo**	**Tuoyo Ejueyitchie**
Director	Director	Company Secretary

Directors: Lazarus Angbazo (Chairman), Mobolaji Osunsanya (Managing Director), Jeremy Bonding (British), Kaat Van Hecke (Belgian), Ogbemi Ofuya

6. DECLARATION BY THE SPONSOR

Axxela Limited RC: 422065

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: +234 1 2700235 Website: www.axxelagroup.com

8 November 2023

The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Dear Sir,

Establishment of a NGN50 billion multi-instrument issuance programme by Axxela Funding 1 PLC (the "Programme") and the subsequent issue of bonds under the Programme

Axxela Limited is the Sponsor in respect of this Shelf Prospectus, which has been prepared by the Issuing Houses on behalf of Axxela Funding 1 PLC (the "**Issuer**") with a view to providing a description of the relevant aspects of the Issuer and Sponsor's business in connection with the establishment of the Programme.

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;

2. there has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer and Sponsor since the date of the Shelf Prospectus;

3. the Issuer and Sponsor are not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months immediately preceding the date of the Shelf Prospectus; and

4. no proceding has been commenced against the Issuer or Sponsor during the 12 (twelve) calendar months immediately preceding the date of the Shelf Prospectus in respect of any breach or contravention of any securities of the Companies and Allied Matters Act 2020.

SIGNED for and on behalf of Axxela Limited
By its duly Authorised Representatives:

Mobolaji Osunsanya	Timothy Ononiwu	Tuoyo Ejueyitchie
Chief Executive Officer	**Chief Financial Officer**	**Company Secretary**

5-12-23
NOTARY PUBLIC
ADEOLA E. AGUNBIADE-ADE..., Esq.
48, AWOLOWO RD, IKOYI LAGOS
SUPREME COURT OF NIGERIA

Directors: ... (Chairman), Mobolaji Osunsanya, (Chief Executive Officer), Lazarus Angbazo, Jeremy Benning ... Van Hecke (Belgian), Nitin Kaul (British), Ogbeni Ofuya, Satoshi Awaya (Japanese)

7. SOLICITORS OPINION ON THE ISSUER

ALUKO & OYEBODE

www.aluko-oyebode.com

31 December 2023

Stanbic IBTC Capital Limited
I.B.T.C Place, Walter Carrington Crescent
Victoria Island
Lagos

Chapel Hill Denham Advisory Limited
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

Afrinvest Capital Limited
27 Gerrard Road
Ikoyi
Lagos

FBNQuest Merchant Bank Limited
10 Keffi Street, off Awolowo Road
South-West Ikoyi
Lagos

FCMB Capital Markets Limited
First City Plaza
44, Marina Road
Lagos

Rand Merchant Bank Limited
3rd Floor, East Tower, Wings Office
Complex
Victoria Island
Lagos

United Capital Plc
97/105, Broad Street
Lagos

Vetiva Capital Management Limited
266B Kofo Abayomi Street
Victoria Island
Lagos

Dear Sirs,

<u>RE: ESTABLISHMENT OF A ₦50,000,000,000.00 (FIFTY BILLION NAIRA) MULTI-INSTRUMENT ISSUANCE PROGRAMME BY AXXELA FUNDING 1 PLC</u>

We act as Solicitor to the Issue in connection with the proposed issuance of ₦15,000,000,000.00 (Fifteen Billion Naira) Series 1 Bonds under the proposed ₦50,000,000,000.00 (Fifty Billion Naira) Multi-Instrument Issuance Programme by Axxela Funding 1 Plc (the "**Issuer**") (the "**Transaction**").

As of 31 December 2023, the Issuer is not engaged, (whether as defendant or otherwise), in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other proceedings (collectively, "**Claims**"), nor is the Issuer aware that there are any such Claims being threatened or pending.

As a result of this, we are of the opinion that there are no Claims in existence or threatened which would have a material effect on the Transaction.

Yours faithfully,
ALUKO & OYEBODE

Ayodeji Oyetunde
Partner

1 Murtala Muhammed Drive
Ikoyi, Lagos, Nigeria
P.O. Box 2293, Marina, Lagos

T +234 1 462 8360
E ao@aluko-oyebode.com

8. SOLICITORS OPINION ON THE SPONSOR

ALUKO & OYEBODE

www.aluko-oyebode.com

31 December 2023

Stanbic IBTC Capital Limited
I.B.T.C Place, Walter Carrington Crescent
Victoria Island
Lagos

Chapel Hill Denham Advisory Limited
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

Afrinvest Capital Limited
27 Gerrard Road
Ikoyi
Lagos

FBNQuest Merchant Bank Limited
10 Keffi Street, off Awolowo Road
South-West Ikoyi
Lagos

FCMB Capital Markets Limited
First City Plaza
44, Marina Road
Lagos

Rand Merchant Bank Limited
3rd Floor, East Tower, Wings Office Complex
Victoria Island
Lagos

United Capital Plc
97/105, Broad Street
Lagos

Vetiva Capital Management Limited
266B Kofo Abayomi Street
Victoria Island
Lagos

Dear Sirs,

RE: ESTABLISHMENT OF A ₦50,000,000,000.00 (FIFTY BILLION NAIRA) MULTI-INSTRUMENT ISSUANCE PROGRAMME BY AXXELA FUNDING 1 PLC

We act as Solicitors in connection with the proposed issuance of ₦15,000,000,000.00 (Fifteen Billion Naira) Series 1 Bonds under the proposed ₦50,000,000,000.00 (Fifty Billion Naira) Multi-Instrument Issuance Programme by Axxela Funding 1 Plc (the "**Transaction**"). We have provided herein our opinion on the status of pending litigation in which Axxela Limited (the "**Sponsor**") is involved in.

As of 31 December 2023, the Sponsor in the ordinary course of business is presently involved in 3 (three) suits which was instituted against it. The total amount, including general damages, claimed against the Sponsor is estimated at ₦15,009,910,385.22 (*Fifteen Billion, Nine Million, Nine Hundred and Ten Thousand, Three Hundred and Eighty-Five Naira, Twenty-Two Kobo*).

Based on our review of the facts of the above lawsuit provided by the Sponsor, we are of the opinion that the suit will not affect the Transaction adversely.

A schedule of claims and litigation in which the Sponsor is involved is available for inspection at the registered office of the Sponsor.

Yours faithfully,
ALUKO & OYEBODE

Ayodeji Oyetunde
Partner

Axxela Funding 1 PLC RC: 1517428

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: +234 1 2700015 **Website:** www.axxelagroup.com

RC: 1517428

THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT 2020

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

AXXELA FUNDING 1 PLC

At the meeting of the Board of Directors (the "**Board**") of Axxela Funding 1 Plc (the "Company") duly convened and held at the office of the Company at Wings Office Complex, 17A, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, on the 4th day of October 2023 at 9.00a.m, the following resolutions were proposed and duly passed:

1. *"That the Company be and is hereby authorised to establish a Multi Instrument Issuance Programme in an aggregate amount not exceeding ₦50, 000, 000, 000.00 (Fifty Billion Naira) (the "**Programme**") for the purpose of issuing bonds, green bonds, sukuk or other debt instruments by way of a public offering, private placement, book building process or any other methods, in such series, tranches or proportions and on such terms and conditions as may be determined by the management of the Company (the "**Management**"), subject to obtaining all relevant regulatory approvals;*

2. *That pursuant to the establishment of the Programme, the Company be and is hereby authorised to issue the first series of the Bonds of up to ₦15,000,000,000 (Fifteen Billion Naira) under the Programme, on such terms and conditions as may be determined by the Directors subject to obtaining all relevant regulatory approvals. The Company also reserves the right to absorb any surplus amount raised not exceeding 15% of the offer size, subject to the Securities and Exchange Commission (the "**SEC**") Rules;*

3. *That the Company be and is hereby authorised to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers and perform all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directive of any regulatory authority;*

4. *That any two (2) Directors or a Director and the Company Secretary be and are hereby authorised to do all acts and things and to approve and or execute all documents and agreements in connection with the Programme and subsequent tranches, series, or proportions under the Programme; and*

Directors: Lazarus Angbazo (Chairman), Mobolaji Osunsanya, (Managing Director), Jeremy Bending (British), Kaat Van Hecke (Belgian), Ogbemi Ofuya

Axxela Funding 1 PLC RC: 1517428

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: +234 1 2700035 **Website:** www.axxelagroup.com

5. *That all acts already carried out by the Management in connection with the above, be and are hereby ratified."*

Dated this <u>5th</u> day of <u>October</u> 2023

MOBOLAJI OSUNSANYA
DIRECTOR

TUOYO EJUEYITCHIE
COMPANY SECRETARY

MICHAEL A. ABIIBA, ESQ.
NOTARY PUBLIC, NIGERIA

SIGNATURE ....
DATE 04 - 01 - 2024

10. CO-OBLIGOR'S BOARD RESOLUTION

Gaslink

8th Floor, The Wings Office Complex, East Tower
17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: +234 1 2700035 Website: www.axxelagroup.com

RC: 121908

THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT 2020

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

GASLINK NIGERIA LIMITED

At the meeting of the Board of Directors (the "**Board**") of Gaslink Nigeria Limited (the "**Company**") duly convened and held at the office of the Company at Wings Office Complex, 17A, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, on the 20th day of October 2023 at 9.00a.m, the following resolutions were proposed and duly passed:

1. *That the Company be and is hereby authorised to issue notes to Axxela Funding 1 Plc (the "**Issuer**") in such tranches, series or proportions; at such dates, coupon or interest rates, within such maturity periods and on such terms and conditions which the Board may deem fit (the "**Notes**") which shall match the terms and conditions of the bonds to be issued by the Issuer under its up to ₦50, 000, 000, 000.00 (Fifty Billion Naira) Multi Instrument Issuance Programme (the "**Programme**"), subject to obtaining all requisite approvals from applicable regulatory authorities;*

2. *That the Company be and is hereby authorised to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers and perform all such other things as may be necessary to give effect to the above resolution, including without limitation, complying with the directive of any regulatory authority;*

3. *That any two (2) Directors or a Director and the Company Secretary be and are hereby authorised to do all acts and things and to approve and or execute all documents and agreements in connection with the issuance of the Notes, the Programme and subsequent tranches, series, or proportions under the Programme; and*

4. *That all acts already carried out by the management of the Company in connection with the above, be and are hereby ratified."*

Dated this 20th day of October 2023

MOBOLAJI OSUNSANYA	**TUOYO EJUEYITCHIE**
DIRECTOR	**COMPANY SECRETARY**

Directors: Lazarus Angbazo (Chairman), Mobolaji Osunsanya (Managing Director), Ifeanyi Ochonogor, Ogbemi Ofuya, Tunji Ladoja, Awaya Satoshi

11. SPONSOR'S BOARD RESOLUTION

Axxela Limited RC: 422065

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: +234 1 2700035 **Website:** www.axxelagroup.com

RC: 422065

THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT 2020

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

AXXELA LIMITED

At the meeting of the Board of Directors (the "**Board**") of Axxela Limited (the "**Company**") duly convened and held at the office of the Company at Wings Office Complex, 17A, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, on the 4th day of October 2023 at 9.00a.m, the following resolutions were proposed and duly passed:

1. *"That the Company be and is hereby authorised to support and sponsor the establishment of the Multi Instrument Issuance Programme by Axxela Funding 1 Plc (the "**Issuer**") in an aggregate amount not exceeding ₦50, 000, 000, 000.00 (Fifty Billion Naira) (the "**Programme**"), in such series, tranches or proportions and on such terms and conditions as may be determined by the management of the Issuer (the "**Management**"), subject to obtaining all relevant regulatory approvals;*

2. *That the Company be and is hereby authorised to issue notes to the Issuer in such tranches, series or proportions; at such dates, coupon or interest rates, within such maturity periods and on such terms and conditions which the Board may deem fit (the "**Notes**") which shall match the terms and conditions of the bonds to be issued by the Issuer under the Programme, subject to obtaining all requisite approvals from applicable regulatory authorities;*

3. *That the Company be and is hereby authorised to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers and perform all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directive of any regulatory authority;*

4. *That any two (2) Directors or a Director and the Company Secretary be and are hereby authorised to do all acts and things and to approve and or execute all documents and agreements in connection with the issuance of the Notes, the Programme and subsequent tranches, series, or proportions under the Programme; and*

Directors: Boye Olusanya (Chairman), Mobolaji Osunsanya, (Chief Executive Officer), Lazarus Angbazo, Jeremy Bending (British), Kaat Van Hecke (Belgian), Nitin Kaul (British), Ogbemi Ofuya, Satoshi Awaya (Japanese)

5. *That all acts already carried out by the Management in connection with the above, be and are hereby ratified."*

Dated this 5th day of October 2023

MOBOLAJI OSUNSANYA
DIRECTOR

TUOYO EJUEYITCHIE
COMPANY SECRETARY

12. THE PROGRAMME

This Shelf Prospectus has been issued in compliance with Rule 279 of the SEC Rules and the listing requirements of FMDQ and NGX and contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the Programme (as defined herein).

This Shelf Prospectus and the securities that it offers have been approved and registered by the SEC. It is a civil wrong and criminal offence under the ISA to issue a prospectus which contains false or misleading information. The clearance and registration of this prospectus and the securities which it offers does not relieve the parties from any liability arising under the act for false and misleading statements contained herein or for any omission of a material fact.

This Shelf Prospectus is to be read and construed in conjunction with any supplement thereto and all documents which are incorporated herein, by reference and, in relation to any tranches (as defined herein) of the Instruments, together with the applicable Pricing Supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

The registration of the Shelf Prospectus and any Pricing Supplement thereafter does not in any way whatsoever suggest that the SEC endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

The Issuer accepts responsibility for the information contained in this document. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Shelf Prospectus has been approved by the members of the Board of Directors of Axxela Funding 1 PLC and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in sections 85 and 86 of the ISA.

This Shelf Prospectus shall be valid for a period of three years.

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ISSUING HOUSES/BOOK RUNNERS:

Stanbic IBTC Capital Limited RC 1031358	**Chapel Hill Denham Advisory Limited** RC 1381308

On behalf of

AXXELA FUNDING 1 PLC

to issue this Shelf Prospectus in respect of the

₦50,000,000,000 Multi-Instrument Issuance Programme

This Shelf Prospectus has been registered with SEC. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that SEC endorses or recommends the Instruments described herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus contains:

1. on page 18, the declaration to the effect that the Issuer did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;

    on pages 59 to 60, an extract of the Credit Rating Report on the Company by Agusto & Co and GCR, for incorporation in this Shelf Prospectus; and

2. on page 21, the litigation opinion issued by the Solicitors to the Offer, Aluko & Oyebode, on the effect of any claims and litigation against the Sponsor on the Programme.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until 12 April, 2027. No Instruments shall be issued on the basis of this Shelf Prospectus read together with the applicable Pricing Supplement(s) later than the date of Validity.

This Shelf Prospectus can be obtained at the office of the Issuer and Issuing Houses throughout its Validity Period.

13. TRANSACTION OVERVIEW

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

13.1 ISSUANCE OF INSTRUMENTS

The Issuer is a special purpose vehicle set up specifically to raise capital and finance each Note Issuer's funding requirements, by issuing Instruments to the general public, especially Qualified Investors.

The Issuer will issue Instruments from time to time not exceeding an aggregate principal amount of ₦50,000,000,000 under the Multi-Instrument Issuance Programme. The net proceeds of each issue of Instruments by the Issuer under the Programme will be passed through and or advanced to the Note Issuers through Notes issued by the Note Issuers to Axxela Funding under the terms of the Master Notes Subscription Agreement.

The Co-Obligors shall have joint and several obligations to repay the aggregate principal amount outstanding and interest under the Trust Deed and or the Master Notes Subscription Agreement in accordance with the applicable Final Terms.

Transit Gas; a Note Issuer under the Master Notes Subscription Agreement shall be able to access the net proceeds of each issue of Instruments through Notes issued by it to Axxela Funding. However, unlike the Co-Obligors, Transit Gas' obligation in relation to the Notes shall be limited to the payment of principal and interest outstanding on any Note issued by it. The Trustees shall hold the benefit of the repayment obligations of all monies payable in respect of all monies passed through/advanced to the Note Issuer under the Master Notes Subscription Agreement in trust for the benefit of the Instrument-holders.

13.2 GUARANTEE

The Issuer and Co-Obligors' obligations under any Series Instruments may, where applicable, be subject to the benefit of a guarantee of up to the amount specified in the relevant Deed of Guarantee. The Guarantor's obligations, where applicable, under such Guarantee shall rank at least *pari passu* with all present and future senior obligations of the Issuer and Co-Obligors under the applicable Series of Instruments.

Where applicable to any Series of the Instruments, the Guarantor shall pursuant to the Guarantee, irrevocably and unconditionally guarantee to the Bond Trustees, for and on behalf of the Instrument-holders , by way of continuing guarantee the due and punctual observance by the Issuer of all its payment obligations of principal and/or interest payable (if any) pursuant to the Terms and Conditions of the relevant Instruments issued by the Issuer.

The intent and purpose of the Guarantee, where applicable, is to ensure that the Instrument-holders shall, under all circumstances and regardless of any factual and legal circumstances, motivations and considerations on the basis of which the Issuer may fail to effect payment, receive principal and interest and additional amounts payable pursuant to the terms and conditions of the relevant Instruments on the due dates in accordance with the relevant terms \and conditions.

The Guarantee constitutes a contract in favour of the Instrument- -holders as third-party beneficiaries entitling the Trustees to require performance of the obligations undertaken by the Guarantor and to enforce such obligations against the Guarantor.

Accordingly, the Guarantor shall at any time upon first written demand by the Bond Trustees pay all amounts required under the Guarantee without any restrictions in case the Issuer should for any reason fail to pay the amounts due.

13.3 ESTABLISHING AND FUNDING OF TRANSACTION ACCOUNTS

Minimum Reserve Account

Where applicable and as specified in the applicable Final Terms, the Issuer shall, on or before the Issue Date of any relevant Tranche or Series of Instruments, open the Minimum Reserve Account. Where applicable, the Minimum Reserve Account shall be initially funded on the Issue Date with such amount specified in the Final Terms or calculated or determined in accordance with the provisions of the Final Terms.

Payment Account

Where applicable as specified in the applicable Final Terms, the Issuer shall also in respect of any relevant Series of Instruments open the Payment Account on the Issue Date in the name of the Trustees. The Payment Account shall be funded by the Co-Obligors from their cash flow on such frequency and in such instalments specified in the applicable Final Terms (the "Funding Date"), for the purpose of accumulating monies to pay Coupon on any Coupon Payment Date and repay the Principal Amount on any Payment Date and Maturity Date. The money standing to the credit of the Payment Account on any Payment Date shall be equal to the aggregate Coupon and Principal Amount due on the relevant Series on the relevant date.

Joint & Several Obligations of the Co-Obligors

In accordance with the Programme Trust Deed, each of the Co-obligors shall under the Trust Deeds and or Master Notes Subscription Agreement (where applicable), jointly and severally, irrevocably and unconditionally guarantee, and undertake, not merely as a surety but also as a primary obligor and co-debtor, joint and several liability with the Issuer, with respect to the payment (immediately on demand, in immediately available funds, without any deduction, set-off, counterclaim or withholding of any kind (including without limitation, on account of taxes), and performance of all of the obligations the Issuer may from time to time be obliged to pay under or pursuant to the Trust Deeds (the "**Obligations**"), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each of the Co-Obligors without preferences or distinction among them. The Obligations shall be incorporated into and form part of the Master Notes Subscription Agreement (where applicable).

If and to the extent that any of the Co-Obligors shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then, in each such event, the other Co-Obligors will make such payment with respect to, or perform, such Obligation.

Transit Gas' obligation to pay any principal amount outstanding and coupon due to Axxela Funding in relation to the Notes shall be limited to the payment of principal and interest outstanding on any Note issued by it. The obligations of each of the Co-Obligors under the Trust Deeds and or the Master Notes Subscription Agreement (where applicable) are continuing obligations and shall extend to the ultimate balance of sums payable by the Issuer under the Trust Deeds and the Instruments, regardless of any intermediate payment or discharge in whole or in part.

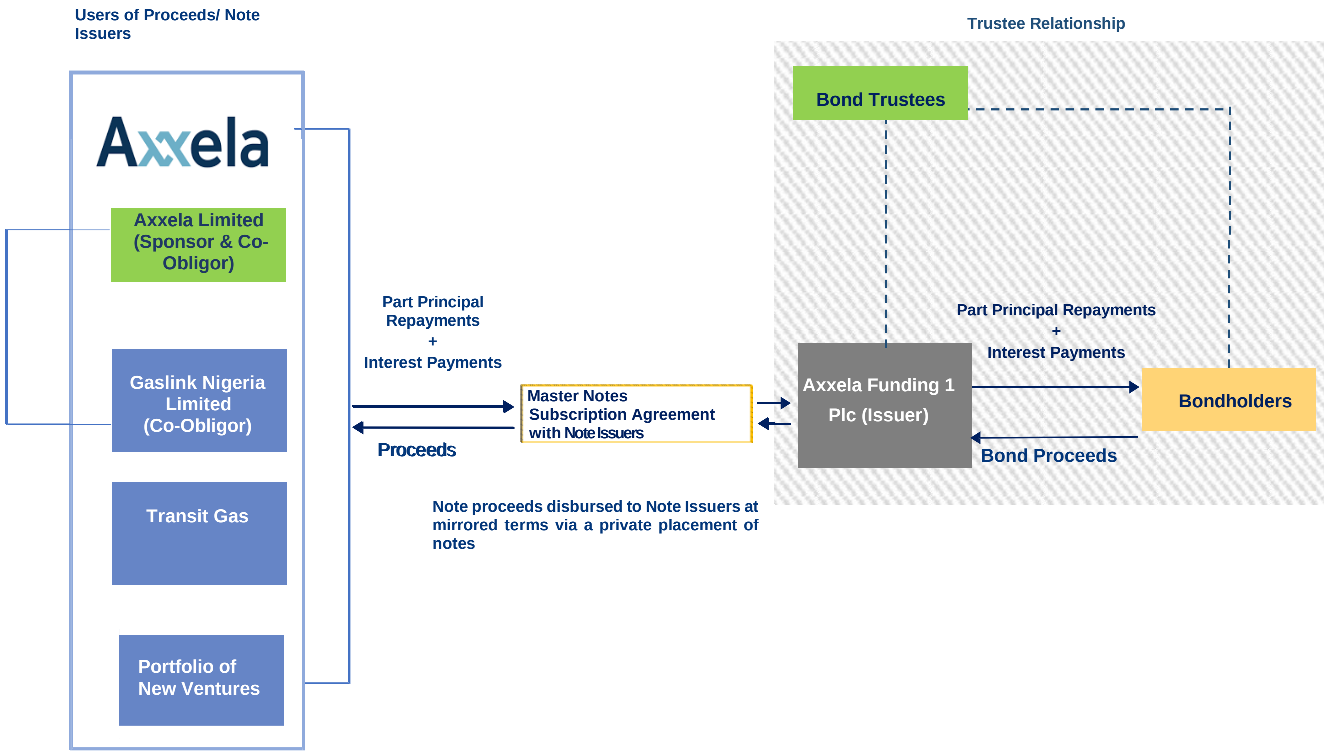
Authorised Investments

Where specified in the applicable Final Terms, the Bond Trustee/Delegate Trustees may at their discretion and pending payment, invest monies at any time available for the payment of principal and interest or profit/rent on the Instruments 30aterializsed investments for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments. All interest and other income deriving from such investment shall be applied first in payment or satisfaction of all amounts then due and payable to the Bond Trustee/Delegate Trustees and held for the benefit of and paid to the Instrument-holders of the Series in respect of which the monies invested were, in the opinion of the Bond Trustee/ Delegate Trustees, received or to which they were attributed.

Financial Covenants

The financial covenants applicable to each Series will be as set out in the applicable Final Terms.

TRANSACTION STRUCTURE DIAGRAM



Key features of the Programme include:

- Axxela Funding will issue Instruments to Qualified Investors in exchange for cash.
- Axxela Funding will use the net proceeds of the Instruments issued under the Programme to purchase the Notes through a private placement programme constituted by the Master Notes Subscription Agreement.
- The repayment obligations on the Instruments under the Programme will be the joint and several obligations of the Co-Obligors contracting as primary obligors to the Instruments alongside the Issuer under the Programme Trust Deed.
- The Co-Obligors and / or Note Issuers will pay interest and principal amounts due to Axxela Funding under the Trust Deeds and or a Master Notes Subscription Agreement directly to the Payment Account held by the Bond Trustees to fund full payment by the Issuer of the interest and principal due on the Instruments to Instrument- -holders pursuant to the Trust Deeds.
- Axxela and Gaslink shall irrevocably and unconditionally guarantee and undertake to act as the primary obligors with respect to the payment and performance of all of the obligations under the Notes issued by the Note Issuers provided that the obligation of Transit Gas shall be limited to the payment of principal and interest outstanding on any Note issued by it.

14 PARTICULARS OF THE PROGRAMME

14.1 SUMMARY OF TERMS & CONDITIONS OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and qualified in its entirety by the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any particular Tranche and, the applicable Pricing Supplement. Words and expressions defined in ''*Form of the Instruments*'' and ''*Terms and Conditions of the Instruments*'' shall have the same meaning in this summary:

ISSUER:	Axxela Funding 1 Plc.
SPONSOR:	Axxela Limited.
CO-OBLIGORS:	Axxela, Gaslink, as may be supplemented or replaced from time to time in accordance with the Trust Deeds.
NOTE ISSUERS:	Axxela, Gaslink, Transit Gas and any subsidiary of Axxela, which provides security and or undertaking, accedes to a deed of accession in the form provided in Schedule 4 of the Master Notes Subscription Agreement and is entitled to issue Notes in accordance with the Master Notes Subscription Agreement.
GUARANTOR:	The entity providing the Guarantee in relation to a Series or Tranche of the Instruments.
PROGRAMME DESCRIPTION:	A Multi-Instrument being undertaken by Axxela Funding 1 Plc through which a Bond or a Series of Instruments with varying maturities will be issued. Under the terms of the Programme, Senior Bonds and Subordinated Bonds , Bonds, Green Bonds, Social Bonds, Sustainability Linked Bonds, Transition Bonds, Fixed Rate Bonds, Floating Rate Bond and Zero Coupon Bonds and Instruments in compliance with Shari'ah Law including Sukuk, (Floating Return Sukuk, Fixed Return Sukuk), and any combinations thereof (as applicable, where possible) may be issued, all of which shall be denominated in Naira and on such terms and conditions as may be specified in the relevant Pricing Supplement / Supplementary Prospectus. Instruments to be offered hereunder are accorded a shelf registration with the SEC for the Validity Period commencing on the date of the issue of this Shelf Prospectus. The Instruments shall be constituted by the Programme Trust Deed, while a Series Trust Deed (or a Deed of Declaration of Trust) will be issued in respect of each Series.
ISSUING HOUSESHOUSES/BOOK RUNNERS:	Stanbic IBTC Capital Limited, and Chapel Hill Denham Advisory Limited or any other Issuing House specifically stated in a Pricing Supplement.
REGISTRAR/PAYING AGENT:	Any SEC licensed registrar company appointed by the Issuer and specified in the relevant Pricing Supplement.

LISTING: Each Tranche or Series of the Instruments may be listed in securities exchanges such as the FMDQ, NGX and or other relevant Exchanges as specified in the applicable Pricing Supplement.

PROGRAMME AMOUNT: ₦50,000,000,000 (Fifty Billion Naira) only.

METHODS OF ISSUE: Instruments under this Programme may be issued via a Book Build, public offering, private placement and or any other such methods as described in the Pricing Supplement and as approved by the SEC.

ISSUANCE IN SERIES: The Instruments will be issued in series and each Series may comprise one or more Tranches issued on different dates. The Instruments in each Series will be subject to identical terms, whether as to currency or maturity or otherwise, except that the Issue Date, the Issue Price and Coupon Commencement Dates or Distribution Commencement Date may be different. Details applicable to each Series will be specified in the relevant Pricing Supplement.

INTEREST RATES: Instruments may be interest-bearing or non-interest bearing. Interest (if any) may be at a Fixed Rate or Floating Rate and may vary during the lifetime of the relevant Series.

USE OF PROCEEDS[1]: The use of proceeds for each Series or Tranche shall be in compliance with applicable rules and regulations and specified in the applicable Pricing Supplement. The Issuer will receive the net proceeds of each issuance after the deduction of the costs of the issuance.
Instruments

CURRENCIES: The Instruments will be denominated in Naira.

STATUS OF THE INSTRUMENTS: The Instruments may be senior secured or unsecured as indicated in the relevant Pricing Supplement.

Senior secured Instruments shall constitute direct, unconditional and secured obligations of the Issuer and Co-obligors and shall at all times rank *pari passu* and without any preference among themselves by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the senior secured Instruments shall at all times rank at least equally with all other senior secured obligations of the Issuer, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment amounts and terms of issue as provided in the applicable Final Terms

Senior unsecured Instruments shall constitute direct, unconditional and unsecured obligations of the Issuer and Co-Obligors and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer in respect of principal and any interest thereon shall at all times rank at least equally with all other unsecured indebtedness and monetary obligations of the Issuer, present and future,

[1] The Issuer will receive the net proceeds of each issuance after the deduction of the cost of the issuance

but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

RATINGS: The Instruments issued under this Programme will be rated by one or more ratings agencies at the instance of the Issuer. An extract of the Credit Rating Report for each Series will be set out in the relevant Pricing Supplement.

EVENTS OF DEFAULT: The events of default under the Instruments are as specified within the Programme Trust Deed and as modified in the applicable Series Trust Deeds.

FORM OF THE INSTRUMENTS: The Instruments shall be issued in registered form and shall be transferable. The issue and ownership of the Instruments will be effected and evidenced by the particulars of the Instrument and the respective Instrument- -holder being entered in the Register by the Registrar and the Instruments being electronically registered in the Central Securities Clearing System Plc or FMDQ Depository Limited accounts of the Instrument- -holder or any other CDS recognised by the SEC.

ISSUE PRICE: Instruments may be issued at par or at a discount or premium to par.

MATURITY OF THE INSTRUMENTS: Instruments may be issued with such maturities as may be agreed with the Issuer and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency.

DENOMINATIONS: Instruments will be issued in such denominations as may be agreed between the Company and the relevant Issuing Houses and as specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements, and in accordance with usual market practice.

EARLY REDEMPTION: Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement(s) and subject to any applicable laws, regulations and other regulatory requirements.

REDEMPTION: Instruments may be redeemable at par or at such other redemption amount as may be specified in the relevant Pricing Supplement.

NEGATIVE PLEDGE: Where security is created in favour of any Instruments issued under a Series, so long as any portion of that Series remains outstanding the Issuer/Co-obligor hereby covenants that it shall not, without the prior consent of the Security Trustee in writing (such consent not to be unreasonable conditioned, delayed), create or permit to subsist any pledge, lien, mortgage or charge (whether fixed or floating) on the whole or any part of its undertaking, property or assets or revenues, present or future, to secure any financial indebtedness or any guarantee of or indemnity in respect of any Financial Indebtedness of the Issuer/ Co-Obligor other than a Permitted Security.

WAIVER:

Without prejudice to the provisions of the Trust Deeds, the Trustees may, without the consent of the Holders and without prejudice to their rights in respect of any subsequent breach, from time to time and at any time, if in their opinion the interests of the Holders will not be materially prejudiced thereby, waive, on such terms as seem expedient to them, any breach or proposed breach by the Issuer of the Trust Deeds or the Conditions or determine that an Event of Default shall not be treated as such provided that the Trustees shall not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Clause 25 of the Programme Trust Deed. No such direction or request shall affect a previous waiver or determination. Any such waiver or determination shall be binding on the Holders and shall be notified to the Holders as soon as practicable.

MODIFICATION:

Without prejudice to the provisions of the Trust Deeds, the Trustees may agree with the Issuer, without the consent of the Instrument-Instrument-holders but subject to the SEC approval, to any modification to the Trust Deeds of a formal, minor or technical nature or to correct a manifest error. The Trustees may also so agree, subject to SEC approval, to any modification to the Trust Deeds that is in their opinion not materially prejudicial to the interests of the Holders.

GOVERNING LAW:

The Instruments and all related contractual documentation will be governed by, and construed in accordance with Nigerian law.

TERMS AND CONDITIONS:

The terms and conditions applicable to each Series (the "Terms and Conditions") will be agreed between the Issuer and the relevant Issuing Houses or other purchaser at or prior to the time of issuance of such Series and will be specified in the relevant Pricing Supplement. The Terms and Conditions applicable to each Series will therefore be those set out in the relevant Pricing Supplement.

LIMITED RECOURSE

Each Certificate of a particular Series or Tranche will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets. Certificate holders have no recourse to any assets of the Issuer Trustee (and/or its directors, officers or agents in their capacity as such) (other than the relevant Trust Assets) or the Delegate Trustees or any of their respective directors, officers, employees or agents in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Issuer Trustee shall be extinguished.

TAXATION:

Please refer to the section "*Tax Considerations*" on page 38 for a detailed description of the tax considerations.

DISSOLUTION EVENTS (APPLICABLE TO THE SUKUK)

The Dissolution Events applicable to any Sukuk issued under the Programme are as described in the Programme Trust Deed and as modified in respect of any Series or Tranche by the applicable Series Trust Deed. Following the occurrence and continuation of a Dissolution Event in respect of a Series or Tranche of Certificates, the Certificates

	may be redeemed in whole, but not in part, at the relevant Dissolution Distribution Amount on the Dissolution Event Redemption Date in the manner described in the Final Terms.
PERIODIC DISTRIBUTION AMOUNTS	Certificate holders are entitled to receive periodic distribution amounts representing the income due on the outstanding amount of the Certificate, equal to the profit rate and as specified in the applicable final terms
PROFIT, RENTAL OR RETURN RATE	The profit, rental or return rate payable from time to time in respect of the Certificates and that is either specified in the applicable final terms or calculated in accordance with the provisions hereof
FREQUENCY	The frequency of payment of coupon, periodic distribution amount or any other monies due on the instruments shall be specified in the relevant pricing supplement for the instruments being issued
OTHER CONDITIONS:	Such other Terms and Conditions as may be incorporated by reference to, modified by, or supplemented by applicable Pricing Supplement for the Issue.
TRANSACTION DOCUMENTS	▪ Shelf Prospectus ▪ Pricing Supplement ▪ Programme Trust Deed ▪ Series Trust Deed ▪ Series Vending Agreement ▪ Board Resolution authorising the Programme ▪ Reporting Accountants Report ▪ Solicitors' Opinion on Claims and Litigation & Material Contracts ▪ Rating Reports ▪ Underwriting Agreement (where applicable) and any other agreement executed in connection with any Series or Tranche of Instruments issued pursuant to this Shelf Prospectus. In relation to the Sukuk, subject to the structure and the Final Terms, there may be additional documents such as a Lease Agreement, Agency Agreement, Murabaha Agreement, Declaration of Trust (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated in connection with the relevant Series)

15 TAX CONSIDERATIONS

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Instruments 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 Instruments issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Instruments may vary. Any actual or prospective purchaser of the Instruments who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Instruments bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Instruments in any manner for placing reliance upon the contents of this section. Except as otherwise indicated, this summary only addresses Nigerian tax legislation in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Pursuant to the Companies Income Tax Act, 2004 (as amended), the Issuer shall be required by law to withhold tax on the coupons accruing on the Instruments held by corporate entities. This requirement to deduct withholding tax is without exception as regards corporate entities and the Issuer shall be obliged to deduct the tax from coupon payments to corporate Instrument-holders.

In accordance with the Personal Income Tax (Amendment) Act 2011 and further to a notice by the Lagos State Internal Revenue Service (LIRS) titled Payment of Personal Income Tax on Profit from Bonds and Short-Term Government Securities (dated June 28, 2022), Personal Income Tax is payable on income derived and interest earned by individuals and non-limited liability entities resident in Lagos State from bonds and short-term securities, except for bonds issued by the Federal Government of Nigeria. Accordingly, personal income tax shall be payable on the coupons accruing on the Instruments held by individuals and non-limited liability entities and the Issuer is required to deduct the income tax and remit the income tax to the Lagos State Internal Revenue Service (LIRS).

In the event of disposal of the Instruments held, the proceeds from the sale of the Instruments are exempt from the tax imposed under the Value Added Tax Act, 2004 (as amended) ("VAT Act") by virtue of the Finance Act 2020. This is because securities are specifically excluded from the definition of "goods and services" under the VAT Act. Consequently, Instrument-holders are not required to pay VAT on the Instruments. However, Instrument-holders will be required to pay VAT on commissions payable to the SEC, the NGX and the CSD in respect of the Instruments. All gains derived from the disposal of the Instruments will also remain subject to capital gains tax in compliance with the Capital Gains Tax Act, Cap C1 LFN 2004 (as amended).

16 INDUSTRY OVERVIEW

The information in this section has been extracted from documents and other publications released by various officials and other public and private sources, such as the CBN, IMF, NBS, as indicated herein. There is not necessarily any uniformity of views among such sources as to such information provided. We have not independently verified the information included in this section. The information in this section has been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text.

16.1 NATURAL GAS OVERVIEW

The global natural gas market is a vital component of the energy landscape characterized by steady growth and widespread adoption. Natural gas has gained prominence due to its cleaner-burning characteristics compared to other fossil fuels and is estimated to be the fastest growing fossil fuel in the world. Over the last decade, the global natural gas market has experienced consistent year on year growth, driven by increased energy demand, especially in emerging economies. In the last five years also, the top 10 major natural gas discoveries in Africa were made in West Africa, with Nigeria having the largest proved natural gas resources in the region.

Figure 1. Proved Natural Gas Reserves in sub-Saharan Africa

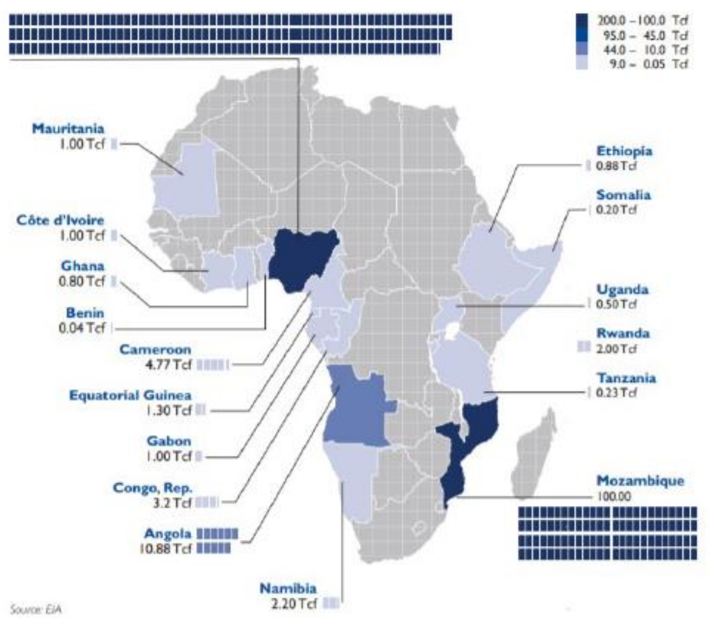
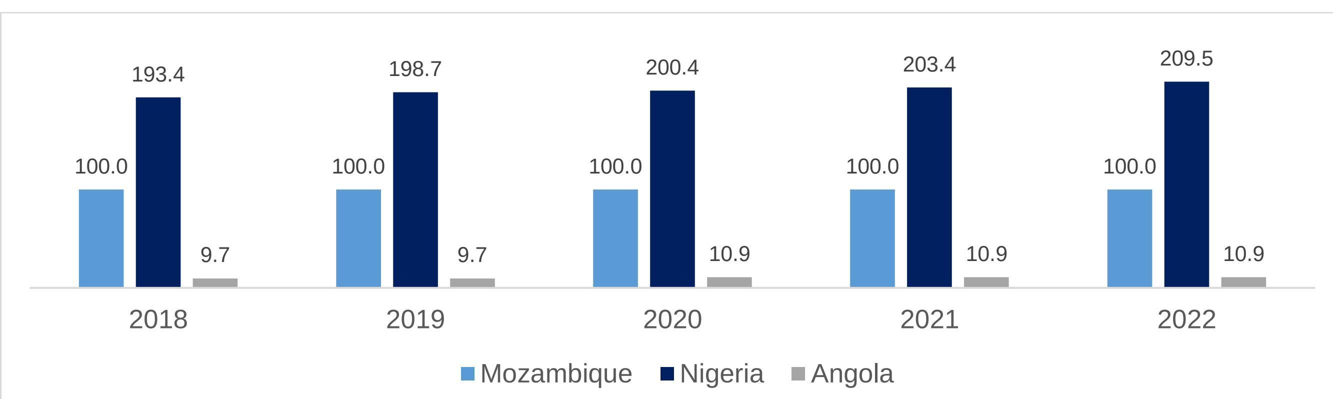


Figure 1.1 Proved Natural Gas Reserves in sub-Saharan Africa (tcf)



Source: EIA

Various forms of natural gas are used to produce energy or generate power for domestic, commercial and industrial applications and for various modes of transport, examples include:

1. Natural gas is a versatile form of energy that is generally used for heating and power generation. Natural gas is also an industrial feedstock for liquid fuels and other chemical products. Natural gas is formed through the decomposition of organic material trapped beneath the earth's surface. Methane and propane constitute around 90% and 5% respectively of the extracted gas, with the remaining 5% comprising other gases such as butane and ethane. Unlike other fossil fuels, natural gas is relatively clean-burning and produces less sulphur and nitrogen than oil and coal.
2. Compressed natural gas (CNG) is increasingly used as a fuel source for vehicles as its emissions are significantly lower than petrol and diesel in. In addition, CNG is also known to be more a cost-effective energy solution.
3. Liquefied natural gas (LNG) is natural gas that has been cooled to -162°C (-260°F), changing it from a gas into a liquid that is 1/600th of its original volume. This process allows it to be transported great distances across oceans by LNG tankers. Upon arrival at its destination, LNG is warmed to return it to its gaseous state before being delivered to consumers via local pipelines.
4. Liquefied petroleum gas (LPG), also known as LP gas or auto-gas, is a mixture of hydrocarbon gases typically comprising propane, propylene, butane and butylenes and is primarily used as a thermal fuel. The gas is produced during the crude oil refining process and may also be produced through the gas-to-liquid (GTL) and coal-to-liquid (CTL) processes. LPG is mainly supplied to domestic, commercial and industrial consumers in gas cylinders.

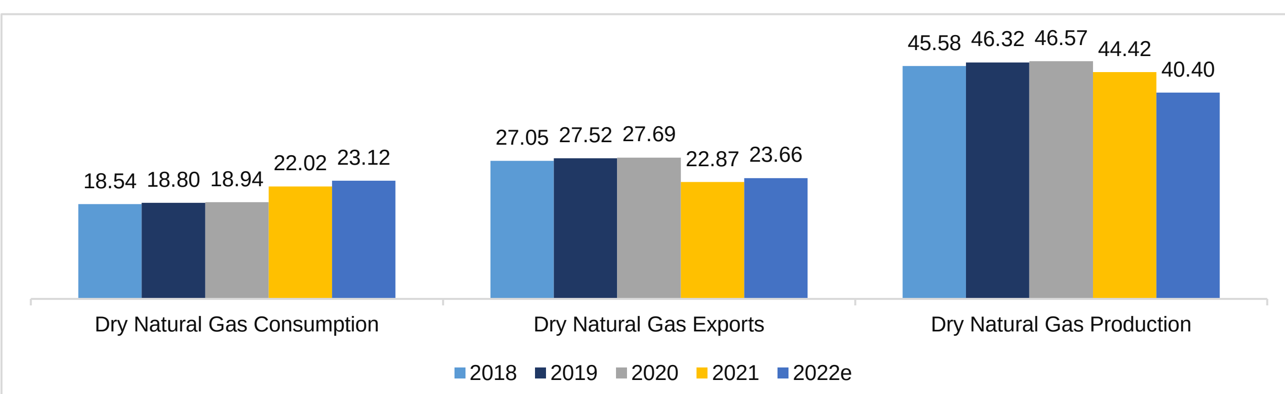
Broad drivers for the natural gas industry include:

1. Environmental Concerns: The shift towards cleaner energy sources to combat climate change has led to increased natural gas usage.
2. Industrial and Residential Demand: Natural gas is a versatile energy source used in electricity generation, industrial processes, heating, and as a transportation fuel.
3. Geopolitical Factors: Geopolitical tensions, energy security concerns, and the need for diversification of energy sources have influenced market dynamics.
4. Technological Advancements: Advances in exploration, production, and transportation technologies have expanded the market's reach.

16.2 NIGERIA NATURAL GAS OVERVIEW

Nigeria has estimated proven gas reserves of 209.5tcf, according to the Energy Information Administration, making the country one of the largest gas reserve holders in the world. The majority of natural gas reserves in Nigeria are associated with oil and are not effectively captured. The natural gas sector involves upstream and downstream activities, and various forms of gas are used to produce energy or generate power for domestic, commercial and industrial applications and for various modes of transport in Nigeria. Increasing gas production and the development of gas infrastructure remains central to the Nigerian government's plans to support the power sector and to develop a larger, more reliable source of power for the economy. International oil companies operating in Nigeria have increasingly turned their focus to gas developments, partly due to improving infrastructure and tougher regulations against gas flaring as well as rising domestic demand and export opportunities. The expansion of infrastructure to process and deliver gas will be essential to driving Nigeria's gas sector.

Figure 2.1 Nigeria Natural Gas consumption, production, and exports (bcm)



Source: EIA, Fitch BMI

Commercial natural gas production in Nigeria has been somewhat consistent but well below the desired government targets, with production hovering around the 40bcm per year average over the last five years. There is however room for growth in this sector, and the increased uptime of oil production, resultant increased associated gas output as well the expansion of gas infrastructure will lead to growth in natural gas production.

Incremental associated gas capture projects will grow production and flaring reduction at existing and new projects is expected to yield continuous but not burgeoning growth in production. Nigeria remains one of the top nine countries in gas flaring. The World Bank's 2023 Global Gas Flaring Tracker Report revealed that despite reducing gas flaring by 20 percent between 2021 and 2022, Nigeria burnt between 5500bcm and 7,550bcm between 2018 and 2022. Sustained reduction in Nigeria's gas flaring profile will increase the potential of collecting significant amounts of gas from existing resources

Natural Gas Production Forecast	2021e	2022e	2023f	2024f	2025f	2026f
Dry Natural Gas Production, bcm	44.42	40.4	42.9	43.8	45.5	47.8
Dry Natural Gas Production, bcm, y-o-y%	(4.70)	(9.10)	6.20	2.10	3.90	5.10
Dry Natural Gas Production, % of domestic consumption	201.6	210.7	214.8	208.7	206.7	212.8

Source: Fitch BMI

There are three primary components of the Natural Gas extractive process:

1. Production and Processing: Natural gas is sourced from domestic natural gas wells, processed and then transported across local and regional markets via major continental and intercontinental pipelines. Most natural gas that is consumed in Nigeria is produced in the Niger Delta. In 2022, Nigeria produced 40.4bcm. Approximately 15% of gas sales are into the domestic market to large end-users such as power generators (for conversion into other uses), natural gas local distribution companies and others (for direct consumption). The balance is sent to the Nigeria LNG (''NLNG'') terminal at Bonny Island where it is liquefied and subsequently exported to West Africa, Europe, Asia and the United States. NLNG is Nigeria's most significant natural gas project to date. The plant, which has seven processing trains, has an annual production capacity of 30MT per annum.

   Source: Nigerian National Petroleum Commission Monthly Report

2. Transportation and Storage: Natural gas is shipped through national and local pipeline systems and continental pipelines to downstream markets across Nigeria and West Africa. Most of the transportation pipelines are either managed by the NNPC Gas Infrastructure Company Limited or contracted with the International Oil Companies ("IOCs"). Major gas infrastructure in Nigeria includes:

   - The western system, which includes the 700km Escravos Lagos Pipeline System that has a capacity of 1,100 mmscf;
   - The export system, consisting of an onshore Gas Transmission System and an Offshore Gas Gathering System, both of which transport gas to NLNG for export;
   - The eastern system, which supplies gas to domestic industrial and power users in eastern Nigeria; and
   - The West African Gas Pipeline, a 678km pipeline designed to transport natural gas from Itoki in Nigeria to Ghana via Togo and Benin Republic. The pipeline has an initial capacity of 170 mmscf/day, and there are plans to expand, in a second phase, to 450 mmscf/day and extend the pipeline westwards to Ivory Coast and Senegal.

   Energy wholesalers and supply aggregators also play a wholesale market role between producers and end users by providing natural gas storage services, backstopping services and operational services.

3. Distribution and Delivery: Most natural gas utilities do not own their own natural gas wells, and typically operate as distribution-only entities, buying natural gas from multiple suppliers over multiple pipelines to service their customers. Natural gas local distribution companies ("LDCs"), commonly known as natural gas utilities, sell and distribute natural gas in their franchise areas through their own distribution networks pursuant to a variety of upstream and downstream transmission pipeline, storage and distribution agreements. LDCs manage natural gas flows and are responsible for operational considerations and system expansions under their regulated mandate to deliver natural gas.

The Retail Domestic Natural Gas Market Overview

The retail natural gas market can be categorized into two main customer segments: (i) small-to-medium size commercial and (ii) large commercial and industrial. LDCs operate in the retail natural gas market by providing a variety of fixed and variable rate natural gas contracts to customers for varying periods of time (usually up to 20 years). The tariffs charged by LDCs for the transportation of natural gas through their pipeline systems are incorporate a number of factors – the wholesale cost of natural gas, processing and transport costs, distribution and maintenance costs plus a margin on the LDCs.

Gas Supply Challenges

1. Gas Policy development: Nigeria's hydrocarbon sector was developed predominantly for oil, resulting in gas being largely overlooked. Natural gas is sold into the domestic power and industrial sectors at a floor price of around USD0.4/mnBTU (at USD40/bbl oil) and a cap of around USD2.5/mnBTU, offering unattractive margins for producers.
2. Limited Gas Infrastructure: Other than the LNG terminal and the gas-to-liquids facility, there are few major gas demand centres in Nigeria. The cost of linking processing facilities with power plants and other gas users adds to development costs and prices. Support for the build out of such infrastructure will be critical to gas expansion. The OB3 pipeline and continuing expansion of thermal gas power plants would further incentivise commercial production.
3. Insecurity: Natural gas production is affected by the same security problems experienced by the oil industry, given that much of the output is associated with oil. When oil pipelines are impacted, the fields are shut in, stopping gas output. Additionally, gas gathering and processing plants have been targets for attacks.
4. Regulatory Uncertainty: Similar to oil production, several projects were stalled owing to regulatory uncertainty regarding the passage of the Petroleum Industry Act (PIA). Although the PIA has since clarified the regulatory landscape, investors remain reluctant to invest. These factors have led to chronic underinvestment in the country's gas sector. Consequently, only around 60% of the gas Nigeria produces is commercialised and less than 30% of that commercial gas is consumed in the domestic market.

Boosting gas production will be key to addressing Nigeria's chronic power deficit; the power sector is plagued by recurrent outages, and around half of the country's population lacks access to electricity. The bulk of Nigeria's electricity generation comes from thermal power plants, largely fed by natural gas. Plans to increase gas-powered electricity generation should see increasing domestic demand for gas. To some extent, the promising domestic demand from the power sector should help stimulate private investment in infrastructure to increase gas production levels.

The National Gas Policy is geared towards creating a framework for domestic gas pricing, introducing a domestic gas supply obligation for oil companies, and providing a blueprint for the development of gas infrastructure in Nigeria. It is expected that these initiatives would significantly enhance domestic gas-to-power alongside its application in the production of by-products such as fertilisers, urea and methanol. NNPC Gas Infrastructure Company Limited estimates that there are over US$51 billion worth of investment opportunities in Nigeria's gas sector. This investment could be spread to Free Trade Zones (FTZ), central gas processing facilities plants, gas exploration & production, pipe milling & local fabrication yards. Other available investment areas are virtual pipelines, gas transmission, power plant projects, flare reduction initiatives and liquefied petroleum gas plants.

Unlocking Nigeria's natural gas potential will require partnerships between the Nigerian government and private companies that have the ability to innovate, capacity to deliver major projects, and willingness to take on long-term commitments.

Axxela views natural gas as an opportunity with significant growth potential, given the right investment conditions. However, there are several challenges that need to be overcome in order to successfully develop growth projects for the domestic gas market.

- One challenge deals with the need to attract investment to further develop infrastructure along the gas value chain, for example, to create a more robust pipeline network to improve reliability and security of supply.
- A second challenge is to clear the backlog of unpaid deliveries of gas to customers. Without the repayment of outstanding gas invoice arrears, operators are reluctant to commit additional investments to grow domestic gas supply.

- Finally, ensuring a conducive business environment is essential to attracting investments and running reliable operations. This includes a respect for the sanctity of existing contracts, predictable regulatory, commercial and legal framework across the country and overcoming security challenges, particularly in the Niger Delta that has experienced an increased risk to personnel and property as well as the disruption to operations.

National Gas Policy

The Energy sector looks to the budding Gas sector for sustainable growth in light of the Nigerian Government's aggressive pursuance of growth in the sector. The Federal Government adoption of the Nigerian Gas Policy in 2017, along with the Pan-African drive towards completion of the trans-Saharan pipeline has birthed a plethora of gas based opportunities such as gas flare commercialization which translates to major returns for current and future investors. Despite having the largest gas reserves in Africa, only about 25% of those reserves are being produced or are under development today. Minimal efforts have been made by the Federal Government to give priority consideration to the development of critical gas infrastructure.

The National Gas Policy articulates the policy goals, strategies, and implementation plan of the Federal Government of Nigeria to reposition Nigeria as an attractive gas based industrialised nation through the meeting of local gas demand requirements. Access to infrastructure, a clearly articulated pricing path and institutional capacity strengthening are key aspects of any effective gas policy. The policy clearly defines the direction for gas infrastructure ownership by prescribing full legal separation of gas infrastructure ownership and operations and trading. With regards to pricing, the Policy stipulates that the transitional pricing framework will be retained until sufficient gas supply volumes are built up and a mature gas market is established. There is a strong focus on strengthening the capacity of the Ministry of Petroleum Resources to provide leadership to the gas industry in terms of policy making and surveillance capabilities. It also recommends the establishment of a single independent petroleum regulatory agency.

Flare Gas (Prevention of waste and pollution) Regulations, 2018

The National Gas Policy encapsulates a recurrent theme showcasing an unwavering drive and high priority objective to position Nigeria as a formidable gas-based industrial nation by the adoption of gas flare out strategies using flare capture and utilization technologies, amongst other strategies. Despite Nigeria's prolific gas reserves; gas centric legislation, investment and development within the Nigerian gas sector have historically been minimal, significantly lagging behind its more profitable fossil fuel counterpart- crude oil. The result of this inertia has been high levels of gas flaring across oil and gas producing fields in the country. I

Gas flaring constitutes an egregious energy waste practice in the Nigerian petroleum industry and has significant detrimental effects on the environment and the Nigerian economy. Prior legislations such as the Associated Gas Re-injection Act of 1979 and its subsidiary legislation, the Associated Gas Re-injection (Continued Flaring of Gas) Regulations of 1985 prohibited gas flaring without the permission of the Minister of Petroleum Resources. The Minister's permission is granted in the form of a certificate for the continued flaring of gas ("AGRA Certificate"), which contains specific terms and conditions including the payment of gas flare fees.

17 AXXELA FUNDING 1 PLC

17.1 HEAD OFFICE AND REGISTERED ADDRESS

Axxela Funding 1 Plc
The Wings Office Complex, East Tower
17A, Ozumba Mbadiwe Avenue
Victoria Island, Lagos
(+234)-1-2700035
www.axxelagroup.com

17.2 INTRODUCTION

The Issuer was incorporated in Nigeria on 10 August 2018 as a public limited company under the name of Axxela Funding 1 Plc. The registered office of Axxela Funding is at The Wings Office Complex, East Tower, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos. Axxela Funding has no subsidiaries.

Axxela Funding is a special purpose funding vehicle of the Axxela Group and has no business operations of its own, other than borrowing for the sole purpose of advancing/passing through funds to and receiving funds from the Note Issuers.

The share capital of the Issuer is ₦2,000,000 divided into 2,000,000 ordinary shares of ₦1 each, all of which have been issued at par, and are held as follows:

Name	Shareholding	Percentage (%)
Axxela Limited	1,999,999	99.99995
Tuoyo Ejueyitchie	1	0.00005
Total Shareholding	**2,000,000**	**100.00000**

The principal objectives of Axxela Funding are set out in clause 3 of its Memorandum of Association and, amongst other things, include the raising and borrowing of money for the purpose of on-lending and the granting of security over its assets in connection with such purposes; and to enter into arrangements relating to the aforementioned objectives.

The principal activities of Axxela Funding will be (in accordance with its objectives) to issue the Instruments and on-lend the proceeds therefrom to the Note Issuers and where applicable in respect of a particular Series, to grant security over its assets subject to and in accordance with the terms of the Programme Documents. The assets include the Issuer‘s rights, benefits and interest (present and future) under the Trust Deeds and or Master Notes Subscription Agreement (where applicable) and all the other Programme Documents to which the Issuer is a party.

Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified offices of the Issuer.

The Issuer has not engaged, since its incorporation, in any activities other than the objectives and activities stated above and matters referred to or contemplated in this document, or other matters which are incidental or ancillary to the foregoing.

The Issuer‘s activities are restricted by the terms of the Trust Deeds, and other related Transaction Documents.

17.3 DIRECTORS AND SECRETARY

The Directors of the Issuer and their respective business addresses and other principal activities are:

Name	Business Address
Mr. Mobolaji Osunsanya	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos
Mr. Ogbemi Ofuya	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos
Mr. Jeremy Bending	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos
Mr. Lazarus Angbazo	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos
Ms. Kaat Van Hecke	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos
Mr. Tuoyo Ejueyitchie (Secretary)	The Wings Complex, 17A, Ozumba Mbadiwe Avenue, VI, Lagos

17.4 FINANCIAL INDEBTEDNESS

As of 31 December 2022, the Issuer had a total indebtedness of ₦10,534,004,000. (Ten Billion, Five Hundred and Thirty Four Million, Four Thousand, Naira) other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

17.5 EMPLOYEES

The Issuer has no employees.

17.6 MATERIAL CONTRACTS

Apart from the Programme Documents to which it is a party and the agreements listed below, the Issuer has not entered into any other material contracts:

(i) A Programme Trust Deed dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, and ARM Trustees Limited

(ii) A series 1 trust deed dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, and ARM Trustees Limited

(iii) A series 1 vending agreement dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Stanbic IBTC Capital Limited, Chapel Hill Denham Advisory Limited, Afrinvest Capital Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria Limited, Renaissance Securities (Nigeria) Limited and Vetiva Capital Management Limited

(iv) A series 1 Master Notes Subscription Agreement dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Transit Gas Nigeria Limited, Gaslink Nigeria Limited and ARM Trustees Limited

(v) A deed of Undertaking dated 20 May 2020 made by Axxela Limited, Transit Gas Nigeria Limited and Gaslink Nigeria Limited in favour of Axxela Funding 1 PLC and ARM Trustees Limited

17.7 NO MATERIAL ADVERSE CHANGE

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

17.8 FINANCIAL INFORMATION

Please refer to the extract of the summary financial statements of the Issuer on page 65.

17.9 CLAIMS AND LITIGATION

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

18 THE AXXELA COMPANIES

For the purpose of the contemplated transaction, Axxela, Gaslink, CHGC, GNSL and other prospective SPVs are herein referred to as "the Axxela Companies" or "the Group"

18.1 AXXELA LIMITED

Axxela operates Nigeria's foremost natural gas distribution network. The Company was incorporated in 2001. The Company's gas and power business currently comprises Axxela's gas trading business, Gaslink, CHGC, GNSL, Transit Gas, Gasnexus and other portfolio special purpose vehicles (SPVs).

Axxela pioneered the private sector piping and distribution of natural gas to industrial and commercial customers with its existing businesses consisting of natural gas pipeline distribution in Lagos, Sagamu and Port Harcourt. The Company also operates a virtual pipeline business through GNSL which owns a CNG facility situated in Ilasamaja on Oshodi-Apapa Expressway in Lagos.

18.2 GROUP STRUCTURE

The Axxela Group's existing business comprises five main companies:

Axxela, carrying on a gas trading business;

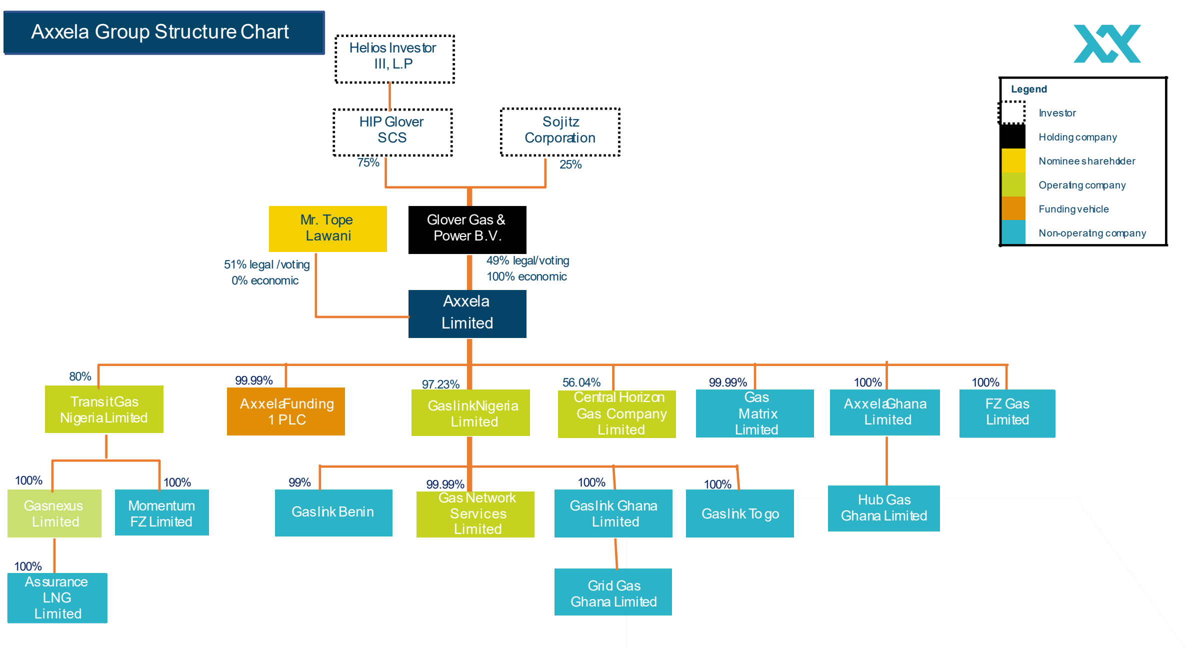
Gaslink, supplying gas to customers in Greater Lagos;

CHGC, supplying gas to customers in Port Harcourt;

Transit Gas, supplying gas to customers in Sagamu, Ogun State;

GNSL providing compressed natural gas (CNG) to customers in the Southwest, including Lagos; and

Gasnexus, currently developing a mini-LNG facility in Kogi State that will be used to supply LNG to customers primarily in the Northern part of Nigeria.



18.3 SHAREHOLDERS

18.3.1 HELIOS INVESTMENT PARTNERS

Helios was founded in 2004 as a private equity firm with a focus on investment opportunities on the African continent. Since its establishment, Helios has raised three private equity funds with commitments of over USD3.4 billion. In 2015, Helios established Helios Credit, a dedicated credit platform created to address the significant and growing gap between supply and demand for credit to African businesses. The fund currently makes direct loans to a number of healthy and cash generating businesses such as Africell, Starzs Investments, Quantum and the Resort Group. Helios' investor base is well diversified across sovereign wealth funds, corporate and public pension funds, endowments and foundations, family offices and development finance institutions across the United States, Europe, Asia and Africa.

Helios' current private equity fund has a total of USD3.6 billion assets under management and typically looks for target investments within a GBP150million – GBP200million ticket size. Nigeria is one of the key markets for Helios and it currently has 12 investments in Nigeria, across a broad range of sectors such as energy infrastructure (Axxela, Eland Oil and Gas, Starsight, ZOLA electric, technology and IT infrastructure (Interswitch, HTN Towers), e-commerce (Link Commerce, formerly Mall of Africa) and the consumer industry (GB Foods Africa). Helios initially acquired a 75% indirect stake in Axxela, via its shareholding in Glover Gas & Power B.V, in December 2016 and in March 2019 completed the acquisition of the remaining 25% stake. Helios divested this additional 25% stake in Glover Gas & Power B.V. to Sojitz Corporation in March 2022. Helios is seeking to act on the broad range of opportunities available in the natural gas transmission/distribution and gas-to-power segments in West Africa, particularly in Nigeria.

13.3.2 SOJITZ CORPORATION

Sojitz Corporation ("Sojitz Group") was formed out the union of Nichimen Corporation and Nissho Iwai Corporation, both companies with long histories. For more than 160 years, Sojitz Group has helped support the development of many countries and regions. Today, the Sojitz Group consists of approximately 400 subsidiaries and affiliates located in Japan and throughout the world, developing wide-ranging general trading company operations in many countries. Sojitz Group is engaged in a wide range of businesses globally, including manufacturing, selling, importing, and exporting a variety of products, in addition to providing services and investing in diversified businesses, both in Japan and overseas. Sojitz Group operates with a 7-division structure comprising the Automotive Division; the Aerospace & Transportation Project Division; the Infrastructure & Healthcare Division; the Metals, Mineral Resources & Recycling Division; the Chemicals Division; the Consumer Industry & Agriculture Business Division; and the Retail & Consumer Service Division. The Sojitz Group is listed on the Tokyo Stock Exchange.

18.4 OPERATING SUBSIDIARIES

18.4.1 GASLINK NIGERIA LIMITED (GASLINK)

Gaslink, a subsidiary of Axxela, operates an exclusive agreement with NNPC Gas Marketing Limited ("NGML"), a subsidiary of NNPC Limited ("**NNPC**") to develop gas infrastructure and market natural gas in the Greater Lagos Industrial Area (GLIA).

Since 1999, Gaslink has carried out four (4) major expansion phases in the development of its 113km natural gas backbone network. In addition, Gaslink has constructed a total of 38.8km of spur lines that connect customers to the main lines. Gaslink is currently developing a 71 kilometre backbone pipeline that will run from Victoria Island to the planned Lekki Airport.

GNL Distribution Network

Pipeline Section		Coverage Area	Length(km)	Completion/date
Mainline	Phase 1A	Ikeja (Trunkline only)	10.0	2001
	Phase 1B	Ikeja	4.2	2002
	Phase 2	Ilupeju, Isolo, Amuwo Odofin	39.0	2004
	Phase 3	Apapa , Tincan, Surulere , Iganmu	38.0	2007
	Phase 4	Apapa, Marina	9.2	2015
Spurlines		Greater Lagos Area	62	2001 – 2022

The network now extends over 150 km and has a capacity to flow 3.65 million standard cubic meters of gas daily.

Figure 1: Gaslink franchise area

Gaslink commenced operations in the year 2000 when it began supplying 28,000 standard cubic meters (SCM) of gas daily to Cadbury Nigeria Limited. Today, Gaslink has grown to supply over 2 million standard cubic metres (SCM) per day of gas to over 160 industrial organisations. Its network stretches from the NNPC Gas Marketing Limited's city gate in Ikeja and covers the Greater Lagos Area, passing through; Ojota, Ogba, Alausa, Oregun, Oshodi, Isolo, Ilupeju, Iganmu, Apapa, Tin Can and Amuwo-Odofin industrial clusters.

Since inception, the volume throughput of Gaslink has grown steadily in line with its network growth. The key considerations in expanding the customer base are:

i. The technical feasibility of connecting the customer premises to the network; and
ii. Availability of adequate feedstock for supply from NNPC Gas Marketing Limited.

Gaslink's future plans include a further expansion of its network to new locations over three (3) growth phases:

- Phase 4B – Mile 2 to Badagry (50km)
- Phase 5 – LASU to Igando (14km)
- Phase 6A – Anthony village to Gbagada (3km)
- Phase 6B – Ojota to Ketu (4.5km)

Currently, NNPCNNPC Gas Marketing Limited (NGML) supplies 2.265 million standard cubic meters (SCM) of gas daily as its contractual obligation. The Agreement between Gaslink and NGML allows Gaslink to contract for third party gas supply when NGML is unable to meet its supply obligation. Gaslink has signed two gas supply agreements for the additional supplies to complement NGML supplies. In addition, Axxela is in discussions with mini-LNG and LNG Import terminal developers to assure uninterruptible supplies to its markets.

18.4.2 CENTRAL HORIZON GAS COMPANY LIMITED (CHGC)

CHGC was incorporated as a joint venture, by Axxela, the Rivers State Government and TSL Logistics Limited. CHGC is operated by Axxela and is charged with the development of gas infrastructure, operation of the pipeline network and marketing of natural gas in the Greater Port Harcourt Industrial Area (GPHIA).

Since 2011, when CHGC took over the operations of a 6.5km network from the Rivers State Government, it has rehabilitated the existing line and expanded the network in two phases (listed below) to over 16km in order to reach additional customers.

- Phase 1 – 1.5km extension of the pipeline in 2012 within the Trans-Amadi industrial area.
- Phase 2 – 8km extension from the Trans-Amadi industrial areas to the Seaport.

Upon take over in 2011, CHGC was supplying 23,000 standard cubic meters (SCM) of gas per day to customers within the Trans Amadi Industrial Area. Today, CHGC supplies over 200,000 standard cubic meter of gas per day to industrial customers in the Greater Port Harcourt Area.

CHGC gas supply currently comes from Heirs Holding Oil & Gas Limited (HHOG) and Accugas Limited. CHGC plans to grow its supplies to over 450,000 standard cubic meter (SCM) of gas daily. This will be achieved by stimulating consumption through the commissioning of new pipeline infrastructure and improvement of gas availability to existing customers and the acquisition of new customers.

18.4.3 GAS NETWORK NIGERIA LIMITED (GNSL)

GNSL, a subsidiary of Axxela, operates a Compressed Natural Gas (CNG) Station with capacity of 150,000 standard cubic meter (scm) gas daily. CNG is supplied as an alternative solution to customers who are too far from an existing gas pipeline infrastructure.

Since 2013 when GNSL commenced operations by supplying over 12,000 scm per day, it has grown to supplying an average of 40,000 scm/day to its customers. In the near future GNSL plans to grow its operations to meet projected customers' demand of 85,500 scm per day:

18.4.4 TRANSIT GAS NIGERIA LIMITED

Transit Gas is focused on the development of physical pipeline technology for gas distribution and supply. In partnership with NGML, Transit Gas is developing the Sagamu Interchange to J4, Iwopin (along the Sagamu-Benin express road) natural gas pipeline network, mapped out in four phases and spanning over 135km when completed with the capacity to deliver at over 150MMSCFD.

From 2019 to 2022,Transit Gas recorded significant achievement in the development of the Sagamu Interchange to J4, Iwopin natural gas distribution network, underpinned by the completion and commissioning of Sagamu Phase 1, Phase 2A, Phase 2B, Phase 2C and Phase 2D natural gas pipeline systems, representing a 40% (Circa 53km) achievement of the over 135km distribution network target. Due to these milestone achievements, Transit Gas presently supplies natural gasto to large-scale industrial customers such as Apple & Pears Limited, Rite Foods Limited, West African Soy Industries Limited, Coleman Technical Industries Limited, Celplas Industries Nigeria Limited, BU Power Limited and New Hope Agriculture & Technology Limited and other customers within the Sagamu axis.

In 2023, Transit Gas commenced Phase 3 extending its natural gas distribution network along the Sagamu-Benin Expressway and its environs for a record distance of 15km for gas supply to Nigerian Breweries Limited. Upon completion, the Transit Gas distribution network within the axis would extend to circa 67km.

Transit Gas is committed to playing a significant role in the Decade of Gas aspiration of the Federal Government of Nigeria, leveraging its industry expertise to create value for all stakeholders and increase natural commercialisation in Nigeria.

18.4.5 GASNEXUS LIMITED

Gasnexus is focused on the development of virtual pipeline technology for gas distribution and supply. In partnership with NGML, Gasnexus is developing a mini-LNG plant in Ajaokuta. The Ajaokuta project will have an initial capacity of 5MMSCFD and is positioned to supply natural gas to industrial customers all over the country, particularly stranded customers in the Northern Nigeria.

The project will expand the natural gas distribution network in Nigeria along Northern Nigeria and its environs, leveraging our industry expertise to create value for all stakeholders.

18.5 PROFILES OF DIRECTORS OF THE SPONSOR

Mr. Boye Olusanya

Mr. Olusanya is the Chairman of Axxela Limited and has over 20 years of relevant professional experience. Mr. Olusanya is the Group Managing Director/Chief Executive Officer of Flour Mills of Nigeria Plc. Prior to joining Flour Mills of Nigeria Plc, Mr. Olusanya was a Partner at Helios which he joined in October 2018, having previously led the interim executive management team as Chief Executive Officer at 9mobile (formerly Etisalat) Nigeria, appointed by the regulator and a bank consortium to lead the turnaround and disposal of the company. Previously he was a Partner at GA Capital, providing consultancy advisory services. He served as Chief Transformation Officer at Dangote Industries, the largest indigenous industrial conglomerate in sub-Saharan Africa; was a Managing Director at Dancom Technologies, managing all the telecommunications assets and IT infrastructure of the group; as well as serving in senior management roles at Celtel Nigeria and Econet Wireless Nigeria. He currently serves on the Boards of Directors of Axxela, and Starsight Power Utility Limited. Boye holds a B.Sc. (Hons) in Civil Engineering from the University of Lagos, an M.Sc. in Environmental Civil Engineering from the University of Liverpool, and an M.Sc. in Computer Science from the University of Manchester.

Mr Mobolaji Osunsanya

Mr. Mobolaji Osunsanya, was appointed as Chief Executive Officer of Axxela Limited in January 2004. Prior to this appointment, he was the Chief Marketing Officer (Commercial) of Oando Marketing Plc from 2001; an Executive Director at Access Bank Plc (1998 to 2001) and an Assistant General Manager at Guaranty Trust Bank Plc (1992 to 1998). From 1988 to 1992, he worked as a consultant with Arthur Andersen, Nigeria (now KPMG Professional Services). He was an executive director of Oando Plc from 2007 to 2017 and served on that Board as a non-executive director until 2019. Mr Osunsanya holds a First Class Bachelor's Degree in Economics from the University of Ife, now Obafemi Awolowo University (OAU) (1985) and a Master's degree in Economics from the University of Lagos (1987).

Mr. Lazarus Angbazo

Mr. Lazarus Angbazo has over 20 years of experience and is the founding Chief Executive Officer of Infrastructure Corparation of Nigeria (InfraCorp), a funding institution set up by Central Bank of Nigeria (CBN), Africa Finance Corporation (AFC) and Nigerian Sovereign Investment Authority (NSIA). Prior to joining InfraCorp he was a Partner at Helios who he joined in November 2020. Prior to joining Helios he was President and CEO of General Electric (GE) Nigeria, with full responsibility across GE's businesses in energy, healthcare, transportation, consumer, industrial and GE Capital. Prior to this, Lazarus was GE's Africa regional operations and corporate leader as President and Chief Executive Officer of West, East & Central Africa, and previously held several leadership positions in Sales and Marketing in GE Capital. He joined GE in 2004 as Managing Director, GE Capital – Commercial & Industrial Finance. He started his corporate career with Chase Manhattan Bank in New York and currently chairs the investment committee of the Nasarawa State Government Economic Advisory Council. He serves on several boards including Bingham University, Lagos Business School, Africa-American Institute, Partners International, and Opportunity International; and is Chairman and Co-Founder of LiveBridge Foundation. He holds a PhD in corporate finance from NYU Stern School of Business and was an Assistant Professor of Finance at the Krannert School of Management, Purdue University from 1992 to 1997. He also holds a BSc in Mathematics from Ahmadu Bello University, Nigeria and an MSc in Industrial Engineering from the University of Iowa.

Mr. Nitin Kaul

Nitin has over 16 years of experience in strategy consulting, Mergers & Acquisitions (M&A), restructuring and business transformation across multiple business segments including industrial, automotive, energy and consumer in developed and emerging markets. Prior to joining Helios, Nitin was co-founder of Syndeo Capital, a boutique advisory firm based in London focused on M&A, restructuring and operations management. He worked primarily with private and family businesses that were either buying from or selling companies to private equity firms. Before establishing Syndeo Capital, Nitin worked at Gates Corporation as President for Oil and Gas/Marine (O&G/M) business, as well as the Automotive and Industrial businesses in strategic emerging markets. Under his leadership the O&G/M business grew by 15% year-on-year to $225m. He was a member of the Global Executive Committee and a key member of the senior management that led the sale of Gates Corporation to Blackstone for $5.4bn in 2014. Prior to Gates Corporation, Nitin worked at Tomkins for over 10 years in various senior roles. He was also part of the senior management team responsible for taking Tomkins from a public limited company to a privately held company, acquired by Onex, a Canadian private equity firm and the Canada Pension Plan Investment Board for $5.0bn in 2010. Following the take private, he managed the overall sale process of $8bn of non-core companies within Tomkins' portfolio to strategic and private equity firms. The Gates Corporation being the only core company remaining after the divestiture. He has previously worked at Andersen Consulting as a Senior Manager in Group Finance and Strategic Development. He also worked at Swiss Banking Corporation (SBC) as Senior Manager Corporate Finance and Restructuring, United Kingdom (UK) having started his career at SBC Warburgs as an Associate. Nitin holds an MBA from Warwick Business School, UK, and an MSc in Investment & Portfolio Management from City University Business School, UK. He also obtained a BSc in Business Management from King's College, University of London, UK.

Mr Jeremy Bending

Mr Jeremy Bending has several decades of experience in the energy industry with wide experience of unbundling and market liberalization in the UK energy industry. He is also experienced in international M&A activities and disposals. He is a Chartered Engineer who has been closely involved in implementing and maintaining safety and engineering management systems. He was Director of Network Strategy, National Grid 2003-2012 and was involved with the Keyspan acquisition in the United States. Most recently, he was Chief Operating Officer of Gas Distribution National Grid, a major UK utility company where he led a number of major change programmes. Jeremy received a BSc. in Production Engineering and Management from the University of Nottingham in 1975. He is also a Member of the Institute of Asset Management.

Ms. Kaat Van Hecke

Ms. Kaat Van Hecke has over two decades of relevant professional experience spanning several jurisdictions, including Nigeria, Austria, the Netherlands, Russia, and Kazakhstan. She serves as an Independent Non-Executive Director in Nostrum Oil & Gas Plc, London/Kazakhastan. She received a Master's degree in Chemical Engineering from the University of Ghent, Belgium, and a Master's degree in General Management from the Vlerick Management School, Belgium.

Mr. Ogbemi Ofuya

Mr. Ofuya has over 12 years of relevant professional experience. He joined Helios in September 2014 and has significant transaction and operations experience in oil and gas and related industries. Prior to joining Helios, he worked in the Natural Resources group of the Investment Banking Division of Goldman Sachs International, where he executed M&A, debt and equity transactions across oil and gas, power and mining sectors with a particular focus on Africa. Earlier in his career he held project management and strategy roles with ExxonMobil and Standard Chartered Bank based in Nigeria. Mr. Ofuya serves on the Boards of Directors of Axxela and StarSight Power Utility Limited. He received an MBA from London Business School, where he was a Mo Ibrahim Scholar, and holds a BEng degree in Civil Engineering from the University of Benin, Nigeria. He is a Nigerian national.

Mr. Satoshi Awaya
Mr. Satoshi Awaya has over 30 years of professional experience in the energy and infrastructure sector. He is the General Manager, Energy & Infrastructure Business at Sojitz Corporation. He started his corporate career with Nissho Iwai Corporation now Sojitz Corporation in 1990 and has broad experience spanning energy, and chemical projects across Japan, Europe, USA, and South America, especially in financial transactions, as well as machinery/equipment sales to petroleum refineries and chemical/petrochemical plants. He has also worked in various management positions in bioenergy and petrochemicals companies in Brazil. Satoshi Awaya holds a Bachelor’s degree in Foreign Studies from the Tokyo University of Foreign Studies (Japan) and majored in Luso-Brazilian Studies.

Audit Committee Members

1. Kaat Van Hecke
2. Jeremy Bending
3. Nitin Kaul
4. Satoshi Awaya

EXECUTIVE MANAGEMENT

Mr Bolaji Osunsan–a - Group Managing Director/CEO

Please see profile above.

Mr Timothy Ononi–u - Chief Financial Officer
Timothy is an accomplished finance executive with extensive experience spanning project financing, financial advisory, capital raising, business development and project management across the energy, environmental and infrastructure sectors. He joined Axxela in 2018. Prior to joining Axxela, he held senior management positions in various financial and non-financial institutions including Executive Director and Head of Thermal Power and Oil & Gas, Project Finance North America at BBVA Securities (NY), Co-Head of Energy and Industrials at Fitch Ratings (NY), Director and Head of Thermal/Oil & Gas at Dexia (NY) and Head of Business Development and Project Finance at a pioneer indigenous power development and distribution company in Nigeria. His transactions have won 'Deal of the Year' awards from Project Finance International and Euromoney publications, both industry leading magazines. Timothy has an MBA from Columbia Business School.

Mr Franklin Umole – Director Business Development
Mr Umole joined Oando Gas & Power (now Axxela) in October 2011 as Programme Executive, responsible for the opportunity maturation of the Central Gas Processing Facility (CPF). In March 2013, he assumed the position of Executive Director, Corporate Development with responsibilities for Business Development and Finance. Mr. Umole, who formerly worked for the Shell Group in the Netherlands brings extensive international experience in business process optimization and gas economics in a career spanning several counties in Europe, America, Far East, Middle East and Africa. He holds a B.Sc Computer Engineering, OAU, and an MBA, Webster Leiden Private University

Mr Kehinde Alabi – Chief Operating Officer
Mr. Kehinde has over 20 years' experience spanning the oil & gas, financial services, and the power sector. Prior to joining Axxela in 2007, he worked at Standard Trust Bank, United Bank for Africa and Oando Marketing. He has served in different capacities as Financial Controller and most recently as Head, Sales & Marketing with a track record of driving business profitability, delivering operational and project management excellence. He has led several merger and acquisition deals spanning various sectors and successfully closed multimillion dollar divestment transactions. He also had a stint in the academia as a lecturer He is responsible for overseeing Axx'la's operations and further enabling strategic collaboration amongst key stakeholders to ensure Axxela continues to deliver value to our customers and investors. Mr. Kehinde has a B.Sc. in Economics from Obafemi Awolowo University and an MBA from Manchester Business School

Olufisayo Duduye–i - Chief Strategy Officer
Mr. Fisayo is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), with over a decade and half cumulative work experience spanning Financial Services, FMCG and Energy sectors. He currently supervise the Corporate Services team (including Human Resources, Information Technology, Corporate Communications, Procurement and Strategy & Planning) in Axxela. He has successfully led major transformation programmes and executed several corporate development projects. Fisayo has a Bachelor's degree in Accounting and an MBA in Finance from Obafemi Awolowo University; and he is also a Strategy Executive Education scholar at INSEAD.

Mr Tuoyo Ejueyitch–e - General Counsel & Company Secretary
Mr. Tuoyo joined the Oando Group in 2011 where he worked as the Group Finance Legal Manager, responsible for all Financing and Mergers & Acquisition transactions across the Oando Group. In February 2017, he assumed the position of General Counsel and Company Secretary of Axxela Limited with responsibilities for the Legal and Governance departments of the company and its subsidiaries. Tuoyo brings along his wealth of international legal experience from his time at Skadden Arps (London, England) and Hogan Lovells (London, England) where he worked in Tax Law and advised in various capacities including Financial Services, Employment and Business Restructuring.

Mrs Ngozika Achebe- Head, Human Resources & Admin
Mrs. Ngozika is responsible for developing and implementing workforce strategies that enable the attainment of corporate objectives. She has over 15 years progressive experience in Strategic and Operational Human Resource (HR) Management. Prior to joining the Company in 2012, she was the HR Business Partner for two subsidiaries in the Oando Group. Her experience cuts across Organisation Development, talent acquisition, compensation and

benefits administration, employee relations and HR policy formulation in the Upstream, Midstream and Downstream industries of the oil and gas sector. Ngozika has a Bachelor's degree in English from University of Nigeria, Nsukka and an MBA in Business Administration from the University of Warwick.

Mr Babatunde Baba-Agba- Head Business Stakeholder Management
Mr. Babatunde is experienced in providing management oversight for the development of high quality, cost-effective, and integrated marketing programs for gas distribution. He joined Gaslink Nigeria Limited, a subsidiary of Axxela Limited, in 2000 as Project Accountant where he was responsible for the day-to-day management of project cost and administration. In 2003, he became Head, Procurement and Supplies and was responsible for the procurement of project materials for the Greater Lagos Gas Distribution Project 1A and 1B. Before joining Gaslink, he worked at Ibru Organization and Aquamarine Finance & Securities Limited. Babatunde holds a MSc. in Financial Management from University of Ibadan. He is also a Chartered Professional in Industrial Gas Marketing from the Gas Technology Institute, Chicago, USA.

Mrs. Yetunde Demuren – Head, Corporate finance and Treasury Management
Mrs. Yetunde is responsible for corporate finance and treasury management for Axxela. In her role, she is responsible for ensuring optimal capital structure for projects, project viability assessment, cashflow planning, excess cash investments, and hedging for foreign exchange exposures. She has over 16 years' experience span across consulting, investment banking, corporate banking, and business development in developed and emerging markets in a transaction-oriented position. Prior to joining the Company in 2020, she was with the West Market Area Deals team at PricewaterhouseCoopers where she worked on equity and debt capital raise mandates, corporate restructuring, financial modelling, and valuation analysis for publicly-traded and privately-held companies.

Some of her key deals include adviser on the acquisition finance capital raise for OML 42 by Neconde Energy Limited during the shell divestment program and adviser to the Federal Government of Nigeria on the Implementation of the settlement agreement for the National Iron Ore Mining

Mrs. Olayide Williams – Head, Business Origination

Mrs. Olayide has over 20 years' experience serving multinational, national and independent oil companies across the Exploration & Production value chain. She is responsible for identifying and securing viable business opportunities/deals, defining business strategies, developing new product and service offerings, negotiating, and closing business deals. Olayide holds a B.Sc in Management from the University of Hull and a DiP in Petroleum Economics & Management from IFP, France.

Mrs Adebukola Oladapo – Head, Structured Ventures
Mrs. Adebukola has over 17 years' relevant professional experience in financial advisory, investment banking, business development and audit. She previously worked at KPMG, where she advised on major infrastructure projects, oil & gas transactions, and led several landmark transactions across Sub-Sharan Africa. She is responsible for structuring merger & acquisitions, joint ventures and strategic alliances across Axxela's ventures. Adebukola holds a MSc. in Corporate Governance from London South Bank University.

Isaac Oluwadi–a - Head, Gas Infrastructure, Axxela

Mr. Isaac is a mechanical engineer with over 22 ye'rs' work experience across various aspects of commercial operations, contract negotiation, pricing strategies and planning, risk assessment, and market analysis, Isaac held various senior management positions in Nigeria and The Netherlands with Royal Dutch Shell and the Department for International Development (DfID). Isaac is motivated by the goal of achieving well-structured deals that deliver value across the energy sector (including Gas to power). He holds a BSc degree in Mechanical Engineering from Ondo State University of Science and Technology (now Olusegun Agagu University of Science and Technology) Ondo State.

Mr Uchenna Okpala – Head, Engineering and Operations
Mr. Uchenna is a mechanical engineer with over 20 years' experience in the oil and gas industry. Prior to joining (now) Axxela at the end of 2009, he had worked in various capacities as a field engineer, project engineer, and quality assurance/control engineer. He has diversified experience in oil and gas pipeline and structural designs, construction and maintenance, quality assurance and control, and project management, coupled with certifications from various international bodies. Mr. Uchenna has a Bachelor's degree in Mechanical and Production Engineering

from Enugu State University and a Master's degree in Process Engineering from University of Lagos. He also has an MBA in Production and Operations Management from Lagos State University.

Mr John Okoro – Head, Environmental Health Safety & Quality
Mr. John joined Axxela in 2012 and is responsible for the planning, implementing, monitoring a54aterializing of operational processes in the areas of environmental, health, occupational safety and quality management. Prior to joining Axxela he worked at Total Energies overseeing the delivery of oil & gas projects to top oil & gas players in Nigeria. Mr. John holds a B.Ed (Engineering) from the Federal University of Technology (Materials & Metallurgical Engineering) and an MBA from Business School, Netherlands, with several certifications from Moody International, The American Petroleum Institute and The National Examination Board in Occupational Safety and Health U.K, amongst others.

18.6 CORPORATE GOVERNANCE

Axxela is firmly committed to effective corporate governance principles and best practices. Accordingly, though not a public company, Axxela generally operates in line with the principles set out in SEC's Code of Corporate Governance for Public Companies and the FRCN Code of Corporate Governance, to the extent appropriate for its shareholding structure and the size and nature of its business.

The Company fosters and cascades corporate governance principles through a number of initiatives such as awareness sessions and presentations. The Company's core values of professionalism, partnership and excellence are exemplified through these initiatives. In an attempt to better discharge its oversight functions in accordance with the Code of Corporate Governance and global best practices, the Board alongside the Management team and members of the Safety, Audit and Risk Committee ensure the implementation of policies which are geared towards improving performance and exceeding the expectation of its stakeholders.

Adherence to corporate governance principles as articulated in a number of corporate documents such as the code of business conduct and ethics, the company's anti-corruption policy, whistleblowing policy among others are also communicated to other stakeholders such as employees, host communities, suppliers, contractors etc. the board also consistently operates with its responsibilities as contained in CAMA, the Company's article of association and the Company's various policies. The Board has overall responsibility for ensuring that the Company is appropriately managed, adheres to principles of good corporate governance and achieves its strategic objectives.

In accordance with the SEC Code that the Board should be of a sufficient size relative to the scale and complexity of the Company's operations and the Company's Articles of Association which provides that the Company's Board shall consist of not more than seven Directors, the Board consists of the Chairman, six other non-executive directors (two of which are independent directors) and one executive director (The Chief Executive Officer). The position of the Chief Executive Officer and the Chairman are held by separate persons in accordance with the SEC Code and FRCN Code.

The Board meets regularly to set broad policies for the Company's business and operations and it ensures that a professional relationship is maintained with the Company's Auditors in order to promote transparency in financial and non-financial reporting.

The Board has the following Board Committees which provide guidance and recommendations to the full Board:

- Governance and Remuneration Committee
- Safety, Audit and Risk Committee
- Strategy and Finance Committee

Role of the Board

- Reviewing alignment of goals, major plans of action, annual budget and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with approved budget;
- Ensuring the integrity of the Company's accounting and financial reporting systems and that appropriate systems are in place for monitoring risk, financial control and compliance with the law;
- Through the establishment of the Board Committees, making recommendations on issues of expenditure that may arise outside the meeting schedule of the Board;
- Considering recommendations of the Board Committees and approving recommendations considered to be in the best interest of the Company;
- Supervisory responsibility for overall budgetary planning, major treasury planning and scientific and commercial strategies. The Board is responsible for satisfying itself that planning procedures and the Company's overall objectives are appropriate;
- Periodic and regular review of actual business performance relative to established objectives;
- Reviewing and approving internal controls and risk management policies and processes.

Systems of Internal Control

The Group has well-established internal control system, for identifying, managing, and monitoring risks. The Risk, Internal Controls and Audit function has reporting responsibilities to the Board and has appropriately trained personnel and undergo training on current business and best practice issues.

19 EXTRACT OF SPONSOR'S RATINGS REPORT

19.1 AGUSTO RATING

Agusto&Co.
Research. Credit Ratings. Credit Risk Management

2023 Corporate Rating Review Report

Axxela Limited

Issuer Rating:

A-

This is a company with good financial condition and strong capacity to meet its obligations relative to all other issuers in the same country.

Outlook: Stable
Issue Date: 21 July 2023
Expiry Date: 30 June 2024

Previous Rating: A-

Industry: Natural Gas

Analysts:
Ikechukwu Iheagwam
ikechukwuiheagwam@agusto.com

Isaac Babatunde
isaacbabatunde@agusto.com

Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria

www.agusto.com

RATING RATIONALE

- Agusto & Co. hereby affirms the "A-" rating assigned to Axxela Limited ('Axxela' or 'the Company'). The rating reflects the Company's good financial condition upheld by i) good and sustained profitability metrics bolstered by the strategy to diversify revenue sources by geography and increase the throughput of natural gas to unserved industrial customers, ii) satisfactory leverage profile elicited by good funding mix boosted by the introduction of long term concessionary loans, iii) adequate working capital supported by favourable terms of trade with gas suppliers and industrial customers on the back of long term take or pay gas contracts, iv) stable and experienced management team and v) strong shareholders' support from Helios Investment Partners and Sojitz Corporation at the holding company level. However, the Company's performance continues to be tempered by protracted gas supply constraints as well as ongoing macroeconomic headwinds on business operations.

- Axxela Limited (along with its subsidiaries[1]) is a leading player in the natural gas processing, marketing and distribution value chain in Nigeria, providing bespoke energy solutions to customers in Nigeria and the West African region. The Company has developed over 300 kilometres (km) of gas pipeline infrastructure and delivers about 90 million standard cubic feet per day (mmscf/d) to over 200 industrial and commercial customers in Nigeria and West Africa. Axxela is also involved in alternative power generation and distribution solutions and has deployed circa 22.55 megawatts (MW) of captive and embedded power to industrial customers in Nigeria.

- In the financial year ended 31 December 2022 (FYE 2022), the Company's total revenue grew by 13% to ₦120.4 billion from the prior year, with 80.6% of the income generated from the Nigerian operations and 19.4% from the sale of natural gas to Compagnie Energie Electrique du Togo - CEET. Despite the tough macroeconomic and operating environment in FYE 2022, Axxela Limited reported an operating profit margin of 13.2%, earnings before interest, tax, depreciation and amortization (EBITDA) margin of 16.4%, return on assets of 12.5% and return on equity of 26.2%, all in line with our expectations. Going forward, we expect the

[1] Axxela Limited's operating subsidiaries are Gaslink Nigeria Limited (GNL), Central Horizon Gas Company Limited (CHGC), Gas Network Services Limited (GNSL) and Transit Gas Nigeria Limited (TGNL).

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19.2 GCR RATING

GCR RATINGS

CREDIT RATING ANNOUNCEMENT

GCR affirms Axxela Limited's national scale long-term and short-term Issuer ratings of A-(NG) / A2(NG) respectively, Outlook revised to Stable

Rating action

Lagos, 21 August 2023 – GCR Ratings (GCR) has affirmed the national scale long-term and short-term Issuer ratings of A-(NG) and A2(NG), respectively assigned to Axxela Limited. Concurrently, GCR has affirmed the national scale long-term Issue rating of A-(NG)(EL) accorded to Axxela Funding 1 Plc's NGN11.5Bn Series 1 Senior Secured Bonds. The Outlook on the ratings has been revised to Stable.

Rated entity/issue	Rating class	Rating scale	Rating	Outlook/Watch
Axxela Limited	Long-term Issuer	National	A-(NG)	Stable Outlook
	Short-term Issuer	National	A2(NG)	
NGN11.5Bn Series 1 Senior Secured Bonds	Long-term Issue	National	A-(NG)(EL)*	Stable Outlook

*The Senior Secured Bonds rating is based on an estimate of the expected loss in the event of an issuer default and is a function of the estimated probability of default of the issuer and the potential losses that may be incurred. As such, this rating carries an "(EL)" suffix. The expected loss rating assigned to the Bonds issued therefore differs from the long-term senior unsecured credit rating of the issuer.

Rating rationale

The ratings affirmation of Axxela Limited (Axxela or the group) reflects its sustained earnings progression and robust cash flows, underpinned by consistent business expansion, with good liquidity. However, the ratings are constrained by higher debt position, which has weakened leverage metrics.

Axxela's strong competitive positioning is a rating strength underpinned by its consistent capacity expansion and widening geographical coverage. The group's long-term agreements with suppliers and customers have bolstered earnings stability, enhancing Axxela's competitive position. The group continued to grow its regional businesses, supplying gas to Togo through the West African Gas Pipeline, and is making inroads into Benin Republic and Ghana in the near to medium term. Furthermore, Axxela has leveraged on its large gas grid to diversify its earnings, providing gas-to-power solution through the establishment of captive power plants for its customers. In addition, Axxela, in joint venture with NNPC Gas Marketing Limited (NGML) is developing new gas distribution businesses which should boost future revenue. However, the overdependence on its sole supplier (NGML) remains a downside risk. Axxela has onboarded three alternative gas suppliers to cushion any gas supply disruptions, but these extendible contracts are usually for shorter periods and the gas supply volume is comparably small.

Axxela reported a modest growth in revenue for 2022 despite the lingering supply disruptions experienced since H1 2022. Revenue rose by 13% to register at NGN120Bn ($284M) for the full year 2022, slightly missing our target of 15% growth. The growth was underpinned by higher gas supply to its local and regional customers.

20 SUMMARY EXTRACT OF ISSUER'S AUDITED FINANCIAL STATEMENTS

AXXELA FUNDING 1 PLC

FIVE-YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	5 months period ended 31 December 2018 ₦'000
Assets employed:					
Cash and cash equivalents	1,495,369	905,453	4,786,822	-	-
Other receivables	174,700	206,330	187,933	500	500
Financial assets	8,839,111	11,500,000	11,500,000	-	-
Total assets	**10,509,180**	**12,611,783**	**16,474,755**	**500**	**500**
Total equity and liabilities					
Share capital	500	500	500	500	500
Accumulated losses	(210)	(210)	(210)	(105)	(105)
Interest-bearing loans and borrowings	8,699,578	11,310,249	11,255,788	-	-
Other financial liabilities	1,809,312	1,301,244	5,218,677	105	105
	10,509,180	**12,611,783**	**16,474,755**	**500**	**500**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022	2021	2020	2019	2018
Interest income using effective interest rate	-	-	-	-	-
Loss before taxation	-	-	-	(105)	(105)
Income tax expenses	-	-	-	-	-
Loss after taxation	-	-	-	(105)	(105)
Loss per share	-	-	-	(0.21)	(0.21)
Net assets per share	**0.58**	**0.58**	**0.58**	**0.79**	**0.79**

i) Loss per share are based on loss after taxation and the number of issue and fully paid ordinary shares at the end of each financial year.

ii) Net assets per share are based on net assets and the number of issue and fully paid ordinary shares at the end of each financial year
iii) The 2018 financial information above was for the period ended December 2018.

21 AUDITOR'S CONFIRMATION OF GOING CONCERN STATUS

Ernst & Young
10th Floor
UBA House
57, Marina
P.O.Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

EY
Building a better working world

16 November 2023

The Chief Executive
Axxela Limited
8th Floor
The Wings Complex, East Tower
17A Ozumba Mbadiwe Avenue
Victoria Island
Lagos

Dear Sir

Axxela Limited- Confirmation of Going Concern status.

Axxela Limited is sponsoring N50 billion Multi-Instrument Issuance Programme.

We have audited the financial statements of Axxela Limited (the Company) for the year ended 31 December 2022 which were prepared in accordance with International Financial Reporting Standards, the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act No.6, 2011.

Based on our audit of the financial statements of the Company for the year ended 31 December 2022 on which we expressed our opinion on 16 May 2023 and the representation received from the Directors of the Company, nothing has come to our notice that makes us believe that the Company will not continue in operation as a going concern for at least 12 months from 31 December 2022.

Yours faithfully

For: **Ernst & Young**

Adewuyi Adeyemo

Engagement Partner

22 DIRECTORS CONFIRMATION OF ISSUER'S GOING CONCERN

Axxela Funding 1 PLC RC: 1517428

8th Floor, The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
Tel: [illegible] **Website:** www.axxelagroup.com

3 January 2024

The Chief Executive
Stanbic IBTC Capital Limited
I B T C Place
Walter Carrington Crescent
Victoria Island
Lagos

Dear Sir,

<u>Confirmation of Going Concern Status for Axxela Funding 1 Plc</u>

Axxela Funding 1 Plc (the "**Issuer**") is establishing a ₦50 billion Multi-Instrument Issuance Programme which is in the process of being registered by the Securities and Exchange Commission ("**SEC**").

Based on the review of the Issuer's financial statements for the year ended 31 December 2022, we have reasonable expectation that the Issuer has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared solely for compliance with the rules and regulations of the SEC.

Yours faithfully,

SIGNED for and on behalf of Axxela Funding 1 PLC

Mobolaji Osunsanya
Director

Tuoyo Ejueyitchie
Company Secretary

MICHAEL A. ABIIBA, ESQ.
NOTARY PUBLIC, NIGERIA
SIGNATURE
DATE 04-01-2024

Directors: Lazarus Angbazo (Chairman), Mobolaji Osunsanya, (Managing Director), Jeremy Bending (British), Kaat Van Hecke (Belgian), Ogbemi Ofuya pwc

28 November 2023

Independent assurance report to:

The Board of Directors
Axxela Limited
17a Ozumba Mbadiwe Ave, Eti-Osa
Lagos, Nigeria

and

The Managing Director
Chapel Hill Denham
10, Bankole Oki Street
Ikoyi
Lagos, Nigeria

and

The Managing Director
Stanbic IBTC Capital Limited
IBTC Place
Water Carrington Crescent
Lagos, Nigeria

Dear Sirs,

We have reviewed the accompanying consolidated statements of financial position for the the years' ended 31 December 2018, 31 December 2019, 31 December 2020, 31 December 2021, and 31 December 2022 the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flows for the years then ended, the statement of significant accounting policies and other explanatory notes (together "the financial information"). The financial information is based on the audited financial statements of Axxela Limited and its subsidiaries (the "Group")

Directors Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements on which the financial information is based, in accordance with the basis of accounting described in the statement of significant accounting policies and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng TIN: 01556757-0001 BN: 958268

Partners S Abu, O Adekoya, T Adeleke, W Adetokunbo-Ajayi, S Adu, A Akingbade, UN Akpata, O Alakhume, A Adeobi, C Azobu, E Erhie, K Erikume, H Jaiyeola, T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojinmah, O Oladipo, W Olowofoyeku, P Omontuemhen, O Osinubi, O Ubah, Y Yusuf

pwc

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) which requires us to conclude whether anything has come to our attention that causes us to believe that the financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400(Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects the state of the financial position of the Group as at the dates stated and of its profit or loss and cash flows for the years then ended, in accordance with the Group's accounting policies.

Basis of Accounting

Without modifying our conclusion, we draw attention to the Statement of significant accounting policies included in the financial information which describes the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction. As a result, the financial information may not be suitable for another purpose.

Yours faithfully

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Omobolanle Adekoya
FRC/2013/004/00000002010

28 November 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0465679

2

EXTRACT FROM REPORTING ACCOUNTANT'S REPORT

Axxela Limited

Financial information: 2018 - 2022

Consolidated statement of profit or loss and other comprehensive income

	Notes	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Revenue	2	120,448,700	106,583,515	82,600,804	75,114,035	56,739,306
Cost of sales	3	(93,973,211)	(81,857,463)	(62,878,271)	(56,505,840)	(41,866,375)
Gross profit		**26,475,489**	**24,726,052**	**19,722,533**	**18,608,195**	**14,872,931**
Other operating income	4	1,101,915	145,187	2,245,205	148,406	1,685,185
Administrative expenses	5	(10,558,696)	(9,755,572)	(8,383,109)	(7,873,518)	(7,484,713)
Credit loss (expenses)/reversal	6	(316,005)	1,038,291	83,494	(1,135,478)	(164,936)
Operating profit		**16,702,703**	**16,153,958**	**13,668,123**	**9,747,605**	**8,908,467**
Finance cost	7.1	(3,824,670)	(3,427,333)	(3,517,710)	(3,378,292)	(3,803,279)
Finance income	7.2	384,770	349,775	324,833	207,117	44,965
Finance cost - net		(3,439,900)	(3,077,558)	(3,192,877)	(3,171,175)	(3,758,314)
Profit Before Tax		**13,262,803**	**13,076,400**	**10,475,246**	**6,576,430**	**5,150,153**
Income tax (expense)/income	8.1	(2,571,981)	(2,977,046)	(3,376,831)	(53,613)	(1,583,932)
Profit for the year		**10,690,822**	**10,099,354**	**7,098,415**	**6,522,817**	**3,566,221**
Profit attributable to:						
Equity holders of the parent		9,672,354	9,132,959	6,562,927	6,371,037	3,387,229
Non-controlling interest		1,018,468	966,395	535,488	151,780	178,992
		10,690,822	10,099,354	7,098,415	6,522,817	3,566,221
Earnings per share:						
Basic earnings for the year attributable to ordinary equity holders of the parent	9	**483.62**	**456.65**	**328.15**	**318.55**	**169.36**

The accompanying notes form an integral part of these financial information.

Axxela Limited

Financial information: 2018 - 2022

Consolidated statement of financial position

	Notes	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
ASSETS						
NON CURRENT ASSETS						
Property, plant and equipment	10	13,723,946	11,922,558	8,884,889	7,154,811	8,556,969
Intangible assets (excluding goodwill)	11	51,532,023	40,330,757	34,992,301	34,470,943	34,393,168
Goodwill	11	12,095,281	12,095,281	12,095,281	12,095,281	12,187,529
Right-of-use assets	12	1,090,899	1,363,624	995,490	1,280,838	-
Other assets	14	5,177,345	1,231,597	1,024,249	995,208	837,844
		83,619,494	**66,943,817**	**57,992,210**	**55,997,081**	**55,975,510**
CURRENT ASSETS						
Inventories	15	861,616	895,213	627,943	543,541	312,716
Trade and Other Receivables	16	30,312,988	18,016,120	17,767,484	13,049,576	11,909,565
Derivative assets	17	973,423	-	2,206,193	97,323	-
Prepayments	13	3,067,784	788,831	648,889	950,974	654,690
Cash and bank balances	18	17,719,838	6,683,736	10,957,202	3,986,779	2,886,646
		52,935,649	**26,383,900**	**32,207,711**	**18,628,193**	**15,763,617**
TOTAL ASSETS		**136,555,143**	**93,327,717**	**90,199,921**	**74,625,274**	**71,739,127**
EQUITY AND LIABILITIES						
Equity Attributable to Owners						
Share Capital	19	10,000	10,000	10,000	10,000	10,000
Retained earnings		26,343,619	24,489,483	18,181,292	16,318,965	9,947,928
		26,353,619	24,499,483	18,191,292	16,328,965	9,957,928
Non-controlling interest		3,519,121	2,914,882	2,274,836	1,903,862	1,894,374
Total equity		**29,872,740**	**27,414,365**	**20,466,128**	**18,232,827**	**11,852,302**
NON CURRENT LIABILITIES						
Deferred tax liability	8.3	2,581,166	4,086,749	4,813,828	3,985,579	6,137,489
Lease liability	12.1	1,133,871	1,221,767	862,088	1,055,226	-
Interest bearing loans and borrowings	20	61,709,405	35,020,874	39,361,638	26,037,221	29,315,045
		65,424,442	**40,329,390**	**45,037,554**	**31,078,026**	**35,452,534**
CURRENT LIABILITIES						
Trade and other payables	21	23,781,943	17,662,025	18,896,625	17,114,802	18,413,773
Current income tax liabilities	8.2	4,043,440	3,781,368	2,625,021	2,276,449	1,285,042
Dividend payable	22	7,818,218	-	1,235,870	102,450	102,450
Contract liability	23	697,708	30,380	24,025	239,160	219,987
Lease liability	12.1	310,556	325,111	325,112	286,725	-
Provisions	24	1,124,679	1,299,616	1,230,587	1,049,041	789,533
Interest bearing loans and borrowings	20	3,481,417	2,485,462	358,999	4,245,794	3,623,506
		41,257,961	**25,583,962**	**24,696,239**	**25,314,421**	**24,434,291**
Total liabilities		**106,682,403**	**65,913,352**	**69,733,793**	**56,392,447**	**59,886,825**
Total equity and liabilities		**136,555,143**	**93,327,717**	**90,199,921**	**74,625,274**	**71,739,127**

The accompanying notes form an integral part of these financial information.

Axxela Limited

Financial information: 2018 - 2022

Consolidated statement of cash flows

	Notes	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Cash flows from operating activities						
Cash generated from operations	27	5,157,578	17,173,196	11,026,637	6,206,979	7,534,812
Interest income	7.2	(384,770)	(349,775)	(324,833)	(207,117)	(44,965)
Interest expense	7.1	3,824,670	3,427,333	3,517,710	3,378,292	3,803,279
Income tax paid	8.2	(3,744,377)	(2,349,563)	(2,155,801)	(1,214,116)	(1,924,515)
Net cash generated from operating		**4,853,101**	**17,901,191**	**12,063,713**	**8,164,038**	**9,368,611**
Cash Flow from Investing activities						
Purchase of PPE	10	(2,612,638)	(3,870,792)	(2,373,877)	(539,320)	(834,331)
Payments relating to pipeline construction	11	(13,078,361)	(7,122,531)	(1,962,082)	(1,547,655)	(1,138,414)
Proceeds from sale of PPE	4	-	5,713	1,636	-	1,382
Interest received	7	384,770	349,775	324,833	207,117	44,965
Net cash used in investing activities		**(15,306,229)**	**(10,637,835)**	**(4,009,490)**	**(1,879,858)**	**(1,926,398)**
Cash Flow from Financing activities						
Interest paid	7.1	(3,765,977)	(3,319,829)	(2,921,438)	(6,824,491)	(844,267)
Proceeds from borrowings net of incurred transaction cost	20	27,356,180	-	14,693,805	1,796,785	5,750,000
Repayment of lease liability	12.1	(251,937)	(325,510)	(293,556)	(258,332)	-
Repayment of borrowings	20.2	(1,172,463)	(165,000)	(5,744,285)	(1,552,500)	(9,275,682)
Partial settlement of shareholders loan	20.2	(293,810)	(2,873,737)	(1,857,028)	-	-
Dividends paid to shareholders	22.1	(382,762)	(4,852,747)	(3,164,514)	(142,292)	(212,224)
Net cash from financing activities		**21,489,231**	**(11,536,823)**	**712,984**	**(6,980,830)**	**(4,582,173)**
Total cash movement for the year		**11,036,103**	**(4,273,467)**	**8,767,207**	**(696,650)**	**2,860,040**
Cash at the beginning of year	18	6,683,736	10,957,202	2,189,994	2,886,646	26,607
Total cash at end of the year		**17,719,839**	**6,683,735**	**10,957,201**	**2,189,996**	**2,886,647**

The accompanying notes form an integral part of these financial information.

Axxela Limited

Financial information: 2018 - 2022

Consolidated statement of changes in equity

	Share capital N'000	Retained earnings N'000	Equity holding of parent N'000	Non-controlling interest N'000	Total equity N'000
Balance as at 1 January 2022	**10,000**	**24,489,483**	**24,499,483**	**2,914,882**	**27,414,365**
Profit for the year	-	9,672,354	9,672,354	1,018,468	10,690,822
Total comprehensive income for the year	-	34,161,837	34,171,837	3,933,350	38,105,187
Dividend paid	-	(7,818,218)	(7,818,218)	(414,229)	(8,232,447)
Balance as at 31 December 2022	**10,000**	**26,343,619**	**26,353,619**	**3,519,121**	**29,872,740**
Balance as at 1 January 2021	10,000	18,181,292	18,191,292	2,274,836	20,466,128
Profit for the year	-	9,132,959	9,132,959	966,395	10,099,354
Total comprehensive income for the year	-	27,314,251	27,324,251	3,241,231	30,565,482
Dividend paid	-	(2,824,768)	(2,824,768)	(326,349)	(3,151,117)
Balance as at 31 December 2021	**10,000**	**24,489,483**	**24,499,483**	**2,914,882**	**27,414,365**
Balance as at 1 January 2020	**10,000**	16,318,965	16,328,965	1,903,862	18,232,827
Profit for the year	-	6,562,927	6,562,927	535,488	7,098,415
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	22,881,892	22,891,892	2,439,350	25,331,242
Dividend paid	-	(4,700,600)	(4,700,600)	(164,514)	(4,865,114)
Balance as at 31 December 2020	**10,000**	**18,181,292**	**18,191,292**	**2,274,836**	**20,466,128**
Balance as at 1 January 2019	**10,000**	**9,947,928**	**9,957,928**	**1,894,374**	**11,852,302**
Profit for the year	-	6,371,037	6,371,037	151,780	6,522,817
Total comprehensive income for the year	-	16,318,965	16,328,965	2,046,154	18,375,119
Dividend paid	-	-	-	(142,292)	(142,292)
Balance as at 31 December 2019	**10,000**	**16,318,965**	**16,328,965**	**1,903,862**	**18,232,827**
Balance as at 1 January 2018	**10,000**	**8,321,512**	**8,331,512**	**1,927,606**	**10,259,118**
Profit for the year	-	3,387,229	3,387,229	178,992	3,566,221
Effect of adopting IFRS 9 amendments	-	(2,784,880)	(2,784,880)	-	(2,784,880)
Deferred tax impact of IFRS 9 amendments	-	863,021	863,021	-	863,021
Effect of adopting IFRS 15 amendments	-	161,046	161,046	-	161,046
Total comprehensive income for the year	-	**1,626,416**	**1,626,416**	**178,992**	**1,805,408**
Dividend paid to non-controlling interest	-	-	-	(212,224)	(212,224)
Balance as at 31 December 2018	**10,000**	**9,947,928**	**9,957,928**	**1,894,374**	**11,852,302**

The accompanying notes form an integral part of these financial information.

At a meeting of Axxela Limited Board of Directors duly convened and held, a final dividend of N390 (2021:N141.24; 2020:N235.03;) per share amounting to N7,818,216,284 (2021: N2,824,765,485; 2020: N4,700,600,000) from the previous accounting year end profit after tax (PAT) was declared and approved to ordinary shareholders whose names appeared in the company's register of members at close of business for the respective years . The amount represent dividends received from subsidiaries: Gaslink Nigeria Limited (2022: N7.7billion; 2021: N2.62 billion; 2020: N4.7billion) and Central Horizon Gas Company Limited (2022: N253million; 2021:N205million; 2020: N40.8million) now redistributed to Glover BV, the shareholder of Axxela Limited.
In 2022, amounts paid to non-controlling interests were as follows: Gaslink Nigeria Limited paid N215 million (2021: N165 million; 2020: N132 million) while Central Horizon Gas Company Limited paid N199 million (2021: N161 million; 2020: N33million) totaling N414 million (2021: N326 million; 2020: N165 million).

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1 Corporate Information

Axxela Limited was incorporated as a private company limited by shares on 7 August 2001. It is a fully owned subsidiary of Glover Gas & Power BV Netherlands with effect from 19th December 2016. Axxela Limited is domiciled in Nigeria and its registered office address is 8th Floor, the Wings Complex, East Tower 17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos.
The company has 4 subsidiaries - Central Horizon Gas Company Limited , Gaslink Nigeria Limited, Transit Gas Nigeria Limited and Axxela Funding 1 Plc and 1 indirect subsidiary - Gas Network Services Limited.
These are the consolidated financial information of Axxela and its subsidiaries.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
2 Revenue					
Disaggregated revenue information					
Set out below is the disaggregation of the company's revenue from contracts with customers:					
Type of goods or services:					
Sales and distribution of natural gas	98,556,644	90,602,850	76,530,042	64,926,576	49,475,316
Construction service revenue	15,092,034	9,422,112	3,638,717	4,953,779	1,029,445
Make-up gas revenue (note 23)	30,380	21,325	127,383	219,987	1,563,761
Transport revenue	194,650	121,900	333,300	192,920	152,872
Meter rental charge	35,864	35,658	37,200	36,440	34,233
Revenue from contract with customers	**113,909,572**	**100,203,845**	**80,666,642**	**70,329,702**	**52,255,627**
Revenue from service concession	6,539,128	6,379,670	1,934,162	4,784,333	4,483,679
Total revenue	**120,448,700**	**106,583,515**	**82,600,804**	**75,114,035**	**56,739,306**
Geographical markets					
Nigeria	97,141,175	88,333,919	66,993,327	61,148,299	52,554,842
Togo	23,307,525	18,249,597	15,607,477	13,965,736	4,184,464
	120,448,700	**106,583,516**	**82,600,804**	**75,114,035**	**56,739,306**
Timing of revenue recognition					
Goods/services transferred at a point in time	105,356,666	97,161,404	78,962,087	70,160,256	55,709,861
Goods/services transferred over time	15,092,034	9,422,112	3,638,717	4,953,779	1,029,445
Total revenue from contracts with customers	**120,448,700**	**106,583,516**	**82,600,804**	**75,114,035**	**56,739,306**

Sales and distribution of natural gas represents charge for pipeline gas consumption by customers.

Construction service revenue emanate from the agreement between the Group through its subsidiary Gaslink Nigeria Limited (GNL) and NGML which requires the GNL on behalf of NGML to fund, design and engage contractors to construct gas distribution facilities to deliver gas to end-users in Greater Lagos Industrial area. The Construction service revenue represent the contract cost incurred plus 10% project management income (as agreed with NGML) and other associated finance cost during the year which shall be recoverable. The total cost incurred is treated as Construction Service Cost in line with the company's accounting policies on revenue recognition.
Make-up gas revenue represents the excess of take or pay volume over the actual volume consumed by customers which was accumulated over the window period and were not utilised as stipulated in the Gas Sales Purchase Agreement initially recognised as deferred revenue before being earned and recognised as revenue during the year.

Transport revenue relate to transportation income paid by customers for supply of gas to their location.

Meter-rental charge represents service charge for the metering station services which is fixed per the gas contract with customers.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
3 Cost of Sales					
Cost of gas purchased	78,389,519	72,175,128	59,495,956	50,507,489	38,662,675
Construction service cost	12,999,129	7,122,531	926,938	3,454,000	935,859
Amortization of intangible assets (note 11)	1,865,759	1,776,687	1,433,318	1,459,939	1,472,482
Amortization of license (note 11)	-	-	-	3,325	3,990
Depreciation on property, plant and equipment (note 10)	149,422	165,985	166,361	255,544	253,841
Depreciation of gas pipeline - CHGC (note 10)	172,860	172,649	171,137	173,846	164,068
Transport charges	140,859	108,603	233,956	285,037	222,778
Connect cost	255,663	335,880	450,605	366,660	150,682
	93,973,211	81,857,463	62,878,271	56,505,840	41,866,375

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4 Other operating income	**31 December 2022 N'000**	**31 December 2021 N'000**	**31 December 2020 N'000**	**31 December 2019 N'000**	**31 December 2018 N'000**
Unrealized gain on NDF Valuation	973,423	-	2,206,193	97,323	-
Reversal of unutilized accrued expenses and provisions	-	-	37,926	-	84,746
Insurance claim received	5,356	52,457	-	-	-
Profit on disposal of assets	-	5,713	1,086	-	948
Other income	123,136	87,017	-	51,083	1,599,491
	1,101,915	**145,187**	**2,245,205**	**148,406**	**1,685,185**

The unrealized gain relates to gain on the valuation of its non-deliverable forward instrument (see note 17)
In 2018, the Board of Axxela and Oando Plc agreed to write off approved Group shared cost of N1,599 million from Oando. The cost was previously booked as an intercompany payable to Oando Plc and was subsequently recognized as other income following the write off.

5 Administrative expenses	**31 December 2022 N'000**	**31 December 2021 N'000**	**31 December 2020 N'000**	**31 December 2019 N'000**	**31 December 2018 N'000**
Advert & publicity	112,986	102,543	56,718	95,648	68,780
Amortisation of software license	-	-	-	7,423	1,737
Auditors remuneration	46,790	45,150	32,700	32,700	29,000
Bank charges	174,697	111,873	114,165	84,569	92,167
Bad debt written off	7,000	14,574	42,022	-	-
Depreciation on property, plant and equipment	500,303	474,148	305,672	234,317	90,020
Depreciation on right of use asset	272,725	317,054	339,236	320,210	-
Directors allowance	59,972	58,847	53,184	61,519	76,405
Donations	166,086	32,703	31,101	32,222	26,568
Foreign exchange loss - net (note 5.1)	2,564,220	2,438,437	2,262,650	130,225	2,288,219
Impairment loss on fair value of subsidiary and goodwill	-	-	-	1,370,021	-
Impairment loss on gas in transit	-	-	-	400,327	-
Insurance	174,013	65,869	54,021	61,827	29,196
Legal & consultancy services	525,154	607,789	365,252	346,458	267,343
Asset written off (GNSL)	-	27,729	-		-
Office expenses	184,583	100,544	38,096	66,412	71,553
Office rent	88,514	67,352	63,453	221,536	310,597
Project spend written off	-	-	157,008	-	-
Pipeline security expense	136,221	160,764	278,169	278,169	278,492
Repair and maintenance	432,719	381,398	327,215	540,526	805,483
Staff costs (note 5.2)	4,867,849	4,645,380	3,795,679	3,516,499	2,996,670
Subscriptions	24,804	39,564	13,517	12,545	11,674
Travels & accommodation	220,060	63,854	53,251	60,365	40,809
	10,558,696	**9,755,572**	**8,383,109**	**7,873,518**	**7,484,713**

The addition of depreciation included in cost of sales and administrative expenses is equal to the depreciation charge for the year in note 10 and 12.

The addition of amortisation included in cost of sales and administrative expenses is equal to the amortisation charge for the year in note 11.
Bad debt written off represents write off of long outstanding customer balance not previously provided for.

5.1 Foreign exchange loss - net	**31 December 2022 N'000**	**31 December 2021 N'000**	**31 December 2020 N'000**	**31 December 2019 N'000**	**31 December 2018 N'000**
Realized foreign exchange gain	2,674	-	229,097	12,773	5,271
Realized foreign exchange loss	(475,218)	(656,720)	(149,102)	(135,280)	(6,612)
Unrealized foreign exchange gain	-	-	-	17,840	1,756
Unrealized foreign exchange loss	(2,091,676)	(1,781,717)	(2,342,645)	(25,558)	(2,288,634)
Net realized foreign exchange loss	**(2,564,220)**	**(2,438,437)**	**(2,262,650)**	**(130,225)**	**(2,288,219)**

The exchange rate difference is as a result of high fluctuations from customers balances dominated in foreign currencies that occurred during each year.

5.2 Employee benefits	**31 December 2022 N'000**	**31 December 2021 N'000**	**31 December 2020 N'000**	**31 December 2019 N'000**	**31 December 2018 N'000**
(a) Directors' remuneration					
Other non-executive fees	59,972	58,847	53,184	61,519	53,387
Executive director's salaries/bonus	330,576	301,953	288,615	234,399	177,750
	390,548	**360,800**	**341,799**	**295,918**	**231,137**

The directors received emoluments (excluding pension contributions) in the following ranges:

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	31 December 2022 Number	31 December 2021 Number	31 December 2020 Number	31 December 2019 Number	31 December 2018 Number
N1,000,000 - N10,000,000	-	-	4	4	4
Above N10,000,000	1	1	6	6	6
	1	1	10	10	10

(b) Staff costs	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Salaries and wages	2,868,913	2,661,690	2,140,173	2,044,622	1,642,370
Staff welfare	517,012	416,833	313,931	316,579	350,244
Staff bonus	1,121,477	1,248,895	1,062,037	899,936	789,533
Pension costs	360,447	317,962	279,538	255,362	214,523
	4,867,849	4,645,380	3,795,679	3,516,499	2,996,670

5.2 Employee benefits (continued)

The average number of full-time persons employed during the year was as follows:

	31 December 2022 Number	31 December 2021 Number	31 December 2020 Number	31 December 2019 Number	31 December 2018 Number
Executive	6	6	6	6	1
Management staff	30	30	28	21	21
Senior staff	46	36	38	42	39
	82	72	72	69	61

Higher-paid employees other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	31 December 2022 Number	31 December 2021 Number	31 December 2020 Number	31 December 2019 Number	31 December 2018 Number
N5,300,000 - N6,000,000	-	-	-	1	1
N6,000,001 - N15,000,000	34	24	21	21	18
Above N15,000,000	48	48	51	47	42
	82	72	72	69	61

6 Credit loss expenses/(reversal)

The table below shows the expected credit losses (ECL) charges on financial instruments for the year recognised in the statement of profit or loss:

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Impairment loss on trade receivables	431,604	228,847	161,332	1,184,089	164,936
Impaired receivables recovered	(115,599)	(1,267,138)	(244,826)	(48,611)	-
	316,005	(1,038,291)	(83,494)	1,135,478	164,936

The impairment losses relate to the expected credit losses (ECL) computed on these financial assets in line with IFRS 9. The reversals of impairment losses are as a result of cash recoveries of impaired trade receivables. See note 16 for further details.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
7 Finance cost -net					
7.1 Finance cost					
Interest on loans and borrowings	1,661,637	1,280,797	1,247,563	1,295,700	1,718,448
Interest on bank overdraft	-	-	11,567	3,934	112,157
Transaction cost amortization (EIR)	58,693	107,504	66,994	-	-
Interest on lease liabilities (note 12.1)	107,200	87,957	98,345	116,945	-
Interest on shareholders loan	1,997,140	1,951,075	2,093,241	1,961,713	1,972,674
	3,824,670	3,427,333	3,517,710	3,378,292	3,803,279
7.2 Finance income					
Interest income on bank balances	(384,770)	(349,775)	(324,833)	(207,117)	(44,965)
Finance cost - net	3,439,900	3,077,558	3,192,877	3,171,175	3,758,314

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		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
8	**Income tax**					
8.1	**Income tax expense**					
	The major components of income tax expense for the years are as follows:					
	Current income tax					
	Current income tax charge	3,520,938	3,384,454	2,306,765	2,035,737	1,128,432
	Minimum tax	146,677	49,504	46,907	10,885	-
	Education tax	318,210	269,302	193,610	158,901	85,684
	NASENI	56,463	-	-	-	-
	Police fund levy	1,152	865	1,300	-	-
		4,043,440	**3,704,125**	**2,548,582**	**2,205,523**	**1,214,116**
	Prior year (over)/under provision					
	Current income tax charge	126,101	-	-	-	-
	Education tax	(137,445)	-	-	-	-
	NASENI	46,609	-	-	-	-
	Police fund levy	(1,141)	-	-	-	-
		34,124	-	-	-	-
	Deferred tax					
	Credit for the year (note 8.4)	(1,505,583)	(727,079)	828,249	(2,151,910)	369,816
	Income tax	**2,571,981**	**2,977,046**	**3,376,831**	**53,613**	**1,583,932**

The Group has provided for the Police Trust Fund at the rate of 0.005% of net profit before tax for financial years 2022 and 2021 consistent with the provisions of the Police Trust Fund Act as enacted in 2019.
Minimum tax was provided for Axxela Limited and Gas Network Services Limited because the subsidiaries did not record assessable profit.
The Group has also provided for the National Agency for Science and Engineering Infrastructure (NASENI) levy of 0.25% of profits before tax.

		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
8.2	**Statement of financial position**					
	Movement for the year					
	As at 1 January	3,781,368	2,625,021	2,276,449	1,285,042	1,915,231
	Payment during the year	(3,744,377)	(2,349,563)	(2,155,801)	(1,214,116)	(1,924,515)
	Impact of adopting IFRS 15	-	-	-	-	80,210
	WHT credit notes utilized	(71,115)	(198,215)	(44,209)	-	-
	Prior year underprovision	34,124	-			
	Charge for the year:					
	Income tax charge	3,520,938	3,384,454	2,306,765	2,035,737	1,128,432
	Education tax charge	318,210	269,302	193,610	158,901	85,684
	Minimum tax	146,677	49,504	46,907	10,885	-
	NASENI	56,463	-	-	-	-
	Police fund levy	1,152	865	1,300	-	-
	As at 31 December	**4,043,440**	**3,781,368**	**2,625,021**	**2,276,449**	**1,285,042**

8.3 Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in the income statement, and in equity are attributable to the following items:

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Accelerated depreciation for tax purposes	1,152,016	1,358,809	-	-	-
Fair value on consolidation of subsidiaries	6,160,844	6,473,061	-	-	-
Provisions	(1,196,331)	(1,345,078)	-	-	-
Unrealised exchange difference	(1,738,260)	(1,391,836)	-	-	-
Unused capital allowances	(609,656)	(609,656)	-	-	-
Unused tax losses	(343,863)	(210,510)	-	-	-
Excess of SHL interest above 30% of EBITDA	(787,183)	(188,041)	-	-	-
Tax incentive writeback	(56,401)	-	-	-	-
	2,581,166	**4,086,749**	-	-	-

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

Deferred tax liabilities					
Deferred tax liability to be recovered after more than 12 n	(7,312,860)	(7,831,870)	(7,400,916)	(6,347,312)	(7,106,701)
Total deferred tax liabilities	**(7,312,860)**	**(7,831,870)**	**(7,400,916)**	**(6,347,312)**	**(7,106,701)**
Deferred tax assets					
Deferred tax assets to be recovered after more than 12 mo	4,731,694	3,745,121	2,587,088	2,361,733	969,212
Total deferred tax assets	**4,731,694**	**3,745,121**	**2,587,088**	**2,361,733**	**969,212**
Total deferred tax (liabilities)/assets net	**(2,581,166)**	**(4,086,749)**	**(4,813,828)**	**(3,985,579)**	**(6,137,489)**

The gross movement in deferred income tax account is as follows:					
At the beginning of the year	4,086,749	4,813,828	3,985,579	6,137,489	6,630,694
Credited to profit and loss	(1,505,583)	(727,079)	828,249	(2,151,910)	369,816
(Credited) to equity	-	-	-	-	(863,021)
At the end of the year	**2,581,166**	**4,086,749**	**4,813,828**	**3,985,579**	**6,137,489**

9 Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Profit attributable to ordinary equity holders (N'000)	9,672,354	9,132,959	6,562,927	6,371,037	3,387,229
Net profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	9,672,354	9,132,959	6,562,927	6,371,037	3,387,229
Weighted average number of ordinary shares for basic earnings per share ('000)	20,000	20,000	20,000	20,000	20,000
Basic earnings per share (Naira)	483.62	456.65	328.15	318.55	169.36

There was no difference in the weighted average number of ordinary shares used for basic and diluted net loss per share from continuing operation, as there was no dilutive shares. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

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		Pipeline asset	Land and Buildings	Plant, machineries & motor vehicles	Fixtures, fittings & computer equipment	Capital work in progress	Total
10	**Property, plant & equipment**	N'000	N'000	N'000	N'000	N'000	N'000
	Cost:						
	As at 1 January 2022	8,052,253	655,759	3,935,140	767,269	1,896,191	15,306,612
	Additions	173,557	-	197,591	63,603	2,177,887	2,612,638
	As at 31 December 2022	**8,225,810**	**655,759**	**4,132,731**	**830,872**	**4,074,078**	**17,919,250**
	As at 1 January 2021	4,422,144	655,759	3,630,203	723,333	2,079,735	11,511,174
	Additions	-	-	380,291	43,936	3,446,565	3,870,792
	Disposal	-	-	(75,354)	-	-	(75,354)
	Transfers	3,630,109	-	-	-	(3,630,109)	-
	As at 31 December 2021	**8,052,253**	**655,759**	**3,935,140**	**767,269**	**1,896,191**	**15,306,612**
	As at 1 January 2020	4,282,810	655,759	3,507,209	708,413	-	9,154,191
	Additions	139,334	-	130,885	23,923	2079735	2,373,877
	Disposal	-	-	(7,891)	(9,003)	-	(16,894)
	As at 31 December 2020	**4,422,144**	**655,759**	**3,630,203**	**723,333**	**2,079,735**	**11,511,174**
	As at 1 January 2019	4,006,988	655,759	4,958,785	607,366	-	10,228,898
	Additions	275,822	-	162,452	101,047	-	539,321
	Impairment	-	-	(1,614,028)		-	(1,614,028)
	As at 31 December 2019	**4,282,810**	**655,759**	**3,507,209**	**708,413**	**-**	**9,154,191**
	As at 1 January 2018	2,092,702	655,759	4,796,660	107,946	1,755,583	9,408,650
	Additions	66,703	-	162,125	513,503	92,000	834,331
	Transfers	1,847,583	-	-	(14,083)	(1,847,583)	(14,083)
	As at 31 December 2018	**4,006,988**	**655,759**	**4,958,785**	**607,366**	**-**	**10,228,898**
	Accumulated depreciation:						
	As at 1 January 2022	1,056,974	60,571	1,728,392	538,117	-	3,384,054
	Charge for the year	335,010	7344	332710	136186	-	811,250
	As at 31 December 2022	**1,391,984**	**67,915**	**2,061,102**	**674,303**	**-**	**4,195,304**
	As at 1 January 2021	718,805	53,227	1,475,382	378,871	-	2,626,285
	Charge for the year	338,169	7344	253010	159246	-	757,769
	As at 31 December 2021	**1,056,974**	**60,571**	**1,728,392**	**538,117**	**-**	**3,384,054**
	As at 1 January 2020	535,863	45,883	1,199,193	218,441	-	1,999,380
	Charge for the year	182,942	7,344	276,189	160,430	-	626,905
	As at 31 December 2020	**718,805**	**53,227**	**1,475,382**	**378,871**	**-**	**2,626,285**
	As at 1 January 2019	362,017	38,539	1,194,015	77,358	-	1,671,929
	Charge for the year	173,846	7,344	5,178	141,083		327,451
	As at 31 December 2019	**535,863**	**45,883**	**1,199,193**	**218,441**	**-**	**1,999,380**
	As at 1 January 2018	197,948	31,195	885,603	62,903	-	1,177,649
	Charge for the year	164,069	7,344	308,412	14,455	-	494,280
	As at 31 December 2018	**362,017**	**38,539**	**1,194,015**	**77,358**	**-**	**1,671,929**
	Net book value						
	At December 2022	6,833,826	587,844	2,071,629	156,569	4,074,078	13,723,946
	At December 2021	6,995,279	595,188	2,206,748	229,152	1,896,191	11,922,558
	At December 2020	3,703,339	602,532	2,154,821	344,462	2,079,735	8,884,889
	At December 2019	3,746,947	609,876	2,308,016	489,972	-	7,154,811
	At December 2018	3,644,971	617,220	3,764,770	530,008	-	8,556,969

Capital work in progress represents amount spent to date on the pipeline expansion project in Sagamu Franchise area and Port-Harcourt Franchise area.

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		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
11	**Intangible assets**					
	Cost:					
	Rights to pipeline assets	54,876,844	45,645,079	39,121,052	39,121,052	39,121,052
	Pipeline license	99,180	19,950	19,950	19,950	19,950
	Goodwill	12,187,529	12,187,529	12,187,529	12,187,529	12,187,529
	Software costs	110,947	110,947	110,947	110,947	110,947
	Asset under construction	11,329,607	7,562,241	6,963,737	5,001,655	3,454,000
		78,604,107	65,525,746	58,403,215	56,441,133	54,893,478
	Accumulated amortisation and impairment					
	Rights to pipeline assets	14,757,133	12,891,374	11,114,687	9,681,369	8,222,237
	Pipeline license	23,880	19,950	19,950	19,950	16,625
	Goodwill	92,248	92,248	92,248	92,248	-
	Software costs	103,542	96,136	88,748	81,342	73,919
	Asset under construction	-	-	-	-	-
		14,976,803	13,099,708	11,315,633	9,874,909	8,312,781
	Carrying amount:					
	Rights to pipeline assets	40,119,711	32,753,705	28,006,365	29,439,683	30,898,815
	Pipeline license	75,300	-	-	-	3,325
	Goodwill	12,095,281	12,095,281	12,095,281	12,095,281	12,187,529
	Software costs	7,405	14,811	22,199	29,605	37,028
	Asset under construction	11,329,607	7,562,241	6,963,737	5,001,655	3,454,000
		63,627,304	52,426,038	47,087,582	46,566,224	46,580,697

Included in intangible assets is goodwill with a carrying amount of N12.09 billion as at 2019 to 2022 (2018: N12.19 billion). See note 30 for further details

Asset under construction relates to the Sapele Compressor Projects.

Service Concession Arrangements (Gas Transmission Pipeline and Asset under Construction)
Gaslink Nigeria Limited (GNL)
GNL entered into an arrangement with the NPC Gas Marketing Limited (NGML), a government business parastatal charged with the development and management of the Federal Government of Nigeria's natural gas reserves and interests. Under the agreement, GNL is required to fund, design and construct gas distribution facilities to deliver gas to end-users in Greater Lagos Industrial area. During the agreed period, GNL shall purchase gas from NGML and sell to its customers. The agreement was entered into in March 1999 for an initial operating period of 20 years. In 2019 this was further extended by another 20 years to 2039. The total sum due to putting in place the distribution facilities shall be determined by GNL in consultation with NGML. This amount determined shall represent capital contribution by GNL and shall be recovered by GNL from revenue from sale of gas over the contract period using an agreed cost recovery formula.

Per the agreement, the cost recovery rate shall be based on mutually agreed rate per molecule of gas sold. GL is required to fund, design and construct the gas distribution facilities, and has a right to utilise the pipeline asset and the right of way license obtained by NGML for the generation of revenue from the use of the pipeline during the contract period. NGML is also obligated to deliver Annual Contract Quantity of gas to GNL and GNL is obligated to take or pay for the quantity delivered. At the end of the contract period, the pipeline asset will be transferred to NGML. Either party has the right to terminate the agreement by serving the other party six (6) months' notice in the event of failure to meet the first gas delivery date, major breach of the contract terms, force majeure and in the event of insolvency or bankruptcy of either party.

Capital recovery is capped at the total capital expenditures plus interest costs incurred over the life of the contract. The service concession arrangement has been classified as an intangible asset as Gaslink has the right to charge the users of the pipeline over the concession period. NGML has not guaranteed payment of any shortfall on recovery from users.

Title to the distribution network and associated facilities shall remain with NGML, while GNL shall be responsible for the maintenance and operation of the distribution facilities. NGML shall be in control and possession of natural gas until it passes the delivery point while GNL shall be in control and possession after it passes the delivery point.

The recovery of the CAPEX (Capital Expenditure) amount which is based on the agreed percentage of gas invoice from NGML, potentially driven by customer consumption, is recognized as Service Concession Revenue based on gas volume sales year on year. The related CAPEX recognized as an addition to Intangible assets is amortized when the construction of the pipeline project is completed over the terms of the service concession contract.
Asset under construction relates to the Sapele Compressor Projects.

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12 Leases

Right of use of asset

The group through its subsidiary Gaslink Nigeria Limited has a lease contract for its office space at the 8th Floor, Wings Complex used in its operations. The Group's obligations under the lease is secured by the lessor's title to the leased assets. The Group does not have leases with lease terms of 12 months or less and leases of office equipment with low value. The Group modified the lease liability in 2021 due to changes in the contract term. The lease term is for a period of 5 years. The lease rental payment is denominated in USD but settled in Naira. See notes below for impact of remeasurement.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
As at 1 January	1,363,624	995,490	1,280,838	-	-
Additions	-	-	-	1,601,048	-
Remeasurement - VAT & stamp duty amendment	-	-	46,482	-	-
Lease modification	-	685,188	-	-	-
Depreciation expense	(272,725)	(317,054)	(331,830)	(320,210)	-
As at 31 December	**1,090,899**	**1,363,624**	**995,490**	**1,280,838**	**-**

12.1 Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
As at 1 January	1,546,877	1,187,199	1,341,951	-	-
Additions	-	-	-	1,600,283	-
Lease modification	-	685,188		-	-
Remeasurement - VAT amendment	-	-	31,968	-	-
Remeasurement - exchange rate	149,487	-	106,835	-	-
Payments	(251,937)	(325,510)	(293,556)	(258,332)	-
As at 31 December	**1,444,427**	**1,546,877**	**1,187,198**	**1,341,951**	**-**
Non-current	1,133,871	1,221,767	862,088	1,055,226	-
Current	310,556	325,110	325,110	286,725	-
	1,444,427	**1,546,877**	**1,187,198**	**1,341,951**	**-**
The following amounts are recognised in profit or loss					
Depreciation on right on use asset (note 12)	272,725	317,054	331,830	320,210	-
Interest on lease liabilities (note 7.1)	107,200	87,957	98,345	116,945	-
Total amount	**379,925**	**405,011**	**430,175**	**437,155**	**-**

The Group has total cash outflows for leases of N252 million in 2022 (2021: N326 million, 2020: N326 million, 2019: N287 million, 2018: Nil). The Group had no addition to right-of-use assets and lease liabilities in 2022 (2021: N685 million). The USD balance of the lease liability as at 31st December 2022 is \$3.13 million (2021:\$3.74 million, 2020: \$2.96 million, 2019: \$3.68 million, 2018: Nil).

13 **Prepayments**	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Rent	950	109,348	138,139	6,868	26,324
Insurance	255,909	215,837	105,870	84,171	100,960
Salary/car upfront & staff advances	508,551	378,953	404,880	284,348	217,939
Transaction cost (note 16.1)	-	-	-	-	-
Advance payment	2,302,374	84,693	16,168	575,587	309,467
	3,067,784	**788,831**	**665,057**	**950,974**	**654,690**
Current portion					
Rent	950	109,348	138,139	6,868	26,324
Insurance	255,909	215,837	105,870	84,171	100,960
Salary/car upfront & staff advances	508,551	378,953	404,880	284,348	217,939
Advance payment	2,302,374	84,693	-	575,587	309,467
Transaction cost (note 16.1)	-	-	-	-	-
	3,067,784	**788,831**	**648,889**	**950,974**	**654,690**
Non-current portion					
Transaction cost (note 16.1)	-	-	-	-	-
	-	-	-	-	-
Total prepayment	**3,067,784**	**788,831**	**648,889**	**950,974**	**654,690**

Rent prepaid represents amount paid in advance on property occupied.
Insurance prepaid relates to amount paid in advance to cover all industrial risks.
Staff upfront represents the lump sum housing allowance paid to each employee on the anniversary of their employment date.
Car upfront represents payable only to employees who have reached the manager cadre. It is part of the employee's entitlement at that level.
Advance payment represent amounts paid in advance to Traverse Energy Nigeria Limited on construction project for the VI-Lekki pipeline project segments 1 & 2 and Five Cowrie River Crossing.

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		31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
14	**Other assets**	N'000	N'000	N'000	N'000	N'000
	(project development costs)					
	Cadbury Independent Power Plant	2,199,925	-	-	-	-
	Mini Liquefied Natural Gas project	1,745,233	272,647	247,962	238,417	219,697
	Sagamu project	-	-	-	-	57,345
	ELI project	-	-	-	86,099	86,099
	Embedded power generation project	601,387	436,957	358,586	331,516	318,923
	Yellowstone project	-	-	-	39,900	39,900
	Project Waterfront	-	-	-	80,993	38,275
	Central processing facilities project	-	-	-	30,170	30,170
	Ore IPP	84,184	54,634	-	-	-
	Floating storage and regasification unit	71,211	71,211	61,613	55,459	27,921
	Tema Distribution Network (TDN)	20,102	19,429	14,698	13,881	13,881
	Other projects	455,303	376,719	341,390	118,773	5,633
	As at 31 December	5,177,345	1,231,597	1,024,249	995,208	837,844

Cadbury Independent Power Plant represents cost incurred by the Company to date for the purpose of developing an independent power plant to supply 4 Megawatts to Cadbury Nigeria Plc.

Mini Liquefied Natural Gas project represents cost incurred by the Company to date in partnership with NPC Gas Marketing Limited (NGML), a subsidiary of the Nigerian National Petroleum Company Limited (NNPCL), for the purpose of developing a 120,000 metric tones (MT) per year small scale Liquefied Natural Gas (LNG) project (mini-LNG) to enable the supply of natural gas to customers not reached by pipeline gas.

Embedded power generation project represent cost incurred by the Company to date for the development of independent power projects to supply power to identified customers in partnership with Eko Electricity Distribution Company Plc. and Ikeja Electric Plc.

Floating storage and regasification unit project represent cost incurred to date by the Company in partnership with Helios Investment Partners, Gasfin Development SA (Germany) and Engie (France) to develop an alternative gas supply solution via a Floating Storage and Regasification Unit (FSRU). The project will help to increase the reliability of gas supply and address issues with the capacity of existing infrastructure, single point of failure for gas supply into Lagos and ensure diversification of gas supply sources in the country. The project will involve the deployment of a Floating Storage Unit (FSU), construction of a mooring facility, truck loading station, among other related facilities.

Ore Independent Power Project represent cost incurred by the Company to date on the prospect to strategically partner with the Ondo State Development and Investment Promotion Agency, for joint development of a 30MW power plant (which can be potentially ramped up to 60 MW) in Ore, Ondo State to provide low-cost power to the industrial parks within the state as well as to the Discos and Eligible Customers.

Tema Distribution Network (TDN) project represents project cost incurred to date by the Company for the purpose of developing a 35 km natural gas pipeline distribution network within the Tema industrial area in Ghana.

Other projects represent amount spent to date on other opportunities such as Wet Gas Processing opportunity, in partnership with GMC & Chevron for gas delivery into the ELPS system, Gas wholesaling opportunity, Ore Gas Distribution Zone etc..

		31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
15	**Inventories**	N'000	N'000	N'000	N'000	N'000
	Consumable materials and engineering stocks	861,616	895,213	627,943	543,541	312,716
		861,616	895,213	627,943	543,541	312,716

Inventories are stated at the lower of cost and net realisable value. The Group periodically reviews the value of items in inventory and provided write-downs or write-offs of inventory based on its assessment of market conditions and has concluded that none of the inventory is obsolete.

		31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
16	**Trade and other receivables**	N'000	N'000	N'000	N'000	N'000
	Trade receivables	15,881,869	12,293,475	14,997,909	15,463,603	13,801,032
	Allowance for expected credit losses (trade)	(1,763,701)	(2,149,624)	(2,573,293)	(4,608,593)	(3,482,034)
	Net trade receivables	**14,118,168**	**10,143,851**	**12,424,616**	**10,855,010**	**10,318,998**
	Amount due from JV partner	5,015,392	4,449,355	2,843,628	298,224	-
	Allowance for expected credit losses (JV)	(411)	(757)	(2,790)	-	-
	Net JV receivables	**5,014,981**	**4,448,598**	**2,840,838**	**298,224**	-
	Other receivables	3,292,736	1,527,261	54,379	32,916	32,039
	VAT input & WHT receivable	2,888,330	1,778,013	1,448,875	1,593,411	1,262,620
	Call notes	-	-	657,744	-	
	Deposit for import	4,998,773	118,397	341,032	270,015	295,908
		30,312,988	18,016,120	17,767,484	13,049,576	11,909,565

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Trade receivables are non-interest bearing and are generally stated at cost less impairment balance (refer to note 28 for impairment of trade receivables). See below for the movements in the impairment of receivables.

Amount due from joint venture partner in the Group includes amounts receivable from NGML as part of the joint venture arrangement with Transit Gas Nigeria Limited.

Other receivables in the Group includes an unrealized gain in NDF valuation, compensatory margin recoverable from NGML invoices.

16.1 Trade receivable

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Gross amounts	15,881,869	12,293,475	14,997,909	15,463,603	13,801,032
Loss allowance	(1,763,701)	(2,149,624)	(2,573,293)	(4,608,593)	(3,482,034)
Net amount	**14,118,168**	**10,143,851**	**12,424,616**	**10,855,010**	**10,318,998**
Reconciliation of trade receivables					
As at 1 January	12,293,475	14,997,909	15,463,603	13,801,032	14,175,131
Additions	120,448,700	106,583,516	76,900,542	65,155,936	49,475,316
Receipts	(116,860,305)	(109,287,951)	(77,366,236)	(63,493,365)	(49,849,415)
Gross carrying amount	**15,881,870**	**12,293,474**	**14,997,909**	**15,463,603**	**13,801,032**
Impairment allowance	(1,763,701)	(2,149,624)	(2,573,293)	(4,608,593)	(3,482,034)
As at 31 December	**14,118,169**	**10,143,850**	**12,424,616**	**10,855,010**	**10,318,998**
Loss allowance on trade receivables					
As at 1 January	2,149,624	2,573,293	4,608,593	3,482,034	5,377,812
Receivable (write-off)/reversal in the year*	(701,928)	614,622	(1,951,806)	(8,919)	(2,060,614)
Recovery (note 6)	(115,599)	(1,267,138)	(244,826)	(48,611)	-
Additions (note 6)	431,604	228,847	161,332	1,184,089	164,936
	1,763,701	**2,149,624**	**2,573,293**	**4,608,593**	**3,482,134**

17 Derivative assets

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
As at 31 December	**973,423**	-	**2,206,193**	**97,323**	-

Derivative assets represent unearned valuation gain which resulted from the Non-Deliverable Forward (NDF) of one year term entered into by the Company as part of its risk management strategy on the Shareholder's loan denominated in USD. The nominal value of the derivative as at December 2022 was $53m (2021: nil, 2020: $64m, 2019: $64m, 2018: nil).

18 **Cash and bank balances**	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Cash in hand	8,550	300	300	300	300
Cash at bank	17,711,288	6,683,436	10,956,902	3,986,479	2,886,346
	17,719,838	**6,683,736**	**10,957,202**	**3,986,779**	**2,886,646**

18.1 Cash and cash equivalent

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at 31 December

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Cash and bank balance as above	17,719,838	6,683,736	10,957,202	3,986,779	2,886,646
Bank overdrafts (note 20)	-	-	-	(1,796,785)	-
	17,719,838	**6,683,736**	**10,957,202**	**2,189,994**	**2,886,646**

19 **Share capital**	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
20,000,000 minimum issued share capital at N0.50 each	10,000	10,000	10,000	10,000	10,000
Ordinary shares, issued and fully paid at N0.50 each	10,000	10,000	10,000	10,000	10,000

Minimum issued share capital
The company opened with an minimum issued share capital of 20,000,000 with a par value of N0.50 per share. All issued shares are fully paid.

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	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
20 Borrowings					
Non-current loans					
Chapel Hill	8,053,681	278,500	922,500	4,402,500	5,911,875
Rand Merchant Bank	1,405,000	1,670,000	3,235,000	-	-
Stanbic IBTC	8,000,000	-	-	-	-
AFX Bond	8,839,111	10,673,537	11,500,000	-	-
Bank of Industry	1,500,000	-	-	-	-
Shareholders loan	24,210,425	22,547,163	23,929,165	21,690,675	23,482,347
First Bank of Nigeria	10,000,000	-	-	-	-
Transaction cost (note 20.1)	(298,812)	(148,326)	(225,027)	(55,954)	(79,177)
	61,709,405	**35,020,874**	**39,361,638**	**26,037,221**	**29,315,045**

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Current loans					
Stanbic IBTC (overdraft)	-	-	-	1,796,785	-
Chapel Hill	165,000	165,000	165,000	632,500	675,625
Rand Merchant Bank	1,565,000	1,565,000	265,000	-	-
Bond	1,834,426	826,463	-	-	-
Transaction cost (note 20.1)	(83,009)	(71,001)	(71,001)	(8,065)	(11,130)
Shareholder's loan	-	-	-	1,824,574	2,959,011
	3,481,417	**2,485,462**	**358,999**	**4,245,794**	**3,623,506**
Total borrowings less transaction cost	**65,190,822**	**37,506,336**	**39,720,637**	**30,283,015**	**32,938,551**

Details	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
GNL- N8bn Chapel Hill 3 March 2022	7,856,181	-	-	-	-
GNL- N4.25bn Chapel Hill 30 April 2018	-	-	-	3,315,000	3,899,375
CHGC- N1.5bn Chapel Hill 8 March 2018	197,500	278,500	922,500	1,087,500	1,252,500
GNSL- N1b Chapel Hill 28 September 2017	-	-	-	-	760,000
TGNL- N3.5bn RMB 1 April 2020	1,405,000	1,670,000	3,235,000	-	-
TGNL-N8bn Stanbic 28 February 2022	8,000,000	-	-	-	-
AXF- N11.5bn Bond 20 May 2027	8,839,111	10,673,537	11,500,000	-	-
AXX- N1.5bn BOI 7 October 2022	1,500,000	-	-	-	-
AXX-N21b Shareholders loan 19 December 2016	24,210,425	22,547,163	23,929,165	21,690,675	23,482,347
GNX- N10bn FBN	10,000,000	-	-	-	-
Total	**62,008,217**	**35,169,200**	**39,586,665**	**26,093,175**	**29,394,222**

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
20.1 Transaction cost					
Non-current					
Chapel Hill	64,745	11,194	13,681	55,954	79,177
Rand Merchant Bank	11,701	2,595	21,971	-	-
Stanbic IBTC	55,567	-	-	-	-
AXF Bond	89,348	134,537	189,375	-	-
Bank of Industry	4,007	-	-	-	-
First Bank of Nigeria	73,444	-	-	-	-
	298,812	**148,326**	**225,027**	**55,954**	**79,177**
Capitalized transaction costs	290,105	137,132	225,027	-	-
Prepaid expense (note 13)	8,707	11,194	13,681	55,954	79,177
	298,812	**148,326**	**238,708**	**55,954**	**79,177**

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	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Current					
Chapel Hill	7,942	2,487	2,487	8,065	11,130
Rand Merchant Bank	1,971	13,677	13,677	-	-
Stanbic IBTC	10,762	-	-	-	-
AXF Bond	50,185	54,837	54,837	-	-
Bank of Industry	697	-	-	-	-
First Bank of Nigeria	11,452	-	-	-	-
	83,009	**71,001**	**71,001**	**8,065**	**11,130**
Total transaction cost	**680,633**	**367,653**	**309,709**	**64,019**	**90,307**
Capitalized transaction costs	379,334	216,840	68,514	-	-
Prepaid expense (note 13)	2,487	2,487	2,487	8,065	11,130
	381,821	**219,327**	**71,001**	**8,065**	**11,130**

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
20.2 Reconciliation of opening loan balances & shareholders loan					
At January 1	37,506,336	39,720,638	30,283,015	32,938,551	32,274,203
Addition to borrowings (including overdraft)	27,356,180	-	15,000,000	1,796,785	5,750,000
Net impact of transaction cost	(162,493)	17,888	(232,009)	26,288	(90,307)
SHL interest	-	-	-	(2,959,011)	1,972,674
SHL partial payment	(293,810)	(2,873,737)	(1,857,028)	-	-
Impact of valuation loss on SHL	1,957,072	806,547	2,270,945	32,902	2,285,536
Effective interest rate amortized	-	-	-	-	22,127
Repayment of borrowings	(1,172,463)	(165,000)	(5,744,285)	(1,552,500)	(9,275,682)
	65,190,822	**37,506,336**	**39,720,638**	**30,283,015**	**32,938,551**

Axxela Bond Programme

Axxela Group through its Special Purpose Vehicle, Axela Funding 1 Plc issued a N11.5 Billion Series 1 Seven-Year 14.3% Fixed Rate Bond under its N50 Billion Medium Term Note Programme in May 2020. The net proceeds of the Bond was deployed to purchase Call Notes issued by related entities namely Axxela Limited, Transit Gas Nigeria Limited and Gaslink Nigeria Limited (jointly referred to as Co-obligors), while the Co-Obligors ultimately apply the proceeds to refinance existing debts and fund pipeline construction project. The call notes were issued to the related entities at similar terms and conditions to the bond transaction including the transaction cost.

The Call Notes were partially issued based on the need of the Call Notes Issuers while outstanding amount was invested on behalf of the Issuers. The total Bond proceed was N11.5 billion with Total Transaction Cost of N0.26 billion to give Net proceed of N11.24 billion. The Series 1 Bond attracts a fixed coupon rate payable semi-annually in arrears on the coupon payment date over the seven-year tenor. The principal will also be repaid half-yearly upon the expiration of a two-year moratorium from the date of issue. The Bond constitutes a senior secured obligation of the Issuer and will rank pari passu by reason of priority of date of issue, currency of payment or otherwise with all other senior secured obligations of the Sponsor, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment.

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	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
20.3 Bank loan					
GNL	7,856,180	-	-	-	-
Gasnexus	10,000,000	-	-	-	-
CHGC	362,500	443,500	-	-	-
TGNL	2,970,000	3,235,000	3,500,000	-	
TGNL	8,000,000	-	-	-	-
AXF	10,673,537	11,500,000	11,500,000	-	-
AXX	1,500,000	-	1,087,500	-	-
GNL Overdraft	-	-	-	1,796,785	-
GNL Long term loan	-	-	-	3,782,500	4,250,000
CHGC Long term loan	-	-	-	1,252,500	1,417,500
GNSL Long term loan	-	-	-	-	920,000
Shareholders Loan	24,210,425	22,547,163	23,929,165	23,515,249	26,441,358
	65,572,642	**37,725,663**	**40,016,665**	**30,347,034**	**33,028,858**
Non-current portion	62,008,216	35,169,200	39586665	26093175	29394222
Current portion	3,564,426	2,556,463	430,000	4,253,859	3,634,636
Total borrowing	**65,572,642**	**37,725,663**	**40,016,665**	**30,347,034**	**33,028,858**

Entity	**Facility Amount**	**Purpose**
GNL	7,856,180	To finance the capital expenditure of greater Lagos; Tenure - 11 years/10 years FGN bond; Interest rate - 2.5%; Security - fixed and floating charge over the assets of GasLink.
Gasnexus	10,000,000	To finance the capital expenditure of Mini LNG project; Tenure - 8 years 10 months; Interest rate - 9%; Security - corporate guarantee and fixed and floating charges over assets of Gasnexus.
CHGC	1,500,000	To finance the capital expenditure of BUA expansion project; Tenure - 10 years FGN Bond; Interest rate - 3%; Security - fixed and floating charges over assets of CHGC.
TGNL	3,500,000	To finance the capital expenditure of Sagamu Phase II Franchise; Tenure - 3 years; Interest rate - 13.5%; Security - corporate guarantee and fixed and floating charges over assets to be financed.
TGNL	8,000,000	To finance the capital expenditure of Sagamu Phase II Franchise; Tenure - 7 years; Interest rate - 9%; Security - corporate guarantee and fixed and floating charges over assets to be financed.
AXF	115,000,000	To finance the new business developments; Tenure - 7 years; Interest rate - 14.3%; Security - fixed and floating charge over the assets of co-obligors. Guarantee of co-obligors.
AXX	15,000,000	To fund the Cadbury project; Tenure - 6 years; Interest rate - 9%; Security - Bank guarantee of the loan and accruing interest on a continuous basis.
GNL Overdraft	3,000,000	To finance the payments to NGC and Tax obligations; Interest rate - 9%; Security - Corporate guarantee of Axxela Limited and CNG plant.
GNL Long term loan	4,250,000	To finance the construction of GL4; Tenure - 10 year FGN Bond; Interest rate - 4.5%; Security - Sale of gas to end users for distribution to all lending banks.
CHGC Long term loan	15,000,000	To finance the capital expenditure of BUA expansion project; Tenure - 10 year FGN Bond; Interest rate - 4%; Security - All asset debenture.
GNSL Long term loan	10,000,000	To finance the construction of GNSL Plant; Tenure - 10 year FGN Bond; Interest rate - 3.5%; Security - All asset debenture, deed of subordination of Gaslink's right in GNSL.
Shareholders Loan	225,000,000	To fund the repayment of midstream entities taken over from Oando Plc; Tenure - 5 years; Interest rate - 8% on principal, 10% on unpaid interest balance; Security - none.

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20.4 Fair values are based on cash flows using a discount rate based on the borrowing rate that directors expect would be available to the company at the reporting date. Set out below is a comparison of the carrying amounts and fair values of the company's borrowings that are carried in the financial statements.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Carrying amounts					
Shareholder loan	24,210,425	22,547,163	40,016,665	30,347,034	33,028,858
Bond programme	10,673,537	2,245,414			
Bank loans	30,688,680	-			
Total	65,572,642	24,792,577	40,016,665	30,347,034	33,028,858
Fair values					
Shareholder loan	24,210,425	22,547,163	40,016,665	30,347,034	33,028,858
Bond programme	10,673,537	2,245,414			
Bank loans	30,688,680	-			
Total	65,572,642	24,792,577	40,016,665	30,347,034	33,028,858

The carrying amount approximates the fair value at year end.
The carrying amounts of the Group's shareholder's loan as denominated in the foreign currency USD is stated below:

	31 December 2022 $'000	31 December 2021 $'000	31 December 2020	31 December 2019	31 December 2018
US Dollar	52,506	53,163	59,773	64,500	

21	Trade and other payables	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
	Trade payables	15,212,750	11,851,845	13,060,489	13,024,513	14,454,123
	Other payables:					
	VAT output	-	-	-	245,744	206,175
	Gratuity liability	16,352	16,352	18,542	28,675	40,038
	Retention fees	20,637	20,637	20,637	20,637	20,637
	Accruals	1,352,145	706,588	629,320	112,804	106,440
	Vendors payables (note 21.1)	6,899,178	4,814,146	5,000,150	3,557,638	3,470,106
	Deferred capital recovery	280,881	252,457	167,487	124,791	116,254
		23,781,943	17,662,025	18,896,625	17,114,802	18,413,773

Trade payables are non-interest bearing and are normally settled within one year. The carrying amounts of trade and other payables approximate their fair values.

The VAT-Output on gas invoices from Gas Supplier and the corresponding VAT-Input on gas invoices to customers was not remitted effective from April 2020 necessitated by the inclusion of natural gas as an exempt item in the VAT modification order as amended through the 2019 Finance Bill and the contrary position expressed by the Federal Inland Revenue Services (FIRS) claiming that natural gas is not an exempt item. Given that the VAT Modification Order is gazette, it is our view that natural gas is now an exempt item until otherwise stated through an official gazette. As a matter of prudence, we have recognized the net of unremitted VAT output and Input in Vendors payable with a view to dispose the balances once the company's position is firmed up upon reconciliation of the VAT numbers in relation to both Gas Supplier, Gas customers and the Revenue Authority.

Gratuity liability represents reserve for gratuity arising on the defined benefit scheme which was terminated in 2013.

Retention fees represent amount deducted on Oilserv invoice for the construction of GL III pipeline project.

Deferred Capital recovery represent amount paid by new customer towards the construction of the spurline projects as part of customer commitment to make the project viable. Upon completion of the spurline project, the deferred capital recovery are recognized as other income.

Accruals represent expenses incurred by the Group which are yet to be billed by the service providers.

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		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
21.1	**Vendor payables**					
	GNL - payable to Oando Plc	91,060	197,389	181,838	192,267	57,890
	GNL - Federal Inland Revenue Services (FIRS)	923,555	935,536	1,170,630	355,636	532,708
	GNL - payable to Oilserv	402,499	402,499	1,153,744	1,453,744	1,550,192
	GNL - other payables	1,532,521	790,304	1,159,853	855,991	524,629
	GNL - payable to DGS Integrated	-	-	-	-	368,213
	GNL - sundry creditors	355,902	514,823	186,061	194,788	119,461
	GNSL - FIRS	14,064	13,578	-	-	-
	GNSL - vendor payables	708,361	328,298	603,886	417,780	249,737
	CHGC - FIRS	26,170	21,038	-	-	-
	CHGC - vendor payables	43,848	233,076	298,023	57,462	36,511
	TGNL - FIRS	119,967	121,213	-	-	-
	TGNL - Gasfleet Engineering	134,564	-	-	-	-
	TGNL - other payables	482,491	489,816	-	-	-
	Axxela - FIRS	14,603	14,565	-	-	-
	Axxela - other payables	546,599	77,750	187,080	-	-
	Axxela - sundry creditors	1,502,975	674,261	39,861	22,616	22,618
	Axxela - others	-	-	19,174	7,353	8,147
		6,899,179	4,814,146	5,000,150	3,557,637	3,470,106

Axxela - other payables represent expenses incurred by the company which are yet to be billed by the vendors.
GNL - sundry creditors represent customer accounts with credit balances (2022: N335 million, 2021: N514 million).
Axxela - sundry creditors is significantly the recognition by Axxela of prepayment of N1.3billion by Dangote for uninterruptible gas supply.

		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
22	**Dividend payable**					
	Dividend payable	7,818,218	-	1,235,870	102,450	102,450
		7,818,218	-	1,235,870	102,450	102,450

Dividend payable represents amounts payable to Glover Gas and Power B.V from dividends declared from profits. In 2021, approved dividend amounts were fully settled to Glover Gas and Power B.V resulting in nil balance.

		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
22.1	**Dividend paid in the year**					
	Final dividend for 2020 - Glover	-	1,700,661	-	-	-
	Dividend - Glover	-	2,824,768	2,999,733	-	-
	NCI Dividend (GNL)	193,598	165,906	132,749	101,093	151,512
	NCI Dividend (CHGC)	189,164	161,412	32,032	41,199	60,712
		382,762	4,852,747	3,164,514	142,292	212,224

		31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
23	**Contract liability**					
	At 1 January	30,380	24,025	239,160	219,987	1,588,915
	Deferred during the year	697,708	27,680	(87,752)	239,160	194,833
	Released to statement of profit or loss (note 2)	(30,380)	(21,325)	(127,383)	(219,987)	(1,563,761)
		697,708	30,380	24,025	239,160	219,987

Contract liability represents the take or pay quantity in naira not utilized by customers initially recognized as deferred revenue before being earned and recognized under make up gas revenue during the period. As at 31 December 2022, the estimated liability as deferred revenue amounted to N698 million (2021: N30 million, 2020: N24 million, 2019: N239 million, 2018: N219 million).

24 Provision for liabilities and charges

Provisions were made for staff bonus based on the agreed percentage on gross salary as required by management. This provision emanates from a constructive obligation that 50% of the gross salary amount will be provided for at the end of any reporting period where the profit target is achieved.

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
At 1 January	1,299,616	1,230,587	1,049,041	789,533	428,348
Arising during the year	1,121,477	1,299,617	1,230,587	1,049,041	789,533
Amount paid during the year	(1,296,416)	(1,230,588)	(1,049,041)	(789,533)	(428,348)
At 31 December	1,124,677	1,299,616	1,230,587	1,049,041	789,533

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25 Related party transactions

Voting rights in Axxela Limited is shared among Glover Gas & Power B.V. - 49% and Tope Lawani (a nominee of Glover Gas & Power B.V.) - 51% as at 31st December 2022. The economic interest of the company is held 100% by Glover Gas & Power B.V. Economic interest in Glover Gas & Power B.V. is held 100% by HIP Glover (S.A.R.L), a company controlled by Helios Investors III, L.P.

On 29 March 2019, HIP Glover S.A.R.L acquired Oando Netherlands Holdings 3 Cooperatief's 25% interest in Glover Gas & Power B.V. On the same date, Oando Plc transferred its 49% legal interest in the shares of Axxela Limited to Tope Lawani.

The following transactions existed between the company and related parties during the year under review:

Year-end balances arising from transactions with related parties

The following receivables or payables arose from transactions with other related parties of the Group:

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Dividend payable to related parties (note 22)					
Glover Gas & Power B.V.	7,818,218	-	1,235,870		
	7,818,218	-	1,235,870	-	-

26 Subsidiaries information

Below is a summary of the principal subsidiaries of Axxela Limited

Entity name	Country of incorporation	Issued share capital '000	Percentage interest held
Direct shareholding			
Central Horizon Gas Company Limited	Nigeria	9,100,000	56.00%
Gaslink Nigeria Limited	Nigeria	1,717,697,000	97.24%
Transit Gas Nigeria Limited	Nigeria	8,000,000	80.00%
Axxela Funding 1 Plc	Nigeria	500,000	100.00%
Indirect subsidiary			
Gas Network Services Limited	Nigeria	10,000,000	97.24%

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the group do not differ from the proportion of ordinary shares held. The parent further does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

27 Cash generated from/(used in) operations

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
Profit before taxation	13,262,803	13,076,400	10,475,246	6,576,430	5,150,153
Adjustments for:					
Depreciation of PPE	811,250	805,394	643,250	663,708	507,929
Depreciation of ROU asset	272,725	317,054	339,236	320,210	-
Amortisation of intangible assets	1,877,095	1,784,075	1,440,724	1,469,880	1,478,209
Unrealised exchange loss	1,118,253	1,781,717	2,342,645	7,718	2,286,878
Unrealized gain on NDF Valuation	-	-	(2,206,193)	(97,323)	-
Asset written off	-	27,729	-	-	-
Profit on sale of PPE	-	(5,713)	(1,086)	-	(948)
Impairment of fair value of subsidiary and goodwill	-	-	-	1,370,021	-
Changes in working capital:					
Receivables	(12,296,867)	(248,636)	(4,717,908)	(1,140,011)	87,697
Derivative assets	(973,423)	2,206,193	(2,108,870)	(97,323)	
Prepayment	(2,278,953)	(344,803)	320,895	(427,360)	(494,014)
Inventories	33,597	(267,270)	(84,402)	(230,825)	111,776
Payables and accrued expenses	2,838,707	(2,034,328)	4,616,689	(2,486,827)	(585,125)
Provisions and deferred revenue	492,391	75,384	(33,589)	278,681	(1,007,743)
	5,157,578	17,173,196	11,026,637	6,206,979	7,534,812

28 Impairment of financial assets

28.1 a) Trade receivables as at 31 December 2022

Gross carrying amount as per portfolio identified based on shared risk characteristics:

	Current	1-30 days past due	31-60 days past due	61-120 days past due	91-120 days past due	121-150 days past due	150-360 days past due	Over 360 days past due	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Manufacturing (GNL)	5,391,689	1,806,876	823,375	588,047	541,820	395,943	416,578	47,108	10,011,436
Manufacturing (CHGC)	749,633	364,123	6,323	3,277	405	281	19,022	182,422	1,325,486
Manufacturing (GNSL)	10,638	113	315	-	-	-	2,979	18,569	32,614
Manufacturing (TGNL)	260,750	1	1	-	-	-	-	-	260,752
Power and Utilities (GNL)	115,764	220,970	181,906	85,184	67,961	40,990	885,580	508,381	2,106,736
Power and Utilities (CHGC)	40,227	21,734	-	-	-	-	-	-	61,961
Power and Utilities (Axxela)	2,028,810	54,075	-	-	-	-	-	-	2,082,885
Total	**8,597,511**	**2,467,892**	**1,011,920**	**676,508**	**610,186**	**437,214**	**1,324,159**	**756,480**	**15,881,870**
Expected loss rate:									
Manufacturing (GNL)	3.39%	3.39%	4.70%	15.39%	19.91%	21.16%	22.57%	100.00%	
Manufacturing (CHGC)	17.67%	17.67%	20.36%	20.36%	23.20%	27.68%	30.99%	100.00%	
Manufacturing (GNSL)	1.50%	1.50%	1.64%	1.81%	2.01%	2.26%	2.58%	100.00%	
Manufacturing (TGNL)	1.51%	1.51%	1.64%	1.81%	2.01%	2.26%	2.58%	100.00%	
Power and Utilities (GNL)	3.53%	3.53%	4.05%	4.41%	5.11%	10.66%	10.66%	100.00%	
Power and Utilities (CHGC)	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	100.00%	
Power and Utilities (Axxela)	0.44%	0.44%	0.48%	0.53%	0.59%	0.66%	0.75%	3.00%	
Lifetime ECL:									
Manufacturing (GNL)	182,531	61,170	38,715	90,490	107,899	83,777	93,966	47,108	705,656
Manufacturing (CHGC)	132,480	64,428	1,288	667	94	78	5,895	182,422	387,352
Manufacturing (GNSL)	160	2	6	-	-	-	77	18,569	18,814
Manufacturing (TGNL)	8,825	-	-	-	-	-	-	-	8,825
Power and Utilities (GNL)	4,087	7,801	7,370	3,753	3,471	4,368	94,368	508,381	633,599
Power and Utilities (CHGC)	2	3	-	-	-	-	-	-	5
Power and Utilities (Axxela)	8,902	551	-	-	-	-	-	-	9,453
Total	**336,987**	**133,955**	**47,379**	**94,910**	**111,464**	**88,223**	**194,306**	**756,480**	**1,763,704**

b) Trade receivables as at 31 December 2021

Gross carrying amount as per portfolio identified based on shared risk characteristics:

	Current	1-30 days past due	31-60 days past due	61-120 days past due	91-120 days past due	121-150 days past due	150-360 days past due	Over 360 days past due	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Manufacturing (GNL)	3,134,792	-	1,156,212	785,853	369,286	49,319	188,286	343,670	6,027,418
Manufacturing (CHGC)	534,372	-	429,058	498,576	275,578	178,661	46,385	164,934	2,127,564
Manufacturing (GNSL)	60,105	-	3,828	83	-	-	-	78,787	142,803
Manufacturing (TGNL)	220,835	(21,946)	(134,442)	(11,592)	142	25,922	1	-	78,920
Power and Utilities (GNL)	135,273	-	243,500	163,773	165,689	150,348	733,491	683,127	2,275,201
Power and Utilities (CHGC)	31,067	-	26,906	15,783	18	-	-	-	73,774
Power and Utilities (Axxela)	1,338,325	7,342	663	4	4	-	59,235	4,411	1,409,984
Total	**5,454,769**	**(14,604)**	**1,725,725**	**1,452,480**	**810,717**	**404,250**	**1,027,398**	**1,274,929**	**12,135,664**

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Expected loss rate:									
Manufacturing (GNL)	3.00%	3.00%	5.00%	15.00%	20.00%	21.00%	23.00%	100.00%	
Manufacturing (CHGC)	17.42%	17.42%	0.00%	21.70%	18.67%	33.78%	52.11%	100.00%	
Manufacturing (GNSL)	1.50%	1.50%	2.64%	1.81%	2.01%	2.26%	2.58%	100.00%	
Manufacturing (TGNL)	1.51%	1.51%	2.64%	1.81%	2.01%	2.26%	2.58%	100.00%	
Power and Utilities (GNL)	4.00%	4.00%	4.00%	4.00%	5.00%	11.00%	11.00%	100.00%	
Power and Utilities (CHGC)	0.01%	0.06%	0.00%	0.07%	0.00%	0.13%	100.00%	100.00%	
Power and Utilities (Axxela)	0.44%	0.44%	0.48%	0.53%	0.59%	0.66%	0.75%	3.33%	
Lifetime ECL:									
Manufacturing (GNL)	106,126	-	54,365	120,929	73,540	10,435	42,495	343,670	751,560
Manufacturing (CHGC)	93,103	-	-	108,188	51,461	60,360	24,172	164,934	502,218
Manufacturing (GNSL)	904	-	63	1	-	-	-	78,787	79,755
Manufacturing (TGNL)	3,324	(330)	(2,209)	(209)	3	585	-	-	1,164
Power and Utilities (GNL)	4,775	-	9,866	7,215	8,461	16,021	78,161	683,127	807,626
Power and Utilities (CHGC)	2	-	-	12	-	-	-	-	14
Power and Utilities (Axxela)	6,565	32	3	-	-	-	540	147	7,287
Total	**214,799**	**(298)**	**62,088**	**236,136**	**133,465**	**87,401**	**145,368**	**1,270,665**	**2,149,624**

c) Trade receivables as at 31 December 2020
Gross carrying amount as per portfolio identified based on shared risk characteristics:

	Current	1-30 days past due	31-60 days past due	61-120 days past due	91-120 days past due	121-150 days past due	150-360 days past due	Over 360 days past due	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Manufacturing (GNL)	4,484,021	1,663,097	772,964	-	589,635	268,148	340,793	391,572	8,510,230
Manufacturing (CHGC)	712,435	-	473,621	27,884	20,737	10,692	72,613	157,172	1,475,154
Manufacturing (GNSL)	337,813	235	2,172	10,089	-	28,190	3,137	89,083	470,719
Manufacturing (TGNL)	68,562	-	314	-	-	-	-	-	68,876
Power and Utilities (GNL)	205,907	192,151	125,790	-	111,620	139,587	1,072,433	702,259	2,549,747
Power and Utilities (CHGC)	39,033	-	2	1,657	2	2	10,426	12,616	63,738
Power and Utilities (Axxela)	1,807,349	-	3,128	10,320	4,411	34,237	-	-	1,859,445
Total	**7,655,120**	**1,855,483**	**1,377,991**	**49,950**	**726,405**	**480,856**	**1,499,402**	**1,352,702**	**14,997,909**
Expected loss rate:									
Manufacturing (GNL)	4.14%	4.14%	5.75%	18.80%	24.34%	25.86%	27.58%	100.00%	
Manufacturing (CHGC)	4.14%	4.14%	4.27%	24.34%	34.48%	34.48%	41.37%	100.00%	
Manufacturing (GNSL)	4.60%	4.60%	5.01%	5.52%	6.13%	6.90%	7.88%	100.00%	
Manufacturing (TGNL)	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	
Power and Utilities (GNL)	9.83%	9.83%	11.28%	12.27%	14.22%	29.67%	29.67%	100.00%	
Power and Utilities (CHGC)	4.14%	4.14%	4.27%	24.34%	34.48%	34.48%	41.37%	100.00%	
Power and Utilities (Axxela)	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	
Lifetime ECL:									
Manufacturing (GNL)	185,508	68,804	44,414	-	143,493	69,335	93,993	391,572	997,119
Manufacturing (CHGC)	29,481	-	20,200	6,786	7,149	3,686	29,986	157,153	254,441
Manufacturing (GNSL)	15,528	11	109	557	-	1,944	247	89,083	107,479
Manufacturing (TGNL)	2,283	-	10	-	-	-	-	-	2,293
Power and Utilities (GNL)	20,241	18,889	14,192	-	15,872	41,419	318,221	702,259	1,131,093
Power and Utilities (CHGC)	1,615	-	-	403	1	1	4,306	12,616	18,942
Power and Utilities (Axxela)	60,191	-	104	344	147	1,140	-	-	61,926
Total	**314,847**	**87,704**	**79,029**	**8,090**	**166,662**	**117,525**	**446,753**	**1,352,683**	**2,573,293**

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d) Trade receivables as at 31 December 2019
Gross carrying amount as per portfolio identified based on shared risk characteristics:

	Current	1-30 days past due	31-60 days past due	61-120 days past due	91-120 days past due	121-150 days past due	150-360 days past due	Over 360 days past due	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Manufacturing (GNL)	4,222,611	1,268,252	245,709	686,622	349,958	310,724	1,361,444	2,288,181	10,733,501
Manufacturing (CHGC)	237,248	103,949	27,638	13,998	14,079	17,399	63,525	250,164	728,000
Manufacturing (GNSL)	219,907	-	1,445	318	394	640	5,979	108,418	337,101
Manufacturing (TGNL)	40,572	-	-	-	-	-	-	-	40,572
Power and Utilities (GNL)	210,309	186,153	142,002	184,538	133,764	80,650	965,036	527,405	2,429,857
Power and Utilities (CHGC)	30,874	29,656	27,978	1,245	1,027	1,071	5,142	-	96,993
Power and Utilities (Axxela)	1,097,580	-	-	-	-	-	-	-	1,097,580
Total	**6,059,101**	**1,588,010**	**444,772**	**886,721**	**499,222**	**410,484**	**2,401,126**	**3,174,168**	**15,463,604**
Expected loss rate:									
Manufacturing (GNL)	4.14%	4.14%	5.75%	18.80%	24.34%	25.86%	27.58%	100.00%	
Manufacturing (CHGC)	4.14%	4.14%	4.27%	24.34%	34.48%	34.48%	41.37%	100.00%	
Manufacturing (GNSL)	4.60%	4.60%	5.01%	5.52%	6.13%	6.90%	7.88%	100.00%	
Manufacturing (TGNL)	3.33%								
Power and Utilities (GNL)	9.83%	9.83%	11.28%	12.27%	14.22%	29.67%	29.67%	100.00%	
Power and Utilities (CHGC)	4.14%	4.14%	4.27%	68.95%	68.95%	68.95%	103.43%	100.00%	
Power and Utilities (Axxela)	3.33%								
Lifetime ECL:									
Manufacturing (GNL)	174,693	52,469	14,118	129,119	85,165	80,343	375,495	2,288,181	3,199,583
Manufacturing (CHGC)	9,815	4,300	1,179	3,407	4,854	5,998	26,281	250,164	305,998
Manufacturing (GNSL)	10,109	-	72	18	24	44	471	108,418	119,156
Manufacturing (TGNL)	1,635	-	-	-	-	-	-	-	1,635
Power and Utilities (GNL)	20,674	18,299	16,022	22,639	19,021	23,931	286,354	527,407	934,347
Power and Utilities (CHGC)	1,277	1,227	1,193	858	708	739	5,319	-	11,321
Power and Utilities (Axxela)	36,553	-	-	-	-	-	-	-	36,553
Total	**254,756**	**76,295**	**32,584**	**156,041**	**109,772**	**111,055**	**693,920**	**3,174,170**	**4,608,593**

e) Trade receivables as at 31 December 2018
Gross carrying amount as per portfolio identified based on shared risk characteristics:

	Current	1-30 days past due	31-60 days past due	61-120 days past due	91-120 days past due	121-150 days past due	150-360 days past due	Over 360 days past due	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Manufacturing (GNL)	5,607,977	549,509	(804)	13,079	672,764	-	760,730	1,867,408	9,470,663
Manufacturing (CHGC)	216,783	8,033	69,643	4,147	31,230	-	51,011	144,067	524,914
Manufacturing (GNSL)	139,714	932	(762)	423	(12,509)	-	(611)	177,665	304,852
Power and Utilities (GNL)	426,460	202,392	(2,234)	189,015	363,962	-	459,550	415,335	2,054,480
Power and Utilities (CHGC)	27,288	-	-	-	-	-	-	3,310	30,598
Power and Utilities (Axxela)	1,415,525	-	-	-	-	-	-	-	1,415,525
Total	**7,833,747**	**760,866**	**65,843**	**206,664**	**1,055,447**	**-**	**1,270,680**	**2,607,785**	**13,801,032**

Expected loss rate:									
Manufacturing (GNL)	3.09%	3.09%	5.80%	19.57%	20.89%		22.41%	100.00%	
Manufacturing (CHGC)	3.33%	3.33%	3.43%	55.51%	55.51%		55.51%	100.00%	
Manufacturing (GNSL)	1.10%	1.10%	3.20%	3.70%	100.00%		100.00%	100.00%	
Power and Utilities (GNL)	3.33%	3.33%	3.33%	3.33%	3.33%		8.33%	100.00%	
Power and Utilities (CHGC)	3.33%	3.33%	3.43%	55.51%	55.51%		55.51%	100.00%	
Power and Utilities (Axxela)	3.33%								
Lifetime ECL:									
Manufacturing (GNL)	173,197	16,971	(47)	2,559	140,560	-	240,180	1,867,408	2,440,828
Manufacturing (CHGC)	7,219	268	2,391	2,302	17,335	-	42,471	144,067	216,053
Manufacturing (GNSL)	1,550	10	(24)	16	(12,509)	-	(611)	177,665	166,097
Power and Utilities (GNL)	14,232	6,740	(74)	6,295	12,121	-	153,045	415,335	607,694
Power and Utilities (CHGC)	909	-	-	-	-	-	-	3,310	4,219
Power and Utilities (Axxela)	47,142	-	-	-	-	-	-	-	47,142
Total	**244,249**	**23,989**	**2,246**	**11,172**	**157,507**	-	**435,085**	**2,607,785**	**3,482,033**

28.2 The reconciliation of gross carrying amount for trade receivables is as follows:

Reconciliation of trade receivables	**2022**	**2021**	**2020**	**2019**	**2018**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Gross carrying amount as at 1 January	12,293,475	14,997,909	15,463,603	13,801,032	14,175,131
Sales for the year	120,448,700	106,583,516	82,600,804	65,155,936	50,239,290
Receipt for the year	(116,860,306)	(109,287,950)	(83,066,498)	(63,493,365)	(50,613,389)
Gross carrying amount	**15,881,869**	**12,293,475**	**14,997,909**	**15,463,603**	**13,801,032**
Less: impairment allowance	(1,763,701)	(2,149,624)	(2,573,293)	(4,608,593)	(3,482,034)
Gross carrying amount as at 31 December	**14,118,168**	**10,143,851**	**12,424,616**	**10,855,010**	**10,318,998**

Reconciliation of loss allowance	**2022**	**2021**	**2020**	**2019**	**2018**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Loss allowance amount as at 1 January	**2,149,624**	**2,573,293**	**4,608,593**	**3,482,034**	**5,377,712**
Receivables (write-off)/additional impairment in the year	(701,928)	614,622	(1,951,806)	(8,919)	(2,060,614)
Impaired receivables recovered	(115,599)	(1,267,138)	(244,826)	(48,611)	-
Increase in provision for impairment loss	431,604	228,847	161,332	1,184,089	164,936
Loss allowance amount as at 31 December	**1,763,701**	**2,149,624**	**2,573,293**	**4,608,593**	**3,482,034**

Deferred tax is not computed on loss allowance for intercompany receivables as the transaction gives rise to a permanent difference which is not allowable by the tax authorities.

Deferred tax on loss allowance for GNSL was not recognised as deferred tax assets are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Expected credit loss measurement - other financial assets
The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for intercompany receivables. Intercompany receivables represent the outstanding payments due to Axxela Limited from its related entities. The intercompany receivable balance was not subject to impairment due to the immateriality of the balance.

In the reconciliation of the trade receivable above, the sales amount has been restricted to revenue from natural gas, transport revenue and meter rental charge as disclosed in note 2 given that Construction Service Revenue and Service Concession Revenue have no Trade Receivable Impact due to their accounting presentation peculiarity in line with IFRIC 12 and IFRS 15.

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29 Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary and sub-subsidiary that has non-controlling interests that are material to the group.

Summarised income statement

	Gaslink 2022 N'000	CGHC 2022 N'000	GNSL 2022 N'000	TGNL 2022 N'000	AXF1 PLC 2022 N'000
Revenue	86,247,306	6,510,730	1,101,152	3,281,987	-
Profit/(loss) before income tax	15,176,387	2,021,805	(311,816)	467,554	-
Taxation	(3,206,598)	(688,843)	(6,955)	107,725	-
Profit/(loss) after taxation	11,969,789	1,332,962	(318,771)	575,279	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	**11,969,789**	**1,332,962**	**(318,771)**	**575,279**	-
Non-controlling interest proportion	**3%**	**44%**	**3%**	**20%**	**0%**
Profit/(loss) allocated to non-controlling interests	**359,094**	**586,503**	**(9,563)**	**115,056**	-

Summarised statement of financial position

	Gaslink 2022 N'000	CGHC 2022 N'000	GNSL 2022 N'000	TGNL 2022 N'000	AXF1 PLC 2022 N'000
Current:					
Asset	19,045,734	1,823,823	411,830	11,731,530	-
Liabilities	(22,356,356)	(1,860,340)	(2,378,888)	(1,721,889)	-
Total current net (liabilities)/assets	(3,310,622)	(36,517)	(1,967,058)	10,009,641	-
Non-current:					
Asset	42,612,936	3,420,831	1,964,995	6,595,661	12,343,606
Liabilities	(12,137,956)	(679,901)	-	(15,532,990)	(12,343,316)
Total non-current net assets(liabilities)	30,474,980	2,740,930	1,964,995	(8,937,329)	290
Net assets	**27,164,358**	**2,704,413**	**(2,063)**	**1,072,312**	**290**
Accumulated non-controlling interest	**814,931**	**1,189,941**	**(62)**	**214,462**	-

Summarised cash flows

	Gaslink 2022 N'000	CGHC 2022 N'000	GNSL 2022 N'000	TGNL 2022 N'000	AXF1 PLC 2022 N'000
Cash generated from/(used in) operations	7,735,913	1,930,546	175,981	(678,928)	1,416,379
Income tax paid	(3,269,689)	(361,159)	(4,240)	(37,017)	-
Net cash generated from/(used in) operating activities	4,466,224	1,569,387	171,741	(715,945)	1,416,379
Net cash used in investing activities	(13,062,945)	(762,155)	(170,214)	(1,799,441)	-
Net cash from/(used in) financing activities	6,419,403	(333,263)	-	6,707,258	(826,463)
Net (decrease)/increase in cash and cash equivalents	(2,177,318)	473,969	1,527	4,191,872	589,916
Cash and cash equivalents at beginning of year	2,743,860	296,093	25,300	73,923	905,453
Cash and cash equivalents at end of year	**566,542**	**770,062**	**26,827**	**4,265,795**	**1,495,369**

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Summarised income statement

	Gaslink	CGHC	GNSL	TGNL	AXF1 PLC
	2021	2021	2021	2021	2021
	N'000	N'000	N'000	N'000	N'000
Revenue	78,041,888	7,098,962	1,089,283	2,103,786	-
Profit/(loss) before income tax	16,757,702	1,885,987	(493,253)	305,036	-
Taxation	(3,655,185)	(600,997)	(2,982)	(14,517)	-
Profit/(loss) after taxation	13,102,517	1,284,990	(496,235)	290,519	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	13,102,517	1,284,990	(496,235)	290,519	-
Non-controlling interest proportion	3%	44%	3%	20%	0%
Profit/(loss) allocated to non-controlling interests	393,076	565,396	(14,887)	58,104	-

Summarised statement of financial position

	Gaslink	CGHC	GNSL	TGNL	AXF1 PLC
	2021	2021	2021	2021	2021
	N'000	N'000	N'000	N'000	N'000
Current:	18,628,873	2,045,808	398,186	6,188,488	-
Asset	(17,743,299)	(2,333,020)	(6,048,880)	(2,327,995)	-
Liabilities	885,574	(287,212)	(5,650,694)	3,860,493	-
Total current net (liabilities)/assets					
Non-current:					
Asset	27,099,102	2,776,759	2,232,658	4,885,192	12,611,783
Liabilities	(5,010,662)	(665,098)	-	(8,248,652)	(12,611,493)
Total non-current net assets(liabilities)	22,088,440	2,111,661	2,232,658	(3,363,460)	290
Net assets	22,974,014	1,824,449	(3,418,036)	497,033	290
Accumulated non-controlling interest	689,220	802,758	(102,541)	99,407	-

Summarised cash flows

	Gaslink	CGHC	GNSL	TGNL	AXF1 PLC
	2021	2021	2021	2021	2021
	N'000	N'000	N'000	N'000	N'000
Cash generated from/(used in) operations	16,719,183	1,760,168	(92,619)	1,902,516	(162,640)
Income tax paid	(2,015,967)	(132,193)	(9,333)	-	-
Net cash generated from/(used in) operating activities	14,703,216	1,627,975	(101,952)	1,902,516	(162,640)
Net cash used in investing activities	(7,316,644)	(816,889)	(8,864)	(2,630,947)	(3,718,729)
Net cash from/(used in) financing activities	(5,473,365)	(1,162,092)	-	(265,000)	-
Net (decrease)/increase in cash and cash equivalents	1,913,207	(351,006)	(110,816)	(993,431)	(3,881,369)
Cash and cash equivalents at beginning of year	830,653	647,100	136,116	1,067,354	4,786,822
Cash and cash equivalents at end of year	2,743,860	296,094	25,300	73,923	905,453

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Summarised income statement

	Gaslink 2020 N'000	CGHC 2020 N'000	GNSL 2020 N'000	TGNL 2020 N'000	AXF1 PLC 2020 N'000
Revenue	58,338,324	4,717,176	3,155,468	790,106	-
Profit/(loss) before income tax	10,044,812	1,044,065	(97,263)	238,043	-
Taxation	(3,013,445)	(327,917)	(9,203)	(77,913)	-
Profit/(loss) after taxation	7,031,367	716,148	(106,466)	160,130	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	**7,031,367**	**716,148**	**(106,466)**	**160,130**	-
Non-controlling interest proportion	3%	44%	3%	0%	0%
Profit/(loss) allocated to non-controlling interests	**210,941**	**315,105**	**(3,194)**	-	-

Summarised statement of financial position

	Gaslink 2020 N'000	CGHC 2020 N'000	GNSL 2020 N'000	TGNL 2020 N'000	AXF1 PLC 2020 N'000
Current:					
Asset	19,677,792	1,960,501	561,256	8,481,475	-
Liabilities	(19,716,152)	(1,985,314)	(5,907,400)	(1,951,465)	-
Total current net (liabilities)/assets	(38,360)	(24,813)	(5,346,144)	6,530,010	-
Non-current:					
Asset	20,853,361	2,006,968	2,424,342	2,425,447	16,237,487
Liabilities	(4,943,504)	(1,075,482)	-	(8,756,443)	(16,237,487)
Total non-current net assets(liabilities)	15,909,857	931,486	2,424,342	(6,330,996)	-
Net assets	**15,871,497**	**906,673**	**(2,921,802)**	**199,014**	-
Accumulated non-controlling interest	**476,145**	**398,936**	**(87,654)**	-	-

Summarised cash flows

	Gaslink 2020 N'000	CGHC 2020 N'000	GNSL 2020 N'000	TGNL 2020 N'000	AXF1 PLC 2020 N'000
Cash generated from/(used in) operations	11,930,691	204,654	213,616	(5,524,017)	1,817
Income tax paid	(2,065,138)	(36,270)	(10,885)	-	-
Net cash generated from/(used in) operating activities	9,865,553	168,384	202,731	(5,524,017)	1,817
Net cash used in investing activities	(1,906,258)	(115,442)	(71,756)	(2,185,396)	(6,688,907)
Net cash from/(used in) financing activities	(5,784,186)	(378,630)	-	8,710,267	11,236,644
Net (decrease)/increase in cash and cash equivalents	2,175,109	(325,688)	130,975	1,000,854	4,549,554
Cash and cash equivalents at beginning of year	(1,344,456)	972,789	5,141	66,500	-
Cash and cash equivalents at end of year	**830,653**	**647,101**	**136,116**	**1,067,354**	**4,549,554**

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Summarised income statement

	Gaslink 2019 N'000	CGHC 2019 N'000	GNSL 2019 N'000	T N'
Revenue	57,216,649	2,045,398	2,177,086	102
Profit/(loss) before income tax	9,125,490	113,116	(613,179)	41
Taxation	(1,728,027)	(37,918)	(10,885)	(4
Profit/(loss) after taxation	7,397,463	75,198	(624,064)	36
Other comprehensive income	-	-	-	
Total comprehensive income/(loss)	7,397,463	75,198	(624,064)	36,
Non-controlling interest proportion	3%	44%	3%	
Profit/(loss) allocated to non-controlling interests	221,924	33,087	(18,722)	

Summarised statement of financial position

	Gaslink 2019 N'000	CGHC 2019 N'000	GNSL 2019 N'000	T N'
Current:	17,558,214	1,569,815	579,816	406
Asset	(20,040,781)	(2,208,203)	(5,918,860)	(661
Liabilities	(2,482,567)	(638,388)	(5,339,044)	(254
Total current net (liabilities)/assets				
Non-current:				
Asset	20,613,733	1,991,594	2,527,206	29
Liabilities	(4,487,101)	(1,087,500)	-	
Total non-current net assets(liabilities)	16,126,632	904,094	2,527,206	29
Net assets	13,644,065	265,706	(2,811,838)	38,
Accumulated non-controlling interest	409,322	116,911	(84,355)	

Summarised cash flows

	Gaslink 2019 N'000	CGHC 2019 N'000	GNSL 2019 N'000	T N'
Cash generated from/(used in) operations	1,384,684	308,217	961,604	356
Income tax paid	(1,177,320)	(33,707)	-	
Net cash generated from/(used in) operating activities	207,364	274,510	961,604	356
Net cash used in investing activities	(1,722,835)	(52,937)	-	(286
Net cash from/(used in) financing activities	710,971	(518,523)	(1,073,693)	(3
Net (decrease)/increase in cash and cash equivalents	(804,500)	(296,950)	(112,089)	66

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Summarised income statement

	Gaslink 2018 N'000	CGHC 2018 N'000	GNSL 2018 N'000
Revenue	50,301,676	1,702,543	1,787,529
Profit/(loss) before income tax	7,494,748	106,493	(457,065)
Taxation	(1,233,666)	19,378	(3,089)
Profit/(loss) after taxation	6,261,082	125,871	(460,154)
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	6,261,082	125,871	(460,154)
Non-controlling interest proportion	3%	44%	3%
Profit/(loss) allocated to non-controlling interests	175,272	55,383	(13,805)

Summarised statement of financial position

	Gaslink 2018 N'000	CGHC 2018 N'000	GNSL 2018 N'000
Current:	14,408,552	1,709,869	543,234
Asset	(18,644,968)	(2,206,155)	(4,686,621)
Liabilities	(4,236,416)	(496,286)	(4,143,387)
Total current net (liabilities)/assets			
Non-current:			
Asset	18,039,886	2,032,929	2,715,614
Liabilities	(3,899,375)	(1,252,500)	(760,000)
Total non-current net assets(liabilities)	14,140,511	780,429	1,955,614
Net assets	9,904,095	284,143	(2,187,773)
Accumulated non-controlling interest	309,335	143,946	(45,946)

Summarised cash flows

	Gaslink 2018 N'000	CGHC 2018 N'000	GNSL 2018 N'000
Cash generated from/(used in) operations	11,407,872	203,871	299,382
Income tax paid	(1,842,930)	(77,349)	-
Net cash generated from/(used in) operating activities	9,564,942	126,522	299,382
Net cash used in investing activities	(1,765,021)	(158,703)	(7,830)
Net cash from/(used in) financing activities	(6,441,834)	1,279,518	(237,722)
Net (decrease)/increase in cash and cash equivalents	1,358,087	1,247,337	53,830
Cash and cash equivalents at beginning of year	(101,258)	21,431	63,398
Cash overdraft	-	-	-
Cash and cash equivalents at end of year	1,256,829	1,268,768	117,228

30 Going concern

The Group is strategically positioned to overcome any perceived going concern challenges with the proposed initiatives highlighted below:

1) The Group is positioned to increase its value by pursuing viable projects and also expand existing operations to achieve profitability and ultimately provide adequate returns to shareholders. Examples of such projects are the Embedded Generation project, Floating Storage Regasification Unit (FSRU) and Mini LNG project. Upon successful execution of these projects, Axxela will increase its annual cash earnings through dividends payments from these new and existing opportunities.

ii) The Company will continue to leverage intercompany relationship within Axxela Group for cash flow support from its subsidiaries.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue to receive the support from its subsidiaries and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

31 Business combinations

a) Acquisition of Oando Plc midstream subsidiaries

In December 2016, Axxela Limited acquired the midstream subsidiaries of Oando Plc (Gaslink Nigeria Limited, Central Horizon Gas Company Limited, Ajah Distribution Group, Gasgrid Nigeria Limited, and Lekki Gardens Limited & Transit Gas Limited) in a business combination under common control as Axxela Limited was at the time of acquisition a fully owned subsidiary of Oando Plc. The transaction was finalized at the end of 31 March 2016 being the date Axxela Limited took control of the midstream subsidiaries.

In accounting for the transaction, the fair value method of accounting for business combination was adopted and this resulted in a fair valued consideration of N30,815,452,089. The consideration was discharged through cash of N22,256,620,400 whilst the balance was settled through existing intercompany balances. This resulted to a goodwill of N12,187,529

Impairment of Goodwill

The excess of the consideration transferred over the fair value of the identifiable net assets acquired was recorded as goodwill. All material items in the Statement of Financial Position were carried at fair value at the date of acquisition.

Impairment assessments were performed on the goodwill amounts above. In accordance with the provisions of IAS 36, an entity is required to carry out an impairment test on its Goodwill acquired in a business combination at least annually. To assess goodwill for impairment, entities are required to allocate the goodwill to Cash Generating Unit (CGU) or to a group of CGUs of the acquirer. Cash Generating Unit is defined as the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

Axxela Limited became a group reporting entity effective 2016 upon the acquisition of the midstream entities of Oando Plc. The transaction resulted in the recognition of goodwill amount of circa N12.2 billion. The goodwill essentially resulted from the three operating subsidiaries namely: Gaslink Nigeria Limited - N11.5 billion, Central Horizon Gas Company Limited - N621 million and Gas Network Services Limited - N92 million.

In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information

(a) there are observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.

(b) significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.

(c) market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(d) the carrying amount of the net assets of the entity is more than its market capitalization.

Internal sources of information

(e) evidence is available of obsolescence or physical damage of an asset.

(f) significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

(g) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

During the financial year 2022, there was no indication of decline in the value of our core operating assets due to passage of time or normal use as all the core operating assets remain active and in good condition to generate the expected cash-flow from their respective operations.

During the financial year 2021, there was no indication of decline in the value of our core operating assets due to passage of time or normal use as all the core operating assets remain active and in good condition to generate the expected cash-flow from their respective operations.

Hence, we expect the goodwill at the end of the 2021 financial year to close at N12,095,281,000 (2020: N12,095,281,000).

During the financial year 2020 and 2019, there was no indication of decline in the value of our core operating assets due to passage of time or normal use as all the core operating assets remain active and in good condition to generate the expected cash flow from their respective operations.

This position in 2020 is strongly substantiated by the Incremental Revenue recorded across the Group as Gaslink Revenue increased from N57 billion to N58 billion, GNSL from N2.2 billion to N3.2 billion whilst CHGC recorded an Increase from N2.05 billion to N4.7 billion. This comparative increase in the Revenue from prior year was similar for other related fundamentals such as Operating Profit, Profit Before Tax (PBT and Profit After Tax (PAT) for Gaslink, CHGC, TGNL and GNSL.

The position in 2019 is strongly substantiated by the Incremental Revenue recorded across the Group as Gaslink Revenue increased from N50.3 billion to N57 billion, GNSL from N1.79 billion to N2.2 billion whilst CHGC recorded an Increase from N1.7 billion to N2.05 billion. This comparative increase in the Revenue from prior year was similar for other related fundamentals such as Operating Profit, Profit Before Tax (PBT and Profit After Tax (PAT) for Gaslink and CHGC (though PAT for CHGC with a slide decrease relative to prior year) with the exception of GNSL which has experienced to date, historical operating challenged which include inadequate gas supply pressure, increase in operation and maintenance cost and the impact of incremental financing cost).

Based on the review of macroeconomic environment fundamentals i.e. interest rate, GDP growth rate and Forex projection, the CBN seems to be advocating for an expansionary policy with their recent increase in Loan to Deposit, ratio and the retention of the Monetary Policy Rate for over four quarters now, all these aimed at encouraging banks to lend more and more importantly at a favorable rate to businesses. This in our view strengthens our company's position. particularly in the determination of the applicable discount rate for valuation of the Value in Use. Hence, the valuation of each Cash Generating Unit returns a Value in Use amount reasonably higher than the carrying amount of each of the subsidiaries which in absolute terms corroborates the view that goodwill may not have been impaired.

In the 2019 comparative year, a review of the evidence of our internal sources of impairment information indicates that the economic performance of the GNSL's plant facility asset is, or will be, worse than expected. We observe the persistent loss position of the company three years subsequent to acquisition, which was particularly significant in the 2019 Financial Year. Whilst at entity level, significant attempt is being made to revamp the company's operating fundamentals with a view to returning it to profit position, it is our view at the Group level, that such loss position Is sufficient for the Ultimate Parent company to maintain the impairment of associated goodwill to the Cash Generating Unit as Well as the excess fair value (including the resulting deferred tax liability) recognized on its core operating assets recognized at the date of acquisition as part of the goodwill measurement.

This in management view, is consistent with the prudency principle. The net reporting impact of the adjustment in 2019 FY is hereby summarized below:

	N'000
Net book value (NBV) of fair valued plant & machinery	1,277,773
Deferred tax liability (32% of NBV above)	(408,887)
Goodwill	92,248
Net impact	961,134

Hence, we expect the goodwill at the end of the 2020 financial year to close at N12,095,281,000 (2019:N12,095,281,000; 2018:N12.095,281,000).

Axxela Limited
Financial information: 2018 - 2022
Notes to the financial information

32 Capital commitments and contingent liabilities

32.1 Contingent liabilities

There are a number of legal suits outstanding against the Group. On the advice of its counsel, the Board of Directors are of the opinion that no material losses are expected to arise. Therefore, no provision has been made in the financial statements.

32.2 Legal claim contingency

There are no significant contingencies that may have material effect on the financial statements of the company as at each year end.

32.3 Commitments

Year	Details
2022	The Group has a five years lease contract that commenced 1 January 2021. The future lease payments for this non-cancellable lease contract is N0.31 billion (2021: N0.33 billion) within one year and N1.13 billion (2021: N1.22 billion) for the outstanding years.
2021	The Group has a five years lease contract that commenced 1 January 2019. The future lease payments for this non-cancellable lease contract is N0.33 billion (2020: N0.33 billion) within one year and N1.22 billion (2020: N0.86 billion) for the outstanding years.
2020	The Group has a five years lease contract that commenced 1 January 2019. The future lease payments for this non-cancellable lease contract is N0.33 billion (2019: N0.28 billion) within one year and N0.86 billion (2019: N1.34 billion) for the outstanding years.
2019	The Group has a five years lease contract that commenced 1 January 2019. The future lease payments for this non-cancellable lease contract is N0.28 billion within one year and N1 billion within four years.
2018	There were no commitments at the end of the reporting date.

33 Events after the reporting period

There are no significant events after the reporting date which could have had a material effect on the state of affairs of the company as at 31 December 2022 and the profit for the year ended on that date which have not been adequately accounted for or disclosed.

34 Changes in Presentation

i Transaction Cost

Transaction costs that were previously included in prepayments is now presented net of borrowings (see note 20)

ii Lease Liabilities

Lease liabilities that were previously included and presented under interest bearing loans and borrowing is now presented as a separate line item in the statement of financial position

iii Derivative Asset

Derivative Assets that were previously included in other assets is now presented as a separate line item in the statement of financial position (see note 17)

iv Statement of Cashflows

The current portion of the bond payable in 2021 was repaid in 2022. This repayment, previously accounted for within changes in payables and accrued expenses, has now been appropriately reclassified and is reflected as part of the repayment of borrowings

Axxela Limited

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Statement of significant accounting policies

1 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The consolidated financial statements of Axxela Limited have been prepared in accordance with International Financial Reporting Standards (IRS) issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6,2011. The consolidated financial statements are presented in Naira, rounded to the nearest thousand, and prepared under the historical cost convention except for financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with IRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in Note 5.

1.2 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary respectively.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any Investment retained is recognised at fair value.

(a) Business combinations and goodwill

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of Impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) Changes in ownership interests in subsidiaries without change of control
The Group treats transactions with non-controlling interests that do not result in loss of control as equity transactions. For purchases from non controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non controlling interests are also recorded in equity.

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

(d) Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

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

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

(e) Transactions and balances in Group entities
Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cashflow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance Income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other (losses)/gains - net'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the ccarrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

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

(a) Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(b) Service concessions
The contracts between PC Gas Marketing Limited (NGML) and Gaslink Nigeria Limited for the construction of gas transmission pipelines fall within the scope of IFRIC 12. Management is of the opinion that the recovery of construction and interest costs are conditional upon sale of gas as specified in the contract and does not give the Group an unconditional right to receive cash. Hence an intangible asset has been recognised at the present value of the estimated value of capital recovery and interest charges from the sale of gas over the duration of the contract.

(c) Capitalisation of borrowing costs
Management exercises sound judgement when determining which assets are qualifying assets, taking into account, among other factors, the nature of the assets. An asset that normally takes more than one year to prepare for use is usually considered as a qualifying asset.

Estimates and assumptions

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

The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Property, plant and equipment

Land, building and plant and machinery are carried at historical cost. Revalued assets are recognized at their revalued amount. Appropriate indices, as determined by independent experts, are applied in the intervening periods to ensure that the assets are carried at fair value at the reporting date. Judgement is applied in the selection of such indices. Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach.
The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For theese appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement.

The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.
The useful life of each asset group has been determined by independent experts based on the build quality, maintenance history, operational regime and other internationally recognised benchmarks relative to the assets. For consolidation purpose, the Intangible asset in Gaslink Nigeria Limited and Pipeline asset in Central Horizon Gas Company Limited were revalued for the purpose of Goodwill calculation.

(ii) Impairment of non-current assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(iii) Income Taxes
Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

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Statement of significant accounting policies

(a) Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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The contracts between PC Gas Marketing Limited (NGML) and Gaslink Nigeria Limited for the construction of gas transmission pipelines fall within the scope of IFRIC 12. Management is of the opinion that the recovery of construction and interest costs are conditional upon sale of gas as specified in the contract and does not give the Group an unconditional right to receive cash. Hence an intangible asset has been recognised at the present value of the estimated value of capital recovery and interest charges from the sale of gas over the duration of the contract.

(c) Capitalisation of borrowing costs
Management exercises sound judgement when determining which assets are qualifying assets, taking into account, among other factors, the nature of the assets. An asset that normally takes more than one year to prepare for use is usually considered as a qualifying asset.

Estimates and assumptions

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

The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Property, plant and equipment

Land, building and plant and machinery are carried at historical cost. Revalued assets are recognized at their revalued amount. Appropriate indices, as determined by independent experts, are applied in the intervening periods to ensure that the assets are carried at fair value at the reporting date. Judgement is applied in the selection of such indices. Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach.
The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For theese appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement.

The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.
The useful life of each asset group has been determined by independent experts based on the build quality, maintenance history, operational regime and other internationally recognised benchmarks relative to the assets. For consolidation purpose, the Intangible asset in Gaslink Nigeria Limited and Pipeline asset in Central Horizon Gas Company Limited were revalued for the purpose of Goodwill calculation.

(ii) Impairment of non-current assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(iii) Income Taxes
Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Axxela Limited
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Statement of significant accounting policies

(v) Fair value hierarchy
Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required In establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 19.4 for further disclosures.

(vi) Impairment of financial asset
The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vii) Revenue recognition
Definition of contracts
The Group has entered into a contractual promise with its customers where revenue is recognised from the sale of natural gas, rendering of metering service and ensuring availability of take or pay quantity of gas delivery to gas. Sale of natural gas arises from the actual gas consumption by customers when the Group has delivered the gas and the customer has accepted the products as captured by a periodic meter reading and collectability of the related receivables is reasonably assured. Management has determined that the existence of an enforceable contract with its customers confirms the validity of contract with a customer. As a result, income from this activity is recognised as revenue when performance obligation has been satisfied.

In addition, the Company has a contract with NPC Gas Marketing Limited (NGML) in relation to the Service Concession Arrangement. The arrangement requires the entity to fund, design and construct gas distribution facilities to deliver gas to end-users in Greater Lagos Industrial area, and during the agreed period, the entity shall purchase gas from NGML and sell to its customers. The total sum incurred as a result of putting in place the distribution facilities shall be determined by entity in consultation with NGML. The title to the infrastructure so put in place shall reside with NGML. The amount determined as cost incurred to set up the facilities shall be recovered by entity from revenue derived from sale of gas to customer.

Performance obligations
The judgments applied in determining what constitutes a performance obligation will impact when control is likely to pass and therefore when revenue is recognised i.e. over time or at a point in time. The Group has determined that three performance obligations exist in gas sales and purchase agreement with customers and are satisfied through the delivery of gas, rendering of metering service to customers and ensure availability of the take or pay quantity of gas delivery to the customer.
These performance obligations are included in the GSPA with no additional contractual promises. Revenue is therefore recognised at a point in time.

For service concession contracts, the performance obligation is satisfied through the construction service to deliver an infrastructure asset, upgrade of an existing infrastructure assets and operation & maintenance of infrastructure assets as a series of distinct services. Revenue is recognised over time in this situation as the customer simultaneously receives and consumes the benefits provided by the Group's performance. The Group has elected to apply the 'right to invoice' practical expedient in determining revenue from this contract.

The right to invoice is a measure of progress that allows the Group to recognise revenue based on amounts invoiced to the customer. Judgement has been applied in evaluating that the Group's right to consideration corresponds directly with the value transferred to the customer and is therefore eligible to apply this practical expedient.

Service concessions
The intangible asset has been recognised at the present value of the estimated value of capital recovery and interest charges from the sale of gas over the duration of the contracts. The assessment of the present value of the estimated capital recovery requires the use of estimates and assumptions. The volume of sales of gas over the term of the contract is the main driver for capital recovery. Estimates of future cash flows for recovery of construction costs have been based on the assumption that the sale of gas from the pipeline will approximate the total capacity of the pipeline.
During the financial year 2019, the Group was awarded an extension of the franchise period for an initial operating period of 20 years to 2039.

Consolidation of joint venture arrangement
Axxela Limited through its subsidiary, Transit Gas Nigeria Limited (TGNL) entered into an Unincorporated Joint Venture Agreement (JVA) with the NPC Gas Marketing Limited (NGML) to jointly develop gas infrastructure assets within the approved franchise areas, engage in marketing effort to supply gas molecules to offtakers, jointly achieve expansion projects or new business ventures subject to each Party's governance approvals. The Group holds 80% of the voting shares in this entity. Therefore, in line with IRS 12, Transit Gas Nigeria Limited is consolidated in the Group's consolidated financial statements. The spend on construction of pipeline assets on behalf of the third-party partner are recorded as receivables while the reimbursables on administrative expense spend on behalf of the JV partner is recorded as Other Income.

1.4 Segment reporting
Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

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1.5 Revenue from contracts with customers

The group has adopted IFRS 15 as issued in May 2014 which has resulted in changes in accounting policy of the group. IFRS 15 replaces IAS 18 which covers revenue arising from the sale of goods and the rendering of services, IAS 11 which covers construction contracts, and related interpretations. In accordance with the transitional provisions in IFRS 15, comparative figures have not been restated as the group has applied the modified retrospective approach in adopting this standard.

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

The principles in IFRS 15 must be applied using a five-step model:

i) identify the contract(s) with a customer
ii) identify the performance obligations in the contract
iii) determine the transaction price
iv) allocate the transaction price to the performance obligations in the contract
v) recognise revenue when (or as) the Group satisfies a performance obligation

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

Revenue is recognised when control of goods sold has been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset. The Group has three promises to its customers which is the delivery of actual gas and rendering of metering service to customers and to ensure availability of the Take or Pay quantity of gas. Revenue from the sale of gas and service charge for meter reading will be recognised at a point in time when performance obligation is satisfied. For the take or pay gas, revenue is recognised when there exists a non-utilization of make-up gas balance by customers after the end of the 1st quarter in the subsequent year. The accumulated make-up gas at the end of the financial year qualifies as a Contract liability.

In addition, the Group through Gaslink has a contract with NNPC Gas Marketing Limited (NGML) in relation to the Service Concession Arrangement. The arrangement requires the Group to fund, design and construct gas distribution facilities to deliver gas to end-users in Greater Lagos Industrial area, and during the agreed period, the Group shall purchase gas from NGML and sell to its customers. The total sum incurred as a result of putting in place the distribution facilities shall be determined by the Group in consultation with NGML. The title to the infrastructure so put in place shall reside with NGML. The amount determined as cost incurred to set up the facilities shall be recovered from NGML's gas supply invoice issued to Gaslink.

The revenue from this arrangement include Construction Service Revenue and Service Concession Revenue which emanates from the Intangible assets model adopted by Group, consistent with the provision of IFRIC 12 and IAS 38 as the terms of the arrangement entitles the Group to recoup its investment in the gas infrastructure through gas volume sold to off-takers.

The amount recognized as service concession revenue is the agreed percentage of gas invoice from NGML potentially driven by customer consumption. The Revenue is earned when customer consumes the gas and the related cost of gas from NGML becomes reliably measured.

The Group has three promises to NGML which is construction service to deliver an infrastructure asset, upgrade of an existing infrastructure assets and operation & maintenance of infrastructure assets. These performance obligations are distinct by their nature and are capable of being benefited from separately. The transaction price for the construction services and upgrade services is the stand-alone price agreed between the Group and NGML which includes the Contract amount with the third-party contractor, variation order, borrowing cost and 10% project income which applies only on the total capital expenditure spent excluding borrowing cost. Also, the transaction price for the operation segment of the arrangement is the stand-alone price agreed with NGML which represents an agreed percentage on NGML's gas supply invoice.

Revenue from construction or upgrade services is recognised over time upon the receipt of certificate of completion for the various milestones. For the operation and maintenance, satisfaction of the performance obligation is established based on off-takers consumption and the percentage of recovery is determinable.

Definition of a customer

A customer is a party that has contracted with the Group to obtain gas products in exchange for a consideration, rather than to share in the risks and benefits that result from sale. The Group has entered into a Gas Sales Purchase Agreement (GPA) with its customers. A customer also include a party who have contracted with the Group in a construction services and service concession arrangement in return for consideration as provided in the contract.

Evidence of a contract is substantiated with the sign-off by Group's appropriate authorized signatory and those of the gas customer with copies of the contracts retained by both the group and the gas customer, the rights and respective obligations of the Group and the gas customers are clearly stated in the relevant articles of the SPAs, the payment terms are also identifiable and coherently stated in the SPAs, the contract with customers have commercial substance which is evidenced by the risk of loss of gas until delivery to customer's receiving point. The Group's timing and amount of cash-flow has also been determined to change given the receipt of gas invoice from customers. For construction service, the contract is substantiated by sign-off of the Group's authorized signatory and those of the gas supplier. Revenue arising from this contract is recognised as revenue.

Contract enforceability and termination clauses
It is the Group's policy to assess that the defined criteria for establishing contracts that entail enforceable rights and obligations are met. The criteria provides that the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has-been ascertained as probable. Revenue is not recognised for contracts that do not create enforceable rights and obligations to parties in a contract. The Group also does not recognise revenue for contracts that do not meet the revenue recognition criteria. In such cases where consideration is received, it recognises a contract liability and only recognises revenue when the contract meets the requirements of the Revenue standard. For gas sales, make up gas, service concession and construction service, the contract is enforceable at the inception of the contract.

Based on the SPA with gas customers, parties can only terminate the contract where there is a breach by a party which shall have material and adverse effect on the other party and the defaulting party has failed to rectify or remedy the breach within any applicable grace period. Hence, termination of the contract can only be unilaterally done where there is a material and adverse breach by either parties. Thus, the Group concludes that its SPAs with customers are enforceable and cannot be unilaterally terminated without due compensation to the other party.

For the Service Concession Arrangement with NGML, parties can only terminate the !contract where there is a breach by a party which shall have material and adverse effect on the other party and the defaulting party has failed to rectify or remedy the breach within three months after the breach was first brought to its attention in writing by the other party. Hence, termination of the contract can only be unilaterally done where there is a material and adverse breach by either party. Thus, Group concludes that its SPA with NGML is enforceable and cannot be unilaterally terminated without due compensation to the other party.

Contracts Combination
It is the Group's policy to combine contracts entered into at, or near, the same time with the same customer (or related parties of the customer) if they meet one or more of the following criteria:
(a) the contracts are negotiated as a package with a single commercial objective;
(b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract;
(c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Gaslink currently has single contract with NGML albeit with different performance obligations as stated in the SPA. However, where the Group has different contracts with customers and they meet the requirements of the standard, then the Group may elect to combine such contracts.

Identification of performance obligation
At inception, the Group assesses the goods or services promised in the contract with a customer to identify as a performance obligation, each promise to transfer to the customer either a distinct good or series of distinct goods. The number of identified performance obligations in a contract will depend on the number of promises made to the customer. The delivery of actual gas and rendering of metering service to customers and to ensure availability of the Take or Pay quantity of gas delivery to the customer are the performance obligation included in the GSPAs with no additional contractual promises. Additional performance obligations may arise from future contracts with the Group and its customers.

The Group also identifies the promised goods and services in relation to the service concession arrangement as construction service to deliver an infrastructure asset, upgrade of an existing infrastructure assets and operation & maintenance of infrastructure assets. This is same as the performance obligations as they are distinct by their nature and are capable of being benefited from separately from other performance obligations.

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is due to the fact that revenue is only recognised at the point where the performance obligation is fulfilled. Management has therefore developed adequate measures to ensure that all contractual promises are appropriately considered and accounted for accordingly.

Transaction price
Transaction price is the amount allocated to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Variable consideration not within the Group's control is estimated at the point of revenue recognition and reassessed periodically. The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. As a practical expedient, where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group may recognise revenue in the amount to which it has a right to invoice.

Sales contracts for gas does not incorporates provisional pricing. Gas price is currently regulated by the federal government and usually determined at the beginning of the financial year. The service charge for the metering services has been agreed and fixed per the gas contract with customers.

Hence, the transaction price is made up of the relative stand-alone prices of the gas and service charge components of the performance obligation. This represent the amount of consideration the Group expects to be entitled in exchange for transferring the promised goods or services to a customer. Also, the transaction price for the construction services and upgrade services is the stand-alone price and allocated on a measure of progress basis. While the transaction price for the operation segment of the arrangement is the stand-alone price which represent an agreed percentage on NGML's gas supply invoice.

Given the terms of payment and duration of invoice settlement, the Group determines that the transaction price do not have a significant financing component (SC).

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Breakage
The Group enters into take or pay contracts for sale of gas where the buyer may not ultimately exercise all of their rights to the gas. The gas contract stipulates that customers shall be invoiced based on the take or pay quantity where the actual gas consumed is less than the take or pay quantity. The excess of the monthly take or pay quantity over a 12 months period in any financial year is accumulated and treated as make-up gas which may be available for utilization within the 1st quarter of the next financial year. The take or pay quantity not taken is paid for by buyer and termed take or pay payment (Deferred liability).

The Group assesses if there is a reasonable assurance that it will be entitled to a breakage amount. Where it establishes that a reasonable assurance exists, it recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer by the end of the 1st quarter in the subsequent year. However, where the Group is not reasonably assured of a breakage amount, it would only recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

Contract modification and contract combination
Contract modifications relate to a change in the price and/or scope of an approved contract. Where there is a contract modification, the Group assesses if the modification will create a new contract or change the existing enforceable rights and obligations of the parties to the original contract.

The two sources of contract modification foreseen by the Group are Annual Contracted Quantity and the Transaction price of gas as reviewed by the Ministry of Petroleum Resources annually. The contract modification do not qualify for recognition as a Separate Stand-alone contract given that the modification to either volume or price do not lead to the transfer of promised goods or services that are distinct.

Contract modifications are treated as if it were a part of the existing contract. The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

Portfolio expedients
As a practical expedient, the Group may apply the requirements of IRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics if it expects that the effect on the financial statements would not be materially different from applying IFS to individual contracts within that portfolio.

Contract balances
i. Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group recognises contract assets for unbilled amounts from gas sales.

ii. Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for initial recognition and subsequent measurement.

iii. Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Disaggregation of revenue from contract with customers
The Group derives revenue from gas, meter rental and other gas related activities. The Group has determined that the disaggregation of revenue based on the criteria of type and sources of products meets the disaggregation of revenue disclosure requirement of IFRS 15. It depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors, See further details in note 8.

1.6 Property, plant and equipment
All categories of property, plant and equipment are initially recorded at cost. Buildings, land and plant & machinery are subsequently shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings and plant & machinery.

Any accumulated depreciation at the date of revaluation is eliminated against thee gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives as follows;

Right to pipeline assets	20 years (2020: 25 years)
Land	Nil
Buildings	50 years
Plant, machinery and motor vehicles	3 - 20 years (2020: 3 - 25 years)
Fixtures, fittings and computer equipment	3 - 5 years
Pipeline license	3 - 5 years
Right of use of leased asset	3 - 5 years

Where the cost of a part of an item of property. plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised within "other (losses)/gains - net" in the income statement.

Property, plant and equipment under construction is not depreciated until they are put to use.

1.7 **Intangible assets**

i. Goodwill

Goodwill arises from the acquisition of subsidiaries and is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any interest previously held over the net identifiable assets acquired, liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to cash-generating units (CGU's) for the purpose of impairment testing. The allocation is made to those CGU's expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which goodwill is allocated represents the lower level within the Group at which the goodwill is monitored for internal management purposes.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell.

Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on disposal of a unit of the Group include the carrying amount of goodwill relating to the unit sold.

ii. Software costs

Acquired computer software licenses are recognized on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost over their estimated useful lives of three to five years. The amortisation period is reviewed at each balance sheet date. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

iii. Concession contracts

The Group, through its subsidiary Gaslink Nigeria Limited, has service concession arrangements to fund, design and construct gas pipelines on behalf of the NNPC Gas Marketing Limited (NGML). The arrangement requires the Group as the operator to construct gas pipelines on behalf of NGMIL (the grantor) and recover the cost incurred from a proportion of the sale of gas to customers. The arrangement is within the scope of IFRIC 12.

Under the terms of IFRIC 12, a concession operator has a two fold activity:
* a construction activity in respect of its obligations to design, build and finance a new asset that it makes available to the grantor: revenue is recognised in accordance with IFRS, 15.
* an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IFRS 15.

The intangible asset model: The operator has a right to receive payments from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator to the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator.
Under this model, the right to receive payments (or other remuneration) is recognised in the concession operator's statement of financial position under "Concession intangible assets". This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the entry into service of the asset.

iv. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the GU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

1.8 Financial instruments

The Group's accounting policies on financial instrument is in line with IFS 9, which stipulate the principles for the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFS 9 also significantly amends other standards dealing with financial instruments such as IFS 7 Financial Instruments: Disclosures.

Classification and measurement

Financial assets

It is the Group's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Group's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Group may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Group's financial assets satisfy the conditions for classification at amortised cost under IFRS 9.

The Group's financial assets include trade receivables, intercompany receivables, other receivables and cash and bank balances. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group's financial liabilities include trade and other payables, lease liabilities and interest bearing loans and borrowings.

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Impairment of financial assets
Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at mortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied for trade receivables and contract assets while the general approach is applied to intercompany receivables, cash and bank balances, and other receivables.

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

Under the 'general approach', a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk (measured using the lifetime probability of default since initial recognition of the financial asset. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised. In other words, the 'general approach' has two bases on which to measure expected credit losses; 12-month expected credit losses and lifetime expected credit losses.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties.

The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at mortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

Significant increase in credit risk and default definition
The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three stage approach is applied.

In line with the Group's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Derecognition

Financial assets
The Group derecognizes a financial asset when the contractual rights to the each flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities
The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

Modification
When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification.

The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Fair value of financial instruments
The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.
If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different from its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

1.9 Accounting for leases
Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii. Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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iii. Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

1.10 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises materials and spares to be used in plant maintenance. Net realisable value is the estimated selling price in the ordinary course of business, less applicable costs of completion and selling expenses.

1.11 Share capital
Ordinary shares are classified as equity. Share issue costs net of tax are charged to the share premium account.

1.12 Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, restricted cash and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

1.13 Employee benefits
Retirement benefit obligations
Defined contribution scheme
The Group operates a defined contribution retirement benefit schemes for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate Group. The group complies with Pension Reform Acts of 2014 by remitting 8% of employee annual emolument and 10% as employer's deduction.
The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the defined contribution plan are charged to the profit or loss in the year to which they relate. The assets of the scheme are funded by contributions from both the Group and employees and are managed by pension fund custodians.

1.14 Provisions
General
Provisions are recognised when: the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying-economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate which reflects current market assessments of the time value of money and the specific risk. The increase in the provision due to the passage of time is recognised as interest expense.

1.15 Current and deferred income tax
Income tax expense is the aggregate of the charge to profit or loss in respect of current and deferred income tax.

i. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2.5% of assessable profits of companies operating within Nigeria. Tax is recognised in the income statement except to the extent that it relates to items recognised in OCI or equity respectively. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.
ii. Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable Group or different taxable entities where there is an intention to settle the balances on a net basis.

1.16 Dividend
Dividend payable to the Group's shareholders is recognised as a liability in the consolidated financial statements in the period in which they are declared (i.e. approved by the shareholders).

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1.17 Non-current assets (or disposal groups) held for sale.

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

1.18 Fair value

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.19 Joint Arrangement

A joint arrangement is define as 'an arrangement of which two or more parties have joint control'. Joint Control is 'the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control'.

To recognize any financial structure has a joint arrangement, IRS 11 provides that an agreement must exist between the parties albeit written or unwritten. Such agreement as clarified by the definition must at the minimum require the unanimous consent of the parties sharing control about the relevant activities of the arrangement. Hence, to have joint control, parties are expected to collectively control the arrangement.

IFRS 11 requires a Group to determine the type of joint arrangement in which it is involved. The standard clarifies that a joint arrangement can be classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the joint arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangements.

A joint operation on the other hand is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement.

Axxela Limited through its subsidiary, Transit Gas Nigeria Limited (TGNL) entered into an Unincorporated Joint Venture Agreement (JVA) with the NPC Gas Marketing Limited (NGML) to jointly develop gas infrastructure assets within the approved franchise areas, engage in marketing effort to supply gas molecules to offtakers, jointly achieve expansion projects or new business ventures subject to each party's governance approvals.

The terms of the agreement also provide that TGNL shall be responsible for securing funding of the Gas Distribution Project or the Project Cost on behalf of the Parties(without any liability to any lender on the part of NGML) subject to cost recovery from the cash inflows from the operations. Also, all project costs are jointly determined by the Parties. TGNL is nominated as the Operator of the Joint Venture subject to the supervision and management of the Operations Committee and Management Committee.

TGNL classify its arrangement with NGML as a joint operation given the inferences below in relation to the provisions of IFRS 11:
i) The existence of a Joint Venture agreement between Transit Gas Limited and NGML,
ii) The clear reference in the agreement to the effect that decision over relevant activities shall be formally approved by the Management committee with the Operations committee overseeing those relevant activities.

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iii) The Management & Operations committee are evenly composed of representatives from both TGNL & NGML.
iv) All decisions of the Management Committee shall require the votes of both Parties and decisions of the Management Committee shall be unanimous.
v) The fact that the joint arrangement is an unincorporated joint venture without separate legal or economic Group.

Ownership interest in the Assets, Joint Venture (JV) Property, JV income, non-financing related risks and liabilities of the Joint Venture which notwithstanding anything to the contrary in this Agreement or any other agreement between the Parties on the Gas Distribution Project shall be 50%-NGML and 50%-TGNL for a fixed period of twenty four (24) Months from the effective date and be automatically adjusted thereafter to, 55%-NGML and 45%-TGNL for the remainder of the term.

Measurement
For a joint operation, the joint operator recognises its:

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

IFRS 11 requires each of these items to be accounted for in accordance with the applicable IFRS. A Group's rights and obligations for the assets, liabilities, revenues and expenses relating to a joint operation as specified in the contractual arrangement, are the basis for accounting for a joint operation under IFRS 11.

TGNL shall account for each line items in the income statements and statements of financial position based on the relevant IFRSs which applies to the relevant transactions.

24 SUMMARY EXTRACT OF THE SPONSOR'S MANAGEMENT ACCOUNTS AS OF 30 SEPTEMBER 2023

AXXELA GROUP
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2023

DESCRIPTION ASSETS	NOTES	GROUP N'm
Non-current assets		SEPT YTD
Property, plant and equipment	7	30,258
Intangible assets	8	70,433
Lease Asset		886
		101,577
Current Assets		
Inventories		714
Trade receivables	9	23,572
Other receivables	10	28,334
Prepayments	11	987
Cash and cash equivalents	12	12,500
		66,107
Total Assets		167,684
EQUITY AND LIABILITIES		
Issued Capital		10
Retained Earnings		33,061
Total equity		33,071
LIABILITIES		
Non-current Liabilities		
Borrowings	13	73,069
Lease Liability		1,238
Net deferred tax liability		2,660
		76,967
Current Liabilities		
Trade payables	14	24,700
Other payables	15	13,433
Provisions	16	4,677
Income tax Liabilities	17	4,443
Dividends payable		10,393
		57,646
Total Liabilities		134,613
Total equity and liabilities		167,684

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		57,646
Total Liabilities		**134,613**
Total equity and liabilities		167,684

AXXELA GROUP
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

DESCRIPTION	GROUP N'm SEPT YTD
Profit/(loss) before interests and tax	18,619
Adjustments to reconcile profit before tax to net cash flows	
Depreciation and Amortization	2,518
Working Capital adjustment:	
(Increase)/decrease in trade and other receivables and prepayment	(7,336)
(Increase)/decrease in inventories	147
(Increase)/decrease in trade and other payables	5,732
(Increase)/decrease in other assets	(2,387)
Income tax paid	(4,040)
Net cash flow from operating activities	**13,253**
Investing activities	
Purchase of property, plant and equipment	(947)
Purchase of intangible assets	(16,339)
Interest received	336
Net cash flow from investing activities	**(16,950)**
Financing activities	
Interest paid on long term borrowing	(3,881)
Repayment of long term Borrowings	(3,916)
Dividends paid	(5,032)
Proceeds of long term borrowing	11,306
Net cash flows/(used in) financing activities	**(1,523)**
Net increase in cash and cash equivalents	(5,220)
Cash and cash equivalent at 1 January	17,720
Cash and cash equivalent at 30th September	**12,500**

25 USE OF PROCEEDS

The particular purpose of each issuance will be specifically stated in the Pricing Supplement issued for each Series. The costs and expenses of the issue are payable by the Company and will be deducted from the gross issue proceeds.

26 MACRO – ECONOMIC OUTLOOK

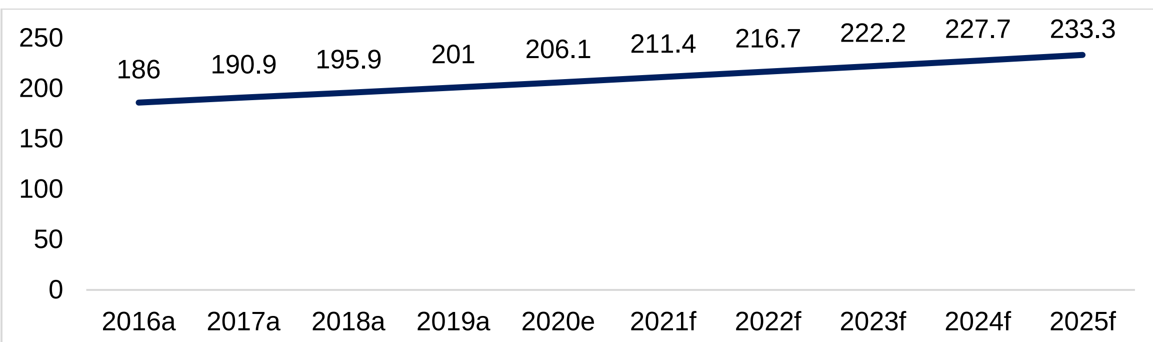
26.1 GENERAL OVERVIEW

The Federal Republic of Nigeria is located in West Africa and has a total area of 923,768 km² and is bordered by the Republic of Benin to the west, Niger and Chad to the north, Cameroon to the east and the Gulf of Guinea to the south.

Nigeria consists of 36 states (the "States") and the Federal Capital Territory, Abuja, which is located in North-Central geo-political region of Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: Northwest, North Central, North East, South East, South South and South West. There are currently 774 constitutional115aterializsed local government areas and area councils in Nigeria. Nigeria has experienced considerable economic growth since its return to democratic rule in 1999 and subsequent adoption of market friendly economic policies.

Nigeria is currently the most populous country in Africa, with an estimated population of 211 million in 2023 according to the Economists Intelligence Unit ("EIU") and is forecasted to grow to 263 million by 2030. The country is also Afr'ca's biggest crude oil exporter, with the largest natural gas reserves on the continent and is also blessed with an abundance of natural resources such as tin, iron ore and coal.

FIGURE 1: Nigeria's Population, millions (2016-2026)



a-actual, e-estimate, f-forecast

Source: Economic Intelligence Unit (EIU)

Economic indicators	2018	2019	2020	2021	2022
Population (m)	195.9	201.0	206.1	211	216
Nominal GDP (USDbn)	354.0	402.3	404.3	492.7	567.5
Real GDP growth (%)	1.9	2.3	(1.9)	3.2	3.3
GDP per capita (USD)	2,053	2,012	1,717	2,300	2,450
Inflation (%)	11.4%	12.0%	15.8%	16.9	18.3
Exchange rate (NGN/USD)	364.7	362.0	381.5	400.00	422.6
FX reserves (USDbn)	42.5	38.1	36.5	40.5	36.9

Source: Economist Intelligence Unit

Nigeria's Gross Domestic Product (GDP) grew by 3.52% (year-on-year) in real terms in the fourth quarter of 2022, following a growth of 2.25% in the third quarter of 2022 and 3.98% in the fourth quarter of 2021. The GDP performance in the fourth quarter of 2022 was driven mainly by the services sector, which recorded a growth of 5.69% and contributed 56.27% to the aggregate GDP. Although the agriculture sector grew by 2.05% in the reference period, its performance was significantly hampered by severe incidences of flood experienced across the country, accounting for less growth relative to the fourth quarter of 2021 which was 3.58%. Moreover, the industry sector was yet challenged recording -0.94% growth and contributing less to the aggregate GDP relative to the third quarter of 2022 and the fourth quarter of 2021. Overall, the annual GDP growth rate in 2022 stood at 3.10%, from the 3.40% reported in 2021. Thus, the performance of the agriculture industry reduced in 2022 relative to 2021, while the performance of the services sector improved in 2022.

26.2 ECONOMIC OVERVIEW

Government policy by the newly elected President Bola Ahmed Tinubu aims to build on the existing economic framework of the past administration, despite facing deep rooted challenges including domestic insecurity, misaligned fiscal and monetary policies, foreign exchange market challenges, poor infrastructure, and rising debt amid suboptimal revenue. Key reforms are expected to be implemented in the second half of 2023 after announcement of the new administration's cabinet members.

The new administration is expected to drive market-oriented, market led reforms to tackle the myriad socio-political challenges. Accordingly, within the initial few weeks, the new government has implemented key policy initiatives including discontinuance of subsidies for petroleum product and liberalisation of the foreign exchange market and reforming CBN operations; enactment of the 2023 Electricity Act which aims to de-monopolise central government control over electricity generation, transmission and distribution; signing of the Access to Higher Education Act to provide interest-free loans for tertiary institutions students; inauguration of the Presidential Fiscal Policy and Tax Reform Committee among others. While the economic reforms are expected to yield positive impact in the medium term, inflationary pressure from global headwinds, currency volatility and the relatively constrained financial position of the government to instantly finance large scale social security programmes and key infrastructure portend economic discomfort in the immediate term.

In August 2021, under the past government administration, President Muhammadu Buhari signed the Petroleum Industry Act ("PIA") into law, following its passage by the National Assembly in July 2021. The PIA seeks to provide legal, governance, regulatory and fiscal framework for the Nigerian Petroleum Industry and development of Host Communities. Following the passage of the PIA into law, the PIA has become the principal legislation governing the entire value chain of the Nigerian oil and gas industry.

Amongst others, the PIA has overhauled the governance and regulatory institutions in the petroleum industry and has dimensioned the management and regulatory oversight over the entire value chain of the oil and gas industry. The main objectives of the new governance structure introduced by the PIA, as stated therein, include to: create efficient and effective governing institutions with clear and separate roles for the petroleum industry; establish a framework for the creation of a commercially oriented and profit-driven national petroleum company; promote transparency, good governance and accountability in the administration of the petroleum resources of Nigeria; foster a business environment conducive for petroleum operations; and deepen local content practice in the Nigerian oil and gas industry.

According to EIU forecasts, global energy demand and the PIA will support higher investment in hydrocarbons in Nigeria better than in recent years. The national oil company, NNPC, indicated in February 2023 that a new approach to security in the Niger Delta was yielding results had enabled oil production to increase.

The newly inaugurated Dangote Refinery is also expected to impact Nigeria's economy positively and enable the country generate 12,000 or more megawatts of electricity. Over 135,000 permanent jobs will be available to Nigerians as operations get underway. The facility is also expected to save Nigeria between USD25 and USD30 billion in foreign exchange annually.

Interest rates, inflation, and exchange rates

The Naira to US Dollar exchange rate has historically been sensitive to fluctuations in the price of crude oil. The NGN/USD rate remained relatively stable around NGN155/US–1 - NGN160/USD1 through 2009 and 2013. The exchange rate has however come under pressure since June 2014 following the decline in the price of oil, Nigeria's key export commodity, leading the CBN to alter its management of the FX market in February 2015 by closing the Retail Dutch Auction System (RDAS) and taking other administrative measures aimed liberalising the foreign exchange market. As a result, the NGN/USD remained stable at just below NGN200/USD1 for the most part of 2015. As a result of further pressure on the Naira, the CBN deployed a range of policy interventions with a view to reducing foreign currency demand and avoiding Naira devaluation. Some of these policies include increase of the Cash Reserve Ratio ("CRR") on public and private deposits and restriction on accessing foreign currency from the official market for 41 specific items.

In 2016, the CBN tightened monetary policy as the economy faced the double challenge of contraction and sharply rising prices. The CBN also ended its USD link on the Naira, allowing it to float freely on the inter-bank market and thus essentially allowing market forces to determine the exchange rate of the Naira to other currencies. The introduction of the Investors' & Exporters (I&E) FX window created easier access to foreign exchange for companies and has somewhat hamonised the Naira against the USD across all FX windows.

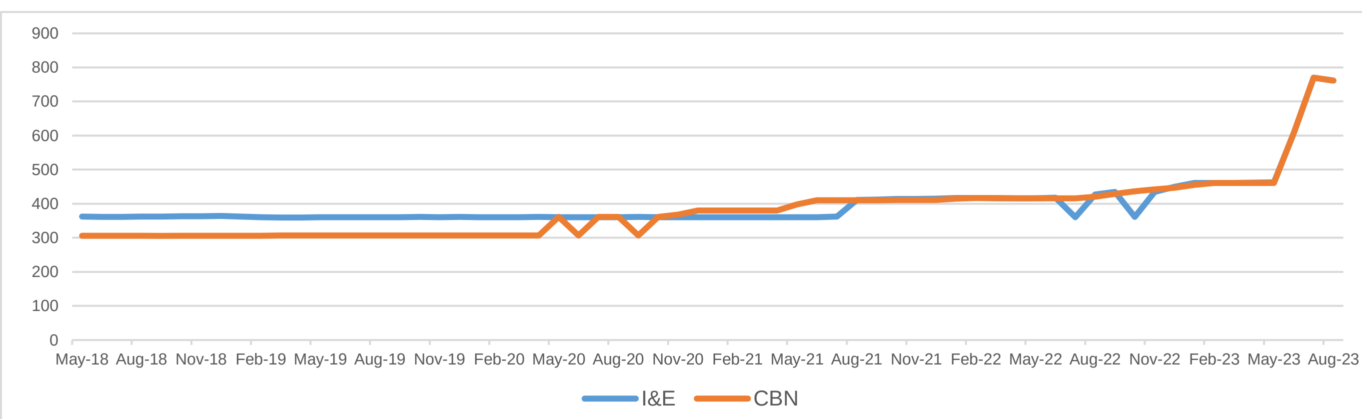
Post introduction of I&E FX window, the official rate of NGN/USD remained at USD1/NGN307 till March 2020. However, on 23 March 2020, the CBN devalued the official rate by 15%, pegging the exchange rate at 360, after the country's foreign-currency reserves were severely threatened by the collapse in the price of oil. Later, on 07 July 2020, the official exchange rate was again devalued by 5.3% to 381, in an attempt of unifying the official rate closer to NAFEX (I&E FX) in view of improving transparency of its FX-management regime. The convergence of rates also improved chances of the Government to secure financing from multilateral lenders to cover the large balance of payment needs and budget shortfalls arising from the plunge in oil prices.

On 25 May 2021, the CBN adopted the NAFEX rate as the government's official exchange rate for the NGN/USD. As of 22 October 2021, the exchange rate had depreciated to USD1/NGN410.96 at the official NAFEX window.

In 2022, the NAFEX rate averaged NGN413:USD1, as the existing parallel- market spread (NGN570:USD1) invited speculative attacks on the Naira and placed considerable pressure on the exchange rate regime. Foreign exchange reserves were up by almost a quarter in August 2022 which was as result of an IMF special drawing rights allocation and a USD4bn Eurobond sale in September 2022. In 2022 lingering FX liquidity challenges also rose as the CBN maintained gradual Naira depreciation; the I&E FX rate depreciated by 10.8% from NGN416/USD in Jan'22 to NGN461 in December 22.

On 14 June 2023 the new administration unified all the segments of the foreign (FX) market, replacing the old regime of multiple exchange rates window for different purposes within effect, a market rate. The naira immediately fell 36% against the dollar on the official market, the rates went from NGN477/USD at the CBN and I&E rate to around NGN750/USD

***FIGURE 2:* Evolution of the Naira vs. US Dollar**



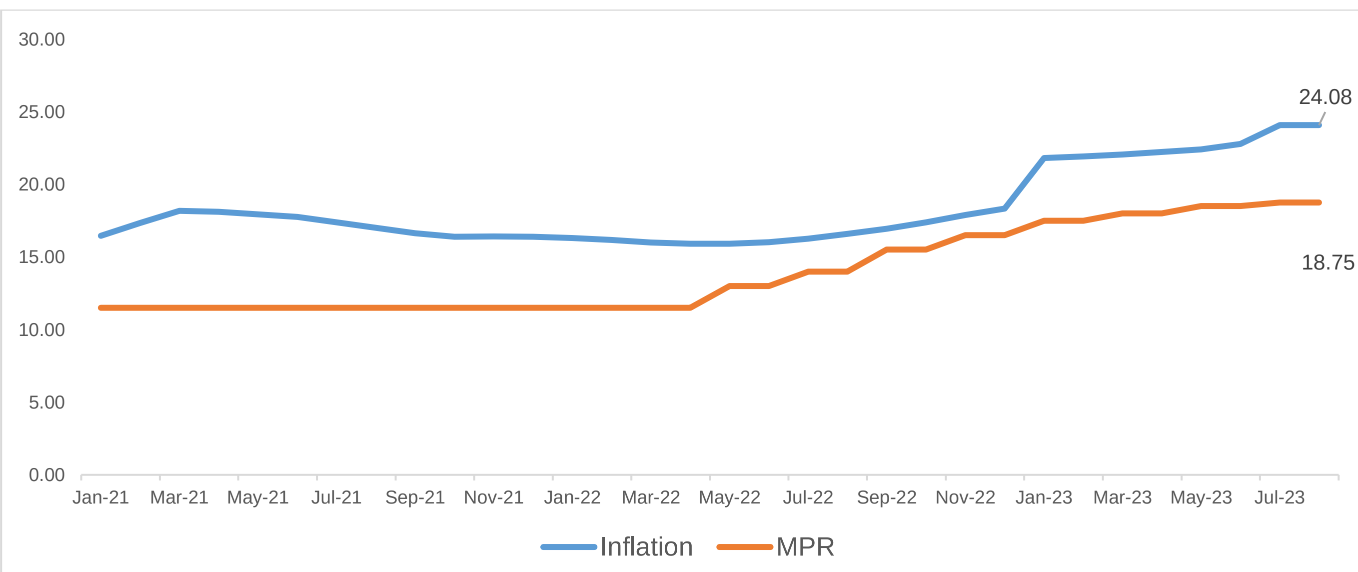
Sources: CBN, FMDQ, Standard Bank Research

Monetary Policy Rate vs Inflation

According to NBS, Nigeria's headline inflation rate rose to 24.08% in July 2023 from 22.79% recorded in June of the same year. The July 2023 inflation rate showed an increase of 1.29% points when compared to June 2023's headline inflation rate. At 24.08%, it is th[e] 9th highest inflation rate recorded in Nigeria since 2005 and the [2]1st since January 1996 when the data has been accurately captured and reported. It is also the highest since 2009 when the consumer price index was adopted in Nigeria. In past years, a combination of tight monetary policies along with modest wage growth contributed to reduced inflationary pressure on the economy, in more recent years however, inflation in Nigeria has continued to trend higher and to record levels, this is mostly on account of foreign exchange volatility and instability affecting the major basket of goods comprising headline inflation in Nigeria.

Nigeria's CBN has moved to manage inflationary pressures in the country, and as of May 2023 the MPR was increased to 18.75% from 18.5% raised by 25basis points as part of CBN's consistent tightening of monetary policy to control inflation in Nigeria. The CBN's goal is to keep inflation under control citing the gains from previous high rates as justification for its action. Despite the CBN's tight monetary policy stance, Inflation has remained elevated and does not yet show signs of retreating.

Inflation in Nigeria rose for a sixth consecutive month, to 24.08% y/y in July 2023, from 22.79% y/y in June 2023, with the main culprit still being higher food prices; Food inflation is being fueled by security problems in Nigeria's food-growing regions, inadequate infrastructure, and logistical challenges — all of which imply limited food supply. There will be significant upward pressure on inflation after the removal of fuel subsidies (which has seen petrol pump prices countrywide more than double). **Inflation has been surging relentlessly despite repeated policy rate hikes**. At the July MPC meeting, the committee hiked the policy rate by 25bps, to 18.75%, taking the cumulative rate increase to 725bps since tightening began in May 22. A hawkish stance is thus expected until inflation starts moderating.



ii. .3 POLITICAL OVERVIEW

Nigeria returned to democratic governance in 1999 with the election of Chief Olusegun Obasanjo, a member of the People's Democratic Party ("PDP"), as President and Commander in Chief of the Armed Forces, following many years of military rule. The Obasanjo administration commenced the implementation of policies aimed at diversifying the economy to reduce reliance on the oil and gas sector, improving macroeconomic stability and developing the nation's infrastructure.

In 2007, Nigeria witnessed its first ever transition from one democratically elected government to another with the election of Alhaji Umaru Musa Yar'Adua, also a member of the PDP. Following the death of Alhaji Umaru 'ar'Adua almost three years into his first term in 2010, vice president, Dr. Goodluck Jonathan, took office for the remainder of the late president's term before being elected to a full presidential term in 2011.

In 2015, President Muhammadu Buhari, who was the candidate of the All-Progressives Congress ("APC"), became the first Nigerian presidential candidate to defeat an incumbent president after defeating Dr. Goodluck Jonathan in what many considered a peaceful election.

In May 2023, the Muhammadu Buhari administration came to an end with the 7th democratic presidential transition taking place. The candidate of the ruling APC, His Excellency President Bola Tinubu, won the February 25th presidential election and was inaugurated on May 29th 2023.

Nigeria has, from time to time, experienced attacks and kidnappings in parts of the country, particularly in the northern and south-southern states. It is believed that the attacks in the northern states have been carried out by Islamist militia groups based in the north, such as Ansaru and Boko Haram. In the South eastern part of the country, secessionist sentiment has lingered in the region since the Biafra separatist rebellion tipped Africa's most populous country into a civil war between 1967 and 1970 that killed an estimated one million people. The new administration acknowledges the insecurity challenges within the country and during the election campaign indicated it will tackle these challenges with a multi-faceted approach including addressing capacity building of law enforcement agencies, exploring State and Local Governments community policing and push for more support in the security and economic stability of the Economic Community of West African States (ECOWAS) sub-region and Africa as a whole.

27 Risk Factors

Investors should consider all of the information in this Prospectus, including the following risk factors, before deciding to invest in the Bond. If the risks described between page 120-123, on the Company's business, results of operations, financial condition and or prospects could be materially adversely affected. Furthermore, the risks described below are not exhaustive. Additional risks not currently known may also have a material adverse effect on the business, financial condition and results of operations of the Company.

27.1 COUNTRY RISK

I. ECONOMIC RISK

Lack of economic diversification exposes the country to downside risks in oil price and production

Nigeria's economy is highly dependent on the oil sector, which provides around 90% of export earnings and approximately 50% of government revenue. According to the NBS, financial institutions contributed 3% of Nigerian GDP in 2022. Nigeria also has a thriving financial technology (fintech) sector for an economy at its stage of development.

In addition to the regulatory environment, bureaucracy, bribery, and corruption are other major impediments to doing business in Nigeria, stifling economic growth and social development. Nigeria recently moved up 14 places to rank 131 out of 190 countries in the World Bank's 2020 Doing Business Index, an improvement from 146 in 2019. While this is an improvement, the country continues to struggle with generating revenue via taxes, enforcing contracts, and cross-border trade. This has continued to have a detrimental impact on tax income, investor confidence, and mobility of goods for trade.

Any worsening of Nigeria's economic situation as a result of these or other factors, such as a significant depreciation of the Naira or an increase in aggressive interest rates, might have a material and negative impact on the Federal Government. However, the current administration is devoted to economic reforms aimed at diversifying Nigeria's economy and improving macroeconomic stability while supporting a market-driven private sector economy.

The country is dependent on oil for economic activities, fiscal revenues and foreign exchange. Oil accounts for majority of exports and foreign exchange earnings while the manufacturing sector accounts for a minority of total exports. Dominance of oil as the major source of export receipts, coupled with import dependence heightens Nigeria's vulnerability to external shocks. The impact of the steady decline in oil prices from mid-2015 to early 2020 was evident in the depreciation of the currency, foreign exchange illiquidity, decline in foreign reserves, and a slowdown in the economy. Although the FGN has reaffirmed its commitment to diversify the Nigerian economy and enable the growth of a multi sectoral Nigerian economy, a failure to continue to grow the non-oil sectors of its economy may constrain Nigeria's economic growth and, as a result, have an adverse effect on the Company's business, results of operations and/or financial condition.

Large infrastructure deficit poses a hindrance to the development of the economy

Nigeria lacks stable power supply and adequate infrastructure such as roads, rail, ports, broadband networks etc., which has led to challenges in the development of many sectors of the economy. The power sector still faces challenges which relate to governance, funding, legal, regulatory and pricing issues across the value chain. Given the huge capital investment required to address this infrastructure deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to challenge the viability of private sector investment. Failure to significantly improve Nigeria's infrastructure could adversely affect Nigeria's economy and growth prospects, including its ability to meet GDP growth targets which may, in turn, have an adverse effect on the Company's business, results of operations and/or financial condition.

II. POLITICAL RISK

Political, economic and social stability in Nigeria have historically been affected by political and religious conflicts, terrorism, and social and religious tensions. The sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in Northeastern Nigeria; and the Fulani herdsmen crisis contribute to the regions' security challenges. If the Federal Government is unable to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order, these risks may persist and may adversely affect Nigeria's political and economic stability which may, in turn, further affect the Company's business, results of operation, and/or financial condition.

27.2 RISKS RELATED TO THE MARKET AND THE GAS AND POWER SECTOR

I. FOREIGN EXCHANGE RISK

Axxela engages in foreign exchange transactions and as such is exposed to foreign exchange risk mainly in US Dollars, arising primarily from, but not limited to sourcing inventory items and plant & machinery such as pressure reduction and metering stations and tube skids. Foreign exchange risk arises when future commercial transactions and recorded assets and liabilities are denominated in a currency that is not the entity's functional currency e.g. foreign denominated loans, purchases and sales transactions etc. Axxela manages its foreign exchange risk by revising cost estimates of orders based on exchange rate fluctuations, forward contracts and cross currency swaps transacted with commercial banks.

II. PRICE RISK

Axxela has no exposure to price risk as it has no investment in equity commodity. More so, Gas price is only subjected to yearly review as the dollar price rarely changes during the year.

III. CASH FLOW AND FAIR VALUE INTEREST RATE RISK

Axxela holds short term, highly liquid bank deposits at fixed interest rates. No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

Axxela does not have any investments in quoted corporate Instruments that are of Fixed Rate and carried at fair value through profit or loss. Therefore, Axxela is not exposed to fair value interest rate risk.

The Group has borrowings at variable rates, which expose the Group to cash flow interest rate risk. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

27.3 BUSINESS RISKS

I. One of the major business risks to the Axxela Companies' business is the competition and threat of new entrants; there is the potential for a reduction in market share due to new entrants, as well as a reduction in sales (and growth) due to the emergence of mature alternatives to the Group's energy offerings. The Company's current first mover advantage and management's growth strategy are aimed at ensuring the Company's viability for the long term.

Gas supply security is another risk that the Company faces. This is the risk that disruptions on the sources of gas supply such as those emanating from militants' activities in the Niger Delta region in the form of pipeline sabotage, may affect supply for a period which could have a negative impact on the performance of the Company. Although the Company has embarked on some supply security projects like the FSRU project and additional gas supply sources outside of the Niger Delta region, the threat posed by these disruptions could significantly affect the financial performance of the Company until these supply security projects are completed

II. .

Changes in underlying policies and government regulations could materially impact the sustainability of the business, and the risk of non-compliance can cause project delays, cost overruns, unintentional loss of data, and even physical security threats to company assets as a result of malicious activity.

III. Damage/sabotage to third party infrastructure and environmental/natural disasters could impact supply, lead to cost overruns and subsequently affect financial projections.

27.4 RISKS RELATED TO THE ISSUER

i. **Issuer is a special purpose vehicle with no business operations or significant assets.**

iii. The Issuer is a special purpose vehicle with no business other than issuing Instruments. The right of Instrument-holders to receive payments in respect of the Instruments is therefore limited to payments actually received by the Issuer in respect of Notes issued by the Co-obligors. Investors are thus relying on the creditworthiness of the Co-Obligors, as applicable, for each issuance of the respective Instruments. **Change in Governing Law**

The Issuer is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

27.5 RISKS RELATED TO THE INSTRUMENTS

i. Structural Risks

a. The market price of the Instruments may be volatile

The market price of the Instruments could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results, adverse business developments, changes in the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of Instruments. Each investor needs to assess the market prior to trading their Instruments.

b. Instruments may be subject to optional redemption by the Issuer

An optional redemption feature in the Instruments may negatively affect their market value. During any period when the Issuer may elect to redeem the Instruments, the market value of those Instruments generally will not rise substantially above the price at which it can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a lower rate.

c. Referencing to an index may subject the Instruments to additional risk

The Issuer may issue Instruments with Principal repayment or Interest payments determined by reference to an index (or formula), to changes in the prices of the securities or commodities or other relevant factors.

Potential investors should be aware that:

- they may receive no interest;
- they may lose all or a substantial portion of their principal;
- a relevant factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices; and
- timing of changes in a relevant factor may affect the actual yield to investors, even if the actual level is consistent with their expectations; i.e., in general, the earlier the change in the relevant factor, the greater the effect on yield.

d. Credit ratings may not reflect all risks

The Instruments will be assigned a rating by at least one Rating Agency. The ratings are not a recommendation to prospective investors to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time; the rating may also not reflect all the risks that a potential investor may be seeking clarity on. A credit rating is not a recommendation.

e. Credit Risk

Instruments issued under the Programme will be general obligation Instruments backed by the full faith and credit of the Issuer, Sponsor and Co-Obligors. If a prospective investor purchases Instruments, it is relying solely on the creditworthiness of the Issuer, Sponsor and Co-Obligors. In addition, an investment in the Instruments involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Instruments.

f. ***Legal Investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Instruments are a legal investment for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

ii. Market Risks

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

a. Liquidity risk for the Instruments

There may not be very active two-way quote trading in the Instruments once issued, although the listing of the Instruments on the NGX and/or FMDQ increases the possibility of trading activity. The liquidity of the Instruments may be somewhat limited and investors may not be able to trade the Instruments actively; although there are a number of initiatives aimed at developing and deepening the debt capital market and creating liquidity and a vibrant, tradable bond market, the impact of these initiatives on the trading of the Instruments cannot be assessed immediately.

b. Currency (Exchange Rate) Risk

A number of the projects that will be undertaken by the Company may involve a foreign currency component either in terms of the cost of manpower and equipment or other foreign denominated elements required for the execution of such projects. Fluctuations in the value of the Naira can make the costs of projects more expensive than initially projected, thus impacting negatively on the Company’s ability to complete the projects within the existing financing structure or servicing of the projects’ funding scheme. Consequently, the Company may not generate the revenues anticipated from the projects.

c. ***Changes in interest rates may affect the price of the Instruments***

When securities such as the Instruments are offered with a fixed interest rate, such securities are subject to price fluctuations; as such securities may vary inversely with changes in prevailing interest rates. That is, where interest rates rise, prices of Fixed Rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Instruments.

The Instruments may, in the event of a change in market conditions which result in an adverse change in interest rates, be unattractive to investors; with the prevailing rates being more attractive than the coupon on the issued Instruments.

28 STATUTORY AND GENERAL INFORMATION

28.1 SPONSOR OWNERSHIP STRUCTURE

As at the date of this Shelf Prospectus the 20,000,000 ordinary shares of 50 kobo each in the issued share capital of Axxela Limited were beneficially held as follows:

Particulars of Shareholders	# of shares	% holding
Glover Gas & Power BV Netherland	9,800,000	49
Tope Lawani	10,200,000	51
Sub Total	**20,000,000**	**100**

28.2 AXXELA LIMITED DIRECTORS' INTERESTS

No director holds a direct or indirect interest in the Issuer or Sponsor.

28.3 FINANCIAL INDEBTEDNESS

As of 31 December, 2022, the Sponsor had a total indebtedness of ₦66,646,444,000.00 (Sixty Six Billion, Six Hundred and Forty Six Million, Four Hundred and Forty Four Thousand Naira)

28.4 CLAIMS AND LITIGATION

The Sponsor is, in its ordinary course of business is involved in three (3) suits . The aggregate sum claimed against the Sponsor in the said cases is approximately ₦15,009,910,385.22

The Solicitors are of the opinion that the contingent liability, if any, that could materialise against the Sponsor on account of the cases will not have a material adverse effect on the Sponsor.

The Directors of the Sponsor are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Sponsor and are not aware of any other pending and/or threatened claim or litigation.

28.5 RELATIONSHIP BETWEEN THE ISSUER, ISSUING HOUSES AND OTHER ADVISERS

There are no relationships (other than the professional ones established pursuant to this Programme) existing between the Issuer and any of its advisers.

As of the date of this Prospectus and in compliance with SEC Rule 184(1) as amended, we hereby state that there is no shareholding relationship between Axxela Funding 1 Plc and the Issuing Houses/Book Runners. There is no other relationship between Axxela Funding 1 Plc, its respective directors, major shareholders and principal officers and the Parties to the Programme, except in the ordinary course of business.

28.6 SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

As at the date of this Shelf Prospectus the Issuer has no subsidiary or associated company, while the Sponsor has the following subsidiaries and associated companies:

i) Gaslink Nigeria Limited
ii) Central Horizon Gas Company

iii) Gas Network Services Limited
iv) Transit Gas Nigeria Limited
v) Gas Matrix Limited
vi) Axxela Ghana Limited
vii) FZ Gas Limited

28.7 RELATED PARTY TRANSACTIONS

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. Additional information on related party transactions can be found in the audited financial statements.

28.8 MERGERS AND TAKEOVERS

As at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or current financial year:

- a merger or takeover offer by third parties in respect of the Sponsor's securities; and
- a merger or takeover by the Sponsor in respect of another company's securities.

28.9 OFF BALANCE SHEET ITEMS

As of 30 September 2023, the Sponsor had no off-balance sheet items other than in the ordinary course of business.

28.10 MATERIAL CONTRACTS

The following agreement(s) have been entered into by the Company and are considered material to the Transaction:

(i) A Programme Trust Deed dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, and ARM Trustees Limited
(ii) A series 1 Trust Deed dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, and ARM Trustees Limited
(iii) A series 1 Vending Agreement dated 20 May 2020 among Axxela Fundng 1 PLC, Axxela Limited, Stanbic IBTC Capital Limited, Chapel Hill Denham Advisory Limited, Afrinvest Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria Limited, Renaissance Securities (Nigeria) Limited and Vetiva Capital Management Limited
(iv) A series 1 Master Notes Subscription Agreement dated 20 May 2020 among Axxela Funding 1 PLC, Axxela Limited, Transit Gas Nigeria Limited, Gaslink Nigeria Limited and ARM Trustees Limited
(v) A Deed of Undertaking dated 20 May 2020 made by Axxela Limited Transit Gas Nigeria Limited and Gaslink Nigeria Limited in favour of Axxela Funding 1 PLC and ARM Trustees Limited
(vi) Security Deed dated 20 May 2020 between Axxela Limited and STL Trustees Limited
(vii) Security Deed dated 20 May 2020 between Gaslink Nigeria Limited and STL Trustees Limited
(viii) A Programme Trust Deed dated 12 April 2024 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, and ARM Trustees Limited and STL Trustees Limited
(ix) A series 1 Trust deed dated 12 April 2024 among Axxela Funding 1 PLC, Axxela Limited, Gaslink Nigeria Limited, ARM Trustees Limited and STL Trustees Limited
(x) A Series 1 Vending Agreement dated 12 April 2024 among Axxela Funding 1 PLC, Axxela Limited, Stanbic IBTC Capital Limited, Chapel Hill Denham Advisory Limited, Afrinvest Capital Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria Limited, Vetiva Capital Management Limited, United Capital Plc and FCMB Capital Markets Limited

(xi) A Master Notes Subscription Agreement dated 12 April 2024 among Axxela Funding 1 PLC, Axxela Limited, Transit Gas Nigeria Limited, Gaslink Nigeria Limited, ARM Trustees Limited and STL Trustees Limited.

(xii) A Deed of Undertaking dated 12 April 2024 made by Axxela Limited, Gaslink Nigeria Limited and Transit Gas Nigeria Limited in favour of Axxela Funding 1 PLC, ARM Trustees Limited and STL Trustees Limited.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

28.11 DECLARATION

Except as otherwise disclosed herein:

- No share of the Company is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted to any person in connection with the issue or sale of any share of the Company;
- Save as disclosed herein, the Directors of Axxela Companies have not been informed of any shareholding representing 5% or more of the issued share capital of the Company;
- There are no founders, management or deferred shares or any options outstanding;
- There are no material service agreements between Axxela and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Company and any of its Directors and employees;
- No director or key management personnel has been involved in any of the following (in or outside Nigeria):
    - i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
    - ii) A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
    - iii) The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

Further declarations/information in respect of Directors/shareholders/key management staff of the Issuer:

It is further declared that to the best of the Directors' knowledge as of 30 September 2023,

- None of the Directors/shareholders/key management staff is under any bankruptcy or insolvency proceedings in any court of law;
- None of the Directors/shareholders/key management staff has been convicted in any criminal proceeding;
- None of the Directors/shareholders/key management staff is the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

28.12 COSTS AND EXPENSES

The costs and expenses of undertaking this Multi-Instrument Issuance Programme including fees payable to the SEC, the NGX/FMDQ and professional parties, filing fees, stamp duties, legal fees, other expenses, brokerage commission and the costs of printing and advertising the Offer are as set out in each Pricing Supplement issued by the Issuer.

28.13 CONSENTS

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of Axxela Funding 1 Plc:	Mr. Lazarus Angbazo Mr. Mobolaji Osunsanya Mr. Ogbemi Ofuya Mr Jeremy Bending Ms. Kaat Van Hecke
Company Secretary of Axxela Funding 1 Plc:	Mr. Tuoyo Ejueyitchie
Directors of Axxela Limited:	Mr. Boye Olusanya Mr. Mobolaji Osunsanya Mr. Ogbemi Ofuya Mr Jeremy Bending Mr Lazarus Angbazo Ms. Kaat Van Hecke Mr. Nitin Kaul Mr. Satoshi Awaya
Company Secretary of Axxela Funding 1 Plc:	Mr. Tuoyo Ejueyitchie
Lead Issuing House:	Stanbic IBTC Capital Limited
Joint Issuing House:	Chapel Hill Denham Advisory Limited
Solicitors to the Issuer:	The New Practice
Solicitors to the Offer	Aluko & Oyebode
Bond Trustees	ARM Trustees Limited STL Trustees Limited
Auditors	Ernst & Young
Reporting Accountant	PricewaterhouseCoopers
Rating Agencies	Agusto & Co Global Credit Rating Co. (GCR)

28.14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Joint Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Shelf Prospectus:

(a) The Certificate of Incorporation of the Company duly certified by the CAC;
(b) The Memorandum and Articles of Association of the Company duly certified by the CAC;
(c) The Certified True Copy of the Board Resolution dated 5 October 2023 approving the Multi-Instrument Issuance Programme;
(d) The Audited Financial Statements of the Company for each of the five years ended 31 December 2018, 2019, 2020, 2021 and 2022;
(e) The Reporting Accountants Report on Audited Accounts of the Company for five years ended 31 December, 2022;
(f) The material contracts referred to in Section 20 on page 121;
(g) The written consents referred to above;
(h) The Shelf Prospectus issued in respect of the Multi-Instrument Programme ;
(i) The Programme Trust Deed in respect of the Multi-Instrument Programme
(j) The Master Notes Subscription Agreement
(k) SEC Approval letter;
(l) Any Pricing Supplement under this Programme;
(m) The schedule of claims and litigations and the opinion of the Solicitors to the Offer prepared in connection therewith;
(n) Any Series Trust Deeds under this Programme.

28.15 CAPITAL STRUCTURE

The capital structure of the Issuer as of 31 December 2022 is as follows:

		₦'000
A)	Cash and cash equivalent	1,495,369
B)	Short term debt	1,834,426
C)	Long term debt	8,699,578
D)	Total shareholders equity	290
E)	Guarantees	Nil -

The capital structure of the Sponsor as at 31 December 2022 is as follows:

		₦'000
A)	Cash and cash equivalent	17,719,838
B)	Short term debt	3,794,461
C)	Long term debt	62,851,983
D)	Total shareholders equity	29,872,742
E)	Guarantees	Nil

28.16 CORPORATE DIRECTORY

Contact address of Issuer and Sponsor:

The Wings Office Complex
17A Ozumba Mbadiwe Street
Victoria Island
Lagos
Telephone: +234 1 27000035
Email: enquiries@axxelagroup.com
Website: https://www.axxelagroup.com/

Contact address of Registrar:
Greenwich Registrars & Data Solutions
274 Murtala Muhammed Way
Yaba
Lagos
Telephone: (+234 01 2793160)
Email: info@gtlregistrars.com

The debt securities of the Issuer and Co-Obligor are listed or quoted on either NGX Exchange or FMDQ Exchange with contact details below:

Nigerian Exchange Limited
Stock Exchange House
2-4 Customs Street
Lagos Island
Lagos
Telephone: +234 (700) 225-5649
Email: contactcenter@ngxgroup.com
Website: https://ngxgroup.com/

FMDQ Securities Exchange Limited
Exchange Place
35 Idowu Taylor Street
Victoria Island
Lagos
Telephone: +234 1 277 1719/8771
Email: info@fmdqgroup.com
Website: https://fmdqgroup.com/

28.17 EXTRACTS FROM THE PROGRAMME TRUST DEED

EXTRACT FROM THE PROGRAMME TRUST DEED

2. APPOINTMENT OF TRUSTEES

2.1 The Issuer hereby creates and establishes a trust for the benefit of the Instrument holders.

2.2 Subject to the terms and conditions of this Deed, the Issuer hereby appoints the Trustees to act on behalf of the Instrument holders, to hold the benefit of the covenants and other obligations of the Issuer on trust for the benefit of the Instrument holders and themselves. Any sums received by the Trustees from the Issuer shall be received on trust in accordance with the provisions of this Deed.

2.3 By execution of this Deed, the Trustees accepts and agrees to enforce the powers and perform the duties and obligations of the Trustees specifically set out in this Deed and generally provided for in the Trustee Investments Act, and SEC Rules and Regulations.

2.4 For any Series of Sukuk to be issued pursuant to this Deed, the Issuer Trustee shall enter into a Declaration of Trust with the Delegate Trustee in respect of the relevant Trust Assets for that Series of Sukuk as provided in the Final Terms for such Sukuk issuance.

14. DECLARATION OF TRUST

The Trustees

The Trustees hereby declares itself trustees for the Holders with effect from the date of this Deed to hold the benefit of the covenants and other obligations on the part of the Co-Obligors herein contained, in trust for the Holders and itself (according to their respective interests) subject to the terms of this Deed.

The Issuer undertakes that no later than the Issue Date of any Series of Sukuk, it shall procure that, where applicable, the special purpose entity is stablished as the Issuer or the Issuer enters into a Declaration of Trust with the Delegate Trustee(s) in respect of the relevant Trust Assets for that Series of Sukuk.

Duration of Trusts

For the avoidance of doubt, the Parties to this Deed agree that the common law rules against perpetuities will apply to this Deed and the Deed shall not enure beyond 21 years from the date of its creation.

Subject to Clause 0, the trusts created by this Deed shall remain in full force and effect until:

the Instrumentholders have been paid all outstanding obligations; and

the date on which the Issuer receives an unconditional release in writing by the Trustees (for the Issuer and Co-Obligors) from all of their respective obligations under this Deed or other documents pursuant to this Deed, if any.

4 PROGRAMME TRUST DEED BINDING ON ALL PARTIES

The provisions of this Deed shall be binding on the Issuer, Sponsor, the Co-Obligors, the Trustees, the Holders and all persons claiming through the Holders respectively as if such Holders and persons are parties to this Deed.

5 COVENANT TO REPAY

5.1. The aggregate Principal Amount pursuant to this Deed is limited to ₦50,000,000,000.00 (Fifty Billion Naira).

Covenant to pay on the Instruments

5.2. The Issuer and Co-Obligors covenants with the Trustees that it will, in accordance with these provisions, on the Payment Date, or on such earlier date as the Bonds may become due and repayable thereunder, pay or procure to be paid unconditionally in immediately available freely transferable funds in Nigerian Naira, to or to the order of the Trustees, the *Principal* Amount repayable, and applicable Coupon (which shall accrue from day to day) on the Principal Amount at the Coupon Rate PROVIDED THAT:

5.2.1. every payment to any Instrumentholder in respect of the Principal Amount or Coupon of the Bonds held by him shall operate in satisfaction *pro tanto* of the covenant of the Issuer and Co-Obligors in this clause contained except to the extent that there is default in the subsequent payment thereof in accordance with this Deed;

5.2.2. in any case where payment is not made to the Payment Account as and when due, interest shall continue to accrue on the amount due, (both before and after any judgment or other order of a court of competent jurisdiction) at the rate prescribed in the Terms and Conditions of the Instruments, from the date of such default to and including the date which the Trustees determines to be the date on and after which payment is to be made to the Holders in respect thereof as stated in a notice given to the Holders in accordance with Clause 46 (*Notices*);

Covenant to pay on the Sukuk

5.3. The Issuer acknowledges that it is obliged, in its respective capacity as Issuer Trustee, to make certain payments under the Sukuk Documents. Accordingly, the Issuer acknowledges and agrees that the Delegate Trustee as agent of the Issuer Trustee shall have direct recourse against the Issuer to recover such payments. Where the net proceeds of realisation of, or enforcement of, the Trust Assets are not sufficient to make all payments due in respect of the Sukuk following the distribution of such proceeds, and there remains a shortfall in payments due under the Sukuk, subject to Sukuk Condition 16, no Sukukholder will have any claim against the Issuer Trustee (to the extent that the Trust Assets have been exhausted) the Issuer or the Delegate Trustee (to the extent that each fulfils all of its obligations under the Sukuk Documents to which it is a party) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall, and any unsatisfied claims of the Sukukholders shall be extinguished.

5.4. The Issuer, the Delegate Trustee and the Sukukholders shall only be entitled to deal with the Trust Assets as expressly permitted by the Sukuk Documents and the Sukuk Conditions, and this shall be the sole right of the Delegate Trustee. Subject to Sukuk Condition 16, the Sukukholders' right against the Issuer Trustee (in its capacity as Obligor) shall be to enforce obligations under the Sukuk Documents.

5.5. Every payment of principal on the Instruments shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income, which the Issuer may by any Applicable Law be required to deduct.

5.6. The Issuer shall ensure that all payments due to the Holders shall be paid to the Payment Account as provided hereunder.

6 WAIVER OF INTEREST

Each Sukukholder, Issuer Trustee and Delegate Trustee irrevocably agrees that no interest will be payable or receivable under or in connection with any Sukuk and in the event that it is determined that any interest is payable or receivable in connection with the Relevant Trust Deeds by any party to it, whether as a result of any judicial award or operation of any applicable law or otherwise, such party agrees to waive any right it may have to claim or receive such interest and the Issuer shall procure that each Sukuk Document contains similar terms of waiver as may be applicable.

7 PURPOSE

7.1 The net proceeds of each Series of Instruments (after deduction of the costs and expenses incurred in connection with the issuance of such Series) shall be applied towards the purpose specified in the relevant Pricing Supplement.

7.2 Without prejudice to the generality of the foregoing and the subsequent provisions of this Deed, the Trustees shall be entitled to but shall not be bound to enquire as to the application of the proceeds of the Instruments.

8 ISSUANCE OF THE INSTRUMENTS

8.1 *Mode of Issuance and Offering*

The Instruments constituted under this Deed shall be issued in Series by way of a public offer, book building, private placement and or any other such methods as shall be set out in more detail in the relevant Pricing Supplement in an aggregate nominal amount from time to time not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount, the provisions of such Pricing Supplement shall apply.

8.2 *Status of the Instruments*

The Instruments constitute direct, general, and irrevocable obligations of the Issuer, Sponsor, and Co-Obligors as may be specified in the relevant Final Terms.

8.3 *Ranking of the Instruments*

The ranking of the Instruments as and when issued shall be as specified in the relevant Final Terms.

8.4 *Terms of Issue*

The Terms and Conditions of the Instrument, subject to compliance with all Applicable Laws, will be set out in the Terms and Conditions of the Instruments and annexed hereto. The Terms and

Conditions shall be deemed to be incorporated in this Deed and shall be binding on the Obligors, the Trustees and the Instrumentholders and all persons claiming through or under them respectively.

8.5 *Minimum Subscription of Instruments*

The minimum subscription of the Instruments shall be as specified in the relevant Series *Trust* Deed.

8.6 *Coupon Rate*

The Coupon payable in respect of the Instruments shall be specified in the relevant Series Trust Deed.

8.7 *Periodic Distribution*

The basis for calculating any Periodic Distribution in respect of the Sukuk shall be as specified in the relevant Final Terms.

8.8 *Currency of payments*

All payments in respect of, under and in connection with this Deed, shall be denominated in Nigerian Naira and subject to compliance with all applicable legal or regulatory requirements.

8.9 Any Series of the Instruments may be secured, unsecured, subordinated, or guaranteed under terms to be provided in the applicable Final Terms.

8.10 Any Series of Sukuk may be issued in accordance with Sukuk structures approved by the SEC as set out in the Final Terms.

9 FORM OF THE INSTRUMENTS

9.1 *Instruments to be in Registered Form*

9.1.1 Unless otherwise specified in any Final Terms, the Instruments shall be in registered form, made eligible for admission to listing on a Recognised Securities Exchange and issued in accordance with applicable legal and securities exchange listing authority and or quotation system requirements and unless otherwise specified in any Final Terms**,** the Instruments shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD and evidenced by credit into the Instrumentholder's CSD Account. Dealings in the Instruments shall be in accordance with CSD procedures and the rules of the FMDQ and or NGX.

9.1.2 Notwithstanding Clause 9.1.1 above, a Holder may elect to receive a certificate, covering the Principal Amount of his beneficial interest in the Instruments. PROVIDED THAT joint Holders shall be entitled to only one (1) certificate in respect of the Instrument jointly held by them which certificate shall be delivered to that one of the joint Holders whose name appears first in the Register and the delivery of a certificate to one of such persons shall be deemed to be sufficient delivery to all.

9.2 Title to Instruments

9.2.1 Title to the Instruments shall pass upon the registration of transfers by the Registrar in respect thereof in accordance with the provisions of this Clause 9.2.

9.2.2 Statements issued by the CSD as to the aggregate number of Instruments standing to the credit of the CSD Account of any Bondholder shall be conclusive and binding for all purposes except in the case of manifest error and such Instrumentholder shall be treated by the Issuer, Sponsor, Co-Obligors, the InstrumentTrustees and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

9.2.3 The Instrumentholders shown in the records of the CSD (or their legal representatives) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of this Deed and any relevant Series Trust Deed.

9.3 *Transfer of Instruments*

Transfers of Instruments will be effected through the records of the CSD and rules and procedures of the CSD, and title to Instruments shall pass when such transfer is recorded in the Register.

9.4 *Persons to be treated as Instrumentholders*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Co-Obligors, the Trustees, and the Registrar (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

9.4.1 for the purpose of making payment thereon or on account thereof;

9.4.2 for the purpose of voting, giving consents and making requests pursuant to these provisions, deem and treat the registered holder of any Instrument as the absolute legal and beneficial owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the registered Instrumentholder; and

9.4.3 for all other purposes, deem and treat the registered holder of any Instrument as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of the Registrar or any other form of record made by it) or as to the identity of the registered holder of any Instrument.

9.5 *Rights of Instrumentsholders*

The Instrumentholders shall not have or acquire any right against the Instrument Trustees in respect of the Instruments except as expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognized as an Instrument holder except in respect of Instruments registered in his name in the Register.

9.6 *Certificates of the Registrar*

The Issuer and the Trustees may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on (without liability) as sufficient evidence thereof, a certificate or letter of confirmation issued on behalf of the Registrar or any form of record made by the Registrar or such other form of evidence and/or information and or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Instruments and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

10 SECURITY

10.1 Subject to the relevant Final Terms, each Co-Obligor(s) may create Security over any of its Assets, Receivables and undertakings as security for the payment of Instruments issued under a Series and the performance by the Issuer and the Co-Obligor(s) of their obligations under the relevant Series.

10.2 Subject to the relevant Final terms, the Guarantor may issue a Guarantee in favour of the Trustees on behalf of the Instrumentholders as set out in the Deed of Guarantee pursuant to which the obligations of the Issuer and the Co-Obligors in respect of the Instruments under a Series shall be unconditionally and irrevocably guaranteed.

11 ESTABLISHMENT OF ACCOUNTS

11.1 Establishment of Payment Account

11.1.1 Subject to the applicable Final Terms, the Issuer shall not later than the Closing Date, open with the Account Bank the Payment Account in respect of any relevant Series in the name and under the control of the Trustees.

11.1.2 The Issuer shall pay all monies due under the Instruments into the Payment Account no later than five (5) Business Days before the Coupon Payment Date or the Payment Date (as the case may be) in relation to Bonds and as specified in relevant Final Terms in relation to the Sukuks.

11.1.3 The Issuer shall send a payment confirmation by authenticated SWIFT acknowledgment or other acceptable form or notification to the Trustees confirming that the relevant payment has been made into the Payment Account as may be specified in the relevant Series Trust Deed.

11.1.4 The Trustees shall utilise the funds in the Payment Account for the purposes of effecting payments on the Instruments to the Instrumentholders as and when due in accordance with the relevant Final Terms.

11.1.5 The Trustees shall at the expense of the Issuer immediately notify the Issuer:

11.1.5.1 if it has not by close of business on the relevant date received the full amount required for payment to the relevant Instrumentholders, that it has not received the full amount required for payment to the Instrumentholders; or

11.1.5.2 if it has received the full amount of any sum payable in respect of the Instruments, that it has received the full amount required for payment to the Instrumentholders and the Issuer is accordingly discharged of its payment obligations then due.

11.1.6 Funding of Payment Account

The Payment Account shall be funded by the Issuer in such frequency as may be specified in the applicable Final Terms for the purpose of accumulating monies to pay coupon and where applicable repay the principal amount due on the applicable Payment Date. The money standing to the credit of the Payment Account on any Payment Date shall not be less than the aggregate principal and coupon due on the relevant Series on the relevant Payment Date.

11.2 Establishment of Minimum Reserve Account

11.2.1 Subject to the applicable Final Terms, the Issuer and the Co-Obligors shall, on or before the Closing Date of any relevant Series, open the Minimum Reserve Account

11.2.2 The Issuer and the Co-obligors shall maintain the Minimum Reserve Account where applicable in respect of any relevant Series in the name and under the control of the Trustees.

11.2.3 *Funding of Minimum Reserve Account*: The Minimum Reserve Account shall be funded by the Co-Obligors in such Minimum Reserve Amount determined under the applicable Final Terms for the relevant Series.

12 DISTRIBUTION OF MONIES

Distribution on Bonds

12.1 The Trustees shall, upon determining that the funds in the Payment Account are sufficient to meet payment of the Coupon due on the Instruments on a Coupon Payment Date and or Principal Payment Date, electronically transfer the funds required for payment of Coupon due on the Instruments for the Coupon Payment Date into an account nominated by the Registrar two (2) days before the relevant Coupon Payment Date.

12.2 The Trustees shall, upon determining that the funds in the Payment Account are sufficient to meet payment of Principal Amount or Redemption Amount on a Maturity Date, electronically transfer the funds required for payment of Principal Amount or Redemption Amount on the Maturity Date into an account nominated by the Registrar two (2) days before the relevant Maturity Date.

12.3 Payment of the Coupon and Principal Amount for the time being owing or due on all or any part of the Instrument will be credited electronically by the Registrar to the nominated bank account of the Instrumentholder made available to the Registrar, for this purpose (or in the case of joint registered Instrumentholders, by the joint Instrumentholders.

12.4 Provided that where an Instrumentholder has not nominated any bank account, the Registrar will notify the Instrumentholder and pending the time the Instrumentholder provides the account details, the Registrar will withhold payment of such amount and transfer the same to the Trustees. The Trustees shall hold such moneys in trust for such Instrumentholder and interest on such amount shall cease to accrue. The Trustees shall not be responsible for the safe custody of such moneys (unless such moneys are deposited in a bank that is not an Account Bank or a bank agreed by the Parties) or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Trustees.

12.5 For the avoidance of doubt, no interest pursuant to Clause **Error! Reference source not found.** s hall accrue from the period commencing on the date of notification of the Instrumentholder to the date on which the Instrumentholder provides the account details.

Without prejudice to the provisions of the Final Terms, the receipt by each Instrumentholder or in the case of joint Holders by any one of such joint Holder of any Principal Amount or Coupon payable in respect of Instruments(s) held by such Instrumentholder or joint Instrumentholder shall constitute a discharge of the payment obligations of the Issuer to pay such Principal Amount or Coupon.

Distribution on Sukuks

12.6 Periodic Distribution in respect of each Sukuk under a Series Pursuant to this Deed shall be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms.

13 OBLIGATION OF CO-OBLIGORS

13.1 *.Joint and Several obligations*

13.1.1. Each of the Co-Obligors, jointly and severally, hereby irrevocably and unconditionally, guarantees to the Trustees:

13.1.1.1. the due and punctual payment of the principal and interest in the relation to the Instruments, Bonds and Periodic Distribution in the relation to Sukuks (as the case may be) and of any other amounts payable by the Issuer under the relevant Series immediately on demand, in immediately available funds, without any deduction, set-off, counterclaim or withholding of any kind (including without limitation, on account of taxes); and

13.1.1.2. the due and punctual performance and observance by the Issuer of all the obligations of the Issuer under or pursuant to this Deed.

13.1.2 The obligations of the Co-Obligors shall include monetary damages arising out of any failure by the Issuer to perform its obligations under this Deed or the Final Terms, to the extent that any failure to perform such obligations gives rise to monetary damages, it being the intention of the Parties hereto that all the obligations shall be the joint and several obligations of each of the Co-Obligors without preferences or distinction among them (the "Obligations").

13.1.2. If and to the extent that any of the Co-Obligors shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event, the other Co-Obligors will make such payment with respect to, or perform, such Obligation.

13.1.3. The Obligations of each of the Co-Obligors under the provisions of this Clause 133 constitute the full recourse Obligations of each of the Co-Obligors enforceable against each such Co-Obligor to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Deed or any other circumstance whatsoever.

13.1.4. The Obligations of each of the Co-Obligors under this Deed are continuing obligations and shall extend to the ultimate balance of sums payable by the Issuer under this Trust Deed and the Instruments, regardless of any intermediate payment or discharge in whole or in part.

13.2. Payments

13.2.1. Any payment made by any of the Co-Obligors shall be in satisfaction of the relevant covenant to pay by the Issuer pursuant to Clause 5 (*Covenant to Repay*) (except to the extent that there is a default in a subsequent payment). Interest shall accrue (in relation to Bonds) on any payment made after the due date, up to and including the date payment is made at the Coupon Rate. All payments made by any of the Co-Obligors under this Deed shall be subject to Clause 14 (*Taxes*).

13.2.2. Each of the Co-Obligors hereby agrees that the payment of any amounts due with respect to any indebtedness owing by the Issuer or any Co-Obligor to any other Co-Obligor or any Subsidiary of the Sponsor is hereby subordinated to the prior payment of the Obligations in full.

13.2.3. Each Co-Obligor hereby agrees that after the occurrence and during the continuance of any Event of Default, such Co-Obligor will not demand, sue for or otherwise attempt to collect any indebtedness of any other Co-Obligor or the Issuer, owing to such Co-

Obligor until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Co-Obligor shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Co-Obligor in Trust on behalf of the Trustees and be paid over to the Trustees to be applied to repay the Obligation.

13.3. Waiver of Defences

13.3.1. Except as otherwise expressly provided herein, each Co-Obligor hereby waives promptness, diligence, presentment, demand, protest, notice of acceptance of its joint and several liability, notice of any utilisation of proceeds, and any promissory note issued hereunder, notice of occurrence of any Event of Default (except to the extent notice is expressly required to be given pursuant to the terms of this Trust Deed), or of any demand for any payment under this Deed, all demands, notices and other formalities of every kind in connection with this Deed.

13.3.2. Each Co-Obligor hereby waives all defences which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the ranking of Assets of the Co-Obligors and any other entity or Person primarily or secondarily liable with respect to any of the Obligations, and all suretyship defences generally.

13.3.3. Each Co-Obligor hereby agrees that its Obligations shall not be released or discharged, in whole or in part, or otherwise affected by, the adequacy of any rights which the Trustees may have against any collateral security or other means of obtaining repayment of any of the Obligations, the impairment of any collateral security securing the Obligations, including, without limitation, the failure to protect or preserve any rights which the Trustees may have in such collateral security or the substitution, exchange, surrender, release, loss or destruction of any such collateral security, any other act or omission which might in any manner or to any extent vary the risk of such Co-Obligor, or otherwise operate as a release or discharge of such Co-Obligor, all of which may be done without notice to such Co-Obligor.

13.3.4. The Obligations of each Co-Obligor under this Clause 133 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any reconstruction or similar proceeding with respect to any other Co-Obligor. The joint and several liability of the Co-Obligors hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, ownership, membership, constitution of any Co-Obligor, the Issuer or the Trustees.

13.3.5. The provisions of this Clause 133 are made for the benefit of the Trustees and their respective permitted successors and assigns, and may be enforced by them from time to time against any or all of the Co-Obligors as often as occasion therefore may arise and without requirement on the part of the Trustees or any of their agents first to exercise any of their rights against the other Co-Obligors or to exhaust any remedies available to them against any other Co-Obligor or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy.

13.3.6. The provisions of this Clause 133 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied.

13.4. Addition and or Substitution of Co-Obligors

13.4.1. The Trustees may without the consent of the Instrumentholders agree to the addition of one or more direct or indirect Subsidiaries of the Sponsor to become an additional Co-Obligor hereto (the "Additional Co-Obligor"), and or, the substitution in place of any Co-Obligor (or any previous substitute under this clause), as a Co-Obligor under this Deed, and any other agreements in respect of the Instruments, of any successor of any Co-Obligor (the "Substitute Co-Obligor") subject to such conditions as the Trustees may require, PROVIDED THAT:

13.4.1.1. The prior approval of the Commission shall have first been obtained (where applicable);

13.4.1.2. A supplemental trust deed among the Issuer, the Trustees, and the Co-Obligors shall be executed by the Substitute Co-Obligor and or Additional Co-Obligor in the form and manner satisfactory to the Trustees, agreeing to be bound by the terms of this Deed, the Instruments and any consequential amendments which the Trustees may deem appropriate, as fully as if the Substitute Co-Obligor and or Additional Co-Obligor had been named in this Deed (and the substituted Co-Obligor has been released from all obligations hereunder), the applicable Final Terms and on the Instruments as a Co-Obligor to the Issuer (or such previous Substitute Co-Obligor and or Additional Co-Obligor under this clause);

13.4.1.3. Any authorised officer of the Issuer or (as the case may be) the Substitute Co-Obligor and or Additional Co-Obligor shall certify to the Trustees that the Substitute Co-Obligor and or Additional Co-Obligor will be solvent immediately after the time at which the said substitution and/or addition is to be effected;

13.4.1.4. The Trustees shall be satisfied that the Substitute Co-Obligor and or Additional Co-Obligor has obtained all approvals/consents necessary for its assumption of liability as a Co-Obligor under this Deed and such approval/consents are at the time of substitution and or addition in full force and effect;

13.4.1.5. The relevant Rating Agency shall have notified the Trustees in writing that such substitution and or addition shall not result in the rating agency withdrawing or downgrading its rating(s) with respect to the relevant Series.

13.4.1.6. The Issuer and the Substitute Co-Obligor and or Additional Co-Obligor (or any previous Substitute Co-Obligor and or Additional Co-Obligor under this clause) shall execute such other document, and instruments as the Trustees may require in order that such substitution is fully effective and comply with such other requirements in the interest of the Instrumentholders as the Trustees may direct.

13.4.2. On the execution of the supplemental trust deed pursuant to Clause 13.4.1.2, the Substitute Co-Obligor and or Additional Co-Obligor shall be deemed to be named in this Deed as a Co-Obligor in addition to the existing Co-Obligors, and this Deed shall be deemed to be amended to give effect to the substitution and or addition. References to the Co-Obligors in this Deed shall be deemed to be references to include the Substitute Co-Obligor and or Additional Co-Obligor where applicable.

14 TAXES

14.1 The Issuer shall (and the Issuer shall ensure that the Co-Obligors, if any, shall) where applicable, duly and punctually pay and discharge all Taxes (a) for which it reasonably believes it is liable pursuant to any self-assessment procedure; and (b) assessed upon it or its Assets under Applicable Law within the time period allowed without incurring penalties, except solely in the case of (b) above, to the extent:

14.1.1. that such payment is being contested in good faith;

14.1.2. adequate reserves are being maintained for those taxes and any interest or penalties; and

14.1.3. that such payment can be lawfully withheld.

14.2 All payments to be made in respect of repayment due under the Instruments shall be subject to any applicable Tax deductions required under Applicable law to be deducted or withheld by the Issuer. Provided that the deductions required are subject to the expiry of any existing tax waivers on bond investments under the Applicable Law.

15 COVENANT OF COMPLIANCE WITH THE PROGRAMME TRUST DEED

The Issuer and each of the Co-Obligors covenant with the Trustees that they will comply with and perform and observe all the provisions of this Deed and the Terms and Conditions which are expressed to be binding on them. The Terms and Conditions shall be binding on the Issuer, Co-Obligors, Issuer Trustee, Delegate Trustee and Delegate Trustee (in relation to Sukuks), and the Instrumentholders. The Trustees shall be entitled to enforce the obligations of the Issuer and each Co-Obligor under the Instruments and the Final Terms as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Instrument. The Trustees shall hold the benefit of this covenant upon trust for themselves and the Instrumentholders according to their respective interests.

16 CANCELLATION OF THE INSTRUMENTS AND RECORDS

The Issuer shall procure that all Instruments issued by it which are: (i) redeemed or (ii) purchased by or on its behalf, shall be cancelled, in accordance with the rules under the CSD, by or on behalf of the Issuer, and the Issuer shall not keep such Instrument valid for the purpose of re-issue or resell. For so long as the Instrument is admitted to listing and or trading on a Recognised Securities Exchange and the rules of the Recognised Securities Exchange require, the Registrar shall promptly inform the Recognised Securities Exchange of the cancellation of any Instrument under this Clause 16 (*Cancellation of the Instruments and Records*).

17 REDEMPTION OF THE INSTRUMENTS

Redemption of Bonds

17.1 The *mode* and terms of redemption of the Bonds will be in accordance with Bond Condition 3 (Redemption).

Dissolution of Sukuks

17.2 Unless previously redeemed, or purchased and cancelled, in full, each Sukuk Certificate shall be finally redeemed on the date as provided in the Sukuk Documents, and, upon the payment of the Dissolution Amount to Sukukholders, the Sukuk trust shall dissolve, the Sukuk Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and none of the Issuers and Delegate Trustee shall have any further obligations in respect thereof.

17.3 The Issuer, the Delegate Trustee and the Sukukholders shall only be entitled to deal with the Trust Assets as expressly permitted by the relevant Sukuk Documents.

18 CREDIT ENHANCEMENT

The Issuer may in relation to any Series, introduce credit enhancement measures (to be specified in the applicable Final Terms instruments) including, collateral, insurance policies or third-party guarantees.

19 REPRESENTATIONS AND WARRANTIES

19.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants on the date of this Deed that:

19.1.1. it is a public limited liability company duly incorporated under Nigerian law and has full power and authority, and all governmental licences, authorisations, consents and approvals necessary to;

19.1.1.1. execute and deliver the Offer Documents; and

19.1.1.2. perform its obligations under the Offer Documents;

19.1.2. its execution and delivery of the Offer Documents and its performance thereunder:

19.1.2.1. have been duly authorised by all necessary corporate action (including any necessary board resolution or similar action);

19.1.2.2. do not contravene any Applicable Law material in the context of the transactions contemplated in the Offer Documents;

19.1.2.3. do not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or/ its assets; and

19.1.2.4. do not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its assets.

19.1.3. the entry into and performance by the Issuer of, and the transactions contemplated by the relevant Offer Documents have been duly authorised by all necessary corporate action and will not conflict with:

19.1.3.1. its constitutional documents; or

19.1.3.2. any document which is binding upon it;

19.1.4. each of the Offer Documents has been duly executed and delivered by it and (with respect to any Instruments, upon its authentication and delivery by the Trustees) constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;

19.1.5. it is in substantial compliance with all Applicable Laws;

19.1.6. it has obtained the corporate approvals required for the issuance of the Instruments;

19.1.7. the obligations of the Issuer to the Holders under the Offer Documents are direct, general and unconditional obligations of the Issuer and rank pari passu with all other present and future unsecured and subordinated Financial Indebtedness, if any, of the Issuer;

19.1.8. it is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended making payments on any of its debts (other than debts disputed in good faith) or, by reason of actual or anticipated financial difficulties, commenced negotiations with or sought Moratorium from one or more of its creditors with a view to rescheduling any of its Financial Indebtedness on account of inability to pay;

19.1.9. all the information in the Offer Documents (as supplemented from time to time) that has been made available to the Holders by the Issuer or any director, officer, employee, or representative of the Issuer in connection with the transaction contemplated herein is and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made;

19.1.10. while any Instruments are outstanding, it agrees to timeously supplement any of the information referred to in Clause 20 (Covenants of the Issuer) below from time to time so that the representations and warranties contained in this Clause 19.1 (Representations and Warranties of the Issuer) remain correct at all times and acknowledges that each of the Holders is acting in reliance upon the accuracy of information supplied by the Issuer without any independent verification.

19.1.11. Other than as disclosed in the Shelf Prospectus, no litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of the Directors of the Issuer (having made all due enquiries), pending or threatened in writing, against the Issuer or against any of its Directors or its assets which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

19.1.12. It shall procure that the Issuer Trustee (where the Issuer Trustee is a special purpose Issuer Trustee) accedes to this Deed and provides the requisite representation and warranties under the relevant Series Trust Deed.

19.2. Representations and Warranties of the Co-Obligors

Each of the Co-Obligors hereby represents and warrants that:

19.2.1. it is duly incorporated under the laws of Nigeria, duly established, in good standing and has full power and authority, and all governmental licences, authorisations, consents and approvals necessary, to:

19.2.1.1. execute and deliver the Offer Documents; and

19.2.1.2. perform its obligations under the Offer Documents.

19.2.2. its execution and delivery of the Offer Documents and its performance thereunder:

19.2.2.1. have been duly authorised by all necessary corporate action (including any necessary board resolution or similar action);

19.2.2.2. do not contravene any Applicable Law material in the context of the transactions contemplated in the Offer Documents; and

19.2.2.3. do not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its Assets.

19.2.3. the entry into and performance of the transactions contemplated by, the relevant Offer Documents do not and will not conflict with:

19.2.3.1. its constitutional documents;

19.2.3.2. any document which is binding upon it; or

19.2.3.3. any licence that is required for the carrying on of its business.

19.2.4. each of the Offer Documents has been duly executed and delivered by it and (with respect to any Instruments, upon its authentication and delivery by the Trustees) constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;

19.2.5. it is in substantial compliance with all Applicable Laws material in the context of the transactions contemplated in the Offer Documents;

19.2.6. it has obtained the corporate approvals required for the sponsor and/or guarantee of the Instruments;

19.2.7. it is absolutely, solely and beneficially entitled to all the Assets and Receivables as from the date the Assets or Receivables fall to be used as Security in respect of any Series;

19.2.8. it is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended making payments on any of its debts (other than debts disputed in good faith) or, by reason of actual or anticipated financial difficulties, commenced negotiations with or sought Moratorium from one or more of its creditors with a view to rescheduling any of its Financial Indebtedness on account of inability to pay;

19.2.9. all the information in the Offer Documents (as supplemented from time to time) that has been made available to the Holders by the Co-Obligors or any director, officer, employee, or representative of the Co-Obligors in connection with the transaction contemplated herein is and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made;

19.2.10. while any Instruments are outstanding, it agrees to timeously supplement any of the information referred to in Clause 22 (Covenants of the Co-Obligors) below from time to time so that the representations and warranties contained in this Clause 19.2 (Representations and Warranties of the Co-Obligors) remains correct at all times and acknowledges that each of the Holders is acting in reliance upon the accuracy of information supplied by the Co-Obligors without any independent verification.

19.2.11. Other than as disclosed in the Shelf Prospectus, no litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of the Directors of the Co-Obligors (having made all due enquiries), pending or threatened in writing, against the Co-Obligors or against any of its Directors or its Assets which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

19.3. Representations and Warranties of the Trustees

The Trustees represents and warrants to the Issuer that:

19.3.1. it is a company duly registered under the laws of the Federal Republic of Nigeria;

19.3.2. it is duly registered and licensed by the Commission to act as a trustee in connection with capital market transactions and provide corporate trust services in Nigeria;

19.3.3. it has the full power, consent and authority to enter into this Deed, exercise its rights and perform its obligations under this Deed and such authorisations and consent are in full force and effect;

19.3.4. it has the resources, capacity and expertise to act on behalf of the Instrumentholders with regard to every issue of Instruments under the Programme and it shall comply with the provisions of the ISA, the Trustees Investment Act, this Deed and the relevant Series Trust Deeds in the performance of its obligations;

19.3.5. the obligations expressed to be assumed by it under this Deed are legal and valid obligations binding on it in accordance with their terms;

19.3.6. it shall provide any information, which are within its knowledge that the Commission or the Issuer may require in connection with its obligations to act on behalf of the Instrumentholders;

19.3.7. it shall not allow any conflicts to occur between its obligations in connection with the Instruments and its commercial interests;

19.3.8. the operations of the Trustees in respect of the Programme are, have been and will be, conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Nigeria, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency applicable to the Trustees (collectively, "Money Laundering Laws") and except as otherwise disclosed, there are no pending actions, suits or proceedings by or before any court or governmental agency, authority or body or any arbitrator involving the Trustees with respect to Money Laundering Laws, which could have a material adverse effect on the Trustees' ability to perform its obligations under this Agreement.

19.3.9. it does not have any subsisting and undisclosed fiduciary relationship with the Issuer; and

19.4. it shall comply with its obligations under this Deed and the terms and conditions specified in this Deed.

19.5. Warranties as they apply to the Issuer Trustee

The Issuer warrants that the warranties in clause 19.1 shall be applicable to the Issuer Trustee and shall be repeated mutatis mutandis by any special purpose Issuer Trustee in the Declaration of Trust for that Series of Sukuk.

19.6. Repetition of Representations and Warranties

The Representations made by each of the Parties above are made on the date of this Deed and are deemed to be repeated by each of the Parties on each anniversary of the Allotment Date, by reference to the facts and circumstances then existing on the Closing Date.

20 COVENANTS OF THE ISSUER

The Issuer covenants to the Trustees that it shall:

20.1 comply with and perform all the obligations expressed to be undertaken by it under this Deed and the Instruments. The Trustees shall be entitled to enforce the obligations of the Issuer under the Instruments as if the same were set out and contained in the Deed, which shall be read and construed as one document with the Terms and Conditions.;

20.2 to the extent that any Instruments are constituted under the relevant Series Trust Deed and issued, be indebted to the Instrumentholders up to:

20.2.1. in relation to Bonds the principal amount of the Bonds specified in such Series Trust Deed in respect of the relevant Series and undertakes to the Trustees that the Bonds, to the extent constituted and issued, shall be redeemed together with any outstanding coupon and other interest/monies on the Redemption Date in the relevant currency (or earlier on an amortised basis) provided for in the relevant Final Terms or such earlier date as the same or any part may become due and repayable;

20.2.2. in relation to Sukuks, the Dissolution Amount specified in such Series Trust Deed and undertakes to the Trustees that the Sukuk, to the extent constituted and issued, shall be redeemed together with any outstanding Periodic Distribution on the Redemption Date in the relevant currency provided for in the relevant Final Terms or such earlier date as the same or any part may become due and repayable;

20.3 pay to the Trustees in immediately available funds, the full principal amount of the Instrument and or such part of the Instrument as ought to be redeemed on the Redemption Date as may be payable, and shall in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay unconditionally to or to the order of the Trustees, interest (which shall accrue from day to day) on the Principal Amount;

20.4 in the event it fails to make payment to the Trustees on or before the due date or improperly withholds or refuses to make such payment, interest shall continue to accrue (in relation to Bonds) on the Principal Amount so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which payment is eventually made to the Instrumentholders;

20.5 ensure every payment of principal and or interest (in relation to Bonds) on the Instrument will be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by any Applicable Laws be required to deduct;

20.6 obtain and keep in full force and effect all authorisations required for the validity and enforceability of the Offer Documents against the Issuer;

20.7 promptly inform the Trustees of any Event of Default as soon as it becomes aware of such event;

20.8 comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case is material to its business and its obligations under the Offer Documents for as long as any Instruments are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its business or its obligations under the Offer Documents;

20.9 furnish the Trustees and Rating Agencies with a copy of its quarterly financial statements within ten (10) Business Days of sending the same to the Commission;

20.10 furnish the Trustees and Rating Agencies with five (5) copies of its audited financial statements, including its Statements of Financial Position as at the close of that fiscal year and the Statements of Financial Position and statements of sources and application of funds for that fiscal year, prepared in accordance with IFRS and confirmed by the Auditors as fairly representing the financial condition of the Issuer as at the close of that fiscal year, at the same time as such statements are being sent to the Issuer;

20.11 for as long as any Instruments are outstanding, subject to obtaining the prior written consent of the Trustees (such consent not to be unreasonably withheld, conditioned or delayed), be entitled to enter into any amalgamation, de-merger, merger, consolidation or corporate restructuring, internal restructuring, an arrangement with a related entity or such other restructuring or arrangement, or enter into any transaction which effect would be similar to that of a merger, de-merger, consolidation or corporate reconstruction, provided that:

20.11.1 no consolidation, corporate restructuring, merger or other change in the status of the Issuer shall be interpreted to avoid the Issuer's obligations imposed by this Deed and in the event of any change in status of the Issuer, the successor or successors-in-title of the Issuer shall be held and deemed responsible for the due performance of the obligations intended by this Deed. PROVIDED that if required by the Trustees, the successor or successors-in-title of the Issuer shall expressly assume by a supplemental trust deed to the Trust Deed in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under the Trust Deed;

20.11.2 immediately before and after giving effect to such consolidation or merger, no Event of Default shall have occurred and be continuing; and

20.11.3 the Issuer or its successor-in-title, as the case may be, shall have delivered to the Trustees, a certificate signed by two (2) of its directors or by one (1) director and its Chief Financial Officer, stating that the consolidation or merger complies with the provisions of subparagraphs 20.11.1 and 20.11.2 above.

20.12 unless with the prior written consent of the Trustees first had and obtained (which consent shall not be unreasonably withheld or delayed), not reduce its issued share capital or otherwise amend or change its share capital in a manner which, in the Trustees' reasonable opinion would adversely affect its ability or obligation to pay the principal, interest or Periodic Distribution on Instruments and or any monies payable under this Deed except such amendment is required by an Applicable Law;

20.13 in any other case of alteration of capital, and or amendment of its Memorandum and Articles of Association, give the Trustees prior written notice of the proposed amendment and or, giving full particulars of the status of its share capital after the proposed amendment, of its Memorandum and Articles of Association accompanied with a formal representation by the Issuer confirming that such alteration or amendment shall not adversely affect its ability or obligation to pay principal, interest or Periodic Distribution (as applicable) on the Instruments issued under this Deed. In addition, the Issuer shall give answers to any reasonable queries of the Trustees in respect of such alteration or amendments;

20.14 retain a reputable firm of auditors as its auditors at all times;

20.15 duly and punctually pay and discharge all taxes for which:

20.15.1 it reasonably believes it is liable, pursuant to any self-assessment procedure; and

20.15.2 assessed upon it or its assets under any Applicable Law within the time period allowed, without incurring penalties, except:

20.15.2.1 such payment is being contested in good faith;

20.15.2.2 adequate reserves are maintained for those taxes and any interest or penalties; and

20.15.2.3 such payment can be lawfully withheld.

20.16 bear and pay any Stamp Duties and charges (including interest and penalties, payable or imposed by any Authority or government agency in Nigeria), in connection with the execution, delivery and performance of this Deed, and shall indemnify each Holder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, any properly incurred legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same;

20.17 ensure that it maintains its legal status and complies with all Applicable Laws required to maintain such status;

20.18 ensure the information it makes available to the Instrumentholders directly or through any of its directors, officers, employees, or representatives in connection with the transactions contemplated by this Deed shall be complete and correct in all material respects; and not contain any untrue statement of a material fact or omit to state a material fact necessary in order to ensure the statements contained therein are not misleading in light of the circumstances under which such statements were or are made;

20.19 give notice in writing to the Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustees to take any further action;

20.20 keep proper books of account and, at any time after an Event of Default has occurred or if the Trustees reasonably believes that an Event of Default may have occurred or may be about to occur, allow the Trustees and the Auditor free access to such books of accounts at all reasonable times during normal business hours, until such Event of Default ceases;

20.21 for as long as any Instruments are outstanding and, without the prior written consent of the Trustees (such consent not to be unreasonably withheld, conditioned or delayed), ensure that there is no Change of Control;

20.22 notify the Trustees of any divestment or restructuring of its Subsidiaries or any of the Co-Obligors;

20.23 not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if a Potential Event of Default or an Event of Default has occurred and is continuing;

20.24 use its best endeavours to maintain the quotation or listing on the relevant securities market or exchange on which the Instruments are quoted or listed or, if it is unable to do so having used such endeavours, use its best endeavours to obtain and maintain a quotation or listing of such Instruments on such other stock exchange or securities market as the Issuer may decide and upon obtaining a quotation or listing of such Instruments issued by it on such other stock exchange or exchanges or securities market or markets, enter into a deed supplemental to this Deed or the relevant Series Trust Deed to effect such consequential amendments as shall be necessary to comply with the requirements of any such stock exchange or securities market. Provided that the Issuer shall be able to delist the Instruments from any exchange for any reason whatsoever with the prior approval of the Majority Instrumentholders;

20.25 provide the Trustees with all documents and information the Trustees may reasonably require in connection with the performance of its obligations under this Deed, within fifteen (15) Business Days of receipt of a written request from the Trustees or, in the event that the Issuer may require a longer period to obtain such documents or information from third parties, as soon as is reasonably practicable after such request and in any event by such longer period as may be agreed with the Trustees; and

20.26 by 31st December in each year in which any part of the Principal Amount on the Instruments and accrued interest are outstanding, issue a certificate stating that:

20.26.1 all arrangements required during the next financial year to meet the payment obligations of the Issuer have been or will be put in place by the Issuer; and

20.26.2 to the best of its knowledge, it is not aware of any facts or circumstances in the ordinary course of its business that will affect its ability to meet its payments obligations as and when due.

20.27 ensure that all payments due to the Instrumentholders shall be paid to the Payment Account(s) as provided in the relevant Final Terms.

20.28 where the day on which a payment is due to be made is not a Business Day, ensure that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different Month in which case payment shall be made on or by the immediately preceding Business Day.

20.29 where there is a change in Registrar, give at least fourteen (14) days' prior notice to the Trustees of any change or any future appointment, resignation or removal of the Registrar and not make any such appointment or removal without the written approval of the Trustees.

20.30 prior to the Issue Date of any Series of Sukuk, it shall enter (and shall procure that any Issuer Trustee) enters into the relevant Sukuk Documents to which it is required to be a party in accordance with the Final Terms.

21 ADDITIONAL COVENANTS IN RESPECT OF THE ISSUER TRUSTEE

21.1 Incorporation of Covenants: Where a special purpose entity is the Issuer Trustee of a Series of Sukuk, the Issuer shall procure that the covenants in Clause 20 (*Covenants of the Issuer*) are applicable mutatis mutandis to the Issuer Trustee and are incorporated by reference in the Declaration of Trust as being applicable to the Issuer and the Issuer Trustee, as the context may permit.

21.2 Restricted Memorandum and Articles of Association: The Issuer covenants that notwithstanding any permission granted in CAMA, the memorandum and articles of association of the Issuer Trustee shall provide that it is incorporated to only issue the Sukuk under the Programme and carry out such activities as are necessarily incidental thereto.

21.3 Covenants by Issuer Trustee

The Issuer shall procure that the Issuer Trustee covenants in the Declaration of Trust that it shall not, in its capacity as trustee under the Declaration of Trust:

21.3.1 do anything or carry out any activity not expressly permitted by its memorandum and articles of association;

21.3.2 do anything or carry out any activity not expressly permitted by the Sukuk Documents;

21.3.3 redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding, for the avoidance of doubt, any consideration payable by the Issuer Trustee to the Issuer as contemplated by the Sukuk Documents and or the Sukuk Conditions);

21.3.4 use the proceeds of Sukuk subscription for any purpose other than as stated in the Sukuk Documents;

21.3.5 put to its directors or shareholders any resolution to appoint any liquidator, for its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it;

21.3.6 enter into any contract, transaction, amendment, obligation or liability that may be detrimental to the interest of the Sukukholders;

21.3.7 co-mingle the Trust Assets with its assets or any other assets which it holds in trust for any person other than the Sukukholders;

21.3.8 incur any indebtedness whatsoever, or give any guarantee in respect of any obligation of any person or issue any securities (or rights, warrants or options) except, in all cases, as contemplated in the Sukuk Documents;

21.3.9 secure any of its present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the Trust Assets; or

21.3.10 sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of: (i) its title to the Trust Assets or any interest therein except pursuant to the Sukuk Documents; or (ii) its interests in any of the Sukukholders.

22 COVENANTS OF THE CO-OBLIGORS

Each of the Co-Obligors covenants to the Trustees that it shall:

22.1 comply with and perform all the obligations expressed to be undertaken by it under this Deed.

22.2 obtain and keep in full force and effect all authorisations required for the validity and enforceability of the Offer Documents against the Co-Obligor;

22.3 promptly inform the Trustees of any Event of Default or Potential Event of Default as soon as it becomes aware of such event;

22.4 comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case is material to its business and its obligations under the Offer Documents for as long as any Instruments are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its business or its obligations under the Offer Documents;

22.5 furnish the Trustees and Rating Agencies with five (5) copies of its audited financial statements, including their Statements of Financial Position as at the close of that fiscal year and the Statements of Financial Position and statements of sources and application of funds for that fiscal year, prepared in accordance with IFRS and confirmed by the Auditors as fairly representing the financial condition of the Issuer as at the close of that fiscal year, at the same time as such statements are being sent to the Issuer;

22.6 for as long as any Instruments are outstanding not enter into any amalgamation, demerger, merger, corporate reconstruction or business combination without the consent of the Trustees, such consent not to be unreasonably withheld, or delayed;

22.7 unless with the prior written consent of the Trustees first had and obtained (which consent shall not be unreasonably withheld, or delayed), not reduce its issued share capital or otherwise amend or change its share capital in a manner which, in the Trustees' reasonable opinion would adversely affect its ability or obligation to pay the principal and or interest on Instruments and or any monies payable under this Deed except such amendment is required by an Applicable Law;

22.8 in any other case of alteration of capital, and or amendment of its Memorandum and Articles of Association, it shall, give the Trustees prior written notice of the proposed and or amendment of its Memorandum and Articles of Association, giving full particulars of the status of its share capital after the proposed amendment, accompanied with a formal representation by the Issuer confirming that such alteration or amendment shall not adversely affect its ability or obligation to pay principal and or interest on the Instruments issued under this Deed. In addition, the Issuer shall give answers to any reasonable queries of the Trustees in respect of such alteration or amendments;

22.9 retain a reputable firm of auditors as its auditors at all times;

22.10 duly and punctually pay and discharge all taxes for which:

22.10.1. it reasonably believes it is liable, pursuant to any self-assessment procedure; and

22.10.2. assessed upon it or its Assets under any Applicable Law within the time period allowed, without incurring penalties, except:

22.10.2.1. such payment is being contested in good faith;

22.10.2.2. adequate reserves are maintained for those taxes and any interest or penalties; and

22.10.2.3. such payment can be lawfully withheld;

22.11. ensure that it maintains its legal status and complies with all Applicable Laws required to maintain such status;

22.12. ensure the information it makes available to the Instrumentholders directly or through any of its directors, officers, employees, or representatives in connection with the transactions contemplated by this Deed shall be complete and correct in all material respects; and not contain any untrue statement of a material fact or omit to state a material fact;

22.13. give notice in writing to the Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustees to take any further action;

22.14. keep proper books of account and, at any time after an Event of Default has occurred or if the Trustees reasonably believes that an Event of Default may have occurred or may be about to occur, allow the Trustees and the Auditor free access to such books of accounts at all reasonable times during normal business hours, until such Event of Default ceases;

22.15. for as long as any Instruments are outstanding and, without the prior written consent of the Trustees (such consent not to be unreasonably withheld, or delayed), ensure that there is no Change of Control;

22.16. notify the Trustees of any divestment or restructuring of its parent company; and

22.17. not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if a Potential Event of Default or an Event of Default has occurred and is continuing.

22.18. Negative Pledge

For as long as any of the Instruments are outstanding, the Issuer, the Co-Obligors shall not:

22.18.1. create or permit to subsist any Security other than Permitted Security, over any of its undertaking, Assets or revenues, present or future, to secure any Financial Indebtedness, or any guarantee of or indemnity in respect of any Financial Indebtedness without the consent of the Trustees, such consent not to be unreasonably withheld or delayed.

22.18.2. without the prior approval of the Trustees (obtained following an Extraordinary Resolution of the Instrumentholders granting the Trustees authority to grant such approval, or in writing by the Instrumentholders of at least one-fifth in Principal Amount then outstanding granting the Trustees authority to grant such approval) sell, assign (other than an assignment that constitutes Permitted Security), lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its Assets other than:

a) trading stock in the ordinary course of business;

b) assets exchanged for or to be replaced by other assets comparable or superior as to type, value and quality; ‘

c) obsolete or surplus Assets

d) shares in Gas Network Services Limited;

e) shares of any entity that is not a Co-Obligor; and

f) not dispose of Assets in any given financial year, other than a disposal falling within Clauses 22.18.2 whose market value is collectively worth less than 20% (Twenty Percent) of the total value of the Instruments outstanding or NGN3,000,000,000 (Three Billion Naira), whichever is higher.[2]

23 EVENTS OF DEFAULT

23.1 If any of the following events (**Events of Default**) occurs and is continuing, the Trustees at its discretion may, and if so requested in writing by the Majority Instrumentholders, or if so directed by an Extraordinary Resolution of the Instrumentholders shall, give written notice to the Issuer at its specified office that the Instruments are immediately repayable, after which subject to the applicable Final Terms, the Principal Amount Outstanding, together with accrued Coupon shall become immediately due and payable as follows:

23.1.1. *Non-Payment:* default by the Issuer or Co-Obligors in the payment when due of any Redemption Amount and the continuance of any such default for a period of ten (10) Business Days in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer or Co-Obligors shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days period, the Issuer satisfies the Trustees that such sums (**Withheld Amounts**) were not paid:

23.1.2. in order to comply with any fiscal or other law or regulation or with the *order* of any court of competent jurisdiction, in each case applicable to *such* payment, the Issuer, Co-Obligor, the Trustees or the relevant Instrumentholder or

23.1.3 in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days by independent legal advisers acceptable to the Trustees or;

23.1.4 pursuant to an agreement made in accordance with Terms and Conditions of this Deed.

Provided that, as regards any specified Instruments, the Issuer or Co-Obligors has made default in paying any amount due in respect of such Instruments shall (unless the contrary is proved) be prima facie evidence that the same default has been made as regards all other Instruments, in respect of which the relevant amount is due and payable.

23.2 Breach of Other Obligations

[2] *Issuer to confirm*

The Issuer or any Co-obligor does not perform or comply with any one or more of its other obligations under the Trust Deed which default will affect the capacity of the Issuer or Co-Obligors to meet their payment obligations and which default has not been remedied for a period of sixty (60) days (or such longer period as the Trustees may reasonably determine is not materially prejudicial to the interest of the Instrumentholders) after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Trustees (except where such default is not, in the reasonable opinion of the Trustees after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required).

23.3 *Enforcement Proceedings*

A distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, Assets or revenues of the Issuer or any of the Co-Obligors, where the value of such property, Assets or revenues is in excess of ₦3,000,000,000 (Three Billion Naira)[3] and such distress, attachment, execution or other legal process is not discharged or stayed within one hundred and twenty (120) days.

23.4 *Inability to Pay Debts*

The Issuer and the Co-Obligors stop or suspend payment of a substantial part of its debts due to financial difficulties.

23.5 *Cessation of Business*

If the Issuer or any of the Co-Obligors ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business or merges or consolidates with any other entity without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed).

23.6 *Insolvency*

The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer, any of the Co-Obligors or any of their assets.

23.7 *Material Adverse Effect*

If a Material Adverse Effect has occurred.

23.8 *Obligations Unenforceable*

Any of the Instruments or the Trust Deed is or becomes wholly or partly void, voidable or unenforceable.

23.9 *Default under the Master Notes Subscription Agreement*

Any event of default under the Master Notes Subscription Agreement which is not remedied within the cure period provided therein.

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[3] *Issuer to confirm*

24 STATEMENT OF INVESTMENT PRINCIPLES

The Trustees undertake to invest the monies available in the Payment Accounts in accordance with and based on the approved portfolio allocation as set out in the relevant Series Trust Deed *provided* however that the Trustees shall, while any Instruments are outstanding, render accounts on a half-yearly basis to the Issuer.

25 ENFORCEMENT

25.1 Action on behalf of Instrumentholders

At any time after the occurrence of an Event of Default, the Trustees may, in their discretion or upon an Extraordinary Resolution of the Instrumentholders passed at a special meeting convened for that purpose institute proceedings and or take other action against or in relation to the Issuer and the Co-Obligors or any other person as it may think fit to enforce the obligations of the Issuer under this Trust Deed.

25.2 *No Liability of Delegate Trustees under a Sukuk Issuance*

Following the distribution of the proceeds of the Trust Assets in respect of the Sukuk to the Sukukholders, in accordance with the Sukuk Conditions and the Declaration of Trust, the Delegate Trustee shall not be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Delegate Trustee (to the extent that they have fulfilled their obligations under the Sukuk Documents and or the Sukuk Conditions) to recover any such sum in respect of the Sukuk or the Trust Assets.

25.3 No Winding up under a Sukuk Issuance

Upon the payment of the proceeds of the Trust Assets by the Issuer under the Sukuk Documents, the obligations of the Issuer Trustee in respect of the Sukuk shall be satisfied and no holder of the Sukuk may take any further steps against the Issuer Trustee to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Sukuk shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer Trustee.

26 PROCEEDINGS, ACTION, AND INDEMNIFICATION

26.1 The Trustees shall not be bound to take any action or proceedings mentioned in Clause 255 (*Enforcement*) or any other action in relation to this Deed unless directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the Majority Instrumentholders and in either case the Trustees shall be indemnified by the Instrumentholders and or secured and or prefunded to its satisfaction against all Liabilities to which the Trustees may thereby render themselves liable or which the Trustee may incur by so doing.

26.2 Only the Trustees may enforce the performance of the Issuer's obligations under this Deed. Subject to the provisions of CAMA, no Instrumenholder or a person claiming through a Instrumentholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

27 TRUST OF RECEIPTS

27.1 Unless otherwise provided in the relevant Final Terms for the applicable Series, all monies received by the Trustees in respect of any Series or amounts payable under this Deed from the Issuer (including any monies which represent principal or interest in respect of Instruments which have become void or in respect of which claims have become prescribed under Bond Condition 20 (*Prescription*)) shall, be apportioned *pari passu* and rateably between the Instruments, and all moneys received by the Trustees under this Deed from the Issuer, shall be held by the Trustees upon trust to apply them (subject to Clause 266 (*Proceedings, Action and Indemnification*)) in the following order:

27.1.1 FIRSTLY, in payment or satisfaction of costs, charges, taxes, levies, expenses and liabilities incurred and payments made in respect of the execution of the trusts or this Deed including all amounts then due and unpaid under Clause 3030 (*Remuneration and Indemnification of Trustees*) to the Trustees and/or any appointee;

27.1.2 SECONDLY in or towards payment pari passu and rateably due but unpaid in respect of the Instruments of that Series; and

27.1.3 THIRDLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Without prejudice to this Clause 277, if the Trustees hold any moneys which represent principal or interest in respect of Instruments which have become void or in respect of which claims have been prescribed under Condition 20 (*Prescription*) in relation to Bonds and under Condition 19 (*Prescription*) in relation to Sukuks, the Trustees will hold such moneys on the above trusts.

28 NOTICE OF PAYMENTS

The Trustee shall give notice to the relevant Instrumentholders in accordance with Bond Condition 12 (*Notices*) or Sukuk Condition 8 (*Notices*) and of the day fixed for any payment to them under Clause 277 (*Trusts of Receipts*). Such payment may be made in accordance with Bond Condition 10 (*Method of Payment of Principal Money, Coupon and Premium*) and Sukuk Condition 6 (*Currency Medium and Place of Payment*) in relation to Sukuks, and any payment so made shall be a good discharge to the Trustees.

29 INVESTMENT BY TRUSTEES

29.1 Subject to the provisions of each Series Trust Deed, if the amount of the monies at any time available in the Payment Account for the payment of principal, premium (if any), Periodic Distribution and Coupon (if any) on the Instrument shall be less than ten per cent (10%) of the amount due and payable on the Instruments, the Trustees may at its discretion and pending payment to the Instrumentholders

, place such moneys in Authorised Investments for such periods as it may consider expedient with power from time to time at the like discretion to vary and accumulate such investment and the resulting interest and other income derived therefrom until such accumulated investment shall amount to 10 per cent (10%) of the amount due and payable under the Instruments and then the accumulated investment shall be applied under Clause 277 (*Trusts of Receipts*).

29.2 Any monies, which under the trusts of this Deed ought to or may be invested by the Trustees, may be invested in the name or under the control of the Trustees only in relation to investments permitted under the Trustees Investment Act or any other investments, which may be agreed between the Trustees and the Issuer.

29.3 The Instrument Trustees may at any time vary any such investments for or accumulate any such investments into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

29.4 Provided that with respect to Sukuk, the Delegate Trustees shall, in exercising their investment discretion, be guided by the following investment principles:

a) such investments by the Delegate Trustees must be in compliance with the principles of the Shariah, this Deed and all Applicable Laws;

b) the Delegate Trustees shall not make speculative investments;

c) investments by the Delegate Trustees must be such that deliver the best total return in relation to the risks associated with the particular investments and taking into account both yield and capital growth;

d) the Delegate Trustees shall consider the capital needs of the Sukukholders, the duration of the trust and the maturity of other investments;

e) the Delegate Trustees shall compare the value of the proposed investment with the whole portfolio of investments, to ensure that there is no potential mismatch; and

f) the Delegate Trustees shall not invest in any assets which are not liquid or easily transferable or convertible to cash.

30 REMUNERATION AND INDEMNIFICATION OF TRUSTEES

30.1 *Normal Remuneration*: The Issuer shall pay to the Trustees remuneration for its services as Trustees as from the date of this Trust Deed, such remuneration as shall be agreed between the Issuer and the Trustees in accordance with the terms of an engagement letter executed in relation to each relevant series of the Instruments.

30.2 *Value added tax*: The Issuer shall in addition pay to the Trustees an amount equal to the amount of any value added tax or similar tax chargeable in respect of their remuneration under the engagement letter provided that it is understood that the Issuer shall deduct applicable withholding tax from all remuneration referred to in this Clause 300.

30.3 *Expenses*: The Issuer shall also pay or discharge all fees, costs, charges and expenses reasonably incurred by the Trustees in relation to the preparation and execution of the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, such as reasonable travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustees in connection with any action taken by or on behalf of the Trustees for enforcing this Deed; Provided that the Trustees shall seek and obtain the prior written consent of the Issuer to incur any such liabilities in excess of an aggregate sum of ₦1,000,000.00 (One Million Naira)[4] unless such expense is incurred for the purposes of enforcing the provisions of this Deed against the Issuer upon occurrence of an Event of Default in which case such consent shall not be required.

30.4 All amounts payable pursuant to sub-clause 30.3 above and or Clause 30.5 shall be payable by the Issuer on the date specified in a demand by the Trustees, and in the case of payments actually made by the Trustees prior to such demand, same shall be refunded to the Trustees within 30 days of demand by the Trustees or if such demand specifies that payment is to be made on an earlier date, on such earlier date

30.5 *Indemnity*: The Issuer and the Co-Obligors shall indemnify the Trustees:

30.5.1 in respect of all liabilities incurred by it or other person appointed by it to whom any trust, power, authority or discretion may be validly delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Deed;

30.5.2 against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing validly done or omitted in any way relating to this Deed except as a result of the Trustees' negligence or and default, and provided further that the indemnity contained in this Clause 30.5 shall remain in full force and effect notwithstanding any discharge of this Deed for a period of six (6) years following the discharge of the Issuer from its obligations under this Deed in respect of any such Liabilities which may have arisen prior to such discharge; and

30.6 Unless otherwise specifically stated in any discharge of this Deed the provisions of this Clause 30 shall continue in full force and effect in relation to the period during which the Trustees were Trustees of this Deed notwithstanding such discharge.

31 POWERS, RIGHTS AND DUTIES OF THE TRUSTEES

The Trustees shall have all the powers conferred upon trustees by the Trustees Investment Act and by way of supplement thereto, it is expressly declared as follows:

[4] *Issuer to confirm*

31.1 The Trustees may in relation to this Deed act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Trustees or otherwise and shall not be responsible for any liability occasioned by so acting provided it has used its best efforts to ensure that such persons are competent and has exercised due care and diligence in the selection of such professional adviser(s).

31.2 Any such advice, opinion or information may be sent or obtained by letter, email, cable and the Trustees shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, email, or cable although the same shall contain some error or shall not be authentic.

31.3 The Trustees may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two of the Directors of the Issuer or one Director and the Chief Financial Officer of the Issuer and the Trustees shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate.

31.4 The Trustees shall not be responsible for the receipt or application of the proceeds of the issue of any of the Instruments by the Issuer, the exchange of any Instrument for another Instrument or the delivery of any Instruments to the person(s) entitled to it or them.

31.5 The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has occurred or to monitor or supervise the performance, observance or compliance by the Issuer of the provisions of this Deed and, until the Trustees shall have actual knowledge or express notice pursuant to this Deed to the contrary, the Trustees shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that each of the Parties is observing and performing all its obligations under this Deed.

31.6 Save as expressly otherwise provided in this Deed, the Trustees shall have absolute discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Deed (the exercise or non-exercise of which as between the Trustees and the Instrumentholders shall be conclusive and binding on the Instrumentholders) and the Trustees in the absence of fraud, negligence, gross negligence, or wilful misconduct, shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Trustees shall not be bound to act at the request or direction of the Instrumentholders or otherwise under any provision of this Deed or to take at such request or direction or otherwise any other action under any provision of this Deed, without prejudice to the generality of Clause 26.1, unless the Trustees shall first be indemnified and or secured to its reasonable satisfaction against all Liabilities to which they may render themselves liable or which the Trustees may incur by so doing.

31.7 The Trustees shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the Instrumentholders of the Instruments in respect whereof minutes have been made and signed or any direction or request of the Instrumentholders even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Instrumentholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Instrumentholders) or that for any reason the resolution, direction or request was not valid or binding upon such Instrumentholders.

31.8 Without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Trustees and every permitted appointee of the Trustees and keep them indemnified against all Liabilities to which they may be or become subject or which may be incurred by them in the execution or purported execution of any of their trusts, powers, authorities and discretions under this Deed or their functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed or any such appointment or in respect of disputing or defending any Liabilities, provided always that the Trustees, or any such permitted appointee has not acted fraudulently or negligently or in default of its powers, duty and obligations. The above indemnity shall continue in full force and effect notwithstanding the termination of this Deed.

31.9 Any consent or approval given by the Trustees for the purposes of this Deed may be given on such terms and subject to such conditions (if any) as the Trustees thinks fit and, notwithstanding anything to the contrary in this Deed, may be given retrospectively. The Trustees may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in this Deed) if it is satisfied that the interests of the Instrumentholders will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Instrumentholders in relation to such matters other than that, which is contained in the preceding sentence

31.10 The Trustees shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Instrumentholder, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustees by the Issuer or any other person in connection with this Deed and no Instrumentholder shall be entitled to take any action to obtain from the Trustees any such information.

31.11 Where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustees and the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Instrumentholders.

31.12 The Trustees may certify whether or not any of the conditions, events and acts set out in this Deed is in its reasonable opinion materially prejudicial to the interests of the Instrumentholders and any such certificate shall be conclusive and binding upon the Issuer and the Instrumentholders. The Trustees and the Instrumentholders may determine all questions and doubts between them arising in relation to any of the provisions of this Deed. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustees, shall be conclusive and shall bind the Trustees and the Instrumentholders but shall not be binding on the Issuer and the Co-Obligors.

31.13 In connection with the exercise by the Trustees of any of its trusts, powers, authorities or discretions under this Deed (including, without limitation, any modification, waiver, authorisation or determination), the Trustees shall have regard to the general interests of the Instrumentholders as a class but shall not have regard to any interests arising from circumstances particular to individual Instrumentholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Instrumentholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustees shall not be entitled to require, nor shall any Instrumentholder be entitled to claim, from the Issuer, the Trustees or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Instrumentholders;

31.14 The Trustees may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this Deed as the Trustees may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trusts constituted by this Deed and the Trustees shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person provided that the Trustee has exercised due care and diligence in the appointment of a person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to the bearer.

31.15 The Trustees shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Instrument or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.

31.16 The Trustees of this Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of this Deed and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Deed.

31.17 The Trustees may whenever they think fit, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being Trustees of this Deed or not) all or any of its trusts, powers, authorities and discretions under this Deed. Such delegation may be made upon such terms and subject to such conditions and regulations as the Trustees may in the interests of the Instrumentholders think fit. The Trustees shall not be under any obligation to supervise the proceedings or acts of any such delegate. The Trustees shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer, provided however that where the Trustees delegates all its powers to an agent, the Trustee shall not do so without seeking the prior approval of the Issuer and notifying the Commission of such an intended delegation.

31.18 The Trustees may in the conduct of the trusts of this Deed instead of acting personally, employ and pay an agent, (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Deed (including the receipt and payment of money). The Trustees shall not in any way be responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent and bound to supervise the proceedings or acts of any such agent provided it has used its best efforts to ensure that such persons are competent and has exercised due care and diligence in the selection of such professional.

31.19 The Trustees shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto.

31.20 The Trustees may call for any certificate or other document to be issued or given by the Registrar as to the nominal amount of Instruments standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the Registrar in accordance with its usual procedures and in which the holder of a particular amount of Instruments is clearly identified together with the amount of such holding. The Trustees shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued or given by the Registrar and subsequently found to be forged or not authentic.

31.21 Notwithstanding anything contained in this Trust Deed and the Terms and Conditions, to the extent required by any Applicable Law, if the Trustees is required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustees is otherwise charged to, or may become liable to tax as a consequence of performing its duties and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatever nature and whenever made upon the Trustees, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled hereunder or any Instruments from time to time representing the same, including any income or gains arising therefrom, or any action of the Trustees in or about the administration of the trusts hereof or otherwise, in any case other than any tax generally payable by the Trustees on its income, then the Trustees shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it in respect of this Deed an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustees to tax from the funds held by the Trustees on trust hereunder.

31.22 The Trustees shall not be bound to take any action in connection with this Deed or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the Issuer shall be obliged to make payment of all such sums in full.

31.23 No provision of this Deed shall require the Trustees to do anything which may:

31.23.1 be illegal, contrary to Applicable Law or render the Trustees liable to any person;

31.23.2 cause the Trustees to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if the Trustees shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.

31.24 Unless notified to the contrary, the Trustees shall be entitled to assume without enquiry that no Instruments are held by, for the benefit of, or on behalf of, the Issuer.

31.25 The Trustees shall not be responsible for investigating any matter which is the subject of any recital, statement, representation, warranty or covenant of any person contained in this Deed, or any other agreement or document relating to the transactions contemplated in these presents or under such other agreement or document.

31.26 The Trustees shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Instruments or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.

31.27 The Trustees shall not be liable or responsible for any Liabilities or inconvenience, which may result from anything done or omitted to be done by it in accordance with the provisions of this Deed.

31.28 Any corporation into which the Trustees shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Trustees under this Deed without executing or filing any paper or document or any further act on the part of the parties thereto.

31.29 Any certificate or report of the Auditors or any other person called for by or provided to the Trustees (whether or not addressed to the Trustees) in accordance with or for the purposes of this Deed may be relied upon by the Trustees as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and or any engagement letter or other document entered into by the Trustees in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.

31.30 To the extent that the Trustees is instructed to take any action pursuant to any provisions of this Deed, the Trustees shall be entitled to rely conclusively upon such request in writing or by Extraordinary Resolution of the Instrumentholders regarding the same and shall bear no liability of any nature whatsoever to the Issuer for acting upon such request in writing or Extraordinary Resolution of the Instrumentholders.

31.31 The Trustees may accept a certificate from the Issuer that the entire Instrument has been redeemed or relating to any matter primarily within the knowledge of the Issuer as sufficient evidence of such matter and any such certificate shall be a complete protection to the Trustees acting upon such certificate.

31.32 Upon the occurrence of an Event of Default, the Trustees shall, subject to the provisions of this Deed, exercise such rights and utilise such powers vested in it under this Deed, and the ISA, and shall use the required degree of care and skill in the exercise of its duties.

32 TRUSTEES' LIABILITY

32.1 Nothing in this Deed shall, in any case in which the Trustees has failed to show the degree of care and diligence required of it as Trustees, having regard to the provisions of this Deed conferring on it any trusts, powers, authorities or discretions, exempt the Trustees from or indemnify them against any liability for breach of trust in relation to their duties under this Deed. For the avoidance of doubt, the Trustees shall be liable to the Issuer for any loss that may result from the Trustees' misapplication of any funds paid by the Issuer into the Payment Account, or for any failure of the Trustees to make payments to the Instrumentholders (or, otherwise, to apply any funds) in accordance with the terms of this Deed.

32.2 Notwithstanding any other provisions of this Deed, the Trustees shall have no liability for: (a) an error of judgment made in good faith by any of its officers or employees, unless it shall be proved that the Trustees, its officer or employee was negligent, reckless or fraudulent in ascertaining the pertinent facts and in such instance, any resulting liability shall be borne by the Trustees; or (b) action taken or omitted to be taken by it in good faith in accordance with the lawful direction of the Majority Instrumentholders.

33 TRUSTEES' CONTRACTING WITH THE ISSUER

33.1 Neither the Trustees nor any director or officer or holding company, subsidiary or associated company of a Trustees under this Deed shall by reason of its or his fiduciary position be in any way precluded from:

33.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer; or

33.1.2 accepting or holding the joint trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer or any such person or body corporate so associated or any other office of profit under the Issuer or any such person or body corporate so associated, and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 33.1.1 or, as the case may be, any such joint trusteeship or office of profit as is referred to in this sub-clause without regard to the interests of the Instrumentholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Instrumentholders and shall not be responsible for any Liability occasioned to the Instrumentholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

33.2 Where any holding company, Subsidiary or associated company of the Trustees or any director or officer of the Trustees acting other than in their capacity as such a director or officer has any information, the Trustees shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Instrumentholders resulting from the Trustees failing to take such information into account in acting or refraining from acting under or in relation to this Deed.

34 WAIVER, AUTHORISATION AND DETERMINATION

34.1 The Trustees may without the consent or sanction of the Instrumentholders, and without prejudice to their rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time, but only if and in so far as in its opinion the interests of the Instrumentholders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer and the Co-Obligors of any of the covenants or provisions contained in this Deed or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Deed provided always that the Trustees shall not exercise any powers conferred on it by this Clause 344 in contravention of any express direction given by Extraordinary Resolution or by a request under Bond Condition 14 (*Events of Default*) in relation to Bonds and Sukuk Condition 15 (*Sukuk Dissolution Events*), in relation to Sukuks but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

34.2 Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustees may determine, shall be binding on the Instrumentholders and, if, but only if, the Trustees shall so require, shall be notified by the Issuer to the Instrumentholders in accordance with Bond Condition 12 (Notices) or Sukuk Condition 8 (*Notices*), as the case may be, as soon as practicable thereafter.

34.3 Each Instrumentholder authorises the Trustees to exercise such rights, remedies, powers and discretions which are specifically delegated to or conferred upon the Trustees by this Deed together with such powers and discretions as are reasonably incidental to the powers.

34.4 The Trustees is authorised to enter into and execute any further document(s), which is required to be executed with respect to the Instrument.

35 FIDUCIARY DUTIES OF THE TRUSTEES

Each Trustees shall comply with the fiduciary duties owed to the Instrumentholders in accordance with this Deed and any other Applicable Law, including to:

35.1 manage the Payment Account in accordance with Clause 111 (*Establishment of Accounts*) of this Deed;

35.2 promptly pay all amounts due on all or any part of the Instruments to the Instrumentholders in accordance with Clause 122 (*Distribution of Monies*) of this Deed;

35.3 carry out all its trustees obligations and exercise its discretion under this Deed in a responsible, prudent, and productive manner;

35.4 act for the benefit of the Instrumentholders in the management of the Trust Property and not let its duties and that owed to the Instrumentholders conflict;

35.5 take all necessary action to ensure that its assets and other assets administered under any other trust held by them are not commingled with those held under this trust;

35.6 clearly identify the Trust Property and segregate its assets from the Trust Property administered by it;

35.7 ensure that throughout the period that this Deed shall remain in force, all funds/assets which are held in trust for the Instrumentholders as beneficiaries shall always be clearly identified and sufficiently protected;

35.8 ensure that at all times, its accounts do not include any of the assets of the trust created herein;

35.9 exercise all due care, skill, diligence and vigilance in carrying out its functions under this Deed, and safeguarding the rights and interests of the Instrumentholders;

35.10 not pledge or charge the Trust Property except as permitted by this Deed or any Series Trust Deed or Applicable Law;

35.11 act continuously, impartially and solely in the best interest of all Instrumentholders; and

35.12 not delegate its duties except as permitted by this Deed.

36 MODIFICATION

36.1 The Trustees may, subject to the approval of the SEC:

36.1.1. carry out modifications to this Deed without the consent or sanction of the Instrument.holders of the relevant Series, at any time and from time to time concur with the Issuer in making any modification (i) which in the opinion of the Trustees maybe proper to make provided that the Trustees is of the opinion that such a modification will not be materially prejudicial to the interests of the Instrumentholders or (ii) if in the opinion of the Trustees such a modification is of a formal, minor or technical nature or to correct a manifest error which is, in the opinion of the Trustees, proven or to comply with mandatory provisions of law. Any such modification may be made on such terms and subject to such conditions (if any) as the Trustees may determine, shall be binding upon the Instrumentholders and, unless the Trustees agrees otherwise, shall be notified by the Issuer to the Instrumentholders of the relevant Series in accordance with Bond Condition 12 (*Notices*) or Sukuk Condition 8 (*Notices*), as the case may be, as soon as practicable thereafter.

36.1.2. with the consent of the Instrumentholders, obtained by way of an Extraordinary Resolution, concur and cooperate with the Issuer in making any modifications to this Deed to effect any amendments, other than those mentioned in Clause 36.1.1 above. Any such modification may be made on such terms and subject to such conditions (if any) as the Instrumentholders may determine and shall be binding on all Instrumentholders.

36.2 No consolidation, modification, alteration or addition shall impose any further payment on the Instrumentholders in respect of the Instruments held by them or any liability in connection with the Programme.

37 BREACH

Any breach of or failure to comply by the Issuer with any such terms and conditions as are referred to in Clauses 19.1 (Representations and Warranties of the Issuer) and 200 (Covenants of the Issuer) of this Deed shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to this Deed.

38 APPOINTMENT OF ADDITIONAL TRUSTEE

The power to appoint additional Trustee of this Deed shall be vested solely in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Instrumentholders. One or more persons may hold office as trustee of this Deed but such trustee shall be or include a Trust Corporation. Whenever there shall be more than two (2) trustees of this Deed, the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the trustee by this Deed provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of this Deed shall as soon as practicable thereafter be notified by the Issuer to the Registrar and the Instrumentholders and no such appointment of a trustee shall be valid without the prior consent of the Commission. The Instrumentholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof.

39 TRUSTEES' RETIREMENT AND REMOVAL

39.1 *Compulsory Retirement*

A Trustee shall be required to retire from its position as Trustee in the event of any of the following happening:

39.1.1. except for voluntary liquidation for the purpose of amalgamation or reconstruction, if it goes into liquidation or if a receiver is appointed over the undertaking of the Trustee or if an Authority shall take over the undertaking of the Trustee or any substantial part of it; or

39.1.2. if the Trustee has been fraudulent or has acted with misconduct in the performance of its duties under this Deed; and if for good and sufficient reason the Issuer is of the opinion that a change of Trustee is desirable in the interests of the Instrumentholders and notifies the Trustee in writing accordingly.

In the event of the occurrence of any of the events stipulated in Clause 39.1 above, the Trustee's retirement shall take effect immediately and in the case of a notification by the Issuer as provided in 39.1.2, upon the approval of such compulsory retirement by an Extraordinary Resolution.

39.2 *Voluntary Retirement*

A Trustee may retire at any time on giving not less than three (3) Months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Instrumentholders may by Extraordinary Resolution remove the Trustee, provided the Instrumentholders can only remove such an appointed Trustee where the Trustee is in breach of its representations and warranty under this Deed or in the case of negligence, wilful default, breach of duty or breach of trust in relation to its duties as provided under this Deed. The Issuer undertakes that at all times where there are more than one trustee, one of the trustees shall be a Trust Corporation and where a Trustee which is a Trust Corporation gives notice under this Clause 39.2 or is removed by Extraordinary Resolution, the Issuer shall use its best endeavours to procure that a new Trustee of this Deed being a Trust Corporation is appointed within three (3) Months thereafter. The retirement or removal of the Trustee shall not become effective until a successor Trustee being a Trust Corporation is appointed with the Commission's approval. If the Issuer fails to procure a new Trustee within the stipulated period of such notice being given, the Trustee may appoint a new trustee.

39.3 Retiring Trustee shall not be responsible for any cost occasioned by its retirement, except for the cost of physically transferring all documents related to this Deed to the new Trustee, and the cost of notifying the Instrumentholders of the appointment of a successor Trustee.

39.4 In the event of the retirement of a Trustee in accordance with this Clause 399, the Trustee shall immediately account for and deliver up all assets within its custody and control relating to its obligations under this Deed, to the appointed successor(s). In addition, the Trustee undertakes to refund the unearned portion of the annual fees for the year that it retires.

39.5 Trustee *Powers to be Additional*

The powers conferred upon the Trustee by this Deed shall be in addition to any powers which may from time to time be vested in the Trustee by Applicable Law or as a holder of any of the Instruments.

40 INCORPORATION OF SCHEDULES

The provisions contained in the Schedules to this Deed shall have full effect in the same manner as if such provisions were set forth in the body of this Deed. The powers conferred upon the Trustees in the Schedules shall be in addition to any powers, which may from time to time be vested on it by any Applicable Law or by the Instrumentholders.

41 MISCELLANEOUS

41.1 No failure or delay by the Trustees in exercising any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or any partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right or remedy.

41.2 Each clause of this Deed is severable and distinct from the others and if at any time one clause is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining clauses shall not in any way be affected or impaired by such illegality or invalidity.

42 NOTICE OF BREACH TO THE COMMISSION

The Trustees shall inform the Commission whenever it becomes necessary to enforce the terms of this Deed and of any breach of the terms and conditions of the Deed, not later than ten (10) Business Days after the Trustees has actual knowledge of the breach.

43 ASSIGNMENTS AND TRANSFERS

43.1 The Trustees may assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any successor as Trustees subject to the provisions of this Deed, provided that it obtains the prior written consent of the Issuer.

43.2 Neither the Issuer, Sponsor nor any of the Co-Obligors may assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any person, without the express written consent of the Trustees.

44 COMPLIANCE WITH THE ISA

The Trustees in exercise of the powers and discretions vested in them pursuant to this Deed shall comply with the provisions of the ISA, the SEC Rules and the Trustee Investments Act.

The provisions of this Trust Deed shall be subject to the relevant provisions of the ISA, SEC Rules, Trustee Investment Act, and other Applicable Laws.

45 FORCE MAJEURE

Neither the Issuer, the Sponsor, the Co-Obligors nor the Trustees shall be liable to the other for failure or delay in the performance of a required obligation under this Deed, if such failure or delay is caused by a "Force Majeure" event. Provided that such Party gives prompt written notice of such condition, the steps being taken or proposed to be taken in relation to such event, and resumes the performance of its obligations as soon as reasonably possible after the cessation of such condition, the said condition not extending beyond a period of thirty (30) days. Provided also that the other Parties are reasonably satisfied that such condition impedes the relevant Party's ability to discharge its obligations under this Deed.

46 NOTICES

Any notice or demand to the Issuer or the Trustees to be given, made or served for any purposes under this Deed shall be in writing and given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), registered mail or courier or by despatching the same by electronic mail transmission or other means of communication in permanent written form and due service shall be deemed to have been made at the time of actual receipt, except in the case of any electronic mail transmission sent after 5.00pm, it shall be deemed to have been served at 9:00am on the next Business Day. All notices shall be effective when received at the addresses specified for the service by the relevant party or as amended from the time to time in writing as follows:

TO THE ISSUER:

Axxela Funding 1 Plc
The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue
Victoria Island, Lagos
NIGERIA
ATTENTION: Managing Director
TEL NO.: +234 (1) 2700035
E-MAIL: corporatefinance@axxelagroup.com

TO ARM TRUSTEES LIMITED:

ATTENTION: ORITSEGBEMI AGBAJOR
TEL NO.: +234 816 276 2768
E-MAIL: ORITSEGBEMI.AGBAJOR@ARM.COM.NG

TO STL TRUSTEES LIMITED:

ATTENTION: FUNMI EKUNDAYO
TEL NO.: 08023226694
E-MAIL: FEKUNDAYO@STLTRUSTEES.COM, LEGAL@STLTRUSTEES.COM

TO GASLINK NIGERIA LIMITED:

The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria
ATTENTION: Managing Director
TEL NO.: +234 (1) 2700035
E-MAIL: corporatefinance@axxelagroup.com

TO AXXELA LIMITED:

The Wings Complex, East Tower
17a Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria
ATTENTION: Managing Director
TEL NO.: +234 (1) 2700035
E-MAIL: corporatefinance@axxelagroup.com

or to such other address as shall have been notified (in accordance with this Clause) to the other Party hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served two days in the case of inland post or seven (7) days in the case of overseas post after despatch.

47 GOVERNING LAW AND DISPUTE RESOLUTION

47.1 This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

47.2 In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the Commission of the existence of the dispute. The Parties may within ten (10) Business Days from the date the Commission was notified, resolve the dispute by mutual negotiation.

47.3 Any dispute which cannot be mutually resolved by the Parties in accordance with Clause 47.2 shall be referred to Arbitration in accordance with the provisions of the Arbitration and Mediation Act 2023. The arbitral tribunal shall consist of three (3) arbitrators. The Issuer and the Trustees shall each appoint one arbitrator within five (5) business days of the referral of the dispute to arbitration. The two arbitrators so appointed shall appoint the third arbitrator within five (5) business days of the request to appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an arbitrators' meeting and act as Chairman of the same. The arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties. In the event that any of the Parties are aggrieved by the decision of the arbitral tribunal, the Parties shall refer the matter to the Commission for resolution and if aggrieved by the decision of the Commission, the matter shall be referred to the Investments and Securities Tribunal in accordance with the provisions of Section 284 of the ISA.

47.4 The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

48 COUNTERPARTS

This Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

28.18 EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF AXXELA LIMITED

PROCEEDINGS AT GENERAL MEETINGS

- At any General meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is the demand for which may be withdrawn, is (before or on the declaration of the result of show of hands) demanded
  a) by the Chairman; or
  b) by at least three Members present in person or by proxy; or
  c) by any Member or Members present in person or by a proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

  Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried unanimously or by a particular majority or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, the resolution.

- Except as provided in Article 67 hereof, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

POWERS AND DUTIES OF DIRECTORS

- The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability obligation of the Company or of any third party.

- Provided that the amount for the time being remaining undischarged of monies borrowed or secured by the Directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not any time, without the previous sanction of the Company in general meeting, exceed twice the nominal amount of the paid-up share capital and reserves of the Company, so however that no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed; but no debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

28.19 OFFICIAL LISTING ON SECURITIES EXCHANGE

The Instruments may be unlisted or listed on recognised securities exchange(s) such as the FMDQ, NGX and/or other relevant exchange. Each tranche of the Instruments Instruments may be admitted to the Daily Official List and to daily trading by NGX separately, as and when issued, subject to the approval of the SEC and the relevant Exchange(s). As set out herein, this Prospectus and any supplement thereto will only be valid for the admission of the Instruments to the Daily Official List (and to trading on FMDQ/NGX and/or any relevant stock exchange) in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under this Programme, does not exceed ₦50 Billion or its equivalent in other currencies.

28.20 CLEARING SYSTEM

The Instruments will be cleared through the relevant CSD. Transactions will normally be effected for settlement not earlier than 3 working days after the date of the transaction.

28.21 TRUSTEES' INVESTMENT PRINCIPLES

The Trustees Investment Principles will be as stated in the Series Trust Deed executed between the Issuer and the Trustee. The dividends, interest, bonus and other profits of any investment of any part of the Instrument' repayment shall also be invested by the Trustee so as to form part of that Instrument's payment account in like manner as monies appropriated as contributions to the Instrument's repayment.

28.22 DECLARATION

Except as otherwise disclosed in this Shelf Prospectus:

a) No shares of the Issuer or Sponsor is under option or agreed conditionally or unconditionally to be put under option;

b) No commissions, brokerages or other special terms have been granted by the Issuer or Sponsor to any person in connection with the Programme or sale of any securities of the Issuer;

c) Save as disclosed herein, the directors of the Issuer or Sponsor have not been informed of any holding representing 5% or more of the issued share capital of the Issuer or Sponsor;

d) There are no founders', management or deferred shares or any options outstanding in the Issuer or Sponsor;

e) There are no material service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;

f) There are no long-term service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;

g) No director of the Issuer or Sponsor has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer or Sponsor in the five (5) years prior to the date of this Shelf Prospectus;

h) No prosecution or legal proceedings has commenced against the Issuer or Sponsor or any of its subsidiaries in respect of any breach of any securities or banking laws or Companies and Allied Matters Act, 2020; and

i) No action has been taken against the Issuer or Co-Obligor by NGX Exchange, FMDQ Exchange or any other recognised Exchange in respect of any breach of the listing requirements of The Exchange.

29. TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the terms and conditions which (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed, Supplementary Shelf Prospectus and or Pricing Supplement (the Final Terms), and, save for the italicised text) will be incorporated by reference into the Bonds issued under this Deed.

Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

The provisions of the terms and conditions set out below (the Conditions) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.

The Bonds are constituted by a Programme Trust Deed (the Programme Trust Deed) dated [□] between Axxela Funding 1 Plc (as Issuer)]; Axxela Limited ([as Sponsor); (the companies listed in schedule 4 to the Programme Trust Deed (Co-Obligors), (ARM Trustees Limited and STL Trustees Limited as (the Bond Trustees which expression shall include all persons for the time being acting as Bond Trustees under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series of Bonds.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of [10:00am and 3:00pm] on any Business Day at the principal offices of the Bond Trustees at [•], and at the specified offices of the Registrar [•] at [•].

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions..

1. **FORM, DENOMINATION AND TITLE**

1.1. Unless otherwise specified in any Final Terms, the Bonds shall be issued in registered form in denominations specified in the Final Terms relating to the relevant Series.

1.2. The Coupon Rate applicable to any Series of Bonds may be specified as being fixed rate or floating rate and the amount of Coupon payable in respect of such Bond shall be determined in accordance with, the applicable Final Terms. The Bonds shall be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the CSD or in such other form as may be agreed to in a Series Trust Deed.

1.3. A Series of Bonds may be listed on a Recognised Securities Exchange as may be determined by the Issuer, subject to any Applicable Laws. Unlisted Bonds may also be issued under the Programme. The applicable Pricing Supplement will specify whether or not a Series or Tranche of Bonds will be listed and on which financial exchange(s) they are to be listed (if applicable).

1.4. The title to the Bonds which will be issued in uncertificated (dematerialised book entry) form shall be effected in accordance with the rules governing transfer of title in securities held by CSD. In these

Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

1.5. Title to the Bonds will pass in accordance with the CSD rules.

1.6. Except as may subsequently be agreed between the parties in a Series Trust Deed, the Bondholder, shown in the records of the CSD (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Bonds registered in his name for all purposes including but not limited to the payment of the Principal Amount, premium (if any) and Coupon.

1.7. Statements issued by the CSD as to the aggregate number of such Bonds standing to the credit of the CSD Account of any person shall be conclusive and binding for all purposes save in the case of manifest error.

2. REPAYMENT

The principal on the Bonds will be repaid on the relevant Maturity Date or on an amortising basis in accordance with the terms of the relevant Series or such date as the Bond Trustees in accordance with the Deed declares the Bonds to have become immediately repayable, together with such premium (if any) agreed in the relevant Series Trust Deed on such Bonds.

3. REDEMPTION

3.1 *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds on such dates as specified in the relevant Series Trust Deed.

3.2 *Redemption by Instalments*: The Bonds may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Bond until fully redeemed at the Maturity Date.

3.3 *Redemption Prior to Maturity/Early Redemption*

3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Bond upon giving the holders of the Bonds to be redeemed, a minimum of twenty (20) days and maximum of sixty (60) days' notice of its intention to do so (**Early Redemption**).

3.3.2 The Issuer shall only redeem the Bonds on a Coupon Payment Date and not otherwise.

3.3.3 At the expiration of the notice in Condition 3.3.1 above, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given. Such notice shall state the amount of the Bond due for redemption and the condition under which such redemption is to be effected.

3.3.4 Upon Early Redemption, the Issuer shall, (upon the expiration of the redemption notice), be obliged to pay the Instrumentholders the outstanding principal and accrued interest.

3.3.5 Early Redemption may be made at any time within the tenor of the Bond without any penalty for early redemption.

The Issuer shall be entitled to a five (5) day period from the service of the redemption notice within which it can cancel the redemption process without the application of any further Coupon.

3.4 Where no later than thirty (30) days prior to a Payment Date, the Issuer determines that it is unable to pay the Redemption Amount due on the relevant date, the Issuer shall enter into discussions with the Bond Trustees for the purpose of paying such other amount as may be agreed in writing with the Bond Trustees. Any outstanding amount for that Payment Date shall be rolled over. Any amount rolled over in a given year shall become due for payment in the following year and shall form part of the Redemption Amount for that year. Any amount rolled over in a year may be rolled over for payment in subsequent years until the Maturity Date.

3.5 The sum payable on the Maturity Date is the Redemption Amount which unless otherwise provided in the Final terms of a Series, is the outstanding sum in respect of each Bond, together with applicable Coupon at the time of redemption, and any amount(s) rolled over from previous years.

Upon the occurrence of redemption, the Bondholder shall forward the certificate (where applicable) to the Issuer and the obligations of the Issuer in respect of any such Bonds shall be discharged.

3.6 **REDEMPTION FOR TAXATION REASONS**

The Bonds may be redeemed at their Early Redemption Amount together with the Coupon accrued up to the date fixed for redemption, at the option of the Issuer in whole, or in part pro rata, on giving not less than twenty (20) days and not more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable), if:

i. the Issuer satisfies the Trustees and the Commission immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of Nigeria or any political subdivision or any authority thereof or therein having power to impose tax (other than the expiry of the exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 (made pursuant to the Companies Income Tax Act (Chapter C21) LFN 2004 in relation to Bonds with a maturity date later than January 2, 2022), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and

ii. such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustees a certificate signed by two (2) Directors of the Issuer or by one (1) Director and the Chief Financial Officer stating that the requirement referred to in preceding subparagraph (i) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

4. **PURCHASE OF BOND BY THE ISSUER**

The Issuer may at any time and from time to time purchase any part of the Bonds through the Recognised Securities Exchange on which the Bonds are listed, but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

5. **STATUS OF THE BONDS**

5.1. The Bonds shall constitute direct, general, and irrevocable obligations of the Issuer and the Co-Obligors and shall qualify as securities in which Pension Fund Administrators may invest under the Pension Reform Act, 2014 and will also qualify as securities in which the Bond Trustees may invest under the Trustees Investment Act.

5.2. Subject to the applicable Pricing Supplement, any Series of the Bonds may be senior bonds, secured, unsecured, subordinated bonds, or guaranteed under terms to be provided in the applicable Final Terms;

5.2.1. ***Status of Senior Bonds****:* The senior Bonds shall constitute direct, unconditional, secured obligations of the Issuer and Co-Obligors and shall at all times rank pari passu and without any preference among themselves by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the senior Bonds shall at all times rank at least equally with all other senior secured obligations of the Issuer and Co-Obligors, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment amounts and terms of issue as provided in the applicable Final Terms.

5.2.2. ***Status of Subordinated Bonds****:* The subordinated Bonds shall constitute direct, unconditional unsecured obligations of the Issuer and Co-Obligor and will rank pari passu without any preference to one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer and Co-Obligors, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations as may be provided in the applicable Final Terms.

6. **NEGATIVE PLEDGE**

For as long as any of the Bonds are outstanding, the Issuer, the Co-Obligors shall not:

6.1. create or permit to subsist any Security other than Permitted Security, over any of its undertaking, Assets or revenues, present or future, to secure any Financial Indebtedness, or any guarantee of or indemnity in respect of any Financial Indebtedness without the consent of the Bond Trustees, such consent not to be unreasonably withheld, conditioned or delayed; and

6.2. except in the case of Permitted Financial Indebtedness, the Issuer and the Co-Obligors shall not directly or indirectly secure any other financial indebtedness represented by bonds or any other debt securities which are, or are capable of being, traded or listed on any securities exchange or over-the-counter or similar securities market without the prior written consent of the Bond Trustees such consent not to be unreasonably withheld, conditioned or delayed.

6.3. without the prior approval of the Bond Trustees (obtained following an Extraordinary Resolution granting the Bond Trustees authority to grant such approval or in writing by the Bondholders of at least one-fifth in Principal Amount of the Bonds then outstanding granting the Bond Trustees authority to grant such approval) sell, assign (other than an assignment that constitutes Permitted Security), lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in its Assets other than:

6.3.1. trading stock in the ordinary course of business;

6.3.2. Assets exchanged for or to be replaced by other Assets comparable or superior as to type, value and quality;

6.3.3. obsolete or surplus Assets;

6.3.4. shares in Gas Network Services Limited;

6.3.5. any assignment by way of security under any Permitted Financial Indebtedness;

6.3.6. shares of any entity that is not a Co-Obligor; and

6.3.7. disposal of Assets in any given year other than a disposal falling within Clauses 6.3.1 to 6.3.6, whose market value is worth less than NGN3,000,000,000 (Three Billion Naira)[5].

7. COUPON

The Bonds of any Series will bear Coupon from the Coupon Payment Date at the Coupon Rate and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Pricing Supplement. The coupon payable on the Bonds of any Series for a period other than a full Interest Period shall be determined in accordance with the Pricing Supplement.

7.1. Coupon on Fixed Rate Bonds

7.1.1. The Fixed Rate Bonds (being those Bonds that specify that interest is payable at a fixed rate) shall bear Coupon on the Principal Amount Outstanding at the coupon rate specified in the Final Terms from (and including) the Coupon Commencement Date to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year.

7.1.2. If Coupon is required to be calculated for a period other than a full year, such Coupon shall be calculated on the basis of the actual number of days elapsed divided by three hundred and sixty-five (365) or such other method as described in the Pricing Supplement.

7.2. Coupon on Floating Rate Bonds

[5] *Issuer to confirm*

7.2.1. The Floating Rate Bonds (being those Bonds that specify that coupon is payable at a floating rate) shall bear Coupon on its principal amount on such basis as may be described in the Shelf Prospectus or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2. Coupon on the Floating Rate Bonds shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the Final Terms.

7.3. Coupon on Index Linked Bonds

If indexed coupon provisions are specified in the Pricing Supplement as being applicable, the Coupon Rate(s) applicable to the Bonds for each Coupon Period will be determined in accordance with the manner specified in the applicable Final Terms.

7.4. Zero Coupon Bonds

Zero-coupon Bonds (being those Bonds that specify that no Coupons are payable) shall not bear Coupons on its principal amount, and no Coupons shall be payable by the Issuer in respect of such zero-coupon Bonds, other than in the case of default interest for late payment as prescribed in the applicable Pricing Supplement.

8. REGISTRATION AND TRANSFER OF BONDS

8.1. The Register shall be kept by the Registrar at its registered office and there shall be entered into the Register, the following particulars:

8.1.1. the names and addresses of every Bondholder for the time being;

8.1.2. the amount of the units of Bonds held by every Bondholder;

8.1.3. the bank account number of every Bondholder; and

8.1.4. the date at which the name of every Bondholder is entered in respect of the Bonds standing in his name.

8.2. Any change of name or address on the part of a Bondholder shall forthwith be notified by the Bond Trustees to the Registrar and thereupon the Register shall be altered accordingly. The Bond Trustees and the Bondholder and any person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.

8.3. The Bonds are transferable in whole or in part in denominations set out in the applicable Final Terms and Trust Deed.

8.4. Transfers of the Bond shall be by way of book entry in the CSD Accounts held by the transferor and transferee with the CSD, in accordance with the procedures of the CSD and registration of the name of the transferee in the Register in respect of the Bonds being transferred.

8.5. If the Bonds are listed, the Bonds shall be transferred on the relevant Recognised Securities Exchange in accordance with its rules.

8.6. Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

8.7. Every instrument of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.

8.8. The Issuer and Registrar shall retain all instruments of transfer after registration.

8.9. Registration of any Bond transfer shall not be carried out within fifteen (15) days ending on the due date for any payment of principal or Coupon on that Bond.

9. TRANSMISSION

9.1. In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.

9.2. Any person becoming entitled to the Bonds in consequence of the death, bankruptcy, winding-up or dissolution of the Bondholder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Registrar shall think sufficient, be regarded as the Bondholder of such Bonds, or subject to the preceding Conditions as to transfer, may transfer the same.

10. METHOD OF PAYMENT OF PRINCIPAL MONEY, COUPON AND PREMIUM

10.1. Payment of the Principal, Coupon and premium (if any) due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders.

10.2. Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

10.3. The Registrar shall give to the Bondholders not less than one (1) Months' notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

10.4. At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Registrar evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Bond Trustees acting through the Registrars shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.

10.5. If, on the Maturity Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the moneys payable to such

Bondholder shall be paid to the Bond Trustees and the Bond Trustees shall hold the moneys in trust for such Bondholder and coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Bond Trustees places the money so paid to it on deposit at a commercial bank or invests the same in the purchase of securities for the time being authorised by law for the investment of trust funds, the Bond Trustees shall not be responsible for the safe custody of such moneys or for interest on the same, except such interest (if any) as the said money may earn whilst on deposit or invested, less any expenses incurred by the Bond Trustees.

11. PURCHASE AND CANCELLATION OF BONDS

11.1. *Purchase of Bonds*

All purchases and sales of Bonds may be made by way of private treaties, over the counter and or a Recognized Securities Exchange.

11.2. *Cancellation*

11.2.1. All Bonds which are redeemed in accordance with the provisions of the Trust Deed shall be cancelled and such Bonds may not be reissued or resold to other Bondholders.

11.2.2. Prior to the Maturity Date, all Bonds so cancelled shall not be subject to any additional Coupon or other payment in respect of such cancellation.

11.2.3. All Bonds so cancelled shall thereafter be forwarded to the Issuer and the obligations of the Issuer in respect of any such Bonds shall be discharged.

11.3. *Re-issue*

Where the Issuer has redeemed, cancelled or repurchased any Bond(s) in accordance with this Condition 11 (*Purchase and Cancellation of Bonds*), the Issuer shall not re-issue such Bond(s).

12. NOTICES

12.1. *Notices to the Bondholders*

12.1.1. All notices to the Bondholders will be valid if sent via email or written and mailed to the Bondholders at their respective email addresses or addresses in the Register maintained by the Registrar. Any notice shall be deemed to have been given on the second day after being so mailed.

12.1.2. Any notice, or other communication to the Bondholders will be validly delivered to the Bondholders if given to the Bond Trustees hereunder by sending the same through the post in a prepaid letter addressed to the Bond Trustees at its registered offices in Nigeria or email.

12.1.3. Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

12.1.4. Any notice shall be deemed to have been served on the 5th day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

12.2. *Notices from the Bondholders*

12.2.1. Notices to be given by any Bondholder shall be in writing and given by lodging the same, with the Registrar.

13. WAIVER OF RIGHT OF SET-OFF

Subject to Applicable Law, no Bondholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it, by the Issuer arising under or in connection with the Bonds and each Bondholder shall, by virtue of being the holder of any Bond, be deemed to have waived all such rights of such set-off, counterclaim or retention. Notwithstanding, the preceding sentence, if any of the rights and claims of any Bondholder are discharged by set-off, such a Bondholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or if applicable, the liquidator or Bond Trustees or receiver in insolvency of the Issuer as the case may be, and until such time as payment is made, will hold a sum equal to such amount in trust for the Issuer or, if applicable, the liquidator or Bond Trustees or receiver.

14. EVENTS OF DEFAULT

14.1. If any of the Events of Default occur and is continuing, the Bond Trustees at its discretion shall, and if so requested in writing by Majority Bondholders or if so directed by an Extraordinary Resolution, give written notice to the Issuer at its specified office that the Bonds are immediately repayable, after which, subject to the applicable Final Terms, the Principal Amount Outstanding on the Bonds together with accrued Coupon shall become immediately due and repayable:

14.1.1. *Non-Payment*: default by the Issuer and the Co-Obligors in the payment when due of the Redemption Amount, and the continuance of any such default for a period of ten (10) Business Days, in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer and the Co-Obligors shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days' period (as the case may be), the Issuer satisfies the Bond Trustees that:

14.1.1.1. such sums (**Withheld Amounts**) were not paid (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Bond Trustees or the relevant Bondholder; or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days (as the case may be) by independent legal advisers acceptable to the Bond Trustees ; or

14.1.1.2. Such Withheld Amounts were not paid pursuant to an agreement made in accordance with Condition 14.1.1.1 (i) above.

14.1.2. *Breach of Other Obligations*: the Issuer or any Co-Obligor do not perform or comply with any one or more of its other obligations under the Deed, which default will affect the capacity of the Issuer or Co-Obligors to meet their payment obligations and which default has not been remedied for a period of thirty (30) days (or such longer period as the Bond Trustees may reasonably determine is not materially prejudicial to the interests of the Bondholders) after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer or Co-Obligors by the Bond Trustees (except where such default is not, in the reasonable opinion of the Bond Trustees after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required); or

14.1.3. *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, Assets or revenues of the Issuer or a Co-Obligor, where the value of such property, Assets or revenues is in excess of ₦3,000,000,000 (Three Billion Naira) and such distress, attachment, execution or other legal process is not discharged or stayed within one hundred and twenty (120) days;

14.1.4. *Change of Control:* If there is a Change of Control without the consent of the Bond Trustees, obtained following an Extraordinary Resolution of Bondholders;

14.1.5. *Insolvency:* the Issuer or any Co-Obligor is, or is deemed by law, or a court of competent jurisdiction to be unable to pay its debts as the fall due or stops or suspends payment of a substantial part of its debts;

14.1.6. *Cessation of Business:* if the Issuer or any of the Co-Obligors ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business or merges or consolidates with any other entity without the prior written consent of the Bond Trustees*; and*

14.1.7. If a Material Adverse Effect has occurred.

14.1.8. *Default under the Master Notes Subscription Agreement*: any event of default occurs under the Master Notes Subscription Agreement which is not remedied within the cure period provided therein.

15. ENFORCEMENT

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion or upon an Extraordinary Resolution of the Bondholders passed at a special meeting convened for that purpose, institute proceedings and or take other actions against or in relation to the Issuer or any other person as it may think fit to enforce the obligations of the Issuer under the Bonds.

16. **TRUSTS**

16.1. The Bond Trustees is the representative of the Bondholders and is authorised to act on behalf of the Bondholders in accordance with these Conditions and the Programme Trust Deed.

16.2. Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

16.3. The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) or the principal of such Bond or of any other money payable in respect of the Bond shall be good discharge of the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such principal, interest or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

16.4. The Bond Trustees is hereby further authorised to contact the Registrar and or the CSD for the purposes of obtaining information: (i) on the aggregate nominal amount outstanding on any Series of Bonds, (ii) on the identity of Bondholders, and (iii) for the purposes of giving notices to Bondholders under Condition 12 (*Notices*).

16.5. Bondholders are deemed to have accepted and will be bound by these Conditions and the terms of the Programme Trust Deed.

17. PROCEEDING AGAINST THE ISSUER

Only the Bond Trustees may enforce the performance of the Issuer's obligations under this Deed. Subject to the provisions of CAMA, no Bondholder or a person claiming through a Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

18. REGISTRAR

The Registrar shall be appointed by the Issuer and shall act solely as an agent of the Issuer but shall act under instructions of the Bond Trustees at any time after the occurrence of an Event of Default. Except as otherwise provided, the Registrar shall not assume any obligation or relationship of agency or trust for or with any Bondholder.

19. **TAXATION**

All payments of principal, coupon and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any Authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result thereof.

20. MEETINGS OF BONDHOLDERS

Convening Meeting of BondHolders: The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in Schedule 3 to this Deed (Provisions for Meetings of Instrumentholders). Decisions taken at Bondholders meetings may only be exercised by the Bond Trustee in accordance with this Deed or under these Conditions.

21. **PRESCRIPTION**

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within six (6) years from the appropriate Payment Date in respect of the Principal Amount and the Coupon due on such Bonds.

22. GOVERNING LAW AND DISPUTE RESOLUTION

22.1. This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

22.2. In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the Commission of the existence of the dispute. The Parties may within ten (10) Business Days from the date the Commission was notified, resolve the dispute by mutual negotiation.

22.3. Any dispute which cannot be mutually resolved by the Parties in accordance with Clause 22.2 shall be referred to Arbitration in accordance with the provisions of the Arbitration and Mediation Act 2023. The arbitral tribunal shall consist of three arbitrators. The Issuer and the Bond Trustees shall each appoint one arbitrator within five (5) business days of the referral of the dispute to arbitration. The two arbitrators so appointed shall appoint the third arbitrator within five (5) business days of the request to appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an arbitrators' meeting and act as Chairman of the same. The arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties. In the event that any of the Parties are aggrieved by the decision of the arbitral tribunal, the Parties shall refer the matter to the Commission for resolution and if aggrieved by the decision of the Commission, the matter shall be referred to the Investments and Securities Tribunal in accordance with the provisions of Section 284 of the ISA.

22.4. The seat and venue of arbitration shall be Lagos, and the language of arbitration shall be English.

TERMS AND CONDITIONS OF THE SUKUK

The following are the terms and conditions which (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Declaration of Trust and Sukuk Documents (the ***Final Terms****), and, save for the italicised text) will be incorporated by reference into the Sukuks issued under this Deed.*

Further information with respect to Sukuks of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Sukuk. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

The provisions of the terms and conditions set out below (the ***Conditions****) which are applicable to the Sukuks issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Sukuks shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

The Sukuks are constituted by a Programme Trust Deed (the ***Programme Trust Deed****) dated [•] between Axxela Funding 1 Plc (as* ***Issuer****)]; Axxela Limited ([as* ***Sponsor****); (the companies listed in schedule 4 to the Programme Trust Deed (Co-Obligors); ARM Trustees Limited and STL Trustees Limited as (the* ***Trustees*** *which expression shall include all persons for the time being acting as Delegate Trustee under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series of Sukuks.*

The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed, the Declaration of Trust and the Sukuk Documents applicable to them. Copies of the Programme Trust Deed, Declaration of Trust and the Sukuk Documents are available for inspection between the hours of [10:00am and 3:00pm] on any Business Day at the principal offices of the Delegate Trustee at [•], and at the specified offices of the Registrar [•] at [•].

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

1. **CONSTITUTION OF THE SUKUK**

Any Series or of Sukuk which is to be created and issued pursuant to this Programme Trust Deed shall be constituted by, be subject to, and have the benefit of the relevant Declaration of Trust. Each Declaration of Trust shall set out the form and the terms and conditions of the Series of Sukuk to be so constituted thereby and shall be accompanied by such supporting authorisations and or approvals as may be required by the Delegate Trustee and the SEC.

2. **TERMS**

Each Series of Sukuk shall be governed by the terms specified in the Declaration of Trust.

3. **ISSUANCE AND FORM OF SUKUK**

The Sukuk under each Series shall be in registered form and issued from time to time in one or more Series as hereinafter provided in an aggregate nominal amount not exceeding the Programme Limit.

4. **TITLE**

4.1 The Sukuk Certificates will be delivered to the Sukukholders in uncertificated (dematerialised, electronic, book-entry) form and registered with the CSD. The Sukukholders may deal in the Sukuk in accordance with CSD procedures and guidelines.

4.2 Statements issued by the CSD as to the aggregate value of the Certificates standing to the credit of the CSD Account of any Sukukholders shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuers, and the Delegate Trustee, and the Registrar as the legal and beneficial owner of such aggregate number of Sukuk for all purposes.

PROVIDED that joint Sukukholders shall be entitled to only 1 (one) Certificate in respect of the Sukuk jointly held by them which Certificate shall be delivered to that one of the joint Sukukholders whose name appears first in the Register and the delivery of a Certificate to one of such persons shall be deemed to be sufficient delivery to the joint Sukukholders.

5. **STATUS**

5.1 The Sukuk shall constitute undivided beneficial ownership interests in the Sukuk Assets and will rank *pari passu* without any preference or priority among themselves.

5.2 The Issuer's payment obligations under the Sukuk are direct and secured obligations of the Issuer and payment claims of the Sukukholders against the Issuer under the Sukuk will, other than those mandatorily preferred by law, rank at least equally with all other senior secured obligations of the Issuer and Co-Obligors, present and future,

5.3 Subject to the applicable Pricing Supplement, any Series or Tranche of the Sukuk may be senior sukuk, secured, unsecured, subordinated sukuk, or guaranteed under terms to be provided in the applicable Final Terms.

5.4 The status of each series of Sukuk shall be set out in the relevant Series Trust Deed. The status of the Sukuk may be direct, unconditional, obligations of the originator indicated in the applicable Final Terms.

6. **PERSONS DEEMED OWNERS**

Except as may subsequently be agreed between the Parties in a Series Trust Deed, a Sukukholder (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Sukuk registered in his name for all purposes including but not limited to the payment of the Periodic Distribution.

7. **CURRENCY, MEDIUM AND PLACE OF PAYMENT**

7.1 The Periodic Distribution shall be payable in Naira in accordance with the applicable Supplementary Shelf Prospectus/Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.

7.2 Any payment as provided in 6.1 above shall be made in the manner specified in the relevant Sukuk Documents.

7.3 Any payment made pursuant to Clause 6.1 above shall be deemed valid and shall satisfy and discharge the Issuer Trustee of any obligation to make payment on such Sukuk to the extent of the amount paid.

8. **TRANSFER OF SUKUK**

All Sukuk certificates issued under the Programme shall be transferable, subject to the provisions for registration of transfers thereof contained in this Deed. Such transfer shall be regulated by the CSD procedures and guidelines.

9. **WAIVER OF INTEREST**

Each Sukukholder irrevocably agrees that no interest will be payable or receivable under or in connection with any Sukuk and in the event that it is determined that any interest is payable or receivable in connection with any Sukuk, whether as a result of any judicial award or operation of any applicable law or otherwise, each Sukukholder agrees to waive any right it may have to claim or receive such interest and agrees that if any such interest is received by it, it shall promptly donate the same to a registered or otherwise officially recognised charity organisation, that neither the Issuer nor Sponsor shall stand to benefit from.

For the avoidance of doubt, nothing in this Condition 9 shall be construed as a waiver of rights in respect of the payment of the Principal Amount, return or any other monies due and owed to the Sukukholders pursuant to this Deed and any Series Trust Deed, howsoever such amounts may be described or re-characterized by any court or arbitral tribunal.

10. **SHARIAH ADVICE**

Each Series of Sukuk shall be issued after pronouncement of the Shariah Adviser is obtained in respect of the Declaration of Trust and Sukuk Documents to the Sukuk transaction parties confirming that it is satisfied that the Sukuk and underlying transaction complies with the Shari'ah.

11. **NOTICES**

11.1 *Notices to the Sukukholders*

11.1.1 All notices to the Sukukholders will be valid if sent via email or written and mailed to the Sukukholders at their respective email addresses or addresses in the Register maintained by the Registrar. Any notice shall be deemed to have been given on the second day after being so mailed.

11.1.2 Any notice, or other communication to the Sukukholders will be validly delivered to the Sukukholders if given to the Delegate Trustee hereunder by sending the same through the post in a prepaid letter addressed to the Delegate Trustee at its registered offices in Nigeria or email.

11.1.3 Any notice or other document duly served on or delivered to any Sukukholder under these conditions shall (notwithstanding that such Sukukholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Sukuk registered in the name of such Sukukholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Sukuk and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Sukuk.

11.1.4 Any notice shall be deemed to have been served on the 5th day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

11.2 *Notices from the Sukukholders*

11.2.1 Notices to be given by any Sukukholder shall be in writing and given by lodging the same, with the Registrar.

12. TRUST DEEDS BINDING

The Sukukholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of this Deed and the relevant Series Trust Deed applicable to them.

13. THE SUKUK CERTIFICATE

13.1 The Issuer Trustee shall issue and offer the Sukuk in an aggregate nominal investment amount as contained in the relevant Series Trust Deed or Declaration of Trust.

13.2 Each Sukuk Certificate represents an undivided ownership interest in the Trust Assets and will rank pari passu, without any preference, with the other Sukuk Certificates.

13.3 Each Sukuk Certificate represents a limited recourse obligation of the Issuer Trustee and Delegate Trustee.

13.4 Each Sukuk Certificate shall be issued by way of an offer for subscription through the Issuer Trustee.

13.5 The Sukuk Certificates shall be issued only as fully paid.

13.6 The effect of the presentation or non-presentation of Sukuk Certificates shall be as set out in the relevant Declaration of the Trust and the other Sukuk Documents.

14. LISTING

Subject to the terms of the relevant Issue Documents, the Sukuk Certificates may be listed on the NGX, and or the FMDQ and or admitted to listing, trading and or quotation by any other trading platform, securities exchange and or quotation system as agreed by the Issuer and the Delegate Trustee.

15. LIMITED RECOURSE

Proceeds of the Trust Assets are the sole source of payments on the Sukuk. The Sukuk do not represent an interest in or obligation of any other asset of the Issuers, the Delegate Trustee, the relevant paying agent, or their respective affiliates. Accordingly, the Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that they will have no recourse to any other assets of the Issuers or Delegate Trustee other than the Trust Assets.

16. **DISSOLUTION OF THE TRUST**

Unless previously redeemed, or purchased and cancelled, in full, as provided above each Sukuk shall be finally redeemed on the Dissolution Date at the Dissolution Amount, and, upon the payment of such amount to the Sukukholders, the trust created under the relevant Series Trust Deed shall dissolve, the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and none of the Issuer Trustee, the Co-Obligors and Delegate Trustee shall have any further obligations in respect thereof.

17. **SUKUK DISSOLUTION EVENTS**

17.1 If any of the following Events of Default occurs and is continuing, the Delegate Trustee at its discretion shall, and if so requested in writing by Majority Bondholders or if so directed by an Extraordinary Resolution, by notice in writing to the Issuer Trustee declare the Sukuk to have become immediately repayable:

17.1.1 *Non-Payment*: default by the Issuer and the Co-Obligors in the payment when due of the Redemption Amount or Periodic Distribution, and the continuance of any such default for a period of 10 (ten) Business Days from the relevant Payment Date. The Issuer and the Co-Obligors shall not be in default, however, if during the said ten (10) Business Days' period, the Issuer satisfies the Delegate Trustee that:

17.1.1.1 such sums (Withheld Amounts) were not paid (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Delegate Trustee or the relevant Sukukholder; or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period (10) Business Days (as the case may be) by independent legal advisers acceptable to the Delegate Trustee; or

17.1.1.2 Such Withheld Amounts were not paid pursuant to an agreement made in accordance with Condition 14.1.1.1 (i) above.

17.1.2 Breach *of Other Obligations*: the Issuer or any Co-Obligor do not perform or comply with any one or more of its other obligations under this Deed, which default will affect the capacity of the Issuer or Co-Obligors to meet their payment obligations and which default has not been remedied for a period of 30 (thirty) days (or such longer period as the Delegate Trustee may reasonably determine is not materially prejudicial to the interests of the Sukukholders) after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer or Co-Obligors by the Delegate Trustee (except where such default is not, in the reasonable opinion of the Delegate Trustee after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required);

17.1.3 *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or a Co-Obligor where the value of such property, Assets or revenues is in excess of ₦3,000,000,000 (Three Billion Naira) and such distress, attachment, execution or other legal process is not discharged or stayed within 120 (one hundred and twenty) days;

17.1.4 *Change of Control:* If there is a Change of Control without the consent of the Delegate Trustee, obtained following an Extraordinary Resolution of Sukukholders;

17.1.5 *Insolvency:* the Issuer or any Co-Obligor is, or is deemed by law, or a court of competent jurisdiction to be unable to pay its debts as the fall due or stops or suspends payment of a substantial part of its debts;

17.1.6 *Cessation of Business:* if the Issuer or any of the Co-Obligors ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business or merges or consolidates with any other entity without the prior written consent of the Delegate Trustee; and

17.1.7 If a Material Adverse Effect has occurred.

18. ENFORCEMENT

18.1 Only the Delegate Trustee may enforce the provisions of this Deed. No Sukukholder shall be entitled to proceed directly against the Issuer Trustee to enforce the performance of any of the provisions of this Deed unless where Sukukholders holding 75% of the Principal Amount of the Sukuk have requested the Delegate Trustee in writing to exercise the powers granted and, the Delegate Trustee having become bound as aforesaid to take proceedings fails or refuses to proceed within twenty-one (21) days and such failure is continuing, in which event any such Sukukholder may, on giving an indemnity satisfactory to the Delegate Trustee, in the name of the Delegate Trustee (but not otherwise), himself institute proceedings against the Issuer Trustee to enforce the performance of any of the provisions of this Deed to the same extent that the Delegate Trustee would have been entitled to do so in respect of the Sukuk held by him.

18.2 Following the distribution of the proceeds of the Trust Assets in respect of the Sukuk to the Sukukholders, in accordance with the Final Terms, the Delegate Trustee shall not be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Delegate Trustee (to the extent that they have fulfilled their obligations under the Sukuk Documents) to recover any such sum in respect of the Sukuk or the Trust Assets.

18.3 Upon the payment of all amounts due to the Issuer Trustee under the Sukuk Documents, the obligations of the Issuer and Co-Obligors in respect of the Sukuk shall be satisfied and no holder of the Sukuk may take any further steps against the Issuer Trustee or the Sponsor to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Sukuk shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer Trustee or the Sponsor.

19. **MEETINGS OF SUKUKHOLDERS**

Convening Meeting of Sukukholders: The rights and duties of the Sukukholders in respect of attendance at meetings of Sukukholders are set out in **Error! Reference source not found.** to this Deed (*Provisions for Meetings of Instrumentholders).* Decisions taken at Sukukholders meetings may only be exercised by the Delegate Trustee in accordance with this Deed or under these Conditions.

20. **TAXATION**

The relevant Final Terms will indicate the tax consequences of investment in the relevant Series or Tranche of Sukuk.

21. **PRESCRIPTION**

Claims against the Issuer in respect of the Sukuk shall be void unless presented for payment within three (3) years from the Payment Date of any amount due on such Sukuk.

30 FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be prepared by the Issuer for each Series of Instruments issued under the Programme

Pricing Supplement
To the Shelf Prospectus dated [●] 2024

AXXELA FUNDING 1 PLC
RC: 1517428

Offer for Subscription of Up to
₦[●]
Series [●] : [●]-Year [●]
[●]% Fixed Rate Senior Unsecured Instruments Due [●] Under the [₦50,000,000,000] Multi-Instrument Issuance Programme
Issue Price: 100% of Par Value
Payable in full on Application

Application List	
Opens	[●]
Closes	[●]

This Pricing Supplement is prepared for the purpose of Rule 279(3) of the Rules and Regulation of the Securities and Exchange Commission ("the Commission" or SEC) in connection with the [₦50,000,000,000] Multi-Instrument Issuance Programme established by Axxela Funding 1 Plc ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [●] and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Series 1 Bonds (defined below)Instruments only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Instruments"Instruments). Application has been made to the FMDQ for the admission of the Series 1 BondsInstruments to the Daily Quotations List of NGX. The Series 1 BondsInstruments now being issued will upon admission to the Daily Quotations List qualify as securities in which Trustee may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

This Pricing Supplement is dated [●]

DESCRIPTION OF THE INSTRUMENTS/ SUMMARY OF FINAL TERMS

FINAL TERMS OF THE SERIES [●] INSTRUMENTS		
1.	Issuer:	Axxela Funding 1 PLC
2.	Sponsor:	Axxela
3.	Description of the Instruments:	[●]
4.	Series Number:	[●]
5.	Aggregate Principal Amount of Instruments:	[●]
6.	Issue Price:	At par at ₦1,000 per Unit of the [•]
7.	Gross Proceeds:	[●]
8.	Net Issue Proceeds:	[●]
9.	Tenor:	[●]
10.	Denomination(s):	Minimum of ₦1,000,000 (i.e. 1,000 units at ₦1,000/unit) and multiples of ₦1,000 thereafter
11.	Issue Date:	[●]
12.	Maturity Date:	[●]
13.	Principal Moratorium:	[●]
14.	Interest Basis:	Fixed Rate
15.	Redemption/Payment Basis:	[●]
16.	Undertaking to Pay:	[●]
17.	Status:	[●]
18.	Security:	Not Applicable
19.	Listing(s):	Application for listing of the Series [•] Instruments will be made to the FMDQ Securities Exchange Limited, Nigerian Exchange Limited and/or the Green Exchange
20.	Method of Distribution:	Offer for Subscription via Book Building to Qualified Institutional Investors and High Net Worth Individuals
21.	Offer Period:	See Timetable on Page [●]
Provisions Relating to Interest (If Any) Payable		
	Fixed Rate Note Provisions	
22.	Coupon:	[●]
23.	Coupon Payment Date(s) /Payment Dates:	[●]
24.	Interest Amount(s):	See 'Coupon Payment Schedule' in Appendix [●]
25.	Business Day:	[●]
26.	Other terms relating to method of calculating interest for Fixed Rate	[●]

	Instruments:	
27.	Day Count Fraction:	Actual/Actual (Actual number of days in a month / actual number of days in a year)
Provisions Relating to Redemption		
28.	Optional Early Redemption (Call Option):	[●]
29.	Optional Early Redemption (Put Option):	[●]
30.	Scheduled Redemption/Amortization:	[●]
31.	Redemption Amount(s):	In full at final maturity
32.	Scheduled Redemption Dates:	[●]
33.	Final Redemption Amount:	[●]
34.	Event of Default:	[●]
Distribution, Clearing and Settlement Provisions		
35.	Lead Issuing House:	[●]
36.	Joint Issuing House:	[●]
37.	Form of Instruments:	[●]
38.	Form of Dematerialised Instruments:	[●]
39.	Depository:	[FMDQ Depository Limited and or Central Securities Clearing System Plc]
40.	Registrar:	[●]
41.	Trustee:	[●]
42.	Record Date:	[●]
43.	Other terms or special conditions:	Not Applicable
44.	Underwritten/Book-building:	Book-building
45.	If Underwritten, names of Underwriters:	Not Applicable
46.	Rating: (i) Sponsor (ii) Issue	"A-" by Agusto & Co."A-'' by GCR [●]
47.	Taxation:	See "Tax Considerations" on page [●] of the Shelf Prospectus
48.	Risk Factors:	See "Risk Factors" on page [●] of the Shelf Prospectus
49.	Governing Law:	The Series [•] Instruments will be governed by, and constructed in accordance with the Laws of the Federal Republic of Nigeria