

This Programme Memorandum has been prepared in accordance with the guidelines of the Central Bank of Nigeria (“CBN”) guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, and the CBN circular to all deposit money banks and discount houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) in force as at the date hereof. The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Board and Management of SKLD Integrated Services Limited who jointly and individually accepts full responsibility for the accuracy of all information given.



RC: 385105

SKLD INTEGRATED SERVICES LIMITED

₦2,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

SKLD Integrated Services Limited (“SKLD” or “the Issuer” or “the Company”), a private company incorporated in Nigeria, has established this ₦2,000,000,000 Commercial Paper Issuance Programme (the “CP Programme”), under which SKLD may from time to time issue Commercial Paper Notes (“CP Notes” or “Notes”), denominated in NGN (“Naira”) as may be agreed between the Issuer and each relevant Dealer and or the Arranger (as defined in the section entitled, “Summary of the Programme”, in separate series or tranches subject to the terms and conditions (“Terms and Conditions”) contained in this Programme Memorandum.

Each Series or Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the “Applicable Pricing Supplement”). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦2,000,000,000 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued in September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the Commercial Paper Registration and Quotation Rules (the “Rules”) of FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) in force as at the date thereof.

The CP Notes will be issued in dematerialised form and may be registered, quoted and traded over the counter (“OTC”) via the FMDQ Exchange Platform in accordance with the rules, guidelines and such other regulation as may be prescribed by CBN and FMDQ Exchange from time to time, or any other recognized trading platform, and securities will settle via FMDQ Depository Limited.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the “Recipient”) and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

ARRANGER & DEALER

CORONATION

RC207138

This Programme Memorandum is dated April 7, 2022

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GLOSSARY OF DEFINED TERMS

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

“Agency Agreement”	The Issuing, Placing, Paying And Collecting Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer, the IPCA, and the IPA
“Board” or “Directors”	Board of Directors of SKLD Integrated Services Limited
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the FGN on which commercial banks are open for business in Lagos, Nigeria
“Business Hours”	8.00am to 5.00pm on any Business Day.
“CAMA”	The Companies and Allied Matters Act (Cap. C20) 2020 as may be amended from time to time
“CBN”	Central Bank of Nigeria
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on September 11, 2019, as amended or supplemented from time to time
“CGT”	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap.C1) LFN 2004
“CITA”	The 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 and 2021)
“SKLD”, or “Issuer”	SKLD Integrated Services Limited
“CSCS” or the “Clearing System”	Central Securities Clearing Systems Plc
“Central Securities Depository” or “CSD”	means a specialist financial institution holding commercial papers either in certificated or uncertificated (dematerialised) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
“Clean CP”	A CP not backed by a guarantee or such other credit enhancement.
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	Unsecured Commercial Paper Notes to be issued by the Issuer under the CP Programme in the form of short term zero-coupon notes
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed “Terms and Conditions of the Notes”
“CP Programme” or “Programme”	The commercial paper programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦2,000,000,000.00
“Day Count Fraction”	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
“Dealers”	Coronation Merchant Bank Limited and/or any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer
“Default Date”	The date on which the written notice of the Event of Default is served to the Issuer
“Default Rate”	The interest rate to be charged to the Issuer when repayments are overdue
“Eligible Investor” OR “EI”	An investor that is not a Qualified Institutional Investor as defined by the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules. Clean CPs (i.e., CPs not backed by guarantees or such other credit enhancement) shall be sold to QIIs and EIs.
“Face Value”	The par value of the Notes

GLOSSARY OF DEFINED TERMS

“FGN”	Federal Government of Nigeria
“FIRS”	Federal Inland Revenue Service
“FMDQ Exchange Rules”	The FMDQ Exchange Commercial Paper Registration and Quotation Rules issued April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
“FMDQ Exchange” or “FMDQ Securities Exchange Limited”	A securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
“FMDQ Depository Limited” or “FMDQ Depository”	a clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issue Rate”	The Discount Rate at Issuance
“Issuing, Placing, Paying And Collecting Agent” or “IPCA”	Coronation Merchant Bank Ltd or any successor issuing, placing, paying and collecting agent in respect of the Notes, appointed by the Issuer in accordance with the Agency Agreement
“Issuing And Placing Agent” or “IPA”	Any issuing and placing agent in respect of the Notes, appointed by the Issuer in accordance with the Agency Agreement
“Arranger”	Coronation Merchant Bank Ltd
“LFN”	Laws of the Federation of Nigeria
“Material Adverse Change”	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
“Naira”, “NGN” or “₦”	The Nigerian Naira
“NIBOR”	Nigerian Inter-Bank Offered Rate
“Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
“Pricing Supplement” or “Applicable Pricing Supplement”	The document to be issued pursuant to the Programme Memorandum, which shall provide the final terms and conditions of a particular Series or Tranche of Notes issued under the CP Programme
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme Memorandum”	This information memorandum dated April 7, 2022 which sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investor” or “QII”	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time. Clean CPs shall only be sold to QIIs & EIs
“Redemption Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due

GLOSSARY OF DEFINED TERMS

"Register"	A register or such registers as shall be maintained by the CSD in which are recorded details of Note holders
"Relevant Currency"	Naira
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities & Exchange Commission
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"The NGX"	The Nigerian Exchange Group
"Tranche"	Notes which are identical in all respects
"VAT"	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 the Finance Act, 2019 and the Finance Act, 2020)
"WHT"	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
"Zero Coupon Note"	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ~~¥~~2,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

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

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

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

Notes issued under the Program shall be restricted to Qualified Institutional Investors and Eligible Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

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

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

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

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme (i) constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes, or (ii) is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer or the Arrangers to any recipient of this Programme Memorandum.

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

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

INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. Each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. The audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme.

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

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been:-

- (a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme, which would then make the programme materially inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The audited financial statements shall be available on the website of the Issuer, <https://www.coronationmb.com>, unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer or the Arranger at their specified offices as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

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

Auditors:	Emmanuel Adeyemo Ogunlowo & Co (Chartered Accountants)
Currency of Issue:	Naira
Dealers:	Coronation Merchant Bank Ltd and/or any other additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
Default Date:	The date on which the written notice of the Event of Default is served to the Issuer
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue Rate + 5% per annum (whichever is higher)
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series or Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Rate:	The Discount Rate at Issuance
Issue Size:	As specified in the Applicable Pricing Supplement, subject to a minimum value of ₦100million and multiples of ₦50million thereafter
Issuer Rating:	BBB+ by Data Pro A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Issuer:	SKLD Integrated Services Limited
Issuing, Placing, Paying and Collecting and Agent or IPCA:	Coronation Merchant Bank Ltd
Arranger/Sponsor to the Registration	Coronation Merchant Bank Ltd
Programme Size:	₦2,000,000,000 aggregate principal amount of Notes outstanding at any point in time
Programme:	The commercial paper issuance programme established by the Issuer which allows for the multiple issuance of Notes from time to time under a standardized documentation framework
Quotation:	The Notes issued under the Programme shall be quoted on the FMDQ Securities Exchange Limited or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines

Registrars/Custodian:	FMDQ Depository Limited
Settlement Procedures:	Purchases will be settled via Direct Debit, Electronic Funds Transfers, NIBSS Instant Payment, NIBSS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
Solicitors:	Africa Law Practice NG & Company
Status of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Quotation:	The Issuer may elect at its discretion to have any Series or Tranche of Notes quoted on the FMDQ Exchange Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform
Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
Taxation:	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme
Use of Proceeds:	The net proceeds from each issue of Notes under the Programme will be used solely to support the Issuer's short term funding requirements, or as may otherwise be specified in the Applicable Pricing Supplement

SKLD Integrated Services Limited is an integrated educational supplies company offering professional school uniform outfitting services, one-stop back-to-school retail shopping, garment manufacturing and humanitarian supplies. SKLD is a market leader in the supply of educational materials and in its 20 years of operation, has continued to build on its first-mover advantage within its market segment, leveraging advanced technology and brand trust.

SKLD's product offering is illustrated below:

TRADITIONAL BUSINESS LINES

1



- School Kits has 5 retail stores spread across Lagos and Abuja. There is also an online retail store.
- The stores have traditionally stocked SKUs related to uniforms, shoes, special wears and other school related stationery and items.
- In line with the expansion plan, the retail outlet would be expanding its inventory with the goal of significantly improving revenue during off-peak (back-to-school) periods.

2



- School Kits secures orders from highbrow schools to supply uniforms.
- School Kits has expanded this market to mid-tier schools and backward integrated into local manufacturing of uniforms particularly for the mid-tier market.
- In line with the expansion plan, the business will be leveraging its expertise to procure contracts to supply other non-school related uniforms such as security outfits, hotels etc.

EMERGING BUSINESS LINES

Humanitarian Aid Supplies

3



- School Kits over the last 18 months, has made major strides in leveraging its contracting expertise to becoming a key supplier to International Development Agencies.
- The business has engaged in the supply of relief materials to development agencies in Nigeria and intends to continue to grow its share of the market. This has also led to the local production of reusable pads which is in high demand in the development space.

Distributorship

4



- School Kits recently became the appointed sole distributor for CASIO in Nigeria.
- School Kits is also exploring other high potential distributorship deals and is in active discussions with a few proprietary brands that serve its chosen market.

OVERVIEW OF SKLD INTEGRATED SERVICES LIMITED

In the last few years, SKLD has expanded its business and is evolving to consolidate its leadership position as a supplier of school uniforms and educational supplies, while deepening penetration as a supplier of humanitarian relief materials and contract manufacturing for local fashion outfits and contractors.

Shareholding Structure

According to the register of members at 31 December 2021, the following shareholders held more than 5% of the issued share capital of the Company:

Shareholders	Number of Shares Held	Shareholding
Mrs. Temilola Adepetun	9,690,000	60.45%
Dr. Adebayo Adepetun	1,010,000	6.30%
Mr. Tayo Osiyemi	750,000	4.68%
Alitheia IDF Fund	4,580,000	28.57%
Total	16,030,000	100%

Employees

As at 31st of December 2021, SKLD Integrated Services Limited employed a total number of 114 employees.

Equity

As at 31st of December 2021, the Authorised and Issued Share Capital of the Company were as follows:

	₦
Authorised Share Capital:	
11,450,000 @ ₦1 each	15,000,000
4,580,000 @ ₦167.20 each	765,776,000
Total	777,226,000
Issued Share Capital:	
10,850,000 @ ₦1 each	10,850,000
4,580,000 @ ₦167.20 each	765,776,000
Total	776,626,000

Leadership Team

Board, Composition and Role

The Board is comprised of seven (7) members, which include the Chairman, Managing Director, Deputy Managing Director and four (4) Non-Executive Directors. The Board is able to reach impartial decisions as it is comprised of a proper blend of Non-Executive and Executive Directors with no shadow or alternate Directors.

Management

The management is responsible for the daily operation of the Company. SKDL's management is headed by the Managing Director/Chief Executive Officer and is supported by one Executive Director and heads of department.

Directors Profiles

Mr. Michael Olusegun Olukoya – Chairman

Segun Olukoya heads the Financial Services and Payments Business division in NEXTZON Business Services, a leading professional services firm in Nigeria.

He is also a key member of NEXTZON's African regional expansion team and has been active in assisting Nigerian banks and insurance companies prospect, acquire and set-up business interests in several African countries including Ghana, The Gambia, Sierra Leone, Liberia, Central African Republic and Angola.

He is an associate of the Nigeria Leadership Initiative (A member of the Aspen Global Leadership Network) and also a Member of the global Crans Montana Forum of New Leaders for Tomorrow and an independent member of the Management Investment Committee of Kakawa Asset Management Limited and also co-ordinates the secretariat of the Lagos Angel Network (a network of Angel Investors).

Mrs. Temilola Adepetun – Managing Director/Chief Executive Officer

Temilola Adepetun is an economist and a resilient and successful Female Entrepreneur. She started her professional career in Ashland Oil Nigeria 29 years ago and worked with the company for 12 years before transferring her services to Addax Petroleum for a few more years and resigned to pursue her passion with entrepreneurship in the education supplies sector. During her professional career, she had worked in various strategic departments such as Economic planning, Treasury, Insurance and Human Resources.

OVERVIEW OF SKLD INTEGRATED SERVICES LIMITED

She started School Kits Limited with 2 support staff in 2000 as a one-stop retail store for all Back-to-School supplies and has steered the ship of the company for the last 18 years into a place of market leadership in retail school supply in Nigeria. The company currently has five business offices across two major cities (Lagos and Abuja).

Along with the Retail & Wholesale arm of her business, she runs a Garment Production Facility which has grown from producing 300 garments per month in 2016 to one churning out over 3000 garments per month with a staggering 264% year on year revenue growth.

Temilola holds a B.Sc. in Economics from the University of Lagos (1982) and is an Associate of the Chartered Institute of Insurance, London -A.C.I.I. (1985). She is the pioneering and current Managing Director of School Kits Limited.

She is a Member Advisory Board of Courage Education Foundation, an NGO dedicated to educating indigent children. She is an Associate of Women in Management and Business (WIMBIZ).

Mrs. Subuola Abraham – Non-Executive Director

Subuola is a seasoned and industry-recognized professional who relocated to Nigeria in June 2008 after 14.5 years experience from top tier international financial institutions based in the UK where she held senior positions which included being an approved person under the United Kingdom Financial Services Authority regime. These institutions include Citigroup, Pershing Securities, a member of the Bank of New York Group and ABN AMRO.

She was an executive committee member of the Committee of Chief Compliance Officers of Banks in Nigeria.

Subuola holds a B.A.(Hons) Law degree in and is a solicitor of England and Wales as well as a Barrister of Law in Nigeria and is an Honorary Member of the Chartered Institute of Bankers.

Mrs. Ayotimi Rotimi – Non-Executive Director

Mrs. Ayotimi Rotimi is a graduate of Business Administration from University of Lagos.

After a three-year stint in banking she began to explore the business of fashion by establishing Xclamations in 2002.

In 2014 Tomi Rotimi co-founded L.A.X Nigeria a brand positioned to be Nigeria's first fashion high street brand with affordable price points and varied product lines. The brand now has two outlets in Lagos, an Online store and a rapidly expanding customer base.

Dr. Adebayo Adepetun – Non-Executive Director

Dr. Adebayo Adepetun is a highly sought-after specialist in the Audio Visual industry with expertise in Audio-Visual Production, Post-production, Music Production and Sound Design for TV/Film & Music Industries.

He graduated from the University of Lagos, college of Medicine and continued at the London School of Hygiene and Tropical Medicine obtaining an MSc in Clinical Tropical Medicine.

Driven by a passion for the media industry, he forayed into the audio-visual production and sound design space by establishing Midi-tone Limited in 1987. He also founded two other companies within the Media industry. He launched Midi-Vision Limited in 1996 and Cue Media in 2006 to explore different business opportunities in the industry.

Mrs. Tokunboh Oluyomi Ishmael – Non-Executive Director

Tokunboh Ishmael is an accomplished and experienced private equity investor. She is MD and co-founder of Alitheia Capital – a Nigerian-based investment management and advisory business channeling private equity investments to transform businesses in West Africa where funding gaps create unique opportunities. In 2015, she co-founded Alitheia IDF (www.alitheiaidf.com) to scale investing across Sub-Saharan women-led SMEs.

Tokunboh is a CFA Charterholder, corporate-financier and M&A banker historically having worked on over \$5.6 billion M&A deals across the US, UK, and Africa. Exceptionally experienced in the energy, oil, gas, technology, and financial services sectors, she is now focused on helping to invest and build sustainable SME growth businesses across attractive, consumer-led sectors including Agribusiness, Financial Services, Healthcare & Pharma, Infrastructure, Transport, Retail and Tech / Telecoms mainly on behalf of discerning institutions, development organizations, and corporates looking for a mix of responsible investing, economic impact and social responsibility.

OVERVIEW OF SKLD INTEGRATED SERVICES LIMITED

Tokunboh is a Yale World Fellow, and a member of the inaugural class of the Aspen Institute's Finance Leaders Fellowship. She sits on a number of boards and is the current chair of the African Private Equity and Venture Capital Association (AVCA).

Mr. Tayo Osiyemi – Deputy Managing Director

Tayo is a business development expert and management consultant.

As Deputy Managing Director of SKLD, Tayo oversees a dynamic organization with core focus on providing Educational supplies through wholesale, retail and online channels. He also helped to set up a 100 garment-per-day production facility for the company as a backward integration project towards lowering cost and driving local content. Under his management of operations, the company's revenue grew by 250% within the first three years.

He has cognate and transactional experience in a variety of industries including Garment manufacture, Auto trade, Audio Engineering and Property Development.

Tayo holds a Chemical Engineering Degree from Obafemi Awolowo University and he is a certified Project Management Professional (PMP).

Management Profile

Working with Temilola Adepetun and Tayo Osiyemi are the following individuals:

Mrs. Seunfunmi Ogunjimi – General Manager, Commercial

Seun Ogunjimi's career spans over Nine years in business management functions with expertise in sales and retail operations. She has a proven track record of leading sales teams and implementing high revenue generating initiatives.

She started her professional career with British American Tobacco company before joining Office Place Nigeria as Business Support analyst in 2013. At Office Place Nigeria, she was engaged in the distribution of office supplies with strong specialization in retail management, customer relationship management, procurement and project management.

Seunfunmi joined the School Kits team as assistant Retail Lead in 2015 and was promoted to Head the Retail Business Unit where she stirred the team to achieve close to 500mn in sales, up from 140m in just 4 years.

Seunfunmi is an Alumni of Enterprise Development Center and she currently provides oversight for the sales and retail business units of SKLD Integrated Services.

Mr. Elijah Oyeyinka – Financial Controller

Elijah is a corporate finance professional with experience in financial and strategic advisory services. He started his career with Deloitte and was trained as financial analyst gathering hands on experience in financial advisory, financial modeling and due diligence. During his time at Deloitte, his team was responsible for Financial Due Diligence and Valuation of companies Like GIG group, Prudential Assurance Life Company with respect to Investment and Acquisition. He also participated in the restructuring deals for companies like Five Star Logistics.

He moved to TSL as the Manager, Financial Planning and Analysis and led the project team that facilitated the increase of the Truck base of the company from 500 to 1,000 thereby increasing the company's annual revenue from N7bn to N15bn. He also coordinated the 820 LAGBUS Project on behalf of TSL and prepared the Financial and operational model the project.

Elijah joined Capricorn Digital Limited as the Financial Controller. During his time at Capricorn, he led the team in the preparation of the Financial Model for a capital raise of \$4.5m and coordinated of a virtual product expansion and financing plan. He was also responsible for coordinating budgeting process, analyzing financial statements, managing the business working capital, performing industry and competitors' analysis, and creating financial models for different investments and deals.

Elijah is a sound First class graduate of Economics from Obafemi Awolowo University, a Chartered Accountant with deep theoretical, technical and practical knowledge and a CFA Level 2 candidate. He recently joined the Management team of SKLD as Finance Controller.

Olubukola Oluwamese – Head of Human Resources

Olubukola Oluwamese is an impactful and passionate HR professional with about 8 years' experience and demonstrated competencies across various HR functions such as Talent Management, Talent Acquisition, HR

OVERVIEW OF SKLD INTEGRATED SERVICES LIMITED

Shared Services, Strategy & Business Performance, Employee Engagement, Employee Development Programs and Manpower Management.

With industry experience across oil and gas (downstream), financial services, retail pharma, FMCG sales & distribution and Hospitality (Agri-tech), she has a track record as an analytic, creative, and innovative HR champion who is poised to deliver tested and proven best people practices. She has an industrious approach to striking a balance at the workplace and driving employee productivity, with guided principles of team spirit and sound work ethics.

Olubukola is an associate member of CIPMN and currently serves in the capacity of the Head of Human Resources with oversight responsibility for all HR strategies and initiatives at SKLD.

She is a graduate of Computer Science from Ajayi Crowther University, Oyo State and also holds a Master's in Business Administration from Ahmadu Bello University.

Mrs. Opeyemi Odukale - Head of Sales

Opeyemi Odukale is goal-oriented professional with over eight years experience in business development, marketing, customer service and banking. She has a proven record of understanding customer needs and delivering excellence. She is skilled at creating efficient reporting tools to support effective sales tracking.

Opeyemi graduated from Olabisi Onabanjo University, Ago-Iwoye in and she is also an alumnus of Lagos Business School. She joined School Kits Limited as a Business development Manager for the North Region and has contributed sales strategy which has increases annual growth in revenue by an average of 70% CAGR over 3 years. She revived the Abuja regional business within two years, growing sales from N60 million in 2017 to N200 million in 2019.

USE OF PROCEEDS

The net proceeds from each issue of Notes under the Programme will be used solely to support the Issuer's short term funding requirements, or as may otherwise be specified in the Applicable Pricing Supplement.

SOURCES OF REPAYMENT

The source of repayment of the Notes will be from the cash flows from the operations of SKLD Integrated Services Limited in its ordinary course of business.

TERMS AND CONDITIONS OF THE NOTES

THE FOLLOWING ARE THE TERMS AND CONDITIONS OF THE NOTES TO BE ISSUED BY THE ISSUER UNDER THE PROGRAMME. THE PROVISIONS OF THE APPLICABLE PRICING SUPPLEMENT TO BE ISSUED IN RESPECT OF ANY NOTE ARE INCORPORATED BY REFERENCE HEREIN AND WILL SUPPLEMENT THESE TERMS AND CONDITIONS FOR THE PURPOSES OF THAT NOTE. THE APPLICABLE PRICING SUPPLEMENT IN RELATION TO ANY SERIES OF NOTES MAY SPECIFY OTHER TERMS AND CONDITIONS WHICH SHALL, TO THE EXTENT SO SPECIFIED OR TO THE EXTENT INCONSISTENT WITH THE TERMS AND CONDITIONS CONTAINED HEREIN, REPLACE OR MODIFY THE FOLLOWING TERMS AND CONDITIONS FOR THE PURPOSE OF SUCH SERIES OF NOTES.

1. Currency, Form, Title and Denomination

1.1 Issue and Currency

- 1.1.1 The Notes may be issued from time to time by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued, provided that the aggregate Principal Amount of all Notes outstanding under the Programme at any one point in time does not exceed the Programme Size. The Applicable Pricing Supplement for each Tranche/Series of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of those Notes.
- 1.1.2 The Noteholders are by virtue of their subscription to, or purchase of, the Notes deemed to have notice of, and are entitled to the benefit of and are subject to all the provisions of the Applicable Pricing Supplement and the Deed of Covenant.
- 1.1.3 The Notes shall be registered electronically and serially numbered.
- 1.1.4 Notes issued under the Programme will be Zero-coupon Notes, and will not pay interest.
- 1.1.5 The Notes shall be issued in the Relevant Currency.

1.2 Form and Title

- 1.2.1 The Notes will be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.2.2 Title to the Notes passes upon credit to the CSD account of the Noteholder.
- 1.2.3 The CSD statement of account shall be conclusive and binding for all purposes save in the case of manifest error and such Noteholder shall be treated by the Issuer and the Issuing and Placing Agent, and the Issuing, Placing, Paying and Collecting Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes and no person will be liable for so treating the Noteholder.

1.3 Denomination

- 1.3.1 The aggregate Principal Amount of the Notes will be as specified in the Applicable Pricing Supplement, subject to a minimum value of ₦5,000,000.00 and multiples of ₦1,000.00 thereafter.
- 1.3.2 The minimum denominations of Notes denominated in other currencies will be in accordance with any applicable legal and regulatory requirements.

1.4 Closed Periods

- 1.4.1 No Noteholder may require the transfer of the Notes (i) during the period of fifteen (15) days ending on the relevant Redemption Date; (ii) following the issuance of a default notice to the Issuer pursuant to Condition 9 (*Events of Default*); or (iii) following the Relevant Last Day.

2. Status of the Notes

- 2.1 Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligations as may be mandatorily preferred

TERMS AND CONDITIONS OF THE NOTES

by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

3. Redemption

- 3.1 Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Redemption Amount, specified in or determined in the manner specified in the Applicable Pricing Supplement, on the Redemption Date subject to the provisions contained in Condition 4 (*Payments*).

4. Payments

- 4.1 Only Noteholders named in the Register as at the close of business on the Relevant Last Day shall be entitled to payment of amounts due and payable in respect of Notes. The registered Noteholder shall be the only person entitled to receive payments in respect of Notes and the Issuer will be discharged by payment to, or to the order of, the registered Noteholder in respect of each amount so paid.
- 4.2 Payments of any outstanding obligation regarding the Notes will be made in the Relevant Currency by credit/electronic funds transfer to the specified bank account of the Noteholder.
- 4.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the first-named Noteholder in the Register. Payment by electronic transfer to the first-named Noteholder in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- 4.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder which payee shall in turn transfer such funds to the holders of the beneficial interests.
- 4.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each note.
- 4.6 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts made payable to the relevant Noteholder and the Issuer and the IPCA shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post to the address of the Noteholder of registered Notes as set forth in the Register on the Relevant Last Day or, in the case of joint Noteholders of registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note. Cheques shall be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 4.4.
- 4.7 Where the Issuer fails to redeem the Notes on the Redemption Date (and only in this event), interest shall begin to accrue on the Redemption Amount at the Default Rate from the Redemption Date until the date on which all amounts due in respect of such Note have been paid.
- 4.8 If the Redemption Date is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the Redemption Amount until the next Business Day, and the Noteholder shall not be entitled to any interest, return or other payment in respect of any such delay in payment.
- 4.9 On the Redemption Date, payment shall only be made to the Noteholders if the Issuer has made funds available to the IPCA.
- 4.10 In respect of payments relating to Notes under a Tranche, (notwithstanding that such Notes may have the same Issue Date), where the total Discount Amount payable by a Noteholder in respect of the said Notes has not been received by the relevant Issue Date, but is at the discretion of the Issuer accepted within 5 (five) Business Days thereof, the Discount Amount payable by the Noteholder in respect of such Notes shall be adjusted to reflect the reduced tenor of the investment as applicable.

5. Transfer of Notes

- 5.1 All Notes issued under the Programme in dematerialized or immobilized (book entry) form may be transferred only in accordance with the CSD Rules.

5.2 Transfer of the Notes will only occur by way of electronic book entry in the CSD accounts of the Noteholders in accordance with the CSD Rules.

6. Register

6.1 The Register shall be maintained by the CSD. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes held by each Noteholder and the Issue Date.

6.2 The Register shall be open for inspection during the normal business hours of the Registrar to any Noteholder or any person authorised by the Noteholder.

6.3 Each Tranche or Series shall be registered in the applicable Register.

6.4 The Registrar shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Conditions.

7. Taxation

7.1 The Notes issued under the Programme will be Zero-coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

8. Prescription

8.1 The Notes will become void unless presented for payment in respect of the Redemption Amount within 3 (three) years from the appropriate Relevant Date.

9. Events of Default

Upon the happening of any of the following events ("**Events of Default**") which is continuing, any Noteholder may, by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of Force Majeure or the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction. In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

Upon the occurrence of an Event of Default, the Issuer shall pay Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.

In addition, each Noteholder shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

9.1 **Non-Payment or Part-Payment:** the Issuer fails to make payment or makes part-payment by the Redemption Date in respect of any Tranche or Series of Notes, save for where its failure to pay is as a result of an administrative or technical error and payment is not made within ten (10) Business Days of its due date; or

9.2 **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or where capable of remedy, is not remedied within thirty (30) days after written notice of such default requiring that breach to be remedied shall have been given to the Issuer at its specified office; or

9.3 **Breach of Representation:** any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Joint Lead Arrangers, materially incorrect or misleading; or

9.4 **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a

TERMS AND CONDITIONS OF THE NOTES

reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or

- 9.5 **Insolvency:** the Issuer is, or is deemed by law or a court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
- 9.6 **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within 90 (ninety) days of service by the relevant officer of the court of such distress, attachment, execution or other legal process; or
- 9.7 **Failure to Take Action:** any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, or approval is revoked, modified, withdrawn or withheld or ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.
- 9.8 **Failure to Notify:** In line with section 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the ICPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date

10. Notices

10.1 Notices to the Noteholders

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

10.2 Notices from the Noteholders

- 10.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging the same, with the IPCA at its registered office.

11. Change of the Issuing, Placing, Paying and Collecting Agent

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

12. Modification

- 12.1 The Joint Lead Arrangers may agree with the Issuer, without the consent of the Noteholders to any modification of any of these Conditions which is in the opinion of the Joint Lead Arrangers of a minor or technical nature or is made to correct a manifest error, or to comply with the mandatory provisions of any law in Nigeria and which, in the opinion of the Joint Lead Arrangers, is not materially prejudicial to the interests of the Noteholders.
- 12.2 Save as provided in Condition 12.1 above, no amendment of the Conditions may be effected unless;

- (i) such amendment is in writing and signed by or on behalf of the Issuer; and
- (ii) such amendment:
 - (a) If it affects the rights, under the Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes; or
 - (b) If it affects only the rights, under the Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) in value of the outstanding Principal Amount of all the Notes held by that group.

12.3 Any such modification, authorisation or waiver shall be binding on the Noteholders and, shall be notified to the Noteholders, as soon as practicable in accordance with Condition 10 (Notices).

13. Meetings of Noteholders

- 13.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty one (21) days prior written notice to such Noteholders. The notice is required to be given in accordance with Condition 10 (Notices). Such Notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.
- 13.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 13.3 Two (2) or more Noteholders holding or representing by proxy a simple majority of the Principal Amount of the Notes that are outstanding for the time being, shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within ten (10) days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 13.4 A Noteholder may by an instrument in writing (a “**Form of Proxy**”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a “**Proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 13.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body, authorise any person to act as its representative (a “**Representative**”) in connection with any meeting or proposed meeting of the Noteholders.
- 13.6 Any Proxy or Representative so appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 13.7 The chairman of the meeting of the Noteholders shall be appointed by a majority of Noteholders present in person or proxy. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 13. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 13.8 At any such meeting, two (2) or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third (1/3rd) of the Principal Amount of Notes outstanding shall form a quorum.
- 13.9 On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 13.10 If within thirty (30) minutes after the time appointed for any such meeting, a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty

TERMS AND CONDITIONS OF THE NOTES

one (21) days thereafter and at the same time and place. At such adjourned meeting, one or more Noteholders present or represented by proxy shall form a quorum and shall have power to pass any special resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.

- 13.11 A resolution in writing duly signed by seventy five percent (75%) of the Noteholders for the time being outstanding, shall be effective for all purposes as a special resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

14. Further Issues

- 14.1 The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the “**Additional Notes**”) having terms and conditions which are identical to any of the other Notes already issued under the Programme (the “**Existing Notes**”) or the same in all respects save for their respective issue prices, issue dates and aggregate Principal Amounts, so that the Additional Notes shall be consolidated by the Issuer to form a single Series with the Existing Notes.

15. Governing Law

- 15.1 The provisions of these Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

TAX CONSIDERATIONS

Prior to the suspension of the use of Commercial Papers and Bankers Acceptances as off-balance-sheet instruments by banks and discount houses, Commercial Papers were exempt from Withholding Tax ("WHT"). Recent Commercial Papers have been issued in accordance with this position on the grounds that a commercial paper is a discount instrument, for which no withholding tax is payable on the discount income.

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

The summary is not intended to be, and should not be construed to be tax advice to any particular subscriber. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its tax advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

RISK FACTORS

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

Investors should also seek professional advice before making investment decisions in respect of the Notes.

RISKS FACTORS RELATING TO NIGERIA

Economic Risk

The Issuer's operations are predominantly conducted in Nigeria, where most of its customers also reside. Accordingly, the Company's business, results of operations, and/or financial condition depend significantly on the economic and political conditions prevailing in Nigeria.

The Nigerian economy is largely dependent on the oil sector and revenue derived from the oil sector provides FX earnings for the Government. Therefore, any change in oil production or global oil prices may have a wide-reaching impact on all other sectors in the economy. The effect of the recent global shock in oil prices impacted Nigeria's economy significantly, causing a substantial withdrawal of portfolio capital and a corresponding decline in the stock market, fall in government revenues, weakening of the currency and a substantial drop in foreign currency reserves. A further decline in global oil prices may have an adverse effect on the Nigerian economy which in turn might have an impact on the operations and profitability of the Company. However, the present administration remains committed to economic reforms aimed at diversifying Nigeria's economy and increasing macroeconomic stability whilst promoting a private sector market-driven economy. In addition, the government's annual budget is pegged at a rate lower than the average trading price of crude oil. This reduces the country's exposure to the volatility in oil price.

Nigeria has made significant progress in socio-economic reforms over the last decade, but still faces key developmental challenges, particularly in infrastructure. Nigeria needs to focus on meeting its infrastructural needs including power generation, transportation and social infrastructure, to ensure stable, substantial, sustainable and inclusive economic growth.

The COVID-19 outbreak severely impacted economic activity in Nigeria, creating large external and fiscal financing need in 2021. The contraction in global economic activity also constrained the economic recovery momentum, following the recession experienced in 2016. Given the global nature of the COVID-19 pandemic, there is uncertainty around the severity and duration of the impact across markets, and impact on Nigeria's near-term growth.

Political Risk

Nigeria's political, economic and social stability has been characterized by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in the country.

In recent years, Nigeria has experienced considerable unrest, terrorism and political and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. These regional affiliations have in the past contributed to, and may continue to contribute to, political and religious tension, which can also lead to social unrest. Insurgent activities in the north-east region of the country have also resulted in social and economic damage.

Despite the recent successes in combating insurgent groups, the risk of insurgents regrouping remains. Until the Government is able to address the root of the problems that contribute to this (such as poverty, low level of education, religious intolerance, weak enforcement of law and order and insecurity), insurgent groups are expected to continue to operate, especially in the north-eastern part of Nigeria,

RISKS RELATING TO SKLD INTEGRATED SERVICES LIMITED

Business Risks – These are risks associated with the business activities of the Company

Source of raw materials

SKLD sources a significant portion of its raw materials from outside Nigeria, while also buying locally. The quality and availability of raw materials, as well as the security to supply chains remains a risk. Imported raw materials are likely to be subject to arbitrary increases in tax and duties. Foreign exchange volatility

RISK FACTORS

and sudden increase in input costs may not be easily passed to consumers and may affect the Company's margins.

Underdeveloped power and transport infrastructure

Manufacturers and Suppliers in Nigeria are plagued by the intermittent supply of electricity and poor transport networks and infrastructure. Despite the ongoing efforts by the federal government, problems still persist with power generation, transmission and distribution thereby impeding the development of the industry. Many manufacturers rely heavily on alternative electricity which increases the overall cost of doing business.

Unstable pricing, and sometimes scarcity of fuel for power generation contributes to potential fluctuation of overheads.

Competition Risk – The risk that the Company will lose market share to other players in the industry

Risk of Substitutes

Consumers could be price sensitive and in the event that SKLD passes cost to consumers, there is the high likelihood of them switching to competitors, thereby leading to a loss in market share.

Legal Risk – The risk that counterparties may not fulfil contractual agreements

This could arise from the type and nature of contractual agreements entered into by SKLD. There is a risk that the Company's counterparties in these agreements may fail to fulfil their obligations. There is also the risk that SKLD may not perform its obligations, thereby exposing the Company to litigation.

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

Following the decline in the price of crude oil in the second quarter of 2020, the CBN devalued the Naira by 5%, resulting in the Naira to US Dollars exchange rate from N380/US\$ as at 3 July 2020. SKLD is exposed to exchange rate risk mainly through importation of raw materials. The Company's operations are consequently affected by the relative movements in the exchange rates and Naira inflation. Further devaluation of the Naira and rising inflation rates will increase the Company's input costs and overall expenses, thereby impacting profits.

Environmental Risk – These are losses that arise due to natural occurrences in the environment.

Rising terrorist attacks and community clashes across the country, especially in the North-Eastern part of Nigeria is a risk to most businesses. However, the federal and state governments have intensified efforts aimed at reducing the level of terrorist attacks.

Any failure to effectively improve or upgrade the Group's information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group.

The Group's ability to remain competitive depends in part on its ability to upgrade the Group's information technology on a timely and cost-effective basis. The Group must continually make significant investments and improvements in its information technology infrastructure in order to remain competitive. The Group cannot assure that in the future it will be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of its information technology infrastructure. Any failure to effectively improve or upgrade its information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group.

RISKS RELATING TO THE COMMERCIAL PAPER NOTES

Risk related to the liquidity of the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications will be made for Notes issued under the Program to be admitted and traded on the FMDQ Exchange platform, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

Risks related to the change in price of the Notes

Changes in market price of Commercial Paper in the regulated market depends on supply and demand for Commercial Paper and changes in interest rates in the market. Excess demand for Commercial Paper

RISK FACTORS

could lead to a higher price, and excess supply could lead to a decrease in the price of Commercial Paper. In case of higher interest rates in the market, Commercial Paper holders could request higher return for Commercial Paper, which in turn could lead to a lower price of Commercial Paper in the regulated market. In case of lower interest rates in the market, Commercial Paper holders could expect lower return for Commercial Paper, which in turn could lead to a higher price of Commercial Paper in the regulated market.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

CLEARING SYSTEM

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

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

Authorised Participants

The CSD will maintain a central securities account for Issuing, Placing, Paying & Collecting Agent/ Issuing & Placing Agent and Dealing Members ("**Authorised Participants**") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Note holders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participants are Coronation Merchant Bank Ltd and any other Dealer appointed by the Issuer.

Registration

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

Lodgment

- i. The Authorised Participants shall provide the schedule of all the subscribers and their expected holdings to the CSD for distribution. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgment to transfer the CPs to the sub-accounts, individual accounts or custodians accounts of the beneficial owners of the Notes.
- ii. Cut-off time for e-lodgment of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process same within 24 hours of receipt.

Redemption

- i. No transactions or trades may be effected for any CPs two (2) working days prior to its maturity date as the Register closes two (2) working days before Maturity Date.
- ii. The Authorized Participants will submit a letter to the CSD confirming the intention of the Issuer to repay the holders of the CP on the maturity date by 12 noon on two business days before Maturity Date.
- iii. The CSD shall expunge matured CPs on the Maturity Date or Redemption Date of the CPs.
- iv. The Maturity Date must be on a Business Day, however, where this falls on a public holiday, the ensuing business day shall be the Maturity Date of the CP.

Roll-Over

- i. All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Default

- i. Where the issuer is unable to repay the Noteholders and the CP will be in default status, the Authorised Participants shall notify CSD, as well as the investors, latest two (2) business days before the Maturity Date. latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by one (1) business days before the maturity date.
- iii. The ICPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00PM on the Maturity Date, failing which the Issuer shall be deemed to be in default
- iv. In case of (i) above, the CP holdings must remain with the CSD until the Issuing, Placing, Paying and Calculation Agent pays off the CP holders and notifies the CSD and the FMDQ with evidence.
- v. Thereafter, the CSD will notify the public and expunge the CP from the CSD accordingly. IPCA pays off the Note holders and notifies the CSD with the evidence

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T + 2.
- ii. The exchange shall submit Dealing Members' confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - a. Same Day Settlement - 12.30pm.
 - b. T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorized platform by 2pm on settlement day to the exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the exchange and the CSD simultaneously.
- v. Transactions for standard settlement (T + 2) shall stop five (5) business days before maturity date, therefore the last applicable settlement shall be before close of business on three (3) business days before maturity date.

Reporting

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the exchange and also keep records for each transaction.
- ii. The CSD will advise the exchange of successful and failed transactions on each settlement day for onward communication to Dealing Members.
- iii. Dealing Members can ascertain their CP balances after each day's trade via the CSD's website after each day's trade. This is a subscription service.

Transfer of Notes

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

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Cash Settlement

The Transaction Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement ("RTGS"), NIBSS Electronic Funds Transfer ("NEFT") or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.



SKLD INTEGRATED SERVICES LIMITED

**Issue of Up to ₦[●] (Series [●]) Commercial Paper Notes
Under its ₦2,000,000,000
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated April 7, 2022 prepared by Coronation Merchant Bank Ltd on behalf of SKLD Integrated Services Limited in connection with its ₦2,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

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

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

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on September 11, 2019 and the CBN letter to deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules (the "Rules") of the FMDQ Securities Exchange Limited ("FMDQ Exchange") or (the "Exchange") . The document is not required to be registered with the Nigerian Stock Exchange ("NSX") or the Securities and Exchange Commission ("SEC"). This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

ARRANGER

CORONATION

RC207138

DEALERS

CORONATION

RC207138

ISSUING, PLACING, PAYING AND COLLECTING AGENT

CORONATION

RC207138

This Pricing Supplement is dated [●]

Issuer	SKLD Integrated Services Limited
Arranger	Coronation Merchant Bank Ltd
Issuing, Placing, Paying and Collecting Agent	Coronation Merchant Bank Ltd
Auditors	Emmanuel Adeyemo Ogunlowo & Co (Chartered Accountants)
Sponsor to the Quotation on FMDQ	
Exchange	
Solicitor	
Custodian	Central Securities Clearing Systems Plc
Series Number	[●]
Programme Size	₦2,000,000,000
Aggregate Nominal Amount	[●]
a. Tranche	[●]
b. Series	[●]
Face Value	[●]
Discounted Value	[●]
Nominal Amount Per Note	[●]
Issue Price	[●]
Tenor	[●]
Maturity Date	[●]
Redemption Amount	[●]
Minimum Subscription	₦5,000,000 and multiples of ₦1,000 thereafter
Specified Currency	[●]
Specified Denomination	[●]
Status Of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form Of Notes	[●]
Listing	Notes may be quoted on the FMDQ Exchange platform or any other recognized exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method Of Offer	[●]
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]
Discount Rate	[●]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Any Other Formula or basis For Determining Amount(s) Payable	[•]
Day Count Fraction	[•]
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
Redemption/Payment Basis	[Redemption at par][other(specify)]
Issuer's Early Redemption	[Applicable/Not Applicable]
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable On Redemption	[•]
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Notification Of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [.]
Payment Date	[•]
Details Of Bank Account(s) To Which Payments Are To Be Made In Respect Of The Notes	[•]
Settlement Procedures And Settlement Instructions	[•]
Delivery Date	[•]

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since [last Published Account].

RESPONSIBILITY

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

Signed at _____ on this _____ day of _____ 2022

For and on behalf of
SKLD Integrated Services Limited

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto

Emmanuel. Adeyemo. Ogunlowo & Co.
Chartered Accountants



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Oyo State, Nigeria.
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Office Address:
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Near Lagos Airport Hotel.
P.O. Box 2126, Ikeja, Lagos State, Nigeria.
E-mail: emmanuel@ogunlowo.com
Website: www.ogunlowo.com
Tel: 0807 150 3538

Report of the Independent auditors on the summary of financial statements.
To the members of SKLD Integrated Services Limited.

Report on the summary financial statements.

Opinion

The summary financial statements (the "summary financial statements") which comprise the summary statements of financial position as at 31 October 2017, 31 October 2018, 31 October 2019 and 31 October 2020 and the summary statement of comprehensive income and cash flows for the years then ended are derived from the audited financial statements (the "audited financial statements") of SKLD Integrated Services Limited for the years ended 31 October 2017, 31 October 2018, 31 October 2019 and 31 October 2020.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the International Financial Reporting Standards, Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, 2020 (CAP C20 LFN).

Summary Financial Statements

The summary financial statements should be read along with the audited financial statements, to give the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and other Financial Institution Act applied in the preparation of the audited financial statements of the company. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statement for the years ended 31 October 2017, 31 October 2018, 31 October 2019 and 31 October 2020 and the auditor's reports thereon.

The audited financial statements and our reports thereon

We expressed an unmodified audit opinion on the audited financial statement in our reports dated, 4th May 2018, 31st July 2019, 28th September 2020, 30th June 2021

- 4.4 Save for paragraph 3.8 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- 4.5 Where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.
5. **RELIANCE**

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

This Opinion may be disclosed (a) if required by law or regulation; (b) to the officers, directors, employees, affiliates, professional advisers (including legal advisers), auditors or regulators of a Dealers; and (c) in connection with any actual or potential dispute or claim in respect of the Note issuance provided that such persons may not rely on the Opinion.

Yours faithfully,
ALP NG & Co



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31ST DECEMBER 2017, 2018, 2019, 2020 & 2021

	2021 AFS	2020 AFS	2019 AFS	2018 AFS	2017 AFS
Revenue	1,973,387,665	1,015,497,566	1,203,431,941	1,000,388,884	640,488,775
Other operating income	40,095,478	9,613,146	7,952,214	460,524	-
Other operating gains/(losses)	2,554,226	98,323	89,349	(166,671)	-
Change in inventory – finished goods and WIP	(1,206,208,514)	(684,620,332)	(770,840,778)	(698,384,217)	(432,361,731)
Operating expenses	(304,246,907)	(153,939,578)	(149,183,304)	(124,679,225)	(94,909,477)
Employee costs	(316,626,319)	(164,450,962)	(170,966,619)	(96,973,641)	(59,785,010)
Depreciation, amortization and impairment expenses	(51,334,918)	(28,276,155)	(20,665,776)	(11,142,514)	(10,511,647)
Operating profit/(loss)	137,620,711	(11,077,992)	99,817,027	69,503,140	42,920,910
Finance cost	(70,756,355)	(53,274,285)	(60,862,722)	(40,716,674)	(17,725,930)
Profit/(Loss) before taxation	66,864,356	(64,352,277)	38,954,305	28,786,466	25,194,980
Income tax expense	(7,434,056)	(10,783,179)	(20,684,517)	(11,181,304)	(8,181,635)
Profit/ (loss) for the period/year	59,430,300	(75,135,456)	18,269,788	17,605,162	17,013,345
Other comprehensive income: Items that may be reclassified to profit or loss:					
Available for sale financial assets adjustments	23,750	(63,000)	77,500	51,250	65,000
Income tax relating to items that may be reclassified	(7,125)	18,900	-	-	-
Other comprehensive income for the year net of taxation	16,625	(44,100)	77,500	51,250	65,000
Other comprehensive income	-	-	-	-	-
Total comprehensive income/ (loss) for the period/year, net of tax	59,446,925	(75,179,556)	18,347,288	17,656,412	17,078,345
Basic/diluted earnings/ (loss) per share (Naira)	9.48	(6.92)	1.68	1.62	1.69

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017, 2018, 2019, 2020 & 2021

	2021 AFS	2020 AFS	2019 AFS	2018 AFS	2017 AFS
Assets					
Non-Current Assets					
Property, plant and equipment	279,326,161	81,525,244	101,618,868	48,805,469	28,337,740
Intangible assets	2,876,207	2,249,468	1,900,093	1,093,343	1,242,708
Other financial assets	379,500	355,750	418,750	341,250	290,000
	282,581,868	84,130,462	103,937,711	50,240,062	29,870,448
Current Assets					
Inventories	727,279,065	328,991,137	286,925,438	275,827,225	185,574,079
Trade and other receivables	530,609,025	288,166,344	144,662,528	122,810,056	96,868,722
Goods in transit	-	-	15,149,244	7,097,477	-
Cash and cash equivalents	66,492,083	117,169,349	39,522,843	29,951,769	5,613,579
Total Assets	1,606,962,041	818,457,292	590,217,764	485,926,589	317,926,828
Equity and Liabilities					
Equity					
Share capital	776,626,000	10,850,000	10,850,000	10,100,000	10,100,000
Reserves	(39,975)	(56,600)	(12,500)	(90,000)	(141,250)
Accumulated earnings	59,836,056	405,756	86,391,212	68,871,425	50,516,263
	836,422,081	11,199,156	97,228,712	78,881,425	60,475,013
Liabilities					
Non-Current Liabilities					
Deferred tax	28,326,628	28,326,682	20,195,426	7,618,823	3,733,525
Current Liabilities					
Trade and other payables	420,992,905	283,322,760	200,041,528	353,229,056	214,216,509
Other financial liabilities	312,519,274	469,522,442	263,870,091	36,375,239	26,150,089
Retirement benefit obligation	1,260,563	3,300,380	846,093	526,040	1,207,541
Current tax payable	7,327,034	10,508,937	-	9,296,006	12,144,151
Dividend payable	-	10,850,000	-	-	-
Bank overdraft	-	1,336,935	-	-	-
Total Liabilities	770,539,960	807,258,136	492,989,052	407,045,164	257,451,815
Total Equity and Liabilities	1,606,962,041	818,457,292	590,217,764	485,926,589	317,926,828

SKLD INTEGRATED SERVICES LIMITED

Long-Term Rating:
BBB+

Short Term Rating: A2
Rating Outlook: Stable
Trend: Up
Currency: Naira
Date Issued: 9 Feb., 2022
Valid Till: 8 Feb., 2023

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju.
Oladele Adeoye.

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

EXECUTIVE SUMMARY

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Turnover	2,016,012	1,015,498	1,203,432	1,000,389	640,489
Profit Before Tax	68,629	(64,352)	38,954	28,786	25,260
Equity	838,971	11,199	97,229	78,881	60,475
Non Current Asset	237,390	84,130	103,938	50,240	29,870
Total Asset	1,307,143	818,457	590,218	485,926	317,926
Non Current Liabs	168,187	243,171	20,195	7,619	3,733

Rating Explanation

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

The Long-Term Rating of **BBB+** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of subject's current healthy profile in the medium to long term period.

Overall, the following were observed:

Strengths:

- Diversified Earning Profile
- Strong Brand Presence
- Good Market Position

Weaknesses:

- Low Profit Margin
- Limited Production Capacity

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

○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of SKLD Integrated Services Limited dated December 14, 2021.

○ **Auditors**

Emmanuel Adeyemo Ogunlowo & Co (Chartered Accountants) acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2021, 31 December 2020, 31 December 2019, and 31 December 2018 annual financial statement for the Issuer and was responsible for the audit, and issued unqualified report.

○ **Commercial Paper Outstanding**

The Issuer has no Commercial Paper outstanding as at the date of this Programme Memorandum. Within the financial year ending 31 December 2022, the Issuer does not anticipate the amount of CPs to be issued to exceed the Programme size.

○ **Going Concern**

The Issuer is at the date hereof a going concern, and can be reasonably expected to meet all of its obligations as and when they fall due.

○ **Litigation**

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the result of which might have or have had a material effect on the financial position or the operations of the Issuer, nor is the Issuer aware of any such proceedings being threatened or pending.

○ **Material Contracts**

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

- i. the Deed of Covenant dated April 7, 2022, executed by the Issuer as a deed poll in favour of the Note holders;
 - ii. the Dealer Agreement dated April 7, 2022, executed by the Arranger and the Issuer; and
 - iii. the Issuing, Placing, Paying and Collecting Agency Agreement dated April 7, 2022, executed by the Issuer, and the Issuing, Placing, Paying and Collecting Agents
- iv. Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

○ **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes

ISSUER

SKLD Integrated Services Limited
12, Oguntana Crescent
Gbagada, Lagos
Nigeria
Tel: +234 813 4313 219



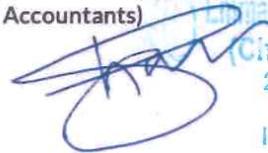
ARRANGER

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10, Amodu Ojikutu
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AUDITOR

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ALP NG & Co.

ISSUING, PLACING, PAYING AND COLLECTING AGENT

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DEALERS

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