

CERPAC RECEIVABLES FUNDING SPV PLC

¥1.25 billion 14.5% Series 3 Fixed Rate Bond Due 2028 under the ¥40 Billion
Medium Term Note Programme

2026 Structured Finance Bond Review Report

 **Agusto&Co.**

Research, Credit Ratings, Credit Risk Management

CERPAC RECEIVABLES FUNDING SPV PLC'S

₦1.25 billion 14.5% Series 3 Fixed Rate Bond Due 2028 under the ₦40 Billion Medium Term Note Programme

Issue Rating:

A+^{sf}

Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on the debt obligation in a timely manner relative to all other Issues in the country.

Outlook: Stable

Issue Date: 21 April 2026

Expiry Date: 31 January 2027

The Issue rating for the Series 3 Bond will be subject to annual monitoring and review

Previous Issue Rating: A+^{sf}

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RATING RATIONALE

Agusto & Co. hereby affirms the “A+^{sf}” rating assigned to CERPAC Receivables Funding SPV PLC's (“CERPAC”, “SPV” or “the Issuer”) ₦1.25 billion 14.5% Series 3 Fixed Rate Bond Due 2028 (“the Issue” or “the Bond”) Future Flow Receivables Backed Securitisation of Combined Expatriate Residential Permit & Alien Cards (CERPAC) Issuance. The assigned rating is supported by the strong cash-generating capacity of the securitised receivables (CERPAC cards issued for the identification and tracking of foreign national residents in Nigeria), which serve as the primary source of repayment for the Bond obligations, the satisfactory cash cover of 1.4x over the next coupon payment and principal repayment, and the continued honouring of the CERPAC contract awarded to Continental Transfert Technique Limited (“the Sponsor”, “the Seller”, “CTTL” or “the Company”) by the Federal Government of Nigeria (FGN). In addition, Agusto & Co. notes that the robust credit enhancement features, including the cash reserve account, over-collateralisation, cash accumulation mechanisms and acceleration triggers, provide comfort that the Issuer will continue to meet its obligations as and when due.

Continental Transfert Technique Limited is the sole company in Nigeria with the mandate to produce the Combined Expatriate Residence Permit and Alien Card (CERPAC) for and on behalf of the Nigerian Immigration Service based on a 1999 contract awarded by the Federal Government of Nigeria (“FGN”) through the Ministry of Internal Affairs (now Ministry of Interior). As at 31 July 2025, CTTL had produced and sold 669,429 cards out of the 900,000 based on the 2011 Judgement Debt¹. Thus, it will take about five years for the outstanding 230,571 cards to be sold, and the estimated cash accruable to CTTL, in line with the existing sharing formula (CTTL – 55% and FGN & Agencies – 45%), would amount to ₦342.4 billion, based on the prevailing exchange rate of ₦1,350 as at 20 April 2026.² This reflects Continental Transfert Technique Limited's ability to meet its bond obligations, given that the rights to cash receipts from the sale of CERPAC cards have been fully assigned to the SPV.

As at 31 March 2026, Continental Transfert Technique Limited had paid approximately

¹ One of the key Terms of Settlement of the Judgment Debt of 2011 was an extension of the CERPAC scheme for a term of 3 years or sale of 900,000 CERPAC cards, whichever is the latter. This final judgment settlement was obtained against the Federal Government of Nigeria in the Supreme Court of the Federal Republic of Nigeria, in the High Court of London, United Kingdom and in the District Court of the United States of America.

² Exchange Rates | Central Bank of Nigeria

CERPAC Receivables Fundina SPV Plc's ₦1.25 billion 14.5% Series 3 Fixed Rate Bond Due 2028

TRANSACTION PARTIES

Issuer:
CERPAC Receivables Funding SPV PLC

Sponsor/Service/Seller:
Continental Transfert Technique Limited

Issuing House/Book Runner:
DLM Advisory Limited

Solicitors to the Issue:
Perchstone & Graeys

Bond & Security Trustees:
DLM Trust Company Limited
ARM Trustees Limited

Registrars:
Africa Prudential PLC

CERPAC Sales Proceed Bank:
Polaris Bank Limited

Account Bank:
Zenith Bank PLC

₦1.16 billion to the Bondholders, comprising nine coupon payments and three principal repayments. As at the same date, the combined balances in the Minimum Reserve Account and the Transaction Collection Account provided coverage of approximately 1.4x for the next coupon and principal obligations due in July 2026.

The continued remittance of weekly CERPAC card sales into the designated Transaction Collection Account (TCA) highlights the Seller's ability to generate sufficient cash flows to meet the Bond obligations. This consistent inflow further reinforces the Sponsor's capacity to sustain adequate cash generation for debt service. The Sponsor has also demonstrated a strong repayment track record, as evidenced by the successful redemption of the Discrete, Series 1 and Series 2 Bonds, supported by continuous revenue generation from CERPAC card sales. In view of these considerations, we believe the Sponsor is well positioned to meet its obligations under the Series 3 Bond. Thus, we attach a **stable** outlook to the CERPAC Receivables Funding SPV PLC's Series 3 Bond.

KEY TRANSACTION STRUCTURE

Bond Tenor:
7 years with semi-annual payment of coupon and principal. However, the principal is subject to a three-year lockout period from the issue date.

Early Redemption Option:
The Issuer reserves the right to an optional early redemption option (Call Option) from the 48th month after bond closing. However, this option is subject to 1.05% of the principal outstanding of the Bonds together with interest accrued from the 48th month up to, but excluding the 60th month and 1.025% of principal outstanding of the Bonds together with interest accrued from the 60th month up to, but excluding the Maturity Date.

Source of Repayment:
The portion of the cash flow that accrues to the SPV from the sale of the CERPAC forms.

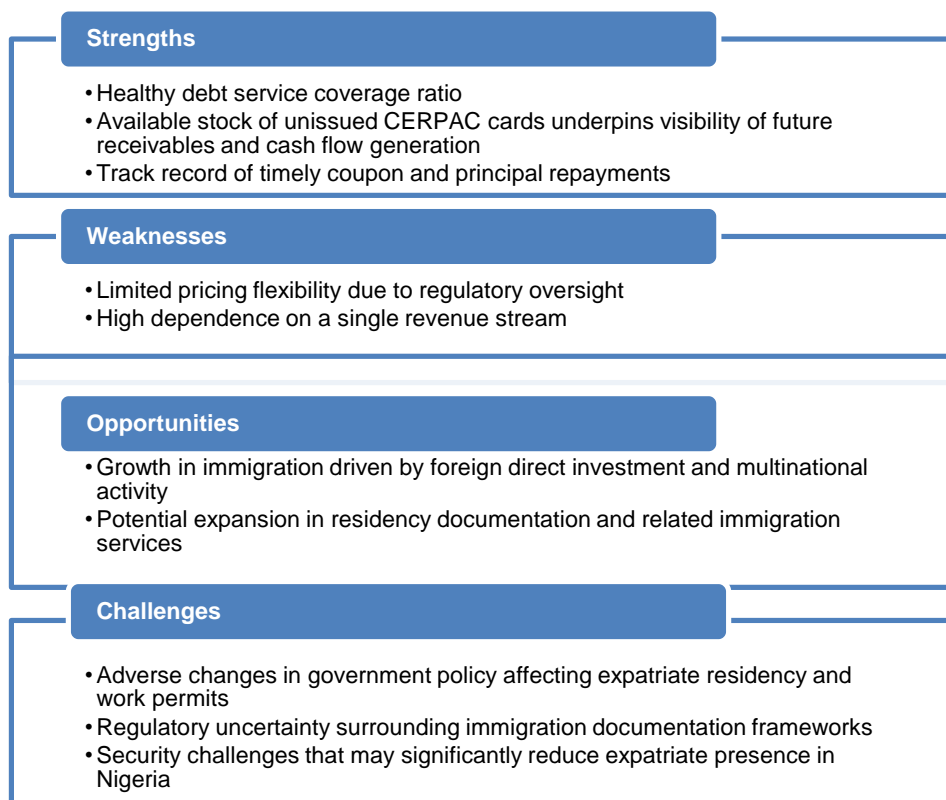
Use of Bond Proceeds:
The net proceeds were used by the Issuer for the payment of the purchase price to the Seller. The Seller in turn used the proceeds to finance infrastructure for the new technology contracts and agro-related investments in the country.

Bond Status:
Direct, unconditional, unsubordinated secured obligations of the Issuer and shall at the least rank equal to any other existing Bond obligations of the Issuer. The Series 3 Bonds shall rank pari passu at all times and without any prejudice among themselves.

Credit Enhancements:
The bond shall have the benefit of a cash reserve account, over-collateralization, cash accumulation and acceleration triggers.

Listing:
The Bond is listed on the FMDQ Exchange.

Figure 1: Strengths, Weaknesses, Opportunities and Challenges



BOND STRUCTURE & UTILISATION OF PROCEEDS

In September 2021, CERPAC Receivables Funding SPV PLC (“the Issuer” or “the SPV”) issued a ₦1.25 billion 14.5% Future Flow Receivables Backed Securitisation Bond Due 2028 (Series 3 Bond) under the ₦40 billion Bond issuance programme. The net proceeds from the issuance were applied toward the acquisition of the Seller/Sponsor’s (Continental Transfert Technique Limited) rights to existing and future receivables arising from the CERPAC Scheme, pursuant to the Receivables Sales and Purchase Agreement (RSPA). In turn, CTTL deployed the proceeds to finance various projects, as set out in the table below:

Table 1: Schedule of Utilization of Series 3 Bond Proceeds

S/N	Particulars	Amount (₦)	% of proceeds
1	Bio Input factory set up for Kwali and Eruwa	627,248,167	50%
2	Mining for carrier agents for Bio Input Factories	156,812,042	13%
3	Upgrade of existing factories at Madala and Katsina	156,812,042	13%
4	E-Move, SITA and other related projects	117,609,031	9%
5	Research facility and storage setup at Qatar	78,406,020	6%
6	Upgrade of Agri Research labs at Abuja and Eruwa	39,203,010	3%
7	Minimum Reserve Account Balance (50%)	45,312,500	4%
8	Issue Cost	28,597,187	2%
Total		1,250,000,000	100%

The Bond coupon is paid semi-annually over the seven-year tenor of the Series 3 Bond, while principal repayment commenced in July 2024 following the expiration of a three-year moratorium from the issue date. In accordance with the terms of the Series 3 Trust Deed, the Issuer retains a call option for early redemption of the Bond. However, the exercise of this option attracts additional costs, comprising 1.05% of the outstanding principal plus accrued interest from the 48th month up to, but excluding, the 60th month, and 1.025% of the outstanding principal plus accrued interest from the 60th month up to, but excluding, the maturity date. Pursuant to the existing contractual arrangements, CERPAC card sale proceeds are remitted weekly into the CERPAC Sales Escrow Account maintained with the Collection Bank (Polaris Bank Limited), in line with standing instructions issued by the Bond Trustees, DLM Trust Company Limited and ARM Trustees Limited.

The 55% share of CERPAC sale proceeds attributable to the Sponsor is transferred from the Escrow Account into a designated Transaction Collection Account (TCA) maintained with the Account Bank (Zenith Bank PLC). Thereafter, the weekly amount earmarked for Bond servicing, determined in accordance with existing standing instructions from the Bond Trustees, is first swept from the TCA into the Bond Collection Account (BCA) to meet the relevant Bond obligations. Any remaining balance is subsequently transferred to the residual beneficiaries, comprising CTTL and equity investors in the form of dividends.

Agusto & Co. notes that the Bond Trustees have viewing rights only over the CERPAC Sales Escrow Account, but are responsible for overseeing and controlling the operations of the TCA and BCA on behalf of the Series 3 Bondholders. In accordance with the RSPA, the Series 3 Bond obligations are serviced from the portion of weekly cash flows credited to the BCA from CERPAC form sales, following the assignment of these cash flow rights to the Issuer through a True Sale under the Receivables Sales and Purchase Agreement (1st and 2nd addendums).

As at 31 March 2026, the Sponsor had paid approximately ₦1.16 billion to the Series 3 Bondholders, comprising nine coupon payments and three principal repayments. As at the same date, the combined balances in the Minimum Reserve Account and

CERPAC Receivables Fundina SPV Plc's ₦1.25 billion 14.5% Series 3 Fixed Rate Bond Due 2028

the Transaction Collection Account, totalling ₦302.1 million, were more than sufficient to cover the next coupon and principal payments of ₦211.4 million due in July 2026.

OUTLOOK ON THE SERIES 3 BONDS REPAYMENT

As at 31 July 2025, 230,571 of the 900,000 CERPAC cards allocated to Continental Transfert Technique Limited (CTTL) remained unproduced and unsold. This represents the latest available reported position, as no recent data on cards sold or outstanding is available. Accordingly, while actual outstanding cards as at April 2026 may be lower due to subsequent sales activity, this cannot be independently verified in the absence of more recent reporting. The lack of updated disclosure introduces a degree of uncertainty around the current outstanding position and limits real-time visibility over the remaining inventory available for monetisation. Notwithstanding, based on the available issuance and sales trajectory, Agosto & Co. projects that the remaining cards will be produced and sold over an estimated period of five years, extending beyond the legal final maturity of the Series 3 Bond in July 2028. Consequently, the Issuer remains well positioned to meet its Bond obligations, both coupon and principal. This assessment is supported by the Sponsor's track record of timely redemption of the Discrete, Series 1 and Series 2 Bonds, reflecting consistent adherence to repayment schedules.

The sustained demand for CERPAC cards is underpinned by the continued inflow and residence of expatriates and foreign nationals in Nigeria, driven by multinational corporate activities, foreign direct investment participation, and other long-term business and residency engagements, with CERPAC documentation forming part of statutory immigration and residency requirements, thereby creating a stable and recurring demand base.

Furthermore, the Issuer's credit profile is reinforced by continued adherence to performance covenants, as well as the sustained maintenance of credit enhancement structures, which together support its ability to meet its obligations as and when due. Therefore, we attach a **stable** outlook to the CERPAC Receivables Funding SPV PLC's Series 3 Bond.

RATING DEFINITIONS

Aaa^{sf}	Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on the debt obligations in a timely manner, relative to all other Issues in the country.
Aa^{sf}	High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on the debt obligations in a timely manner relative to all other issues in the country.
A^{sf}	Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on the debt obligations in a timely manner, relative to all other issues in the country.
Bbb^{sf}	Satisfactory quality debt with moderate credit risk; adequate capacity to pay returns and principal on the debt obligations in a timely manner, relative to all other issues in the country.
Bb^{sf}	Below average quality debt with moderate to high credit risk; speculative capacity to pay returns and principal on the debt obligations in a timely manner, relative to all other issues in the country.
B^{sf}	Weak quality debt with high credit risk; speculative capacity to pay returns and principal on the debt obligations in a timely manner, relative to all other issues in the country.
C^{sf}	Very weak capacity to pay returns and principal. Debt instrument with very high credit risk, relative to all other issues in the country.
D^{sf}	In default.

Rating Category Modifiers

A "+" (plus) or "-" (minus) sign may be assigned to ratings from 'Aa' to 'C' to reflect a comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.

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