



JOHNVENTS INDUSTRIES LIMITED

RC 1333960

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦30,000,000,000.00

COMMERCIAL PAPER ISSUANCE PROGRAMME

Johnvents Industries Limited ("**Johnvents**", the "**Issuer**" or the "**Company**"), a private limited liability company incorporated in Nigeria, has established this ₦30,000,000,000.00 (Thirty Billion Naira) Commercial Paper Issuance Programme (the "**CP Programme**"), under which Johnvents may from time to time issue Commercial Paper notes ("**CP**" or "**Notes**"), denominated in Nigerian Naira or in such other currency as may be agreed between the Issuer and each relevant Dealer and or the 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.

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Each Series or Tranche (as defined herein) 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 ₦30,000,000,000.00 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, 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.

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

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "**Recipient**") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake 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/ISSUING AND PAYING AGENT



United Capital Plc
RC 444999

COLLECTING AND PAYING AGENT



FIDELITY BANK PLC
RC 103022

THIS PROGRAMME MEMORANDUM IS DATED SEPTEMBER 1, 2022

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GLOSSARY OF DEFINED TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

Terms/Abbreviations	Description
"Agency Agreements"	The (i) issuing and placing agency agreement; and (ii) the collecting and paying agency agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Agents
"Agents"	The Collecting and Paying Agent and the Issuing and Placing Agent.
"Applicable Pricing Supplement"	The pricing supplement applicable to a particular Series or Tranche issued under the CP Programme
"Board" or "Directors"	Board of Directors of Johnvents Industries Limited
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for general banking business in Nigeria
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11th September 2019, and the CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Papers as amended or supplemented from time to time
"Central Securities Depository" or "CSD"	Central Securities Clearing System PLC or FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
"Collecting and Paying Agent"	Fidelity Bank Plc or any successor collecting and paying agent in respect of the Notes, appointed by the Issuer
"Commercial Paper", "CP", "CP Notes" or "Notes"	Quoted unsecured commercial papers to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes under the CP Programme
"Conditions" or "Terms and Conditions"	The terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦30,000,000,000.00 (Thirty Billion Naira).
"CSCS"	Central Securities Clearing Systems Plc
"CSD Rules"	The rules governing transfer of title in securities held with the CSD
"Day Count Fraction"	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement

GLOSSARY OF DEFINED TERMS

"Dealer"	United Capital Plc and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Dealing Member"	An FMDQ Exchange licenced member authorized to make market in securities admitted to trade on the FMDQ Exchange Platform
"Eligible Investor"	means an investor that is not a QII as defined by the Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Event of Default"	An event of default by the Issuer as set out in Condition 6 of the "Terms and Conditions"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FMDQ Depository" or "FMDQD"	FMDQ Depository Limited
"FIRS"	Federal Inland Revenue Service
"FMDQ Securities Exchange Limited" or "FMDQ Exchange"	A securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration, and trading of debt securities.
"FMDQ Exchange Rules"	The FMDQ Exchange Commercial Paper Registration and Quotation Rules, 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
"Force Majeure"	Means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, industrial unrest, lockout, plague, epidemic, pandemic and outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions
"Government"	Any federal, state, or local government of the Federal Republic of Nigeria
"Holder" or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"ISA"	The Investment and Securities Act, No 29 of 2007, as amended
"Issue Date"	The date on which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issuer" or "Johnvents" or the "Company"	Johnvents Industries Limited
"Arranger"	United Capital Plc
"LFN"	Laws of the Federation of Nigeria

GLOSSARY OF DEFINED TERMS

"Maturity Date"	The date as specified in each Applicable Pricing Supplement in which the Principal Amount is due
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "₦"	The Nigerian Naira
"NIBOR"	Nigerian Inter-Bank Offered Rate
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011, the Finance Act 2019, the Finance Act, 2020 and the Finance Act, 2021)
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Pricing Supplement" or "Applicable Pricing Supplement"	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
"Programme"	The ₦30,000,000,000.00 (Thirty Billion Naira) commercial paper issuance programme established by the Issuer which allows for multiple issuances 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 ₦30,000,000,000.00 (Thirty Billion Naira).
"Programme Memorandum"	This information memorandum dated September 7, 2022 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors"	Includes 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, custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time
"Redemption Amount"	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
"Redemption Date"	In relation to any Series, the date on which redemption monies are due and payable in respect of the Notes as specified in the Applicable Pricing Supplement
"Register"	A register of Noteholders, maintained by the Issuing and Paying Agent
"Relevant Currency"	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission
"SEC Rules"	The Consolidated Rules and Regulations of the Securities and Exchange Commission 2013 (as amended) made pursuant to the ISA
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated

GLOSSARY OF DEFINED TERMS

	and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"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, the Finance Act, 2020 and the Finance Act, 2021)
"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 ₦30,000,000,000.00 (Thirty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

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

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge, information, 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 directors are responsible for the preparation of the summary financial statements in accordance with the FMDQ Exchange Rules.

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

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

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

To the fullest extent permitted by law, neither the Arranger /Dealer, nor the other professional advisers accept any responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and other professional advisers accordingly refuse all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law) which they might otherwise have in respect of this Programme Memorandum or any such statement.

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 constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

IMPORTANT NOTICES

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.

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

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

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 issued under the Programme.
2. The audited annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme; and
3. Any supplements and/or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Memorandum,

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 further 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 substituted the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The audited financial statements and documents incorporated by reference shall be available on demand. Requests for such documents shall be directed to the Issuer or 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, from where it is derived. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

TERMS	DESCRIPTION
Issuer:	Johnvents Industries Limited
Dealer:	United Capital Plc and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any Dealer.
Arranger:	United Capital Plc.
Collecting and Paying Agent:	Fidelity Bank Plc
Auditors	SIAO Partners (Chartered Accountant)
Registrars/Custodian:	Central Securities Depository specified in the Applicable Pricing Supplement
Solicitors:	Detail Commercial Solicitors
Programme:	The Commercial Paper Issuance Programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework.
Programme Size:	₦ 30,000,000,000.00 (Thirty Billion Naira).
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, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement.
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.
Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its general corporate purposes.
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.
Source of Repayment:	The repayment of all obligations under the Programme will be funded from the cash flow of Johnvents Industries Limited
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue Rate + 5% per annum (whichever is higher).
Currency of Issue:	Nigerian Naira.

SUMMARY OF THE PROGRAMME

TERMS	DESCRIPTION
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines.
Issuer Rating:	The Issuer has been assigned a ' BBB ' rating from GCR . 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).
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. As a general principle, the maturity date of all outstanding Notes shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme.
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 save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time.
Quotation:	The Notes shall be quoted on the FMDQ Securities Exchange Limited, or other securities exchange authorised by the CBN and the Securities and Exchange Commission.
Secondary Market:	All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation and trading of any Series or Tranche of Notes quoted on the CBN-authorised trading platform.
Taxation:	The Notes issued under the Programme will be Zero Coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS").

DESCRIPTION OF JOHNVENTS INDUSTRIES LIMITED

OVERVIEW

About Johnvents Industries Limited

Johnvents Industries Limited ("Johnvents" or "the Company") is a wholly indigenous-owned agribusiness committed to driving sustainable growth across the entire agricultural value chain from production, processing, manufacturing, and distribution. The Company is at the intersection of everything agriculture, unlocking immense value through trade outreach, technological innovations, financial empowerment, and research to ensure food supply and premium export value for Africa.

Offerings/Value Proposition

Johnvents operations are multifaceted yet anchored by one vision. The Company work with small farm holders and large farms to deliver maximum product outputs such as cassava and maize, sorghum, soybean, cowpea, millet, while on the other hand run a full circle Cocoa processing and export business products - bean, powder, liquor, cake, and butter. Johnvents aim to create an enterprise structure that empowers all stakeholders across the agriculture value chain - investors, farmers, buyers, and end-consumers.

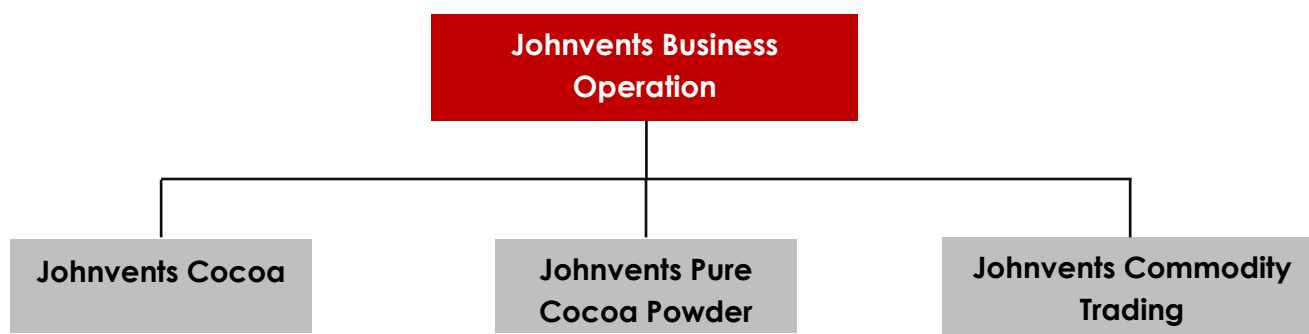
Vision

To be a leading agribusiness globally for agricultural transformation and economic development.

Mission

Enriching the agricultural value chain and boosting economic growth through innovative practices and sustainable trade

Johnvents Business Operations



Cocoa Products

Cocoa, botanically known as Cacao Theobroma originated from the Amazon basin of South America, was introduced to West Africa in Ghana and Nigeria by the colonialists and have since spread to most of the tropical countries of the world. Today, cocoa is grown in Bolivia, Suriname, Ecuador, Indonesia, Malaysia, India, Vietnam, Cameroon, Gabon, Central Africa Republic, and of course in Nigeria, Ghana and Ivory Coast.

Ivory Coast is the largest global exporter of Cocoa beans, with Nigeria in the sixth position. In Africa, Ivory Coast produces 1.9 million metric tonnes of cocoa annually followed by Ghana's

DESCRIPTION OF JOHNVENTS INDUSTRIES LIMITED

800,000 tonnes and Nigeria 245,000 metric tonnes respectively. The major producing areas of cocoa are some parts of the southwest and south-south including Ondo, Osun, Ekiti, Kwara, Edo, Ikom amongst others.

Johnvents Cocoa Factory

Johnvents Cocoa Factory is a 15,000 tonnes semi-automated processing plant located on the Coop Cocoa premises along Ilesha-Benin Expressway, Akure. It was acquired in 2021 from Olam Group after 12 years of operations.

Johnvents Cocoa Factory is set up to crush 30 tons/day, with daily output of 5 tonnes of Cocoa Butter, 25 tonnes of cake or powder. The factory is equipped with critical machinery to run a robust operation from pre-processing to packaging. The machinery includes the cleaning machine, destoner, beans dryer, winnower, roaster, pre-grinder and fine grinders, pot presses, and the powder plant.

Johnvents Cocoa processing factory is comparatively an efficient plant by way of energy consumption for several reasons:

- A semi-automated plant requiring less manpower and operating at 98% operational efficiency, at full blast.
- In place of an otherwise consumption of 66,000 litres of diesel a month, the plant is served by a solid fired boiler to generate steam. This significantly reduces overhead cost by over 40% as it uses the waste from the factory and waste wood from the sawmills to power the plant.
- The plant enjoys a dedicated 33KVA electricity supply from the discos as against the 11KVA line used by many other factories within the area. This in turn helps prevent losses which is subject to frequent power outage and much downtime.
- The pot press has been upgraded from 14 pots to 16 pots, consequently improving the efficiency of fat extraction and better cake yield.

Johnvents has a network of over 2,000 farmers and local buying agents (LBAs) for supplying cocoa, cassava, maize, sorghum, soybean, cowpea and millet in 8 states respectively. The states are Ondo, Oyo, Osun, Edo, Ekiti, Ogun, Kwara and Cross River (Ikom). This network has only deepened and has greatly benefited its trade. In addition to having a strong working relationship with farmers and buying agents, the plant also houses a massive warehouse able to hold about 1,000 tonnes of produce/raw material at any given time.

Johnvents is a member of the National Export Promoters Council (NEPC), a body that provides requisite support for successful export operations. Based on the Company's previous trading activities we have connections and export arrangements with countries of highest demands - Netherlands, Germany, USA and UK.

The Cocoa plant will directly employ about 130 people and support many more families, giving them a sustainable source of livelihood. Our partnership with the farms and LBAs will improve the local agriculture value chain within the southwest. Our export operation will also be a source of foreign exchange earnings thereby supporting the economy through foreign trade.

DESCRIPTION OF JOHNVENTS INDUSTRIES LIMITED

JOHNVENTS INDUSTRIES LIMITED SHAREHOLDING STRUCTURE

S/N	SHAREHOLDER	SHAREHOLDING	PERCENTAGE OF SHAREHOLDING
1	John Alamu	123,000,000	49.2%
2	Capitalsage Holding Company Limited	127,000,000	50.8%
	Total	250,000,000	100%

BOARD OF DIRECTORS AND MANAGEMENT STAFFS

Sam Opeyemi Oduwale - Chairman, Board of Directors

Sam Opeyemi Oduwale is an accomplished global financial leader with over two (2) decades of cognate experience in the field of accounting, accounting technology and financial technology. He is a certified SAP finance consultant with demonstrated expertise across a wide range of complex specialties including resource planning solutions and project at the enterprise level for companies and project such as Capita PLC London, BAE Systems Applied Intelligence, and Finance & Global Trade Solutions. Sam's versatile qualification has seen him work for some of the leading brands in the world such as Cambridge University, General Electric, IBM/Shell, Accenture, GSK, Deloitte amongst others. As a SAP leader, he continues to provide technology-driven financial solutions to tech startups as well as leading conglomerates across the world. He is an alumnus of International Strategic Management Institute (ISMI), Liverpool, United Kingdom.

John Alamu – Founder and Managing Director

John Alamu is the founder and managing director of Johnvents Industries Limited, An experienced statistician and an astute leader in the area of technology, finance and agriculture. He is driven by the dream of an enabled Nigeria where individuals can achieve their financial quests.

This vision propelled his diversification in agriculture, finance and healthcare through people driven-innovation. He has successfully married both the technology, agriculture, healthcare, and financial landscapes to drive inclusive value for all stakeholders.

John has consistently leveraged his unique experience and insight of over 10 years in the global agricultural research and development sector to drive the vision of the company from a small-time microfinance institution to an integrated group of agribusinesses, fintech and healthcare.

In his seat as Managing director of Johnvents Industries, he provides strategic oversight for the entire business and drives the vision of becoming Africa's largest company for digital transformation. He has two masters' in Agriculture and Statistics respectively.

Oladipo Ogunmolu - Executive Director

Ogunmolu Felix Oladipo is a Fellow of the Nigerian Association of Technological Engineers with 44+ years' rich work experience across various industries. A mechanical engineering graduate of Polytechnic Ibadan with a Master's in Business Administration from Ondo State University, Akungba, Akoko. He has gracefully held his own across different manufacturing industries, rising through the ranks. Over twenty-three of those impactful years have been spent in Cocoa Processing plants in strategic positions. With an interesting portfolio of international and local trainings, he provides consulting services on cocoa processing and maintenance to private organisations and the government in Nigeria as well as a consultant to a cocoa chocolate factory in Shakakawdi (Dr . Writer and Pune) in India. He was the acting general manager of

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Coop Cocoa Products Limited for three years and retired as a Project Manager with Olam Nigeria.

Oluyemisi Shittu, PhD - Non-Executive Director

Dr Oluyemisi Shittu is an astute economist and internationally certified human development expert. She is a Postdoctoral fellow/consultant at the International Food Policy Research Institute Abuja, Nigeria where she researched food insecurity, social networks, technology adoption, and other areas related to agricultural productivity and nutrition. Dr Yemisi possesses deep knowledge and competence in areas of developmental research, inclusive food policies and models, and innovation in nutrition for societal well being. She consults for several international organizations including USAID, BMGF and DFID. Dr. Oluyemisi is a Doctoral alumnus - Human Development and Family Studies, Iowa State University, Ames, Iowa.

MANAGEMENT TEAM

Caroline Omotosho - Manager, Johnvents

Caroline Omotosho is a business finance and management powerhouse with over 11 years experience in business operations, sales & marketing, agency banking, customer relationship management and business development. She started her career with the defunct Intercontinental bank as a frontline officer and customer service lead and grew to become an account officer. In 2019, she moved to CreditAssist Investment Limited (now CapitalSage Limited) where she evolved from a business development manager to an Executive Director, Agency Banking and Vas services. In her role as Manager in charge of Johnvents Industries Limited, Caroline oversees the entire business operations of the company providing leadership for team leads and across teams.

Bamikole Sunday O. (MICCON, AISLT, MCSN) – Operations Manager

Bamikole Sunday is a graduate of Chemistry/Biochemistry with over 10 years progressive experience and records of superior results in food safety, quality control and assurance in a variety of challenging and multicultural environments. He is a Chartered Chemist and member of Institute of Chartered Chemists of Nigeria (ICCON), Associate member of Nigerian Institute of Science Laboratory Technology (NISLT) and Member Chemical Society of Nigeria (CSN) as well as an IRCA certified Lead Auditor in Food Safety Management System. Bamikole Sunday possesses excellent communication and organizational skills, a strong work ethic and determination to succeed. He is an accomplished team leader with a proven track record in people and business management in addition to superb expertise in managing standards of safety, quality, compliance and accreditation which earned him the GFSI Global Market award 2018 (Africa Region).

Ikusika Johnson Olayeni – Team Lead, Internal Audit

Ikusika Johnson Olayeni the Lead Internal Auditor is an Associate Member of ICAN, Member South Africa Institute of Tax Professionals and Member Southern African Institute of Business Accountant with an MBA and HND in Accounting. He has worked as a Management Accountant, Financial Accountant, Head of Accounts, Internal Audit Manager accross Education, Engineering, Consulting and Insurance sectors.

Owolabi Kazeem Kolawole (F.C.A) – Manager, Accounts

Owolabi Kazeem Kolawole is an accounting graduate and professional Chartered Accountant (F.C.A.) with over 18years multisector experience across Audit & Assurance Service, Real Estate & Property Development, Oil & Gas (Upstream and Downstream sector), N.G.O, Construction and Manufacturing. He has international working experience with a Singapore based Drilling

DESCRIPTION OF JOHNVENTS INDUSTRIES LIMITED

company where he worked as a Reporting Accountant in the Branch office in Dubai covering Africa and Asia business units with focus on Financial Reporting, Tax Management, Budgeting & Cost control, Stock Records & Reporting and Financial Analysis. He presently works in Johnvents Industries Limited as Manager, Accounts Department.

Pamela Elekwachi ACIPM, SPHRI, HRPL – Manager, Human Resource and Admin

Pamela is a HR Professional with combined 15 years experience in Human Resources, Administration, Quality Control, Food Safety, Contract Negotiation, Corporate Communications and Operations Management in the Agricultural, Investment Finance, Manufacturing & Food Industries. She is an Associate Member of Chartered Institute of Personnel Management Nigeria (CIPM) and holds an SPHRI™ certification from Human Resource Certification Institute.

She serves various State and National leadership roles in Human Resources, NGO & Public Speaking spaces and is passionate about Personal Development and driving Organizational Transformation.

Afolabi Lawrence – Export Manager

Afolabi Lawrence has over 11 years experience in Export Management for various cocoa products. He holds a Bachelor of Science in Economics from Ambrose Alli University Ekpoma. From the education sector, he joined the cocoa industry as Warehouse Supervisor and rose to become Export Manager in 2012. He is a member of the Nigeria Institute of Management. Lawrence has attended various training programs with focus on Managerial Assertiveness, Non-Oil Export as a Catalyst for Economic Growth, Maximum Residue Limit in Agricultural Export Produce and Export Management Programme at LBS. He joined Johnvents Industries Limited in 2022 as Manager, Export, logistics & Distribution.

Sulaiman Okegbola – Automation Engineer

Sulaimon is a trained engineer with a Higher National Diploma Electrical / Electronic Engineering. He was trained as an electrical specialist by Nigerian Breweries Plc Training School, he then role to become an automation installation specialist at Nigerian Breweries Plc. Okegbola also received advanced certification as an Instrumentation and Control Specialist by Nigerian Breweries Plc Training School. His work in automation engineering at Nigerian Breweries include 9 years as an automation installation specialist, 7 years working experience as senior automation specialist. He however moved to Krones where he was trained as a Service Engineer by Krones, South Africa after which he spent the next 3 years as a Service Engineer for Krones. In 2016, he then moved to Plantation Industries as an Automation Engineer Consultant. He is currently the head of Automation Engineering at Johnvents Industries Limited.

Fatunla Sunkanmi Sola – Warehouse Manager

Sunkanmi has over 8 years experience in cocoa warehousing. He holds a B.sc in Microbiology from Adekunle Ajasin University Akungba Akoko, Ondo State. Having worked previously in a similar role in the cocoa industry where he grew in rank from warehouse officer to Manager his is the warehouse manager for Johnvents.

Akinsanmi Adebayo Victor – Procurement Manager

Akinsanmi is an Agricultural Engineer with over 25 years of experience in responsible sourcing and procurement of agro commodities including cashew, sesame, shea and cocoa beans. His experience spans across warehousing of various agro commodities, traceability and sustainability,

DESCRIPTION OF JOHNVENTS INDUSTRIES LIMITED

procurement of export produce and export logistics. Akinsanmi holds a master's in environmental study & Management

Akinlaja Tola Bernard – Mechanical Engineering Manager

A maintenance engineering manager with extensive experience within the cocoa industry from Stanmark cocoa processing company, Coop-Cocoa processing factory and Olam Nigeria Limited in various roles including mechanical site engineer, maintenance manger and production manager. He has an HND in Mechanical Engineering

Oni Adebayo Olomi – Electrical Engineering Manager

Oni is an Electrical Engineer of repute. He holds an MBA from Federal University of Technology Akure and HND in Electrical Engineer: Power Option. He is a COREN registered Engineer with he has over 25 years experience industrial engineering management.

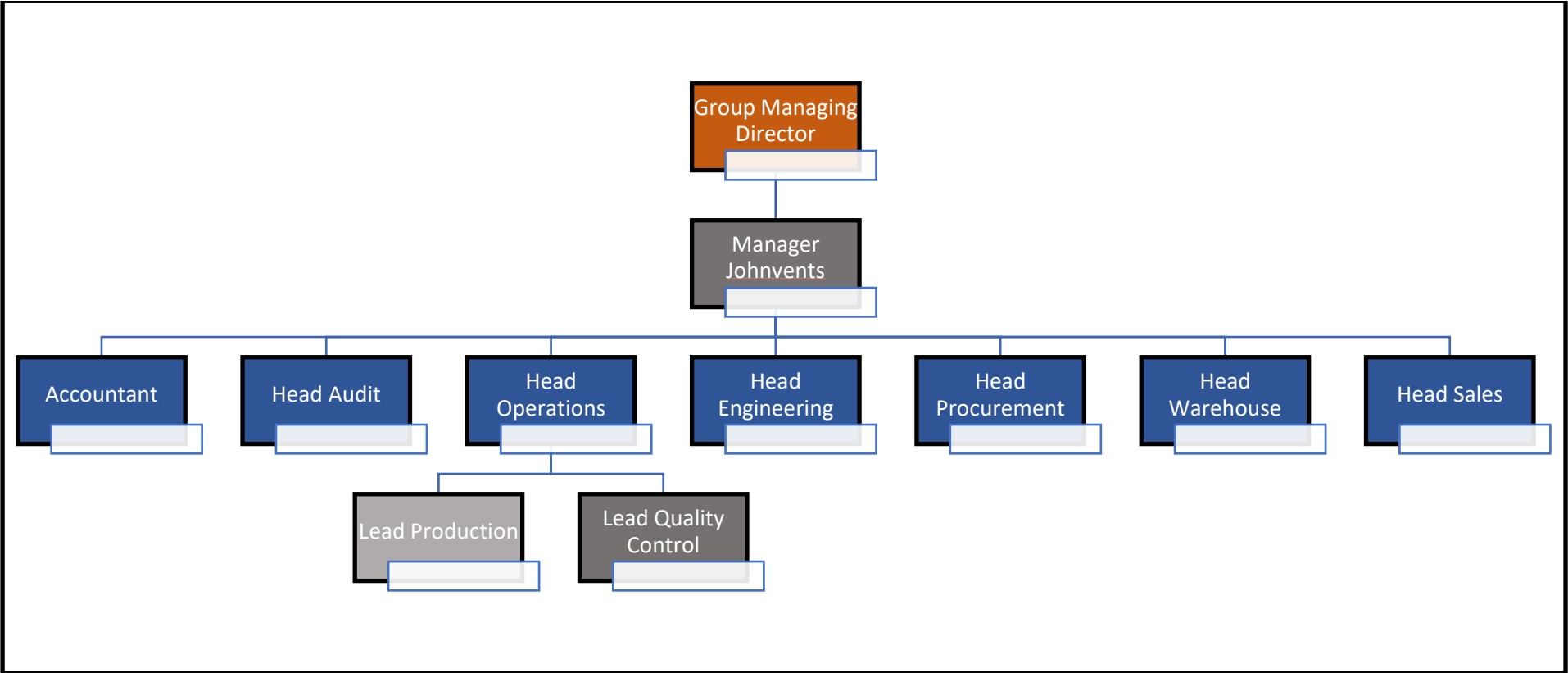
SP. Emmanuel Abazie – Chief Security Officer

SP. Emmanuel Abazie (RTD) is a retired Police Commissioner with over 35 years' experience as an intelligence operative and an investigative police. His diverse experience cuts across Intelligence, Force Criminal Investigation Department, Taskforce on Anti-Robbery and Divisional Policing. His last role before joining Johnvents was as Chief Security Officer of Federal Polytechnic Ile Oluji. He had served as Divisional police officer and head of special task force units across several states including Ondo, Ekiti, Ondo, Rivers and the FCT.

Eta Ufuomaefe Great – Production Manager

Mechanical Engineer, with 6+ experience in production process, quality control, health, safety and environment and people management in Cocoa processing. Efe has competency across production management, application of autonomous maintenance, progressive maintenance and use of problem-solving tools including fishbone analysis.

COMPANY ORGANOGRAM



MACROECONOMY OVERVIEW

Domestic Macroeconomic Review & Outlook

2021 Macroeconomic Review: A shot at recovery

The year 2021 was characterized as a year of global economic recovery as the entire world was hit by the Covid-19 pandemic which dampened global economic growth. The Nigerian economy was particularly affected, as the country entered a recession at the end of the year after two consecutive quarters of negative economic growth. This, combined with inflationary pressures towards the end of the year, exacerbated the economy's problems.

However, in 2021, the Nigerian economy began to recover, with several macroeconomic metrics returning to pre-pandemic levels. First, real Gross Domestic Product (GDP) rebounded and overturned its negative growth in 2020, on the back of sustained economy expansion as economic activities returned to full throttle. Inflationary pressures persisted in Q1-2021, with Consumer Price Index (CPI) reaching a record high of 18.2% y/y in Mar-2021. However, the pressures simmered by the end of H1-2021, and inflation began to take a downtrend as the high base impact from 2020 kicked in.

As a result of the continuous economic recovery, monetary policy easing was essentially non-existent throughout the year. Also, given the impact on the cost of its liquidity mop-ups (via OMO auctions) as well as cost of credit in the debt market and the banking sector, the Central Bank of Nigeria (CBN) was hesitant to raise policy rates especially as the disinflationary trend continued. On the flip side, the foreign exchange market was quite active, with the Central Bank imposing a number of policies, and operations in the Eurobond space which helped improve Foreign Exchange (FX) reserves and created a lot of volatility in the FX market.

Covid-19 update: Living in the new normal

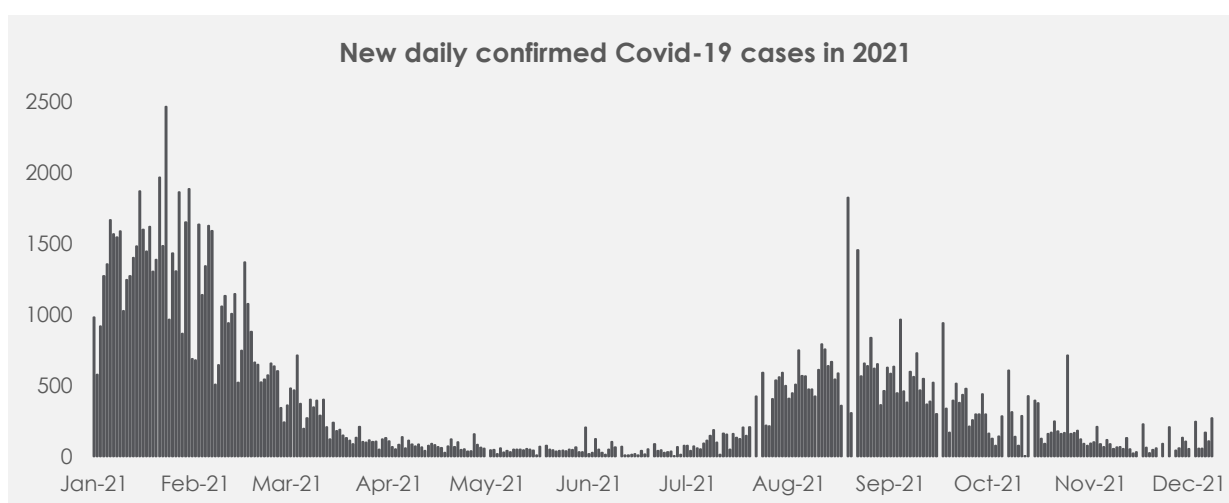
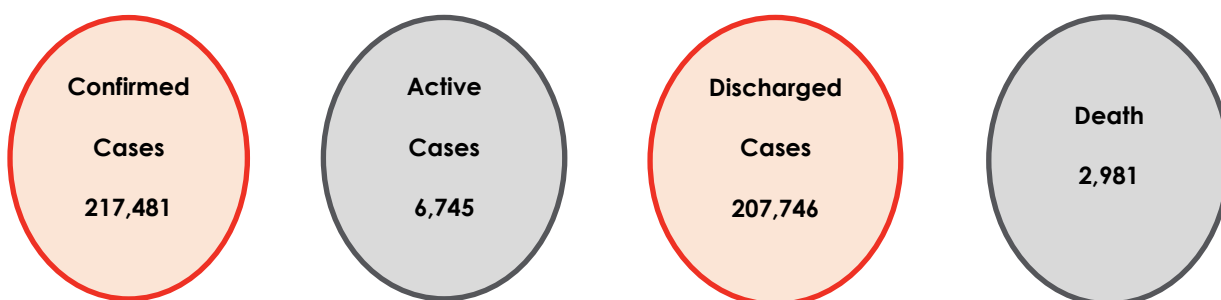
Nigeria continued its fight against the Covid-19 virus despite being hit with the second and third waves of the coronavirus during the year. In Q1-2021, the second wave saw the number of cases reaching 162,891 at the end of the quarter (up by 85.9% during the quarter). However, the government continued its solid fight against the outbreak, by creating awareness and improving vaccination levels, as it received a total of 3.9m of the 16.0m doses of the Oxford/AstraZeneca Covid-19 vaccines pledged by the COVAX facility. In addition, Nigeria also received 100,000 doses from the government of India, bringing total vaccine doses received in H1-2021 to 4.0m doses according to the National Primary Health Care Development Agency (NPHCDA). However, only 7.0% of the Nigerian population have received the first dose of the Covid-19 vaccines as of Dec 13th, while a total of 3.5% have completed the second dosage (full vaccination).

The Nigeria Centre for Disease Control (NCDC) announced the first incidence of the Covid-19 Delta variant in Jul-2021, marking the start of the virus's third wave in the country. Despite the highly infectious nature of the variant and the low vaccination rates (only 1.2% of Nigeria's population had received at least one vaccine dose as of H1-2021), the country did not go into a lockdown and economic growth continued to surge.

In Nov-2021, the World Health Organization (WHO) confirmed the first case of a new variant known as the "Omicron variant" in South Africa. According to preliminary findings, the variant labelled as a "variant of concern" appeared to have a higher risk of re-infection than other virus classes and is easily transmissible. As a pre-emptive measure, countries all over the world (Canada, UK,

MACROECONOMY OVERVIEW

USA, etc.) began to implement stricter measures and travel bans on countries deemed “high risk”. Southern African countries were the hardest hit, with Nigeria joining the list after the NCDC discovered the new variant in three travellers from South Africa.



GDP growth: Pandemic recovery fueled economic expansion

In the absence of lockdown measures in 2021, the Nigerian economy recovered significantly from the recession and low output growth of last year. In real terms, Gross Domestic Product (GDP) grew by 0.5%, 5.0% and 4.0% in Q1-2021, Q2-2021 and Q3-2021 respectively compared to low growth of 1.9%, -6.1% and -3.6% in Q1-2020, Q2-2020 and Q3-2020. Unsurprisingly, the remarkable rise in Q2-2021 and Q3-2021 was driven by the low base effects from 2020, when the Covid-19 virus pandemic struck, causing a lockdown of economic operations and subsequently a recession. Notably, the non-oil sector drove GDP growth, with the Manufacturing, Information and Communication, Trade, Transportation & Storage subsectors outperformance, which helped offset drags from lower crude oil production (1.57mbpd compared to 1.61mbpd in Q3-2021) as well as lacklustre growth in the agriculture sector.

Inflation: High base underpinned disinflationary trend

On price movement, inflation rate rose to a four year high of 18.2% y/y in Mar-2021. However, data reports from the National Bureau of Statistics (NBS) indicated that the persistent rise of inflation halted in Apr-2021 after nineteen consecutive months and inflation rate began to slow down, reversing its upward momentum. According to the NBS, inflation rate closed the year at 15.2% y/y while average inflation for the year printed at 17.1%, compared to 2020 average of 13.2%. The high base effect from Q3-2020 and Q4-2020 remained the primary driver of the

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disinflation. Food inflation which is the major contributor to the CPI basket printed at 17.2% y/y in Nov-2021. This was driven by the rise in food items with FX-linked pressures as FX concerns continued to linger as well as the festive season in December. Also, the unabating security challenges in food-producing states hampered harvest volumes as farming activities during the planting season were broadly curtailed.

Monetary Policy: A bias for status quo and unorthodox tools

As a result of sustained economic growth, surge in global crude oil prices and the disinflationary trend during the year, the Monetary Policy Committee (MPC) adopted and used unorthodox policy methods to achieve its policy objectives, opting to keep its main policy tools unchanged. The apex bank deployed mop-up activities such as OMO auctions, Cash Reserve Ratio (CRR) debits, FX retail sales, among others to control system liquidity. In addition, sustained interventions in critical sectors remained the preferred approach to drive economic recovery. During the year, the Monetary Policy Committee (MPC) conducted six meetings in 2021 and unanimously decided to hold all policy rates at the meetings. The Monetary Policy Rate (MPR), Cash Reserve Ratio (CRR) and liquidity ratio were maintained at 11.5%, 27.5% and 30.0% respectively. The committee also maintained the asymmetric corridor around the MPR at +100/-700bps.

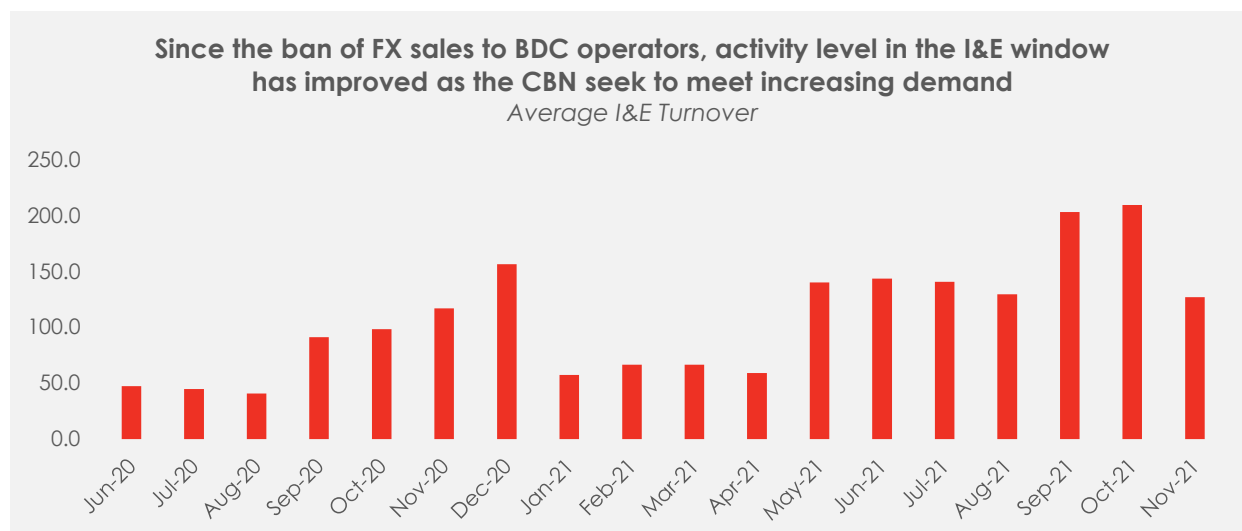
Exchange rate: Stability amidst chaos?

Following the decision to devalue the naira at the end of 2020, the exchange rate was broadly stable at the I&E window with momentary volatility at the I&E window. However, by Jul-2021, the CBN decided to halt of the sales of FX to Bureau De Change (BDC) operators in the country in a bid to have only one recognized exchange market. In addition, the apex bank announced that it would stop the issuance of BDC licenses to new operators in the market. This led to exchange rate pressures in the market as demand for FX outweighed supply in the market. As a result, the parallel market had a knee-jerk reaction as rates rose and ranged between N520.0-N570.0/\$ in H2-2021 from an average of N482.6/\$ in H1-2021.

As a result of the supply constraint, the Central Bank raised FX supply to commercial banks, to cater for the increasing demand evident by the increase in turnover in the I&E window. According to Financial Market Dealers Quotations (FMDQ), average turnover in the I&E window grew by 89.6% to \$166.5m in H2-2021, compared to \$87.8m in H1-2021 and by 82.4% y/y compared to \$91.3m in H2-2020. The increased supply was also supported by the \$4.0bn Eurobond issue conducted by the Debt Management Office (DMO) in Oct-2021, coupled with the surge in global energy prices. In addition, Nigeria got a special allocation of \$3.4bn from the International

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Monetary Fund (IMF) via the Special Drawing Rights (SDRs) issuance. Hence, the country's external reserves grew by **14.6%** to **\$40.5bn** at the end of 2021 from \$35.4bn at the end of 2020.



What to watch out for in 2022

In 2022, we expect economic direction to be shaped by multiple factors. However, below we present our top six events to watch out for in 2022.

- Electioneering activities:** With the 2023 general elections approaching, 2022 is expected to witness a lot of electioneering activities including, election campaigns, primaries, judicial resolutions, and voter-baiting activities. As a result, we expect the focus on implementing economic policies and completion of key projects would take the backburner with a focus on politicking.
- Fuel subsidy:** Following the passage and giving of assent to the Petroleum Industry Act, it has become a regulatory requirement for an end to come to the fuel subsidy regime. In addition, oil prices have continued to remain elevated causing the landing cost of imported PMS and consequently the under-recovery payments in the books of the Nigerian National Petroleum Corporation (NNPC) to become unbearable for the government's finances. As a result, the Minister of Finance, Zainab Ahmed has announced that the 2022 budget only makes provision for fuel subsidy up to Jun-2022 and expects fuel subsidies to be removed from Jul-2022. To cushion the effect on Nigerians, there is an intention to introduce a transport subsidy scheme for a limited period. Nevertheless, we expect significant public backlash and negative reactions from Labour Unions. Thus, the fuel subsidy discourse would be a key driver of economic fortunes in 2022 particularly as it relates to inflation, monetary policy and purchasing power.
- FX devaluation concerns:** Stronger oil price and Eurobond issuance in 2021 has helped bolster the CBN's FX war chest, providing it with further ammunition to defend the Naira which in our opinion is overvalued at current price levels. Thus, despite improved FX liquidity (albeit below pre-pandemic levels), there is an increasing clamour for the CBN to devalue the naira further in order to attract improved capital flows as investors consider the naira overvalued at current levels. That said, we expect the CBN to remain defiant in its stance to defend the naira and

MACROECONOMY OVERVIEW

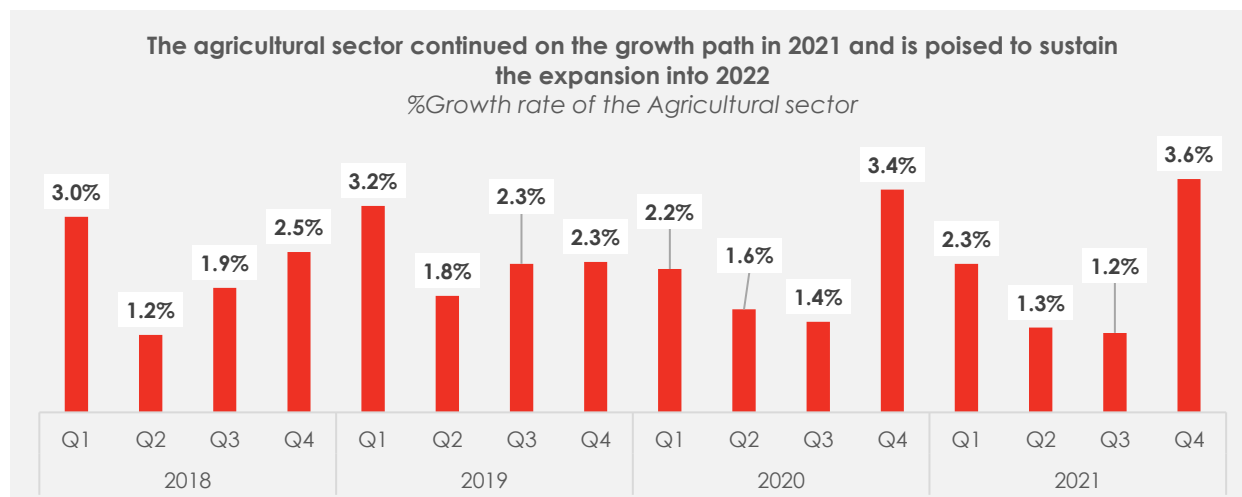
would only devalue if caught in a tight spot. In addition, the CBN would be factoring the possible impact on inflation given 2022 is being projected as a year of further inflationary pressures which would only be worsened by another currency devaluation.

4. **Covid-19 & Vaccinations:** Almost two years after Nigeria recorded its first Covid-19 case, the country has gone through three waves and is currently in the fourth wave. In addition, new variants continue to emerge creating more dilemma for combating the virus. Another bane of concern is the reluctance of Nigerians to take the vaccines with vaccination rates among the adult population remaining significantly low. Thus, it is safe to say the Covid narrative would not be going away in 2022 and would continue to remain at the front burner of socioeconomic discourse.
5. **Insecurity concerns:** Insecurity concerns continue to light up headlines as banditry across the country, farmers/herders' crisis in the middle belt, unrelenting kidnapping activities and IPOB/ESN restiveness in the South East (albeit at a milder level) remain significant concerns. These restiveness issues are expected to ramp up in 2022 particularly as different interest groups begin to position their interests ahead of the upcoming elections. Given the significant impact of insecurity on food production as well as crude oil production, the security discourse will be a key factor to shape Nigeria's 2022 macroeconomic fortunes.
6. **Monetary policy:** The global monetary policy environment has turned hawkish in the past three months as rising global inflation becomes a significant concern for monetary policy authorities. As a result, more rate hikes are expected across the globe in 2022 which is expected to push the Monetary Policy Committee (MPC) to make a similar move. This is particularly going to be exacerbated by rising inflation as the base impact wears off and headline inflation reflects underlying price pressures. We believe monetary policy committee meetings in 2021 should be more interesting and eventful.

Nigeria's Agricultural Sector: A story of resilience

The Nigerian agricultural sector sustained its path of expansion into the 34th consecutive year, growing by 2.1% y/y. The growth in the agricultural sector was driven by the Crop production subsector (+2.3% y/y) while other subsectors such as Forestry (+1.4% y/y), Livestock (+0.6% y/y) and Fishing (+1.2% y/y) also expanded. The growth in the agricultural sector has been supported by robust food demand, particularly as consumer income continues to recover from pandemic lows. In addition, recovery in international trade has also bolstered exports of cash crops. Nevertheless, the potential of the sector remains held back by legacy challenges such as insecurity, crude farming practices, archaic land laws and low-quality farm inputs.

Overall, we retain a positive outlook for the Nigerian agricultural sector. Underlying strong demand for food and livestock will remain a major driver of the growth. In addition, CBN's financial interventions and favourable government policies will be a tailwind for the sector's growth.



Source: NBS, United Capital Research

Agricultural commodities outlook

Cocoa: Europe is the largest importer of cocoa beans worldwide, importing close to 61.0% of the world's total cocoa output, followed by Asia (25.0%). On the other hand, Ivory Coast and Ghana combine to be the biggest producers of cocoa in the world, contributing more than 50.0% of the world total cocoa output. That said, we project further upward pressure on cocoa prices amid recent volatility, largely driven by the geopolitical tension-induced global inflationary pressure, inadequate infrastructure in the emerging market economies.

Maize: China has been a key driver in the global import demand for major coarse grains, corn, barley, and sorghum, as the country managed to claim the top importer of corn in 2021. According to the United States Department of Agriculture, Ukraine supplied 45.0% of the total global corn (8.1m tons). Looking forward to the rest of FY-22, we expect low corn output from Ukraine on the back of the ongoing conflict, which would limit the country's ability to transport the grain from the Black Sea. That said, potential contraction in global aggregate demand (stemming from the recent Covid-19 lockdown episode in China) and lingering supply-lag, should impose significant upward pressure on the prices of the commodity going forward through FY-22, forcing an upward momentum of corn prices in the medium and long term.

Cassava: Nigeria remains the largest producer of Cassava in the world, producing 21.1% of the World's Cassava output as of 2019, followed by Congo DR (14.3%) and Thailand (11.1%). On the other hand, China has the largest import volume of the product, importing c.49.3% of the world's total cassava output. That said, we expect a sustained elevation in the prices of Cassava globally, through FY-22, which should on one side be sponsored by weaker output level because of challenges facing the Agricultural sector in Nigeria and Africa at large, some of which include, Inadequate access to farmland, poor financing, etc. but could be dampened by the resurgence of lockdown in China which could weigh on demand.

MACROECONOMY OVERVIEW

Sorghum: This month, the United States Department of Agriculture (USDA) estimated that the World's Sorghum Production for 2021/2022 will be 65.59mMT, 0.01m tons less than its previous projection. Total Sorghum production as of 2021 stood at 61.9m tons, with the United States producing more than 17.4% of the commodity followed by Nigeria, producing c.11.0% of the World's total Sorghum output. Looking forward through FY-22, we expect the prices of Sorghum to be met with sustained upward pressure.

Cowpea: Africa accounts for over 84.0% of Cowpea production, with Nigeria being the largest cowpea producer in the world, accounting for over 2.5m tons of the world's production of the commodity. Keeping in view the recent inflationary pressure in the global economic space, we expect a corresponding northward drive of the price of Cowpea.

Soybean: Brazil remains the largest producer of Soybeans, since 2018, with China emerging as the highest importer of the commodity, with around 97.0mMT of the commodity imported by the country vs total demand of 162.8mMT, representing 59.6% of the world's demand for the commodity. We project a short-term elevation in the price of the commodity.

Millet: India, Niger, and China are the largest producers of Millet in the world, accounting for more than 55.0% of the global production of the commodity. Keeping in view the recent trend in Europe anchored on the Ukraine-Russia tension, and global inflationary pressure, we expect the global price of the commodity to witness an uptick in albeit in a volatile manner.

USE OF PROCEEDS

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Company for its general corporate purposes.

The applicable Pricing Supplement for each Series under the Programme will specify details of the use of proceeds of the particular Series.

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. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦30,000,000,000 (Thirty Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from, the Deed of Covenant.

2. Form, Denomination and Title

2.1 Form and Denomination

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦5,000,000 (Five Million Naira) and integral multiples of ₦1,000,000 (One Million Naira) in excess thereof; and will be sold at such discount from their face value amounts as shall be agreed upon by the Agent and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days, including the roll over from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 The Notes issued will be in the form of short-term [zero-coupon] Notes and will not bear interest, other than in the case of late payment.
- 2.1.4 The Notes will be delivered to the Agent in dematerialised (uncertificated, book entry) form; shall be registered by the Issuing and Placing Agent (the Agent) with the CSD, which shall serve as the custodian and central depository of the Notes; and the [Dealer] may deal in the Notes in accordance with CSD procedures and guidelines.

2.2 Title

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

3. Status of the Notes

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

4. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the face value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 below.

5. Payments

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

5.1 Method of Payments

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

TERMS AND CONDITIONS OF THE NOTES

address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.

- 5.1.7 Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

5.2 Payment Day

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

5.3 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of 5 (five) days ending on the due date for redemption in respect of that Note; or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 6.2 (Action upon Event of Default).

6. Event of Default

6.1 Event of Default

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

- 6.1.1 Non-Payment: default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default; or
- 6.1.2 Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations under the Offer Documents which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of ten (10) days, after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Collecting and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required); or
- 6.1.3 Enforcement Proceedings: a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of Two Billion and Five Hundred Million Naira (N2,500,000,000) and such distress, attachment, execution or other legal process is not discharged or stayed within thirty (30) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a receiver is appointed over any material assets of the Issuer and such event is

materially prejudicial to the interests of the Noteholders. PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within ten (10) Business Days of becoming aware of the order or action;

- 6.1.4 Seizure/Compulsory Acquisition of Assets: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer; or
- 6.1.5 Inability to Pay Debts: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties; or
- 6.1.5 Insolvency: The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer and any of its assets; or
- 6.1.7 Obligations Unenforceable: any of the Notes or the Offer Documents is or becomes wholly or partly void, voidable or unenforceable.

6.2 Action upon Event of Default

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

7. Register

- 7.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Registrar to any Noteholder or any person authorised in writing by the Noteholder.

TERMS AND CONDITIONS OF THE NOTES

- 7.4 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 Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders

- 8.1.1 All notices to the Noteholders will be valid if it is delivered by hand, courier, electronic mail or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party at their respective addresses of record in the relevant register of Notes of a Series maintained by the Agent. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the FMDQ Rules, the rules and regulations of the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2 Any notice if delivered by hand or registered post before 5p.m. local time on a given date, shall be deemed to have been delivered on that date. Any notice or communication given by electronic mail shall be deemed to have been delivered when sent, subject to no delivery failure notification being received by the sender within 24 (twenty-four) hours of the time of sending or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

8.2 Notices from the Noteholders

- 8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging same with the Agent at its registered office.
- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

- 9.1 The Agent and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Agent is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria, and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:
- 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and
- 9.2.2 such amendment:
- 9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not

TERMS AND CONDITIONS OF THE NOTES

less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes; or

9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.

9.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8. Such Notice shall specify the date, place, agenda and time of the meeting to be held, which place shall be in Nigeria.

10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.

10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

10.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "Proxy") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.

10.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a "Representative") in connection with any meeting or proposed meeting of the Noteholders.

10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.

10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.

TERMS AND CONDITIONS OF THE NOTES

- 10.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum.
- 10.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 10.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.11 If 30 (thirty) 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 14 (fourteen) days nor more than 21 (twenty-one) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

11. Taxation

The Notes issued under the Programme are [zero coupon] Notes and as such will be offered and sold at a discount to face value. 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.

12. Further Issues

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

13. Governing Law

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

TERMS AND CONDITIONS OF THE NOTES

- 13.2 The Nigerian courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

TAX CONSIDERATIONS

The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular subscriber. 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 advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

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

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

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.***

RISK FACTOR RELATING TO NIGERIA

Political Risk

These are risks related to political instability, security, religious differences, and ethnicity in Nigeria. Over the past five years, there has been an increase in the number and frequency of attacks and cases of kidnapping across various parts of Nigeria. Sectarian conflicts in the Middle Belt and Northern Nigeria continue to pose a threat to Nigeria's political stability. The intermittent crisis and insurgence of Boko Haram have been identified as major contributors to the regions' security challenges. In addition, recent developments in the political movement agitating for an independent Biafra Republic may potentially have a material adverse effect on public safety and productivity if not managed.

Emerging Markets Risk

Emerging markets such as Nigeria are subject to greater risk than more developed markets and financial turmoil in any emerging market could cause the price of securities to decrease. Generally, investments in emerging markets are only suitable for sophisticated investors who better understand the instruments and fully appreciate the significance of the risks involved in and are familiar with investing in emerging markets. Investors should also note that emerging markets, such as Nigeria, are subject to rapid change and that the information set forth in this Shelf Prospectus may become outdated relatively quickly.

Economic Risk

The Nigerian economy is largely dependent on crude oil production and has been severely affected by the fall in global crude oil prices. The global decline in crude oil prices, leading to some foreign exchange restrictions has slowed down economic productivity in Nigeria as a whole. A number of manufacturing/trading companies have been impacted by the difficulty in accessing foreign exchange for the purchase of raw materials or finished goods, leading to a significant decline in output. This has hindered the ability of such companies to service their loan facilities. Instability in key areas across the globe can adversely affect the movement of trade and foreign exchange in Nigeria. Investors are also advised to pay attention to key indicators in the global economy that may have an impact on investments in Nigeria.

RISK FACTOR RELATING TO THE ISSUER

The following is a description of the risk factors that are material in respect of the financial situation of the Issuer. The risks described below are not the only risks that affect the Issuer. Additional risks and uncertainties not currently known to the Issuer or that the Issuer considers immaterial may also materially and adversely affect the Issuer. Any of the following risks could result in a material adverse effect on the Issuer's financial condition, results of operations and ability to service debt including the notes.

The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Programme Memorandum.

Technology Risk

Technology risk is the risk of failing to implement or develop, as well as operate, necessary solutions to meet stakeholders' expectations. Johnvents is working towards ensuring its factory is at the fore front of deploying cutting edge technologies and ancillary operations.

RISK FACTORS

Operational Risks

This refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Any lapse due to operational risk that results in severe losses could affect the Issuer's ability to meet its debt obligations. Hence, the Issuer has decided to serve and educate its employees in a competitive manner. This will ensure proper operational procedures, and reasonable controlling systems will be developed from the beginning which will be managed by the management team.

Credit Risks

Credit Risk is the risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Issuer. Credit risk, for Johnvents' business is the inability of counterparties to honour their obligations as and when due.

Liquidity Risks

Liquidity risk arises when there is a mismatch between the inflows and outflows of the Issuer. This may be due to the inability of the Issuer to liquidate certain assets at short notice due to market illiquidity and inability to access sufficient funds to meet payment obligations in a timely manner. The management of liquidity risk is very critical to the ongoing viability of the Issuer. The Issuer has developed adequate yearly budget that will meets contingency funding.

Security Risks

This is the risk of loss to income or disruption to operation as a result of security challenges. Johnvents' operations are located in areas with moderate history of security challenges. Therefore, the occurrence of such security challenges may not lead to business disruptions.

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.

Registration

- i. The under-listed authorized participants shall register with the CSD, where CP custody and depository services are required.
 - a. Collecting and Paying Agent ("Fidelity Bank Plc") / Dealer and Dealing Members ("Authorised Participants") shall complete forms from CSD. These Authorized Participants shall be required to submit proof of the appropriate FMDQ membership along with the completed form.
 - b. Investors are required to route their account opening applications and transactions through any of the above-mentioned 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 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 to trade the CPs.
- iii. FMDQ Securities Exchange Limited (the Exchange) shall request for the CP to be registered with the CSD, who in turn shall furnish the Exchange and CPA / Dealer with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the CPA/ Dealer.
- iv. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

Lodgement

- i. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgement to transfer the CPs to the sub-accounts, individual accounts, or custodians accounts of the beneficial owners of the Notes.
- ii. The CSD shall process same within 24 hours of receipt.

Redemption

- i. Register closes two (2) working days before maturity date (MD - 2).
- ii. The CPA/Dealer 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 MD - 2.
- iii. The CPA/Dealer will also provide the Exchange an acceptance/approval letter for redemption.
- iv. The CSD shall expunge (knock-off) matured CP(s) on the maturity/redemption date of the CP.
- v. Maturity must be on a business day, however if the maturity date of a CP falls on a public holiday, the ensuing working day shall be the maturity date of the CP.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- vi. In the event of default of inability to fulfil its obligation at meeting item (ii) stated above, the CPA shall notify the CSD no later than two (2) working days before maturity date and make public the default status to the market.
- vii. In the event of item (vi) crystallising, the Note holdings must remain with the CSD until the CPA pays off the holders of the Notes. The CPA shall notify the CSD of the payments and provide evidence of pay-off. Thereafter, the CSD will expunge the Notes accordingly.

Roll-Over

- i. All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- ii. Every roll-over of a CP issue shall be treated or classified as a fresh/separate CP.
- iii. Upon granting approval for rollover, the Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish the Exchange and CPA/Dealer with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the CPA/Dealer.
- iv. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

Default

- i. Where the Issuer is unable to repay the CP investors and the CP will be in default status, the CPA/Dealer shall notify the CSD, as well as the investors, latest two (2) working days before the maturity date (MD - 2), latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by MD - 1.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the CP holders and notifies the CSD and the Exchange with evidence.
- iv. Thereafter, the CSD will notify the public and expunge the CP from the Depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T + 2.
- ii. The Exchange shall submit Authorized Participants' confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - Same Day Settlement - 12.30pm
 - 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) working days before maturity date (MD - 5), therefore the last applicable settlement shall be before close of business on MD - 3.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Reporting

- i. The CSD shall 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 Authorised Participants of the FMDQ Securities Exchange Limited of successful and failed transactions on each settlement day for onward communication to Dealing Members.
- iii. Dealing Members can also visit the CSD website to ascertain their CP balances after each day's trade. This is available to only the institutions that subscribe to the CSD online service.

Transfer of Notes

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

Cash Settlement

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.

PRO FORMA APPLICABLE PRICING SUPPLEMENT



JOHNVENTS INDUSTRIES LIMITED

RC 1333960

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦30,000,000,000.00

COMMERCIAL PAPER ISSUANCE PROGRAMME

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated **September 7, 2022** prepared by United Capital Plc on behalf of Johnvents Industries Limited in connection with its **₦30,000,000,000.00** (Thirty Billion Naira) 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 11th September 2019 and the FMDQ Exchange Rules.

The CP Notes will be issued in dematerialised form, registered, quoted, and traded over the counter ("OTC") via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") Platform in accordance with the rules, guidelines and such other regulation as prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. Securities will be settled via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as Registrars and Clearing Agent for the Notes.

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/ISSUING AND PLACING AGENT



United Capital Plc
RC 444999

COLLECTING AND PAYING AGENT



FIDELITY BANK Plc
RC 103022

THIS PROGRAMME MEMORANDUM IS DATED SEPTEMBER 1, 2022

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Terms	Description
Issuer	Johnvents Industries Limited
Issuing And Placing Agent	United Capital PLC
Collecting And Paying Agent	Fidelity Bank Plc
Sponsor to the Quotation on FMDQ Exchange	United Capital PLC
Solicitor	Detail Commercial Solicitors
Auditor	SIAO Partners
Custodian	Central Securities Depository
Series Number	[●]
Programme Size	₦30,000,000,000.00
Aggregate Nominal Amount	₦ [●]
Face Value	₦ [●]
Discounted Value	₦ [●]
Nominal Amount Per Note	₦1,000.00
Issue Price	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦100,000,000.00 and multiples of ₦50,000,000.00 thereafter
Specified Currency	Nigerian Naira (₦)
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

PRO FORMA APPLICABLE PRICING SUPPLEMENT

other present and future senior unsecured obligations of the Issuer outstanding from time to time

Form of Notes	Uncertificated
Quotation	Notes may be quoted on the FMDQ Exchange platform or any other recognized exchange
Issuer Rating	BBB from GCR
Method of Offer	Fixed Price Offer
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%
Discount Rate	[●]%
Any Other Formula or basis for Determining Amount(S) Payable	[●]
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
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	[Applicable/Not Applicable]
Other Terms Applicable on Redemption	[●]
Offer Opens	[●]
Offer Closes	[●]
Allotment Date	[●]
Issue Date	[●]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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

Bank: Fidelity Bank Plc

Account Name: [●]

Account Number [●]

Sort Code: [●]

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 the [insert date of last published audited accounts] audited accounts.

RESPONSIBILITY

The Issuer and its Executive Management accept responsibility for the information contained in this Pricing Supplement, which when read together with the Programme Memorandum, 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
Johnvents Industries Limited**

Name:

Capacity: Director

Who warrants his/her authority hereto

Name:

Capacity: Director

Who warrants his/her authority hereto

AUDITOR'S COMFORT LETTER



SIAO/AU/AA/16853/22

1 August 2022

The Directors,
Johnvents Industries Limited
Ilesa – Benin Express Way
Akure
Ondo State.

Dear Sirs,

INDEPENDENT AUDITOR'S COMFORT LETTER ON THE SUMMARY FINANCIAL INFORMATION

The accompanying summary financial information which comprise the summary of the statement of financial position as at 31 December 2021 and 31 December 2020, the summary statement of profit or loss and summary statement of cash flows for the years then ended as contained in pages 47 to 49 of the Commercial Paper Issuance Programme, are consistent with information in the audited financial statements of **Johnvents Industries Limited** for the year ended 31 December 2021. We expressed an unmodified audit opinion on the financial statements as at 31 December 2021 in our report dated 6 May 2022.

The financial statements of the Company for the year ended 31 December 2020 were audited by the predecessor auditor who expressed an unqualified opinion on the financial statements on 20 April 2021.

The summary financial information does not contain all disclosures required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act 2011 and the International Financial Reporting Standards applied in the preparation of the financial statements. Reading the summary financial information, therefore, is not a substitute for reading the financial statements. The summary financial information does not reflect the effects of events that occurred subsequent to the date of the report on the financial statements.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of an appropriate summary of the financial information in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

Auditors' Responsibility

This letter therefore provides a confirmation that the accompanying summary financial information are consistent in all material respects with information in the audited financial statements of **Johnvents Industries Limited** for the year ended 31 December 2021.

Yours faithfully,

For: SIAO (Chartered Accountants)

A handwritten signature in blue ink, appearing to read 'Abiodun Ariyibi', is written over a faint, circular official stamp.

Abiodun Ariyibi
Partner

Lagos: 18b. Olu Holloway Road, Ikoyi, Lagos.
Tel: +234 8021810043

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
Email: enquiries@siao.ng.com
Website: www.siao-ng.com



A.Z.A. OGUNSOLA + CO.

(CHARTERED ACCOUNTANTS + TAX CONSULTANTS)

26th July, 2022.

The Directors,
Johnvents Industries Limited,
Ilesa – Benin Express Way,
Akure, Ondo State.

Dear Sirs,

INDEPENDENT AUDITOR'S COMFORT LETTER ON THE SUMMARY FINANCIAL INFORMATION.

The accompanying summary financial information which comprise the summary of the statement of financial position as at 31st December 2018, 2019 and 2020, the summary statement of the profit or loss and summary statement of cash flows for the years then ended as contained in pages 47 - 49 of the Commercial Paper Issuance Programmes, are consistent with the information in the audited financial statements of Johnvents Industries Limited for the years ended 31st December 2018, 2019 and 2020. We expressed an unmodified audit opinion on the financial statements as at 31st December 2018, 2019 and 2020 in our report dated 4th March 2019, 4th March 2020 and 20th April 2021 respectively.

The summary financial information does not contain all disclosures required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act 2011 and the International Financial Reporting Standards applied in the preparation of the financial statements. Reading the summary financial information, therefore, is not a substitute for reading the financial statements. The summary financial information does not reflect the effects of events that occurred subsequent to the date of the report on the financial statements.

Directors' Responsibility For The Financial Statements.

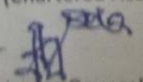
The Directors are responsible for the preparation and fair presentation of an appropriate summary of the financial information in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

Auditors' Responsibility.

This letter therefore provides a confirmation that the accompanying summary financial information are consistent in all material respects with information on the audited financial statements of Johnvents industries Limited for the years ended 31st December 2018, 2019 and 2020.

Yours faithfully,

For: A.Z.A. Ogunsola & Co.
(Chartered Accountants)


Zacchaeus Ogunsola
Partner.

Ibadan Office: Akunleyan Office Estate, Block A, Middle Floor, Rear Flat, Opposite
Green Spring Hotel, Old Ife Road, Ibadan.

Lagos Office: 162, Obafemi Awolowo Way, Alausa Ikeja, Lagos.

Phone: 08038010887, 08178637329 **E-mail:** ogunsolaza@yahoo.com

AUDIT REPORT AND SUMMARY FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 (Audited) N'000	2020 (Audited) N'000	2019 (Audited) N'000
Revenue	6,317,902	3,770,960	2,880,570
Cost of Sales	(2,733,682)	(1,722,392)	(1,003,743)
Gross Profit	3,584,220	2,048,568	1,876,827
Selling and Distribution Expenses	(11,768)	(4,252)	-
Administrative Expenses	(264,558)	(140,596)	(318,930)
Operating Profit	3,307,894	1,903,720	1,557,897
Finance cost	(11,763)	-	-
Profit before Tax	3,296,131	1,903,720	1,557,897
Tax Expense	(792,006)	(230,471)	(188,509)
Profit/(loss) After Tax	2,504,125	1,673,249	1,369,387
Other Comprehensive Income:			
Gain on property revaluation	5,008,526	-	-
Capital gains tax relating to PPE revaluation	(500,853)	-	-
Total Items that will not be reclassified to profit or loss	4,507,673	-	-
Other Comprehensive Income for the year of taxation	4,507,673	-	-
Total Comprehensive Profit/(Loss)	7,011,798	1,673,249	1,369,387

STATEMENT OF FINANCIAL POSITION

	2021 (Audited) N'000	2020 (Audited) N'000	2019 (Audited) N'000
Non-Current Assets			
Property, Plant and Equipment	10,283,364	62,372	48,974
Total Non-Current Assets	10,283,364	62,372	48,974
Current Assets			
Cash and Bank Balances	173,019	621,591	420,346
Inventory	2,316,343	102,397	31,748
Trade and other Receivables	-	2,922,177	1,513,214
Total Current Asset	2,489,362	3,646,165	1,965,308
Total Assets	12,772,726	3,708,537	2,014,282
Current Liabilities			
Trade and Other Payables	952,991	56,321	77,276
Tenured Loan	83,333	-	-
Current tax payable	86,291	230,471	-
Related party loans	110,000	100,000	-
Tax Provisions	-	-	188,509
Total Current Liabilities	1,232,615	386,792	265,786
Net Current Assets	1,256,747	3,259,373	1,699,522
Non-Current Liabilities			
Deferred tax liabilities	1,208,568	-	-
Total Non-Current Liabilities	1,208,568	-	-
Total Liabilities	2,441,183	386,792	265,786
Equity			
Share Capital	1,000	1,000	1,000
Directors current account	-	-	100,000
Revaluation Reserve	4,507,673	-	-
Retained Earnings	5,824,870	3,320,745	1,647,496
Total Equity	10,333,543	3,321,745	1,748,496
Total Equity and Liabilities	12,774,726	3,708,537	2,014,282

STATEMENT OF CASH FLOWS

	2021 (Audited) N'000	2020 (Audited) N'000	2019 (Audited) N'000
Cash Flows from Operating Activities			
Profit/(Loss) for the year	3,296,131	1,903,720	1,557,897
Adjustment for:			
Depreciation of Property, Plant and Equipment	27,171	16,868	13,015
Finance costs	11,763	-	-
Changes in:			
Inventories	(2,213,945)	(70,648)	65,834
Trade and other receivables	2,922,177	(1,408,963)	(1,316,782)
Other tax assets	896,670	(20,956)	(36)
Cash Generated from Operating Activities	4,939,967	420,021	319,928
Income tax paid	(230,471)	(188,510)	(39,699)
Net Cash from Operating activities	4,709,496	231,511	280,229
Investing Activities			
Purchase of Property, Plant and Equipment	(5,239,638)	(30,266)	-
Net Cash (Outflow) Inflow from Investing Activities	(5,239,638)	(30,266)	-
Financing Activities			
Tenured loan borrowing	100,000	-	-
Repayment of borrowings	(16,667)		
Related party loans	10,000		
Finance costs	(11,763)	-	-
Net Cash (Outflow) Inflow from Financing Activities	81,570	-	-
Net Increase in Cash and Cash Equivalents	(448,572)	201,245	280,229
Cash and Cash Equivalent at the Beginning of the Year	621,591	420,346	170,200
Cash and Cash Equivalent at the end of the Year	173,019	621,591	450,429

EXTRACT OF THE ISSUER'S RATING REPORT



Credit Rating Announcement

GCR accords initial national scale long term and short-term Issuer ratings of BBB_(NG) / A3_(NG) to Johnvents Industries Limited, Evolving Outlook.

Rating Action

Lagos, 08 December 2021 - GCR Ratings ("GCR") has assigned national scale long-term and short-term Issuer ratings of BBB_(NG) and A3_(NG) respectively to Johnvents Industries Limited, with the Outlook accorded as Evolving.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook / Watch
Johnvents Industries Limited	Long Term Issuer	National	BBB _(NG)	Evolving
	Short Term Issuer	National	A3 _(NG)	--

Rating Rationale

The ratings of Johnvents Industries Limited ("Johnvents" or "the Company") balances its currently strong financial profile with an expectation of aggressive debt-led business expansion, modest competitive position, limited track record as well as moderate liquidity assessment.

Johnvents is an integrated agribusiness with operations across the agricultural value chain spanning production, processing, manufacturing, and distribution which has supported steady revenue growth over the review period. However, its competitive position is moderately low, given its modest market share within the Nigerian commercial agricultural sector as well as its limited track record, having operated for barely three years. To diversify its operations, the Company acquired a cocoa processing plant from Odua Cooperative Conglomerate Limited in September 2021, which has 15,000 tonnes processing capacity with expected utilisation of 80% in the short-term. The outputs of the processing plant include cocoa butter, cake, liquor, and powder. GCR expects the acquisition and the enlarged product offering to make a material change to the competitive position in the near term and have already factored this into the rating.

Earnings is a neutral factor to the rating. While Johnvents has historically reported steady growth in revenue, the quantum of earnings is relatively low given its size, and stability is yet to be fully tested on a larger scale. However, GCR expects the recent diversification into cocoa processing to enhance the Company's ability to scale up. In this regard, significant revenue growths of around 40% and 170% are anticipated in by FY21 and FY22 respectively on the back of the expanding operation. Conversely, GCR expects the earnings margin to moderate slightly, albeit still strong around 30% over the outlook period, due to high exposure to the volatility within the commodity market as well as persistent inflationary pressure on operating expenses. Nevertheless, this should somewhat be offset by the benefits of economies of scale.

Johnvents has maintained a net ungeared position over the years, as operation and expansionary capex have been mainly financed through internally generated cashflow. However, the planned expansion has necessitated debt funding, and Johnvents is in the process of raising fund from external sources to support the substantial working capital requirement and little capex spend for the enlarged business. Even if debt is eventually raised, leverage metrics and EBITDA coverage of interest are expected to remain a relative credit strength. Our ratings scenario currently envisages a net debt to EBITDA range of between 10% and 50% and EBITDA to financing cost of around 19x over the next 12-18 months.

LEGAL OPINION ON THE NOTES

Detail Commercial Solicitors

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Off Remi Olowude Way
Lekki Phase 1, Lagos, Nigeria
T: +234 (0) 1 277 1400-5

www.detailsolicitors.com

5th September 2022

**Team Lead, Structured Trade Finance
United Capital Plc (the "Arranger")**

3rd & 4th Floors
Afriland Towers
97/1-5 Broad Street
Lagos

Attention: Tobechi Nwosu

Dear Sir,

**RE: LEGAL OPINION IN RESPECT OF THE NGN30,000,000,000.00 (THIRTY BILLION NAIRA)
COMMERCIAL PAPER PROGRAMME ISSUANCE BY JOHNVENTS INDUSTRIES LIMITED**

1. Background

- 1.1 We are acting as Solicitors to the Issue with respect to the ₦30,000,000,000.00 (Thirty Billion Naira) commercial paper programme issuance (the "**Notes**") to be issued by Johnvents Industries Limited (the "**Issuer**"), for financing its general corporate purposes (the "**Transaction**").
- 1.2 In our capacity as the Solicitors to the Transaction, we hereby issue this Opinion subject to the terms contained herein in respect of the Transaction on the performance of the obligations of the Issuer under the Transaction Documents.

2. Definitions

- 2.1 Capitalised terms used in this Opinion (and not otherwise defined) shall have the meanings given to them in the Transaction Documents. The following terms shall have the meanings provided below:

CAC	means the Corporate Affairs Commission;
Constitution	means the 1999 Constitution of the Federal Republic of Nigeria, as amended;
FMDQ	means FMDQ Private Markets Limited or any member of the FMDQ Group.
FMDQ Guidelines	means the FMDQ Commercial Paper Registration and Quotation Rules April 2021 or such other regulations as may from time to time be prescribed by FMDQ with respect to the issuance, registration and quotation of commercial papers;
Opinion Documents	means the opinion documents listed in Schedule 1 of this Opinion; and

Transaction Documents means the Deed of Covenant; Dealer Agreement; Issuing and Placing Agency Agreement; and Collecting and Paying Agency Agreement.

2.2 The headings in this opinion do not affect its interpretation.

2.3 References to sections, paragraphs and schedules are to clauses, paragraphs of, and schedules to, this Opinion.

3. Documents Examined and Enquiries Made

For the purpose of issuing this Opinion, we have reviewed, examined and relied on:

3.1 Opinion Documents

We have examined and relied only on the Opinion Documents listed in Schedule 1.

3.2 Searches

3.2.1 Corporate Affairs Commission

We have conducted a search and made enquiries at the CAC on the corporate files of the Issuer on the 7th of July 2022.

4. Assumptions and Qualifications

This Opinion is given based on the assumptions set out in Schedule 2 and is subject to the qualifications set out in Schedule 3 and to any other matters not disclosed to us. The Opinion herein contained is strictly limited to the matters stated in Section 5 and does not extend to any other matters.

5. The Opinion

We are of the opinion that:

5.1 Status

5.1.1 The Issuer is duly incorporated and validly existing under the laws of the Federal Republic of Nigeria and has the power to carry on its business as it is now being conducted and to own properties and other assets in the Federal Republic of Nigeria.

5.2 Power & Authority

5.2.1 The Issuer:

5.2.1.1 has the power and authority to enter into, deliver and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party;

5.2.1.2 has power to sue and be sued in its name; and

5.2.1.3 has taken all necessary corporate or other actions required to authorize its execution and delivery of the Transaction Documents and the performance of its obligations therein.

5.3 Conflict

We confirm that neither the issuance of the Notes, the execution and the delivery of the Transaction Documents, nor the performance by the Issuer of its obligations under any of the Transaction Documents and compliance with the provisions of the Transaction Documents to which it is a party:

5.3.1 conflicts with or will conflict with any present law, regulation, treaty or rule currently in force in Nigeria or any order of any Nigerian governmental, judicial or other authority in any respect; or

5.3.2 conflicts with the Issuer's constitutional documents.

5.4 Legal Validity and Enforceability

5.4.1 The Transaction Documents constitute legal, valid and binding obligations of the Issuer and will be enforceable against it in accordance with the respective terms thereof under the laws of Nigeria.

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

5.4.3 The obligations expressed to be assumed by the Issuer under the Notes, and the Transaction Documents to which it is a party constitute its legal, valid, binding and enforceable obligations, and are enforceable against the Issuer in accordance with their terms.

5.5 Authorisations and Consents

5.5.1 Consent

No consent, licence, permit, approval or authorisation of any governmental, judicial or public body or other authority in Nigeria is required in connection with the entry into and performance of the Transaction Documents.

5.5.2 Stamp Duties

For admissibility before the Nigerian courts and in accordance with the provisions of the Stamp Duties Act CAP S8 LFN 2004 (as amended), the Transaction Documents will be subject to stamp duties under Nigerian law.

5.5.3 Registration and Filings

Save for registration with FMDQ in accordance with the FMDQ Guidelines, no other registration, filing or recording with any court, governmental authority or other

authority in Nigeria is necessary under the laws of the Federal Republic of Nigeria to ensure the legality, validity, enforceability of the Transaction Documents in Nigeria.

5.6 Insolvency

Based on our search carried out at the CAC, we confirm that no shareholder or other corporate action has been taken for any administration, bankruptcy, liquidation, dissolution, receivership, nor have similar insolvency proceedings been registered in relation to the Issuer or its assets, and no procedure has been commenced with a view to the winding up of the Issuer nor has there been registered any notice of the appointment of an administrator, receiver, liquidator or similar insolvency representative over any part of the assets, business or undertaking of the Issuer, or notice of any application for such an appointment.

5.7 Choice of Law

In any proceedings for the enforcement of the obligations of the Issuer under the Transaction Documents, the Nigerian courts would recognise, uphold and give effect to the choice of Nigerian law as the governing law of the Transaction Documents as valid and binding on the Issuer.

6. Scope of Opinion

6.1 This Opinion relates only to the laws of the Federal Republic of Nigeria as construed and applied by the courts of the Federal Republic of Nigeria at the date of this Opinion. By giving this Opinion, we do not assume any obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective.

6.2 We express no opinion on the laws of any other jurisdiction other than Nigeria.

6.3 We express no opinion on matters of fact.

6.4 This Opinion (and any non-contractual obligations arising out of it) is governed by and shall be construed in accordance with Nigerian law as at the date of this Opinion.

7. Who May Rely on the Opinion

7.1 Subject to Section 7.2, this Opinion is given for the sole benefit of the Arranger in connection with the Transaction Documents and it may not be disclosed to or relied on by any other person or used for any other purpose without our prior written consent.

7.2 This Opinion may be disclosed, to (only on the express basis that they may not rely on it):

- (a) any person who becomes an arranger under the Transaction;
- (b) the officers, employees, auditors and professional advisers of the Arranger;
- (c) any person to whom disclosure is required to be made by applicable law or court order or pursuant to any supervisory or regulatory body or in connection with any judicial proceedings **PROVIDED** and it is hereby agreed that any such disclosure is made on the

basis that (i) such disclosure is made solely to enable any such person to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance, and (ii) we do not assume any duty or liability to any person to whom such disclosure is made and in preparing this opinion we only had regard to the interests of the Arranger.

SCHEDULE ONE

OPINION DOCUMENTS

1. The Deed of Covenant;
2. The Dealer Agreement;
3. The Collecting and Paying Agency Agreement;
4. The Issuing and Placing Agency Agreement;
5. The Programme Memorandum containing the terms and conditions relating to the Notes; and
6. Corporate Documentation in relation to the Issuer;
 - (a) Certificate of incorporation dated 7th November 2021;
 - (b) Certified true copy of Memorandum and Articles of Association dated 15th December 2021;
 - (c) CAC Status Report on the status of the Issuer dated 7th July 2022; and
 - (d) A copy of a resolution of the board of directors dated 15th June 2022 approving inter – alia the terms and the transactions contemplated by the Transaction Documents to which it is a party.

**SCHEDULE TWO
ASSUMPTIONS**

The opinions in Section 5 of the Opinion have been made on the following assumptions:

1. **Authenticity:** the authenticity of all seals and signatures, the completeness and conformity with original documents of all copies of the documents submitted to us and that any executed document submitted to us, continues in full force and effect;
2. **Authenticity of Resolutions:** The resolution of the board of directors of the Issuer referred to in 6 (c) of Schedule 1 was duly passed.
3. **Other Parties:** Each party to the Transaction Documents (other than the Issuer) have the capacity to duly authorise, execute and deliver the Transaction Documents to which it is a party in accordance with all applicable laws and to perform the obligations it is expressed to assume under it.
4. **No Bad Faith or Fraud:** There has been no bad faith or fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents and/or their respective directors, employees, agents and advisers.
5. **No breach of agreements:** Subject to the documents reviewed under the due diligence report dated 15th April 2022 and the addendum to the due diligence report dated 21st July 2022 and any express opinions indicated therein, the provisions of the Transaction Documents do not breach any other agreement or instrument binding on the Issuer or its assets.
6. **Solvency:** There has been no alteration as to the status of the solvency of the Issuer since the date of the search report referenced in Section 3.2 of the Opinion.
7. **Conditions Precedent:** All conditions precedent required to be fulfilled by the Issuer has been fulfilled and the Transaction Documents are unconditional in all respects.
8. **Amendments:** There have been no amendments to the memorandum and articles of association of the Issuer since the date of the certified copies examined by us, and that any restrictions in the constitutional documents of the Issuer would not be contravened by the entry into and performance of the Transaction Agreements.
9. **Illegality:** The Issuer is not or will not be seeking to achieve any purpose not apparent from the Transaction Agreement which might render it illegal, void or unenforceable.

**SCHEDULE 3
QUALIFICATIONS**

This Opinion is subject to the following qualifications:

1. ENFORCEABILITY

The term "**enforceable**" as used in this Opinion means that an obligation is of a type and form which the courts in the Federal Republic of Nigeria generally enforce. This Opinion is not to be taken to imply that any obligation would necessarily be capable of enforcement in all circumstances in accordance with its terms. In particular:

- 1.1 A court in the Federal Republic of Nigeria will not necessarily grant a particular remedy because:
 - (a) the principles of equity may dictate otherwise, for example, an order for the equitable remedy of specific performance may not be made where damages are considered to be an adequate remedy;
 - (b) it may be incompatible with the human rights provisions under the Constitution;
 - (c) public policy requires otherwise; or
 - (d) the court otherwise has discretion as to what remedy it grants.
- 1.2 The procedural rules to which any action brought in a court in the Federal Republic of Nigeria is subject may be such that a court declines jurisdiction or stays an action.
- 1.3 A court in the Federal Republic of Nigeria may stay or strike out proceedings if concurrent proceedings are being brought elsewhere.
- 1.4 Claims may become barred by applicable prescription periods or statutes of limitation or may be or become subject to a defence of set-off or counterclaim. The enforcement of obligations may be limited by the provisions of the laws of the Federal Republic of Nigeria, which may hold an agreement to have been frustrated by a supervening event. The law relating to misrepresentation, mistake and fraud may mean that an agreement, or part of it, is rescinded and, therefore, unenforceable.
- 1.5 Where an obligation is to be performed in a jurisdiction outside Nigeria, that obligation may not be enforceable in Nigeria to the extent that:
 - (a) its performance would be illegal under the laws of, or contrary to public policy or to the exchange control regulations of, the other jurisdiction or of the law applicable to the obligation; and
 - (b) the courts in the Federal Republic of Nigeria take account of the law of that jurisdiction.
- 1.6 We express no opinion as to whether or not a foreign court (applying its own conflict of laws rules) will act in accordance with the parties' agreement as to jurisdiction and/or choice of law.

2. SEARCHES AND ENQUIRIES

- 2.1 The search with the CAC referred to in Section 3.2 of the Opinion is not conclusively capable of revealing whether or not:
- (a) a winding-up order or a resolution passed for the winding up of a company has been made;
 - (b) there are charges registered over a company's assets; and
 - (c) a receiver, administrative receiver or liquidator has been appointed;

as notice of these matters may not be filed with the CAC immediately and, when filed may not be entered on the file of the relevant company immediately. In addition, the search is not capable of revealing, prior to the making of the relevant order, whether or not a winding-up petition or a petition for an administration order has been presented.

3. LIMITATIONS ARISING FROM INSOLVENCY LAW

This opinion is subject to all insolvency, bankruptcy, liquidation, receivership, moratorium, reorganisation or similar laws affecting the rights of creditors (including secured creditors) generally.

4. LIMITS ON EFFICACY OF PARTICULAR PROVISIONS

- 4.1 Any provision in the Transaction Documents for the payment of a specific amount or liquidated damages in the event of a breach or default may be unenforceable if it amounts to a penalty.
- 4.2 Any provision in the Transaction providing for a matter to be agreed on in the future may be unenforceable or void for uncertainty.
- 4.3 A court in the Federal Republic of Nigeria may hold that the parties to a Transaction Document have amended it orally, even though there is a provision requiring amendments to be in writing.
- 4.4 A court in the Federal Republic of Nigeria may hold that an oral waiver by one party may be effective, even though there is a provision in the Transaction Documents requiring waivers to be in writing.
- 4.5 Any provision in the Transaction Documents purporting to restrict the exercise of any statutory power by any person may be void.
- 4.6 The effectiveness of terms in the Transaction Documents exculpating a party from liability or duty otherwise owed are limited by law.
- 4.7 A court in the Federal Republic of Nigeria may refuse to treat as final, conclusive and/or binding any notification, calculation, certificate or determination which is stated in any Transaction Document to be final, conclusive and/or binding if it is shown to have an unreasonable or arbitrary basis, or not to have been reached in good faith, despite a provision to the contrary.

- 4.8 Where a party to a Transaction Document has a discretion, or may determine a matter in its opinion, a court may require that such discretion is exercised in good faith reasonably and for a proper purpose, and that such determination is made in good faith based on reasonable grounds.
- 4.9 A court in the Federal Republic of Nigeria would have discretion on whether to allow the severance of an invalid or unenforceable provision in a Transaction Document.
- 4.10 A provision requiring payments to be made without deduction or withholding will not be enforced if a deduction or withholding is made pursuant to a legal obligation.
- 4.11 Despite a provision in any Transaction Document to the effect that the written terms of that Transaction Document constitute the entire agreement between the parties to it, a court may hold that oral or other assurances given in the course of negotiations may be binding.
- 4.12 Confidentiality obligations may be overridden by the requirements of legal process.
- 4.13 A court in the Federal Republic of Nigeria can give judgment in currencies other than Naira if, subject to the terms of the contract, it is the currency which most fairly expresses the claimant's loss. However, such judgments may be required to be converted into Naira for enforcement purposes.

DETAIL COMMERCIAL SOLICITORS



**TEMIDAYO AJAYI BELLO
PARTNER**

GENERAL INFORMATION

AUTHORISATION

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Johnvents Industries Limited dated 15th June 2022.

AUDITORS

SIAO Partners (Chartered Accountants) acted as the Auditor of the annual financial statements of the Issuer for the financial year ended December 2021, and was responsible for the audit, and issued unqualified reports.

COMMERCIAL PAPER OUTSTANDING

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum.

GOING CONCERN

If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders in accordance with Condition 8.

The Issuer is at the date hereof a going concern and can be 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 September 1, 2022 executed by the Issuer as a deed poll in favour of the Noteholders.
- ii. the Dealer Agreement dated September 1, 2022 executed by the Arranger and the Issuer;
- iii. the Issuing and Placing Agency Agreement dated September 1, 2022 executed by the Issuer and the Issuing and Placing Agent; and
- iv. the Collecting and Paying Agency Agreement dated September 1, 2022 executed by the Issuer and the Collecting and Paying Agent.

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


ULTIMATE BORROWER

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE TRANSACTION

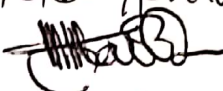
ISSUER

JOHNVENTS INDUSTRIES LIMITED
1 Ademiluyi Close
New Bodija
Ibadan, Oyo State.

John Alamu


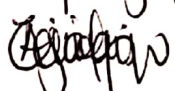
ARRANGER

UNITED CAPITAL PLC
3rd & 4th Floors
Afriland Towers
97/105 Broad Street
Lagos

Peter Ashade



SOLICITOR TO THE ISSUE

DETAIL COMMERCIAL SOLICITORS
DCS Place, 8 DCS Street
Off Remi Olowude Way
Lekki Phase 1, Lagos, Nigeria


Temidayo Agayi Bello


COLLECTING AND PAYING AGENT

FIDELITY BANK PLC
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Victoria Island,
Lagos, Nigeria

Jude Morge


AUDITOR

Abiodun Arigibi


SIAO PARTNERS (CHARTERED ACCOUNTANTS)
18b Olu Holloway Road
Ikoyi, Lagos.