

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



RC: 6916507

SAROAFRICA FUNDING SPV PLC

**₦25,000,000,000****COMMERCIAL PAPER ISSUANCE PROGRAMME**

Saroafrica Funding SPV Plc (“**Saroafrica SPV Plc**” or the “**Issuer**”), a limited liability company incorporated in Nigeria has established this ₦25,000,000,000 Commercial Paper Issuance Programme (the “**CP Programme**”), under which Saroafira Funding SPV Plc may from time to time issue Commercial Paper notes (“**CP Notes**” or “**Notes**”), denominated in Nigerian Naira as may be agreed between the Issuer and each relevant Dealer and or the Lead Arranger (as defined in the section entitled, “*Summary of the Programme*”, in separate series or tranches subject to the terms and conditions (“**Terms and Conditions**”) contained in this Programme Memorandum.

Each Series or Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the “**Applicable Pricing Supplement**”). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦25,000,000,000 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

This Programme Memorandum, the Applicable Pricing Supplement and the CP Notes have not been and will not be registered with the Securities and Exchange Commission, or under the Investment and Securities Act, No. 29 of 2007.

The CP Notes will be issued in dematerialised form and may be registered, quoted and traded over the counter (“**OTC**”) via the FMDQ Exchange Platform in accordance with the rules, guidelines and such other regulation as may be prescribed by CBN and FMDQ Exchange from time to time, or any other recognized trading platform. The Notes will settle via a central securities depository registered and recognized by the Securities and Exchange Commission, acting as registrar and clearing agent for the CPs.

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.

**LEAD ARRANGER** RC: 1706693**DEALER**

RC: 1706693

This Programme Memorandum is dated 03 August 2023

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## GLOSSARY OF DEFINED TERMS

*In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings respectively assigned to them.*

<b>“Agency Agreement”</b>	The Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer, the CPA, and the IPA
<b>“Applicable Pricing Supplement”</b>	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
<b>“Authorised Participants”</b>	Dealing Members of the FMDQ Securities Exchange Limited who are licenced members authorised to make market in securities admitted to trade on the FMDQ Exchange platform
<b>“Board” or “Directors”</b>	Board of Directors of Saroafra Funding SPV Plc
<b>“Business Day “</b>	Any day except Saturdays, Sundays and public holidays declared by the FGN on which commercial banks are open for business in Lagos, Nigeria
<b>“Business Hours”</b>	8.00am to 5.00pm on any Business Day.
<b>“CBN”</b>	Central Bank of Nigeria
<b>“CBN Guidelines”</b>	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 <sup>th</sup> 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
<b>“CGT”</b>	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004
<b>“CITA”</b>	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007)
<b>“Commercial Paper”, “CP”, “CP Notes” or “Notes”</b>	Unsecured Commercial Paper Notes to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes
<b>“Conditions” or “Terms and Conditions”</b>	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”
<b>“CP Programme” or “Programme”</b>	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 ₦25,000,000,000
<b>“Central Securities Depository” or “CSD”</b>	FMDQ Depository Limited
<b>“Day Count Fraction “</b>	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
<b>“Dealers”</b>	Afrinvest Capital Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer
<b>“Deed of Covenant “</b>	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders.
<b>“Default Date”</b>	The date on which the written notice of the Event of Default is served to the Issuer
<b>“Default Rate”</b>	The interest rate to be charged to the Issuer when repayments are overdue
<b>“Executive Management”</b>	The executive members of the board of directors of Saroafra Funding
<b>“Face Value”</b>	The par value of the Notes
<b>“FGN”</b>	Federal Government of Nigeria

<b>“FIRS”</b>	Federal Inland Revenue Service
<b>“FMDQ Exchange Rules”</b>	The FMDQ Exchange Commercial Paper Registration and Quotation Rules issued April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
<b>“FMDQ Securities Exchange Limited” or “FMDQ Exchange”</b>	A securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
<b>“Force Majeure”</b>	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
<b>“Holder” or “Noteholder”</b>	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
<b>“Implied Yield”</b>	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
<b>“Issue Date”</b>	The date upon which the relevant Series/Tranche of the Notes is issued to investors as specified in the Applicable Pricing Supplement
<b>“Issue Price”</b>	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
<b>“Issue Rate”</b>	The Discount Rate at Issuance
<b>“Collecting &amp; Paying Agent” or “CPA”</b>	Ecobank Nigeria Limited and/or any successor Collecting and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
<b>“Issuing And Placing Agent” or “IPA”</b>	Afrinvest Capital Limited any other non-bank financial institution(s) sponsoring the registration and quotation of CP Programmes and Issues on the Exchange, and the placement of CPs with investors at the primary issuance. The IPA must be a duly licenced Registration Member (Quotations) of FMDQ Exchange
<b>“Lead Arranger”</b>	Afrinvest Capital Limited
<b>“LFN”</b>	Laws of the Federation of Nigeria
<b>“Maturity Date”</b>	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
<b>“Material Adverse Change”</b>	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
<b>“Naira”, “NGN” or “₦”</b>	The Nigerian Naira
<b>“NIBOR”</b>	Nigerian Inter-Bank Offered Rate
<b>“OTC”</b>	Over The Counter
<b>“PITA”</b>	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
<b>“Pricing Supplement” or “Applicable Pricing Supplement”</b>	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
<b>“Principal Amount”</b>	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
<b>“Programme Memorandum”</b>	This information memorandum dated 03 August 2023 which sets out the aggregate size and broad terms and conditions of the CP Programme
<b>“Promoters”</b>	Saro Agrosiences Limited and Saro Lifecare Limited
<b>“Qualified Institutional Investor” or “QII”</b>	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, trustees/custodians, issuing houses, stockbroking firms and any other category of investors as may be determined by the FMDQ Exchange from time to time.

<b>“Register”</b>	A register or such registers as shall be maintained by the CSD and the IPA in which are recorded details of Noteholders
<b>“Relevant Currency”</b>	Naira, being the currency in which payments in respect of the Notes of the relevant Series or Tranche are to be made
<b>“Relevant Date”</b>	The payment date of any obligation due on the Notes
<b>“Relevant Last Date”</b>	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
<b>“Saroafrica SPV”, the “Issuer”</b>	Saroafrica Funding SPV Plc
<b>“Saro” or the “Group”</b>	Collective description of Saro Agrosiences Limited and Saro Lifecare Limited
<b>“SEC Rules “</b>	The Rules and Regulations of the Securities and Exchange Commission 2013, (as may be amended from time to time by the SEC), made pursuant to the Investments and Securities Act No. 29 of 2007.
<b>“Series”</b>	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
<b>“SLC”</b>	Saro Lifecare Limited
<b>“The NGX”</b>	The Nigerian Exchange Limited
<b>“Tranche”</b>	Notes which are identical in all respects
<b>“Unique Identifier”</b>	A code specifically designated or assigned to identify a CP
<b>“VAT”</b>	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)
<b>“WHT”</b>	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
<b>“Zero Coupon Note”</b>	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**

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This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦25,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum. The Issuer shall not require the consent of the Note holders for the issue of Notes under the Programme.

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

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is 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.

To the fullest extent permitted by law, the Lead Arranger, Dealers and other professional advisers make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger and Dealers or on their behalf in connection with the Issuer or the Programme or issue and offering of the Notes. The Arranger and Dealers and other professional advisers accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save to the extent permitted by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

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

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

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 Lead Arranger that any recipient of this Programme Memorandum should purchase any Notes.

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

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.

All currency risks assumed by investors upon purchase of the Notes are borne by the individual investors.

The Lead Arranger, Dealers and the CPA are under no obligation to seek recovery or initiate any action against the Issuer.

**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**

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

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

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

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

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

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

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



## TRANSACTION OVERVIEW

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

### Issuance of Commercial Papers

The Issuer will issue Commercial Papers from time to time which at any point in time the amount in issue and outstanding will not exceed the maximum amount of ₦25,000,000,000 (Twenty-Five Billion Naira) under the Commercial Paper Issuance Programme.

Subject to provisions of the applicable Pricing Supplement on the use of Proceeds under each Series of the Commercial Papers, the proceeds of the Commercial Papers will be used to support Saro’s short-term financing requirements.

A summary of the documentation governing the Commercial Papers to be issued under the Programme are listed below:

1. This Programme Memorandum outlining material information on the Issuer;
2. The Pricing Supplements outlining material information on the Issuer; as well as the final pricing terms relating to each Series of Commercial Papers;
3. The Deed of Covenant to provide for the framework and general terms and conditions of the Commercial Papers to be issued under each Series;
4. Any other supplemental document designated to apply to the Commercial Papers.

### Limited Recourse Obligations

Each issuance by Saro under a Series will be separate and distinct from any other issuance under another Series under the Programme. Investors in a particular Series or Tranche will not have recourse to amounts raised or payments made in respect of any other Series or Tranche under the Programme.

No other Investor in the Commercial Papers issued by the Issuer under any other Series under the Programme, or any other programme established by the Issuer, shall have any right, interest or recourse to such Commercial Papers.



**SUMMARY OF THE PROGRAMME**

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

<b>Auditors:</b>	Ernst and Young
<b>Currency of Issue:</b>	Nigerian Naira (₦)
<b>Dealers:</b>	Afrinvest Capital Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
<b>Default Date:</b>	The date on which the written notice of the Event of Default is served to the Issuer
<b>Default Rate:</b>	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Discount Rate at issuance +5% per annum (whichever is higher)
<b>Governing Law:</b>	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
<b>Going concern:</b>	The Company is a going concern and can in all circumstances be reasonably expected to meet its commitments
<b>Interest Payments:</b>	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
<b>Issuance in Series:</b>	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
<b>Issue Price:</b>	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
<b>Issue Rate:</b>	The Discount Rate at Issuance
<b>Issue Size:</b>	As specified in the Applicable Pricing Supplement
<b>Issuer Rating:</b>	The Saroagrosiences Limited and Saro Lifecare Limited have been assigned rating of BBB+ and BBB respectively by DataPro Limited.
<b>Issuer:</b>	Saroafrica Funding SPV
<b>Collecting and Paying Agent or CPA:</b>	Ecobank Nigeria Limited
<b>Issuing and Placing Agent or IPA:</b>	Afrinvest Capital Limited
<b>Arranger:</b>	Afrinvest Capital Limited
<b>Programme Size:</b>	₦25,000,000,000 aggregate principal amount of Notes outstanding at any point in time

## SUMMARY OF THE PROGRAMME

<b>Programme:</b>	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
<b>Redemption:</b>	As stated in the Applicable Pricing Supplement
<b>Registrars/Custodian:</b>	To be confirmed
<b>Registration and Quotation:</b>	The Issuer may elect at its discretion to have any Series or Tranche quoted on the FMDQ Exchange or any other recognised trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform
<b>Settlement Procedures:</b>	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
<b>Solicitors:</b>	Udo Udoma & Belo-Osagie
<b>Status of Notes:</b>	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
<b>Taxation:</b>	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
<b>Tenor:</b>	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme
<b>Use of Proceeds:</b>	The net proceeds from each issue of Notes under the Programme will be used solely to support the Saro's short-term funding requirements, or as may otherwise be specified in the Applicable Pricing Supplement

## OVERVIEW OF SAROAFRICA FUNDING SPV PLC

Saroafrica Funding SPV Plc was incorporated in Nigeria on 27<sup>th</sup> day of March 2023 (with registered number 6916507), as a public company limited under the name “Saroafrica Funding SPV Plc” and with Registered Address at Plot 1683, Sanusi Fafunwa Street, Victoria Island, Lagos State, Nigeria Lagos. The Issuer has no subsidiaries or affiliates and has been established as a special purpose vehicle for the purpose of raising funds to finance the capital expenditure and working capital requirements of the Promoters.

The authorized share capital of the Issuer is ₦10,000,000 divided into 10,000,000 ordinary shares of ₦1.00 each. 100% of the issued shares is held by Saro Agrosiences Limited and Saro Lifecare Limited (the “Promoters”).

As set out in Clause 3 of its Memorandum and Articles of Association the principal objectives of the Issuer are:

- a) to invest in securities of companies or bodies and acquire, hold, sell, buy, or otherwise deal in shares, debentures, debentures stocks, bonds, units, and securities issued or guaranteed by a company, corporation, firm or person incorporated or established in Nigeria or elsewhere;
- b) to secure the repayment of the money borrowed or raised by mortgage, charge or lien upon whole or any part of the company’s property or assets and undertake investments;
- c) to borrow or raise money in such manner as the company may deem fit and guarantee the performance by the company of any obligation or liability it may undertake;
- d) to do all such other things as may be considered incidental to the attainment of the above objects.

## PROFILES OF THE DIRECTORS

### Moses Mordi

Moses is a certified Crop Protection expert. He has held several positions within Saro ranging from Sales, Marketing and business development over the last 2 decades and he is currently the Group Head, Business Development and Expansion. Moses Mordi is a graduate of Agric Economics (Best Graduating Student faculty of Agriculture) UNIBEN 1998/99 set.

### Gbemileke Otun

Gbemileke has extensive knowledge of, and experience in Consumer Goods Industry. She has previously held other senior management positions in Gossy Warm Springs, Saro Lifecare Limited and Saro Home and Garden. She holds a bachelor’s degree in Electrical/Electronic Engineering from the University of Lagos and a Master of Business Administration degree from the Lagos Business School.

## INCORPORATION AND SHARE CAPITAL DETAILS

### Share Capital History

As at the date of this Programme Memorandum, Saroafrica Funding SPV Plc. has an authorised share capital of N10,000,000.00 divided into 10,000,000 ordinary shares of N1.00 each which has been issued and fully paid.

### Ownership Structure

As at the date of this Placement Memorandum, Saroafrica Funding SPV Plc has 10,000,000 ordinary shares of ₦1.00 each in issue. The shares are held as follows:

S/N	Shareholders	No. of Shares Held	% of Holding
1	Saro Agrosiences Limited	5,000,000.00	50%
2	Saro Lifecares Limited	5,000,000.00	50%

### Indebtedness

The Issuer has no indebtedness as at the date of this Programme Memorandum other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

**OVERVIEW OF SAROAFRICA FUNDING SPV PLC**

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**Material Contracts**

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

**No Material Adverse Change**

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

**Financial Information**

Since the date of incorporation, the Issuer has not commenced operations and no financial statements have been compiled or published as at the date of this Programme Memorandum.

**Claims and Litigation**

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

## OVERVIEW OF SARO

### SARO AGROSCIENCES LIMITED

Saro Agrosciences Limited ("SAS") is the flagship company of SaroAfrica International group and was established in 1991 as Saro Pharma & Chemical Co. Ltd. It has evolved through different operational models and names starting as Saro Pharma & Chemical Co. Ltd to Saro Agrochemicals and now Saro Agrosciences.

SAS has grown into a leading player in the agriculture industry, providing and empowering farmers with superior agro-inputs like crop protection products, seeds, fertilizers, and knowledge that will enable these farmers to increase their yield and livelihood in a sustainable manner.

Its strengths also include an extensive logistics and distribution network with its route to market model as well as strategic collaborations with different multinationals and NGOs to provide a broad range of products, services, and support to its customers.

### Products/Services

Saro Agrosciences offers a wide range of products and services certified by the Standard Organization of Nigeria (SON) and International Standard Organization (ISO). The product and services include:

Products/Services	Description
<b>Soil and Plant nutrients</b>	Delivery of plant nutrition products (water soluble crystalline fertilizers, bio-stimulants, and specialty fertilizers).
<b>Crop Protection Product</b>	Provision of top-quality crop protection products and application equipment.
<b>Hybrid Seeds</b>	Marketing and distribution of high-quality hybrid seeds in partnership with SeedCo.
<b>Agrotechnology</b>	Leveraging of digital agricultural solutions to build, scale and improve the yield and livelihood of farmers
<b>Advisory Services</b>	Provision of tailor-made advisory services to the farmers on weather, early crop diseases diagnosis, commodity prices, etc.

### Shareholding Structure

As at the date of this document, the 250,000,000 ordinary shares of ₦1.00 each in the issued ordinary share capital of SAS are beneficially held as follows:

Name	Units	% Holding
<b>SaroAfrica UK Limited</b>	152,500,000	61
<b>Rasheed Sarumi</b>	63,062,789	25
<b>Southgate Farms</b>	23,310,911	10
<b>Others</b>	11,126,300	4
<b>Total</b>	<b>250,000,000</b>	<b>100</b>

## OVERVIEW OF SARO

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### **Board of Directors of Saro Agrosciences Limited**

Presented below are brief profiles of the directors of SAS:

#### ***Monday Awulu– Chairman***

Monday is a Fellow member of ICAN with over 20 years of experience in external audit accounting, agro commodities trading and exporting. He is a graduate of accounting from the University of Jos and an alumnus of Harvard and Lagos Business Schools.

#### ***Moses Mordi – Managing Director***

Moses is a certified Crop Protection expert. He has held several positions within Saro ranging from Sales, Marketing and business development over the last 2 decades and he is currently the Group Head, Business Development and Expansion. Moses Mordi is a graduate of Agric Economics (Best Graduating Student faculty of Agriculture) UNIBEN 1998/99 set.

#### ***Wole Adeyegbe-Non-Executive Director***

Wole is a graduate of Agricultural Engineering from the Obafemi Awolowo University, as well as an alumnus of Harvard and Lagos Business Schools. He has over 20 years of experience in sales, marketing and general management in agro-commodities export and the crop science industry. His previous leadership experience includes being the managing director of Saro AgroSciences Nigeria and Ghana, as well as Saro Lifecare.

#### ***Ayo Akinmade-Non-Executive Director.***

Ayo has over 15 years of investment experience in West African markets, managing business interests across commerce, oil & gas, IT e-commerce, oil and financial advisory services. He has a bachelor's degree in Economics from the University of Ife and is a fellow of ICAN. He also has an MBA specialized in Change Management from Kingston University, London.

## OVERVIEW OF SARO

### SARO LIFECARE LIMITED

Saro Lifecare Limited (“SLC”) is an indigenous player in the Personal and Homecare category of the FMCG industry. It was Incorporated in 2007 after the acquisition of the Personal & Home Care Division of Chemicals & Allied Plc. (CAP). Saro Lifecare Limited have further established their authority in the in-home pest category with the Sniper power brand.

### Products

SLC’s product offerings are outlined below:

Category	Brands	Products
Personal Care	Purit	Antiseptic Liquid, Antiseptic Powder, Hand Sanitizer, Hygiene Soap and Petroleum Jelly.
	Carat	Antiseptic/Disinfectant Liquid and Medicated Soap (Classic, Mint Cool and Herbal)
	Safecut	Safecut Aftershave Spray
In-home pest control	Sniper	DDVP insecticide (200ml, 250ml, 500ml & 1 litre), Aerosol (300ml, 600ml & 750ml), Cockroach Killer Gel (10g & 20g) and Rat Killer (20g)
	Nopest	DDVP Insecticide (200ml, 250ml, 500ml & 1 litre)

### Shareholding Structure

As at the date of this document, the 50,000,000 ordinary shares of ₦1.00 each in the issued ordinary share capital of SLC are beneficially held as follows:

Name	Units	% Holding
Saroafrica UK Limited	37,482,901	74.97
Rasheed Sarumi	12,489,925	24.98
Oluwole Adeyegbe	16,304	0.03
Tagbo Ozor	10,870	0.02
<b>Total</b>	<b>50,000,000</b>	<b>100</b>

### Board of Directors of Saro Lifecare Limited

Presented below are brief profiles of the directors of SLC:

#### *Abdul Akhor Bello-Chairman*

Mr. Bello retired from UAC of Nigeria Plc in 2019 after 30 years of service during which period he held various senior management positions including Group Chief Executive Officer. His is a Fellow of the Institute of Chartered Accountants of Nigeria and an alumnus of Oxford University’s Advance Management & Leadership Program.

#### **Oluwagbemileke Otun-Managing Director**

Gbemileke has extensive knowledge of, and experience in Consumer Goods Industry. She has previously held other senior management positions in Gossy Warm Springs, Saro Lifecare Limited and Saro Home and Garden. She holds a bachelor’s degree in Electrical/Electronic Engineering from the University of Lagos and a Master of Business Administration degree from the Lagos Business School.



## OVERVIEW OF SARO

### Kikelomo Kuponiyi-Independent Non-Executive Director

Kikelomo has over 23 years of banking experience, spanning customer service, banking operations, financial control, and consumer lending. She is an alumnus of the Senior Management Programme (SMP 22) of the Lagos Business School. She has also attended several courses on leadership, management, credit, and finance locally and internationally. She is an Honorary Member of the Chartered Institute of Bankers of Nigeria (HCIB).

### Solomon Aigbavboa - Independent Non-Executive Director

Solomon has garnered more than 30 years of experience in Marketing, Supply Chain and Healthcare Management. He holds M.Sc, Pharmaceutical Chemistry, MBA from the Federal University of Technology, Owerri & Ph.D in Operations (Pharmaceutical Supply Chain) Management from the University of Johannesburg, South Africa.

### Iquo Ukoh-Independent Non-Executive Director

Iquo is a quintessential professional and multi-dimensional marketing advisor and expert with over three decades of marketing experience which includes being Marketing Director at Nestle Nigeria for several years. She is a Fellow of the National Institute of Marketing of Nigeria, (NIMN) and has made significant impact in the Nigerian marketing space.

## OTHER RELATED ENTITIES

ENTITIES	DESCRIPTION
<b>Saro Agro-Allied Limited</b>	Saro Agro-Allied is an agricultural commodity exporting company that commenced business in 1996 as a cocoa trading company. The company has grown over the years to become a leading trader of key agricultural commodities including cocoa, soybean, Rice, etc. The company is also involved in the crushing and processing of agricultural seeds to finished products. Saro Agro-Allied currently operates locally in most key regions in Nigeria: Katsina, Zamfara, Kano, Niger, Kwara, Plateau, Kaduna, Bauchi, Gombe, Adamawa, Benue, Nasarawa, Oyo, Osun, Ekiti, Ogun, Cross River, Ondo.
<b>Gossy Warm Springs Limited</b>	Gossy Warm Springs Limited is a beverage company focused on the production and distribution of table water. The company was acquired by SaroAfrica International Limited in 2018 and has become one of the preferred table water brands amongst discerning consumers. Gossy Natural Spring Water has been endorsed by the Nigerian Heart Foundation.
<b>Saro Oil Palm Limited</b>	Saro Oil Palm Limited is a multi-billion Naira project located in Edo state. The company is focused on developing 10,000 hectares of land into a fully integrated oil palm plantation. Its long-term goal is to become the most efficient, successful, and indigenous oil palm producer in Nigeria, and aims to contribute to Nigeria's self-sufficiency in Oil Palm.
<b>AgriSeedCo</b>	AgriSeedCo is a JV between Saro Agrosiences and SeedCo. The company aims to triple the yield of farmers in Nigeria by 2025 through the introduction of high yielding hybrid seeds adapted to Nigerian ecology.
<b>Green Hills Agricultural Products Limited</b>	Green Hills Agricultural Products Limited is a Joint Venture between Saro and Mohinani Group established in Edo State. The Company is aimed at producing food grade ethanol and carbon dioxide using Cassava as feedstock. Its goal is to deliver on Nigeria's local consumption needs, thereby supporting import substitution whilst serving all stakeholders in the value chain, including final consumers.

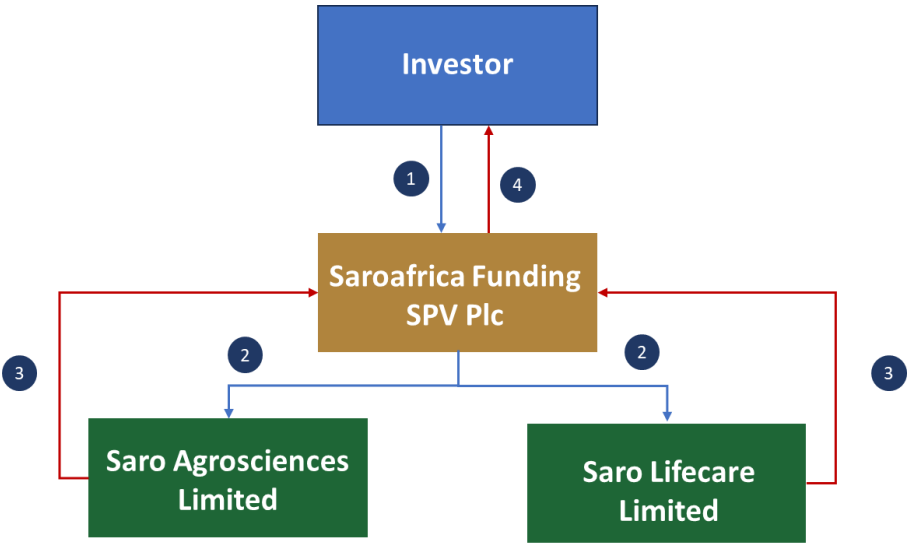
USE OF PROCEEDS

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

SOURCES OF REPAYMENT

The source of repayment of the Notes will be from the cash flows from the operations of the Promoters in its ordinary course of business.

TRANSACTION STRUCTURE



1. Investors transfer issue proceeds (discounted value) into a dedicated account in favour of the Issuer.
2. The Issuer on-lends the issue proceeds to Saro Agrosciences Limited and Saro Lifecare Limited
3. Repayment (face value) is made by the Promoters to the SPV.
4. The SPV remits face value of the issuance to Investors

## TERMS AND CONDITIONS OF THE NOTES

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*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 ₦25,000,000,000 (Twenty-Five 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 ₦1,000 (One Thousand Naira Only) and integral multiples of ₦1,000 thereafter; and will be sold at such discount from their face amounts as shall be agreed upon by the Dealer and the Issuer; and shall have a maturity not exceeding 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 Notes issued will be in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.
- 2.1.4 The Notes will be delivered to the Dealer in dematerialised (uncertificated, book entry) form by crediting the CSD account of the applicants, 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 Title to the Notes will pass upon credit to the CSD account of the Noteholder.
- 2.2.2 Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer may deem and treat the registered holder of any Note as indicated in the records of the CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes

### 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 debts 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

The Notes are only redeemable at maturity and will be redeemed at the face value specified in the Applicable Pricing Supplement.

### 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 Maturity Date. The registered Holder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged by payment to, or to the order of, the registered Holder in respect of each amount so paid.

## TERMS AND CONDITIONS OF THE NOTES

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### 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, as specified in the Applicable Pricing Supplement.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Issuing, Placing, Paying and Collecting Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Issuing, Placing, Paying and Collecting Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to 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 nominees, the nominee shall be paid as the registered Noteholder, which payee shall in turn transfer such funds to the holders of the beneficial interests.
- 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 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 shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such payments by cheque shall be sent by post to the address of the Noteholder as set out in the Register.
- 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 or that event shall occur on or by the immediately preceding Business Day.

## 6. Event of Default

### 6.1 Event of Default

An Event of Default in relation to the Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 If the Issuer fails to make payment by the Maturity Date; or
- 6.1.2 If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of 7 (seven) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3 Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.4 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is

**TERMS AND CONDITIONS OF THE NOTES**


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unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors; or

- 6.1.5 Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.6 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.7 If a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than 7 (Seven) days after the date on which it is issued.

**6.2 Action upon Event of Default**

Upon the occurrence of an Event of Default and where 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 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.

Where an Event of Default occurs prior to the Maturity Date, the amount payable to the Noteholder shall be the Face Value of the Note discounted at the Issue Rate from the Maturity Date to the Default Date. Provided that the amount payable shall bear interest at the Default Rate from the Default Date to the date of payment thereof.

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 CSD and the Issuing and Placing Agent. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes 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 during the normal business hours of the Issuing, Placing, Paying and Collecting Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions

**8. Notices****8.1 Notices to the Noteholders.**

- 8.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Notes of a Series maintained by the registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the CSD or such other regulatory authority as may be applicable to the Notes.

**TERMS AND CONDITIONS OF THE NOTES**

- 8.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

**8.2 Notices from the Noteholders**

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

**9. Modification**

- 9.1 The Lead Arranger 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 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;
- i. such amendment is in writing and signed by or on behalf of the Issuer; and
  - ii. such amendment:
    - if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% of the outstanding Principal Amount of all the Notes; or
    - 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% 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 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% 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.

**TERMS AND CONDITIONS OF THE NOTES**

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- 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 a simple majority of Noteholders present in person or proxy.
- 10.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.9 If within 30 minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 days nor more than 21 days thereafter and at the same time and place. At such adjourned meeting one or more Noteholders present or represented by Proxy shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.

**11. 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

**12. Governing Law**

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



**TAX CONSIDERATIONS**

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

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

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

## RISK FACTORS

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

### RISKS FACTORS RELATING TO NIGERIA

#### Economic Risk

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

The Nigerian economy is largely dependent on the oil sector and revenue derived from the oil sector provides FX earnings for the Government. Therefore, any change in oil production or global oil prices may have a wide-reaching impact on all other sectors in the economy. While oil prices rose to considerable highs in 2022 due to the ongoing Russia-Ukraine war, Nigeria's oil production has dwindled as a result of underinvestment and industry scale theft. The effect of this has been, fall in government revenues, weakening of the currency and a substantial drop in foreign currency reserves. Also, persistently high inflation caused by supply chain disruptions and structural bottlenecks may further slowdown the growth trajectory of the economy in 2023. These risks can have an impact on the operations and profitability of the Company. However, the government remains committed to policies and reforms aimed at ensuring macroeconomic stability and diversifying Nigeria's economy whilst promoting a private sector market-driven economy. In addition, the government's annual budget is pegged at a rate lower than the average trading price of crude oil. This reduces the country's exposure to the volatility in oil price.

#### Political Risk

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

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

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

While the coming 2023 general elections further exacerbates these political risks, it however presents an opportunity for the populace to usher in an administration that can tackle the scourge of terrorism, banditry and religious tensions across the country.

**RISK FACTORS****RISKS RELATING TO THE SPONSORS*****Business Risks – These are risks associated with the business activities of the Company******Climate Change***

Due to the effects of climate change, prolonged rainfall or long spell of dry season may occur. This may lead to delay in commencement of planting season and shrinkage in agro-input market. While the impact of this risk may be extreme, mitigants like partnership with credible tropical weather forecasting firm and improved time to market turnaround time has been put in place.

***Operational Risk***

Risk emanating from supply chain disruptions caused by insecurity, fall-out from the Covid-19 pandemic and the ongoing Russian-Ukraine war could result in long-lead time. This impacts liquidity and profitability negatively. Despite the ongoing efforts by the federal government to bolster the security infrastructure and decongest the ports, the problems still persist. Risk mitigants like diversification of supply sources, shipping lines, port of arrival, and logistics partners have been put in place.

***Competition Risk***

This is the risk that the Saro will lose market share to other players in the industry;

***Risk of Substitutes***

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

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

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

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

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

**RISKS RELATING TO THE COMMERCIAL PAPER NOTES*****Risk related to the liquidity of the Notes***

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

***Risks related to the change in price of the Notes***

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

## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

### CLEARING SYSTEM

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

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

### Authorised Participants

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

For the purposes of Notes issued under this Programme, the Authorised Participants are Afrinvest Capital Limited and any other Dealer appointed by the Issuer.

### Registration

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

## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

### Lodgment

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

### Redemption

- i. No transactions or trades may be effected for any CPs five (5) working days prior to its maturity date as the Register closes two (2) working days before Maturity Date.
- ii. The Authorized Participants will submit a letter to the CSD confirming the intention of the Issuer to repay the holders of the CP on the maturity date by 12 noon on two business days before Maturity Date.
- iii. The CSD shall expunge matured CPs on the Maturity Date of the CPs.
- iv. The Maturity Date must be on a Business Day, however, where this falls on a public holiday, the ensuing business day shall be the Maturity Date of the CP.

### Roll-Over

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

### Default

- i. Where the issuer is unable to repay the Noteholders and the CP will be in default status, the Authorised Participants shall notify CSD, as well as the investors, latest two (2) business days before the Maturity Date. latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by one (1) business days before the maturity date.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the Issuing, Placing, Paying and Calculation Agent pays off the CP holders and notifies the CSD and the FMDQ with evidence.
- iv. Thereafter, the CSD will notify the public and expunge the CP from the CSD accordingly. IPCA pays off the Note holders and notifies the CSD with the evidence

### Secondary Market Trading (OTC) Guidelines

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

**SETTLEMENT, CLEARING AND TRANSFER OF NOTES**

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- v. Transactions for standard settlement (T + 2) shall stop five (5) business days before maturity date, therefore the last applicable settlement shall be before close of business on three (3) business days before maturity date.

**Reporting**

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

**Transfer of Notes**

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

**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**

**SAROAfrica FUNDING SPV Plc**  
RC: 6916507

**Issue of Up to ₦[●] (Series [●]) Commercial Paper Notes**  
**Under its ₦25,000,000,000**  
**Commercial Paper Issuance Programme**

This Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated 03 August 2023 prepared by Afrinvest Capital Limited on behalf of Saroafrica Funding SPV Plc in connection with its ₦25,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “Programme Memorandum”).

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

This document constitutes the 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 Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

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



RC: 1706693

**LEAD ARRANGER**



RC: 1706693

**DEALER**

This Pricing Supplement is Dated 03 August 2023



## PRO FORMA APPLICABLE PRICING SUPPLEMENT

<b>Issuer</b>	Saroafrica Funding SPV Plc
<b>Promoters</b>	Saro Agrosience Limited and Saro Lifecare Limited
<b>Lead Arranger</b>	Afrinvest Capital Limited
<b>Collecting and Paying Agent</b>	Ecobank Nigeria Limited
<b>Issuing and Placing Agents</b>	Afrinvest Capital Limited, [•]
<b>Auditors</b>	Ernst & Young
<b>Custodian/Registrar</b>	[•]
<b>Solicitor</b>	Udo Udoma & Belo-Osagie
<b>Sponsor to the Quotation on FMDQ Exchange</b>	Afrinvest Capital Limited
<b>Series Number</b>	1
<b>Programme Size</b>	₦25,000,000,000
<b>Aggregate Nominal Amount</b>	[•]
<b>a. Tranche</b>	[•]
<b>b. Series</b>	[•]
<b>Face Value</b>	[•]
<b>Discounted Value</b>	[•]
<b>Nominal Amount Per Note</b>	[•]
<b>Issue Price</b>	[•]
<b>Tenor</b>	[•]
<b>Maturity Date</b>	[•]
<b>Final Redemption Amount</b>	[•]
<b>Minimum Subscription</b>	[•]
<b>Specified Currency</b>	[•]
<b>Specified Denomination</b>	[•]
<b>Status Of Notes</b>	[•]
<b>Form Of Notes</b>	[•]
<b>Quotation</b>	[•]
<b>Taxation</b>	[•]
<b>Method Of Offer</b>	[•]
<b>Book Closed Period</b>	[•]
<b>Implied Yield</b>	[•]
<b>Discount Rate</b>	[•]
<b>Any Other Formula or basis For Determining Amount(S) Payable</b>	[•]

**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

<b>Sale Restriction</b>	The sale of CPs under the CP Programme have been restricted to Qualified Institutional Investors.
<b>Day Count Fraction</b>	[•]
<b>Business Day Convention</b>	[•]
<b>Use of Proceeds</b>	[•]
<b>Source of Repayment</b>	[•]
<b>Redemption/Payment Basis</b>	[Redemption at par][other(specify)]
<b>Issuer's Early Redemption</b>	[Applicable/Not Applicable]
<b>Issuer's Optional Redemption</b>	Not Applicable
<b>Other Terms Applicable On Redemption</b>	[•]
<b>Offer Opens</b>	[•]
<b>Offer Closes</b>	[•]
<b>Allotment Date</b>	[•]
<b>Notification Of Allotment</b>	All applicants will be notified through an email and/or telephone of their allotment by no later than [*]
<b>Settlement Date</b>	[•]
<b>Issue Date</b>	[•]
<b>Details Of Bank Account(s) To Which Payments Are to Be Made in Respect Of The Notes</b>	[•]
<b>Settlement Procedures and Settlement Instructions</b>	[•]
<b>Delivery Date</b>	[•]

**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 last Published Account.

**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 and supplemental Programme Memorandum, if any], contains all information that is material in the context of the issue of the Notes.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2023

For and on behalf of  
Saroafrica Funding SPV Plc.

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

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

# STATEMENT OF PROFIT OR LOSS FOR SARO AGROSCIENCES LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2020, 2021 AND 2022



Ernst & Young  
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27 July 2023

The Managing Director  
FMDQ Securities Exchange Limited  
Exchange Place  
35, Idowu Taylor Street  
Victoria Island  
Lagos, Nigeria.

Dear Sir,

**SARO FUNDING SPV PLC N25 BILLION COMMERCIAL PAPER ISSUANCE PROGRAMME: REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS OF THE BOARD OF DIRECTORS OF SARO AGROSCIENCES LIMITED AND SARO LIFECARE LIMITED**

## Opinion

The accompanying summary of financial information on pages 33 to 36 which comprise the summary statements of financial position as at 2020, 2021, and 2022 the summary of profit or loss and other comprehensive income for the years 2020, 2021, and 2022 and the summary of cash flows for the years ended, are derived from the audited financial statements of **Saro Agrosciences Limited** and **Saro Lifecare Limited** for the year ended 2020, 2021, and 2022 respectively.

In our opinion, the summary financial information derived from financial statements of **Saro Agrosciences Limited** and **Saro Lifecare Limited** (the "Company") for the years ended 2020, 2021, and 2022 are consistent in all material respect with the financial statements in accordance with the international Financial Reporting Standards, the Companies and Allied Matters Act CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act 2011.

## Summary Financial Statements

The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004, and the Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited financial statements of **Saro Agrosciences Limited** and **Saro Lifecare Limited**. Reading the summary financial statements and the auditor's report thereon, therefore is not a substitute for reading the audited financial statements and the auditor's report of **Saro Agrosciences Limited** and **Saro Lifecare Limited**.

The summary financial statements and the audited financial statement do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.



## The Audited Financial Statements and Our Report Thereon

In our opinion the summary of financial information derived from the audited financial statements of **Saro Agrosciences Limited** and **Saro Lifecare Limited** for years ended 2020, 2021, and 2022 are consistent, in all material respects, with those financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004.

## Director's Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary audited financial information for years ended 2020, 2021, and 2022 in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011 and International Financial Reporting Standards.

## Auditors' Responsibility

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

This letter is provided solely for the purpose of assisting the FMDQ Securities Exchange Limited to which it is addressed in discharging its responsibility in connection with the proposed transaction and is not to be used for any other purpose.

Yours faithfully,

Maureen Ogodo  
Partner

For: Ernst and Young



**STATEMENT OF PROFIT OR LOSS FOR SARO AGROSCIENCES LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2020, 2021 AND 2022**

<i>In thousands of Naira</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Revenue	50,239,651	32,225,531	17,282,794
Cost of Sales	(43,452,548)	(24,501,507)	(13,072,402)
<b>Gross Profit</b>	<b>6,787,103</b>	<b>7,724,024</b>	<b>4,210,392</b>
Other Income	146,485	460,099	703,906
Personnel Expenses	(785,530)	(1,209,777)	(619,384)
Administrative Expenses	(2,710,625)	(3,596,259)	(2,557,617)
Selling & Distribution Expenses	(1,517,563)	(877,682)	(629,040)
<b>Operating profit</b>	<b>1,919,869</b>	<b>2,500,406</b>	<b>1,108,257</b>
Finance income	29,411	38,707	10,813
Finance cost	(491,032)	(38,247)	(64,682)
Share of profit from associates	37,143	3,469	174,654
<b>Profit Before Tax</b>	<b>1,495,391</b>	<b>2,504,335</b>	<b>1,229,042</b>
Income Tax Expense	(916,514)	(794,572)	(425,148)
<b>Profit for the year</b>	<b>578,877</b>	<b>1,709,763</b>	<b>803,894</b>

**STATEMENT OF FINANCIAL POSITION FOR SARO AGROSCIENCES LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2020, 2021 AND 2022**

<i>In thousands of Naira</i>	2022	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	4,162,395	994,114	1,031,549
Intangible Assets		-	-
Right-of-Use Assets	78,430	196,076	-
Investment in Subsidiary	-	-	-
Investment in Associates	316,054	396,994	826,719
Deferred Tax Assets	-	79,371	62,624
	<b>4,556,879</b>	<b>1,666,555</b>	<b>1,920,892</b>
<b>Current Assets</b>			
Inventories	28,476,198	13,358,605	6,252,998
Trade and other receivables	89,141	1,829,665	589,289
Contract assets	206,581	24,664	570,183
Other Assets	14,503,721	1,044,249	24,034
Cash and cash equivalents	2,063,003	3,495,665	4,882,507
<b>Total Current Assets</b>	<b>45,338,644</b>	<b>19,752,848</b>	<b>12,319,011</b>
<b>Total assets</b>	<b>49,895,523</b>	<b>21,419,403</b>	<b>14,239,903</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	28,235,280	9,766,022	6,299,403
Contract Liabilities	37,124	566,173	27,516
Interest bearing loans and borrowings	-	-	400,005
Short-term finance facility	10,403,979	1,030,718	-
Income tax liability	433,641	811,430	376,151
<b>Total Current Liabilities</b>	<b>39,110,024</b>	<b>12,173,343</b>	<b>7,103,075</b>
<b>Non-Current Liabilities</b>			
Borrowings	-	-	-
Deferred Taxes	403,501	-	-
<b>Total Liabilities</b>	<b>39,513,525</b>	<b>12,173,343</b>	<b>7,103,075</b>
<b>Equity</b>			
Share Capital	250,000	250,000	185,000
Share Premium	3,465,000	3,465,000	3,530,000
Property revaluation reserve	1,591,223	179,281	179,281
Retained Earnings	4,274,359	4,550,363	3,242,547
Deposit for Shares	801,416	801,416	-
<b>Total Equity</b>	<b>10,381,998</b>	<b>9,246,060</b>	<b>7,136,828</b>
<b>Total Equity and Liabilities</b>	<b>49,895,523</b>	<b>21,419,403</b>	<b>14,239,903</b>

**STATEMENT OF PROFIT OR LOSS FOR SARO LIFECARE LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2020, 2021 AND 2022**

---

<i>In thousands of Naira</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Revenue	11,106,796	8,355,759	7,222,979
Cost of Sales	(7,219,626)	(5,023,617)	(3,491,267)
<b>Gross Profit</b>	<b>3,887,170</b>	<b>3,332,142</b>	<b>3,731,712</b>
Other Income	946,326	526,497	332,051
Personnel Expenses	(412,161)	(310,620)	(383,467)
Administrative Expenses	(2,390,646)	(1,568,311)	(2,064,754)
Selling & Distribution Expenses	(627,842)	(768,967)	(474,476)
<b>Operating Profit before Tax</b>	<b>1,402,846</b>	<b>1,210,741</b>	<b>1,141,066</b>
Finance income	4,974	5,675	291
<b>Profit before Tax</b>	<b>1,407,820</b>	<b>1,216,416</b>	<b>1,141,357</b>
Income Tax Expense	(463,413)	(396,120)	(390,962)
<b>Profit for the Year</b>	<b>944,407</b>	<b>820,296</b>	<b>750,395</b>

**STATEMENT OF FINANCIAL POSITION FOR SARO LIFECARE LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 2020, 2021 AND 2022**

<i>In thousands of Naira</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	1,180,153	1,046,762	944,570
Right-of-use-asset	-	-	-
Intangible assets	-	-	-
Deferred tax asset	-	3,645	-
<b>Total Non-Current Assets</b>	<b>1,180,153</b>	<b>1,050,407</b>	<b>944,570</b>
<b>Current Assets</b>			
Inventories	4,589,759	3,799,360	1,479,074
Trade and other receivables	848,511	1,417,331	1,904,085
Contract assets	3,248,355	31,973	1,799,125
Prepayments	31,003	28,043	20,212
Cash and cash equivalents	501,540	1,250,023	717,357
<b>Total Current Assets</b>	<b>9,219,168</b>	<b>6,526,730</b>	<b>5,919,853</b>
<b>Total assets</b>	<b>10,399,321</b>	<b>7,577,137</b>	<b>6,864,423</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	2,062,529	1,763,405	2,497,222
Short term loan	2,592,426	470,000	-
Current income tax payable	440,297	513,364	364,017
Contract Liabilities	115,652	198,581	56,735
	<b>5,210,904</b>	<b>2,945,350</b>	<b>2,917,974</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability	22,731	-	8,593
<b>Total Non-Current Liabilities</b>	<b>22,731</b>	<b>-</b>	<b>8,593</b>
<b>Total Liabilities</b>	<b>5,233,275</b>	<b>2,945,350</b>	<b>2,926,567</b>
<b>Equity</b>			
Share Capital	50,000	50,000	23,000
Share Premium	2,370,000	2,370,000	2,397,000
Deposit for Shares	248,832	248,832	-
Property Revaluation Reserve	32,403	32,403	32,403
Retained Earnings	2,464,811	1,930,552	1,485,453
<b>Total Equity</b>	<b>5,166,046</b>	<b>4,631,787</b>	<b>3,937,856</b>
<b>Total Equity and Liabilities</b>	<b>10,399,321</b>	<b>7,577,137</b>	<b>6,864,423</b>



EXTRACT OF ISSUER’S RATING REPORT

SARO AGROSCIENCES LIMITED

Long-Term Rating:

BBB<sup>+</sup>

Short Term Rating: A2

Rating Outlook: Stable

Trend: UP

Currency: Naira

Date Issued: 30 May, 2023

Valid Till: 29 May, 2024

Reference:

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Turnover	50,239,651	32,225,531	17,282,794	17,039,296	14,173,308
Profit/Loss Before Tax	1,495,391	2,504,335	1,229,042	872,681	695,700
Equity	10,381,998	9,426,060	7,136,828	6,624,010	6,318,850
Non-Current Assets	4,556,879	1,666,554	1,920,892	1,765,948	1,182,440
Total Asset	49,895,523	21,419,402	15,123,351	9,769,752	8,862,052
Current Assets	45,338,644	19,752,848	13,202,459	8,003,804	7,679,612

Rating Explanation

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

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

RATING SYNOPSIS

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

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

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

Overall, the following were observed:

Positive Rating Factors

- Experienced Management Team
- Good Asset Utilization
- Significant Market Share

Negative Rating Factor

- Declined Pre-Tax Profit

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

## EXTRACT OF ISSUER'S RATING REPORT

## SARO LIFECARE LIMITED

## Long-Term Rating:

**BBB**

## Short Term Rating: A2

Rating Outlook: Positive

Trend: UP

Currency: Naira

Date Issued: 30 May, 2023

Valid Till: 29 May, 2024

## Reference:

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

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

## EXECUTIVE SUMMARY

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Turnover	11,106,796	8,355,759	7,222,979	7,234,272	5,333,738
Profit/Loss Before Tax	1,407,820	1,216,416	1,141,357	1,007,403	590,396
Equity	5,166,046	4,631,787	3,937,856	3,343,818	3,204,439
Non-Current Assets	1,180,153	1,050,407	944,570	887,202	868,926
Total Asset	10,399,321	7,577,137	6,864,423	5,655,265	4,108,456
Current Assets	9,219,168	6,526,730	5,919,853	4,768,063	3,239,530

## Rating Explanation

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

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

## RATING SYNOPSIS

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

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

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

Overall, the following were observed:

## Positive Rating Factors

- Experienced Management Team
- Good Asset Utilization
- Support From Associates

## Negative Rating Factor

- Macro-Economic Constrain

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

EXTRACT OF ISSUER'S RATING REPORT

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EXTRACT OF ISSUER'S RATING REPORT

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## LEGAL OPINION ON NOTES (THIS WILL BE INCLUDED IN THE PROGRAMME MEMORANDUM AFTER EXECUTION)



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3<sup>rd</sup> August 2023

**AFRINVEST CAPITAL LIMITED**

27, Gerrard Road,  
Ikoyi,  
Lagos,  
Nigeria.

Dear Sirs,

**RE: NGN25,000,000,000.00 COMMERCIAL PAPER ISSUANCE  
PROGRAMME ESTABLISHED BY SAROAFRICA FUNDING SPV PLC  
AND SPONSORED BY SARO AGROSCIENCES LIMITED AND SARO  
LIFECARE LIMITED**

We have acted as legal counsel in connection with the establishment of the ₦25,000,000,000.00 (twenty-five billion Naira) Commercial Paper Issuance Programme (the "Programme") by SaroAfrica Funding SPV Plc (the "Issuer") which is being sponsored by Saro Agrosciences Limited and Saro Lifecare Limited (the "Sponsors"). The Programme is for the issuance of discounted and/or zero-coupon commercial paper notes with a minimum tenor of 15 days and a maximum tenor of 270 days (the "Notes") in series and/or tranches and in an aggregate amount up to ₦25,000,000,000.00 (twenty-five billion Naira) (across all tenors), being the maximum size of the Programme.

This opinion is issued pursuant to the Issuing and Placing Agency Agreement dated 3<sup>rd</sup> August 2023 between the Issuer and the Issuing and Placing Agent (the "IPA") ("IPA Agreement").

**1. DEFINITIONS**

- 1.1 Words and expressions used in this opinion ("Opinion") and not otherwise defined herein shall have the same meanings attributed to those terms in the Issuing and Placing Agency Agreement.
- 1.2 The following terms, where used in this Opinion, shall have the meaning set out beside them below:

**"Authorised Dealer"** means a Nigerian bank licensed by the CBN to deal in foreign exchange;

**"Board"** means the Board of Directors of the Issuer;

PARTNERS: DAN AGBOR • ANEKAN UKPANA • JIMIKE LAMBO • UDOMA AZIKWE • FOLAKE ELIAS ADEBOWALE • YINKA EDO • NICHOLAS OKAFOR • OZOFU LATUNDE OGEMUDIA  
LOLADE OSOSAMI • HENA AJAKPOVI • FESTUS ONYIA • ADEOLA SUNMOLA • ONYINYE OKAFOR • JOSEPH EKHURJEZE • OLUKAYODE DADA  
OF COUNSEL: UDOMA UDO UDOMA • MYMA BELO-OSAGIE  
CONSULTANTS: OLUGBENGA OJO • ANIOLA DUDOSINMI-ETTI • SALLY UDOMA

**5. OPINION**

Based on our review of the Opinion Documents and the foregoing assumptions, and subject to the further qualifications set forth in paragraph 6 below, it is our opinion that:

**5.1 Status**

- (a) The Issuer is a public limited liability company, duly incorporated and validly existing under the laws of Nigeria with corporate authority, perpetual succession, capacity to own moveable and immovable properties and the ability to sue and be sued in its corporate name.
- (b) The Issuer is empowered by Article 3 of its articles of association to issue the Notes and to perform its obligations under the Transaction Documents.
- (c) The Sponsors are private limited liability companies, duly incorporated and validly existing under the laws of Nigeria with corporate authority, perpetual succession, capacity to own moveable and immovable properties and the ability to sue and be sued in their respective corporate names.
- (d) The Sponsors (Saro Agrosiences Limited and Saro Lifecare Limited respectively) are empowered by Articles 3 and 3 of their respective articles of association to perform their obligations under the Transaction Documents.

**5.2 Due Authorisation**

- (a) The Transaction Documents and the performance of the Sponsors' and the Issuer's obligations thereunder, and the issue of the Notes, have been duly authorised by the Board, and the Transaction Documents have been duly executed and delivered, in each case, by the Sponsors and the Issuer.
- (b) The Transaction Documents constitute, and the Notes (when issued) will constitute, legal, valid, and binding obligations of the

**LEGAL OPINION ON NOTES (THIS WILL BE INCLUDED IN THE PROGRAMME MEMORANDUM AFTER EXECUTION)**

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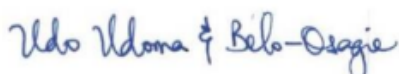
**7. BENEFIT OF OPINION**

SAIL0123005 - Solicitor Legal Opinion

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- 7.1 This opinion is addressed to the IPA and is given for the IPA's sole benefit for the purpose of the transactions contemplated by the Transaction Documents.
- 7.2 This opinion is not to be relied upon by anyone else or quoted in any public document without our prior express written consent, other than those professional advisers or persons (such as auditors, legal advisers or insurers) who, in the ordinary course of their business, have access to the papers and records of the IPA or are entitled by law to see them on the basis that such persons will make no further disclosure without our prior express written consent.
- 7.3 This Opinion may be included in the Programme Memorandum, and you may release a copy of this opinion (a) to the extent required by any applicable law or regulation; (b) to any regulatory authority having jurisdiction over you; or (c) in connection with any actual or potential dispute or claim to which you are a party relating to the issue of any Note, in each case for the purposes of information only on the strict understanding that we assume no duty or liability whatsoever to any such recipient as a result or otherwise.

Yours faithfully,

**UDO UDOMA & BELO-OSAGIE**



## GENERAL INFORMATION

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### ○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Saroafrica Funding SPV Plc dated 17<sup>th</sup> May 2023

### ○ **Auditors**

Ernst and Young acted as auditors of the annual financial statements of the Promoters for the financial years ended 31 December 2019-2022 and was responsible for the audit and issued unqualified report.

### ○ **Commercial Paper Outstanding**

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

### ○ **Going Concern**

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

### ○ **Litigation**

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

### ○ **Material Contracts**

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

- i. the Deed of Covenant dated 03 August 2023 executed by the Issuer as a deed poll in favour of the Note holders;
- ii. the Dealer Agreement dated 03 August executed by the Joint Lead Arranger and the Issuer; and
- iii. the Issuing, Placing, Paying and Collecting Agency Agreement dated August 2023 executed by the Issuer, the CPA and IPA.

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

### ○ **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes



## PARTIES TO THE TRANSACTION

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### ISSUER

**Saroafrica Funding SPV Plc**  
Plot 1683 Sanusi Fafunwa Street,  
Victoria Island, Lagos  
Tel No: +234 1 631 1110



### PROMOTERS

**Saro Agrosience Limited**  
Plot 6-8 Block F  
Town planning Road, Ibadan  
Tel No: +234 7 749 4225

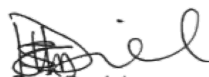


**Saro Lifecare Limited**  
Plot 1683 Sanusi Fafunwa Street,  
Victoria Island, Lagos  
Tel No: +234 1 631 1110



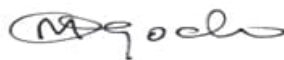
### LEAD ARRANGER

**Afrinvest Capital Limited**  
27, Gerard Road  
Ikoyi, Lagos, Nigeria.  
Tel No: + 234 12701680



### AUDITOR

**Ernst and Young**  
10<sup>th</sup> floor UBA House,  
Marina, Lagos, Nigeria  
Tel: +234 16314500



### SOLICITORS

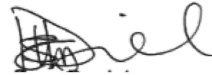
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**ISSUING, PLACING, AGENT**

**Afrinvest Capital Limited**

27, Gerard Road  
Ikoyi, Lagos, Nigeria  
Tel No: + 234 12701680



**COLLECTING AND PAYING AGENT**

Ecobank Nigeria Limited  
Plot 270B1, Ozumba Mbadiwe Avenue  
Victoria Island, Lagos, Nigeria  
+234 (1) 2710391-5



**DEALER**

**Afrinvest Capital Limited**

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