



N20,000,000,000.00
COMMERCIAL PAPER
ISSUANCE PROGRAMME

PROGRAMME MEMORANDUM

This Programme Memorandum has been prepared in accordance with 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 Letter 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 ("the Rules") of FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") in force from time to time. This document is important and should be read carefully. If you are in doubt about its contents or the actions to take, please consult your banker, stockbroker, accountant, solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of Zeenab Foods Limited and they individually and jointly accept full responsibility for the accuracy of all information given.



ZEENAB FOODS LIMITED
RC 977506

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

₦20,000,000,000 Commercial Paper Issuance Programme

Zeenab Foods Limited ("Zeenab" or the "Issuer") a private limited liability company incorporated in Nigeria, has established a ₦20,000,000,000 Commercial Paper Issuance Programme (the "CP Programme") on 28th June 2024, under which Zeenab may from time to time issue Commercial Paper Notes ("CP Notes" or the "Notes"), denominated in Nigerian Naira ("Naira" or ₦) as may be agreed between the Issuer and the Arranger (as defined in the section entitled, "Summary of the Programme"), in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series and each Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the pricing supplement applicable to such series or tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the CP Programme shall not exceed ₦20,000,000,000 (Twenty Billion Naira) over the three years 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.

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

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 the 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 Notes.

LEAD ARRANGER / ISSUING AND PLACING AGENT



COLLECTING AND PAYING AGENT



THIS PROGRAMME MEMORANDUM IS DATED 28TH JUNE 2024.

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IMPORTANT NOTICE

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 ₦20,000,000,000 (Twenty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

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

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

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 are true and accurate in all material respects and are not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

No person has been authorised by the Issuer to give any 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 or the Arranger that any recipient of this Programme Memorandum should purchase any Notes.

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

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

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 creditworthiness, 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.

DEFINITION

Abbreviation	Name/Explanation
“Agency Agreement”	The Issuing and Placing Agency Agreement and the Collecting and Paying Agency Agreement dated 28 th June 2024 or about the date of this Programme Memorandum executed by the Issuer, the Issuing and Placing Agent and the Collecting and Paying Agent(s)
“Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme.
“Arrangers”	Pathway Advisors Limited
“Board” or “Board of Directors”	The Board of Directors of Zeenab Foods Limited
“Business Day”	Any day (excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for general business in Lagos, Nigeria.
“Business Hours”	8.00am to 5.00pm on any Business Day
“CAMA”	The Companies and Allied Matters Act (Cap. C20) 2020 as may be amended from time to time.
“CBN”	The Central Bank of Nigeria
“CBN Guidelines”	The CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time.
“CGT”	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap.C1) LFN 2004 and as amended by the Finance Act 2023
“CITA”	The Companies Income Tax Act (Cap. C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007) and the Finance Act 2019, Finance Act 2020, and Finance Act 2021)
“Clean CP”	A CP not backed by a guarantee or such other credit enhancement
“Collecting and Paying Agent” or “CPA”	Polaris Bank Limited as Collecting and Paying Agent and/or any successor Collecting and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
“CP”	Commercial Paper
“CP Notes” or “Notes”	Unsecured and unsubordinated commercial paper securities to be issued by the Issuer in the form of short-term zero-coupon Notes under the CP Programme.
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed “Terms and Conditions of the Notes”
“CP Programme” or “Programme”	The 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 ₦20,000,000,000 or its equivalent in any other specified currency.
“Clearing System”	Clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement.
“Central Securities Depository” or “CSD”	Means a specialist financial institution holding commercial papers either in certificated or uncertificated (dematerialised) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
“Clean CP”	A CP not backed by a guarantee or such other credit enhancement
“Day count Fraction”	Any such method of calculating the interest/discount in respect of a Note as specified in the Applicable Pricing Supplement.
“Deed of Covenant”	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders

"Eligible Investors"	An investor that is not a Qualified Institutional Investor as defined in the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Event of Default"	Means an event of default by the Issuer as set out in Condition 7 of the "Terms and Conditions of the Notes"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"Financial Adviser"	Pathway Advisors Limited
"FIRS"	Federal Inland Revenue Service
"FMDQ Depository Limited" or "FMDQ Depository"	A clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"FMDQ Exchange Rules" or the CP Rules	The FMDQ Commercial Paper Registration and Quotation Rules issued in October 2023 (as may be amended, from time to time) and such other regulations with respect to the registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"FMDQ Exchange Limited" or "FMDQ Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC, to provide a platform for the listing, quotation, registration, and trading of securities inter alia
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest
"Government"	Any federal, state, or local government of the Federal Republic of Nigeria
Holder or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Issuer", Zeenab, or the "Company"	Zeenab Foods Limited
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issuing and Placing Agent" or "IPA"	Pathway Advisors Limited or any successor Issuing and Paying Agent in respect of the Notes, appointed by the Issuer
"LFN"	Laws of the Federation of Nigeria
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "N"	The Nigerian Naira
"NIBBS"	Nigeria Inter-Bank Settlement System Plc
"NIBOR"	The Nigerian Inter-Bank Offered Rate
"Noteholders" or "Holder"	The several persons, for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
"Notes"	The commercial paper issued by the Issuer from time to time pursuant to the Programme

	Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialized form by the Noteholders through the CSD.
“OTC”	Over the Counter
“Outstanding”	In relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> those Notes which have been redeemed pursuant to these Conditions those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption, in accordance with the relevant conditions, has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Deed and those Notes which have become void under the provisions of this Deed
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
“Pricing Supplement” or “Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme”	The N20,000,000,000 (Twenty Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time
“Programme Memorandum”	This Programme Memorandum dated 28 th June 2024 which sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investors”	This include banks, fund/asset managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, issuing houses and any other category of investors as may be determined by the FMDQ Securities Exchange Limited from time to time.
“Redemption Amount”	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
“Redemption Date”	Means, in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
Register	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
“Registrar”	The CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme.
“Relevant Currency”	Naira; being the currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered.
“SEC”	The Securities and Exchange Commission
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except of their respective Issue Dates, and/or Issue Prices
“Tranche”	Notes which are identical in all respect
“Unique Identifier”	A code specifically designated/assigned to identify a CP
“VAT”	Value Added Tax as provided for in the Value/Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007, the Finance Act, 2019 and the Finance Act, 2020)
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its face value and which will not bear interest, other than in the case of late payment.

INCORPORATION OF DOCUMENTS BY REFERENCE

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

- a. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
- b. the audited annual financial statements of the Issuer and any audited interim financial statements published subsequent to annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

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

- a. a material changes in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme: 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 made available by the Issuer unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer or the Arranger at its Specified Offices as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

Programme Issuer:	Zeenab Foods Limited
Programme Description	Commercial Paper Issuance Programme
Arranger, Issuing and Placing Agent and Financial Adviser:	Pathway Advisors Limited
Sponsor to the Registration on FMDQ Exchange	Pathway Advisors Limited
Collecting and Paying Agent:	Polaris Bank Limited
Auditor:	ATC Professional Services
Registrars/Custodian:	FMDQ Depository Limited
Guarantor	CPs issued under the Programme may be backed by a Guarantor, as stated in the applicable Pricing Supplement
Solicitor:	Greychapel Legal
Programme:	The Commercial Paper Issuance Programme established by the Issuer allows for the multiple issuances of Notes from time to time under a standardized documentation framework
Programme Size:	N20,000,000,000 (Twenty Billion Naira) aggregate principal amount of Notes outstanding at any point in time
Issuance In Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Size:	As specified in the Applicable Pricing Supplement
Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its on-going projects, general corporate purposes and working capital requirements.
Interest Payment:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Source of Repayment:	The repayment of all obligations under the CP issuance will be funded from the operating cash flows of the Company
Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement
Maturity Date:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of fifteen (15) days and a maximum of two hundred and seventy (270) days (including rollover, from 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.

Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)		
Currency of Issue:	Nigerian Naira		
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules		
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of (15) days and a maximum of (270) days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme.		
Rating:	The Issuer has been assigned the following national scale rating:		
		Long-term	Short-term
	Agusto & Co Limited	A	
	DataPro Limited	A	A1
	<p>Pursuant to the CBN Guidelines and FMDQ Exchange Rules, the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the SEC.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency</p>		
Status Of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time		
Registration And Quotation:	<p>In compliance with the CBN circular on Mandatory Registration and Listing of Commercial Papers issued on 12 July 2016, an application has been made to FMDQ Exchange for the Registration of the Programme.</p> <p>The Issuer may elect at its discretion to have any Series or Tranche of Notes quoted on the FMDQ Exchange platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the relevant trading platform</p>		
Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws		
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law		
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT"), or Real Time Gross Settlement ("RTGS")		

OVERVIEW OF ZEENAB FOODS LIMITED

HISTORY AND OVERVIEW

Zeenab Foods Limited (“Zeenab Foods”, “ZFL” or “the Company”) was established in September 2011 and commenced operations the same year. The Company engages in food processing and agro-commodity trading both for the local and international market. ZFL started business operation in Benin, Edo State, Nigeria, with the production of palm oil, and later added vegetable and soya oil to its product portfolio in 2013. In the five years that followed, the Company increased its market offerings with the inclusion of grains, edible seeds and other exportable cash crops in its product mix. During these periods, Zeenab Foods also expanded its footprint across the country, with presence in key commercial locations such as Lagos, Kano, Abuja, Aba, Onitsha and Port-Harcourt, among others. In 2019, the Company discontinued production of edible oil in order to concentrate on grains milling, as well as its export business.

Zeenab Foods operates three main business segments namely: rice mill, United Nations World Food Programme (UN WFP) and export. The Company’s operation is focused on value addition and processing of farm produce. The key inputs to this process include paddy rice, as well as unprocessed beans, millet, sorghum and ginger among others, which are sourced through aggregators and direct offtake agreements with farmers. As at FYE 2023, ZFL had an installed rice milling capacity of 120 metric tonnes (MT) per day with an average annual utilisation of 84%. The Company plans to double its current rice milling capacity by 2025 in a bid to grow its share of the rice market in Nigeria. Due to the huge capital outlay required to set-up a modern integrated mill, the Industry is dominated by a few millers who compete against each other on cost, price and quality. Some of the notable players in this segment includes: WACOT Rice Limited, OLAM Nigeria Limited, UMZA Rice Mill Limited, Kiara Rice Mill Limited, Zeenab Foods Limited and Coscharis Farms Limited, among others.

Zeenab Foods Limited is one of the major suppliers of grains and other food items to the United Nations under its World Food Programme (UN WFP). Under the contract, ZFL supplies rice, millet, beans and sorghum to the UN on a forward or spot basis. The forward sales agreement (FSA) usually run for several months and involves delivery of committed volume of the various products. FSA are usually contracted during harvest season; however, some off-season orders may come, which would require buying of commodities from the spot market to meet these orders. In order to mitigate potential revenue concentration risk from this contract, management has disclosed plans to grow its share of the domestic and export market through the expansion of its agro commodity processing and route-to-market capacities.

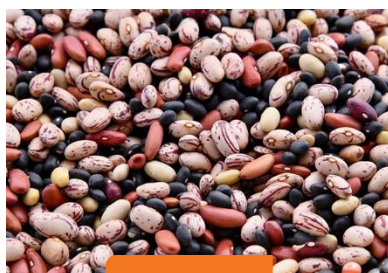
In 2022, Zeenab Foods Limited was licensed by the Federal Government of Nigeria (FGN) to set-up and operate the Nigerian Export Trade House (NETH) in China, which serves as a hub for promoting non-oil exports in the country. The NETH was commissioned in 2023, enabling export of commodities such as sesame seed, cassia tora, sorghum and dried split ginger. ZFL plans to grow commodity exports through the NETH to more provinces in China, as well as the United States of America (USA) and the United Arab Emirates (UAE). To this end, a liaison office was commissioned in Lagos on 17 April 2024 to coordinate local export operations at the Apapa Seaport.

Zeenab Products



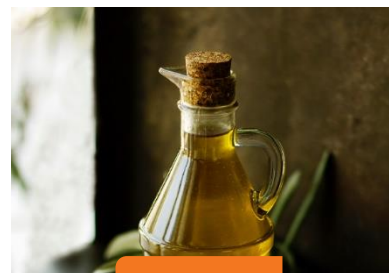
GRAINS

Grains are small, hard, dry seeds (with or without an attached hull or fruit layer) harvested for consumption. Examples of grains include wheat, oats and rice.



PULSES

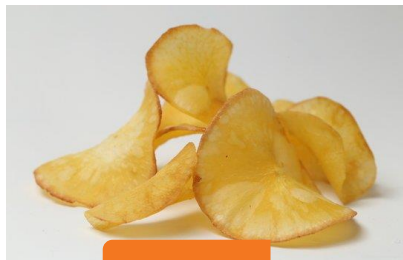
Pulses are an edible seed that grows in a pod. Pulses include all beans, peas and lentils etc



EDIBLE OILS

Edible oils are extracted from plants commonly known as vegetable oils, also found in processed foods.

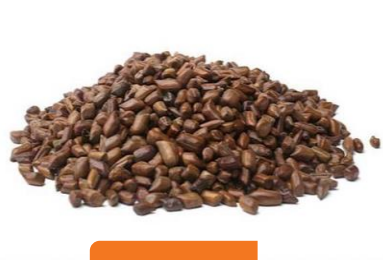
Exportable Agro Commodities (1/3)



CASSAVA CHIPS

Cassava Chips is a product derived from cassava. Nigeria is the largest producer of cassava in the world with a yield of about 54 million tonnes of cassava in FAO stats 2012.

Cassava (*Manihot* spp) is a tropical perennial crop cultivated mainly for its edible root, it is a staple food consumed worldwide and provides much economic benefit to the producers.



CASSIA TORA

Cassia Tora is a wild crop plant that belongs to the family of Fabaceae. They range in colour from greenish brown to dark brown and with a smooth glossy surface.

Cassia Tora Seed is in large demand, predominately in pharmaceutical industries around the world.



COCOA BEANS

Cocoa beans are primarily used in the production of chocolate, cocoa powder and cocoa butter for consumption. Cocoa butter is also used in the cosmetic industry.

Zeenab Foods with its wealth of experience in exporting agro products from Nigeria to other parts of the world can supply you with high-quality cocoa beans.

Exportable Agro Commodities (2/3)



DRIED SPLIT

Ginger is used for culinary and medicinal purposes. The health benefits include reducing nausea, pain, and inflammation.

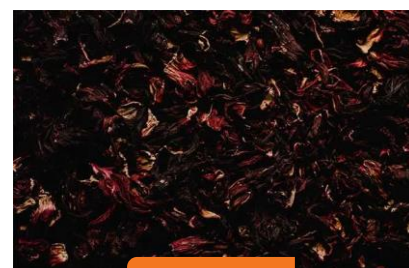
It is used to make tea, chopped or crushed in curries and savoury dishes. Ginger can also be dried or crystalized in sweets and confectionaries.



GUM ARABIC

Gum Arabic, primarily known as Acacia Gum is made from the sap of the Acacia Senegal tree. It is soluble in water and used in the food industry as a stabilizer for frozen foods, canned drinks & alcoholic beverages.

Gum Arabic is also an emulsifier for binding and coating agent for pharmaceutical drugs, making of paints, glue, carbonless paper. It's also known to lower blood cholesterol and treat digestive issues.



HIBISCUS FLOWER

Hibiscus flower is obtained from roselle an herbaceous shrub of the Malvaceae family. Bissap, as it is called in Senegal, Karkade in Sudan, Sorrels or Zobo in Nigeria is a valuable crop with a high concentration of vitamin C and has been proven to medically reduce high blood pressure.

Exportable Agro Commodities (3/3)



PEANUTS

It is either grown for its nut, oil or its vegetative residue (haulms). It's the 4th most important source of high-quality edible oil, easily digestible protein and carbohydrates.

At Zeenab Foods, you can be rest assured of a prompt supply of oil-rich peanuts.



RAW CASHEW NUT

The objective of cashew processing is to extract the healthy, tasty kernel from the raw nut as well as its shell.

Kernels from cashew nuts are used as snacks, while shell oil is used in the manufacture of numerous materials such as clutch plates, special isolators, varnish and plastic materials etc.



SESAME SEEDS

Sesame seed is an oil rich grain crop widely utilized in most parts of the world. This seed popularly called Benne seed is grown in Nigeria in relatively large quantity. With a rich, nutty flavour, it is a common ingredient in cuisines across the world.

The nutritional benefits of sesame seeds include their ability to prevent cancer, improve heart health, lower blood pressure, build strong bones, improve male fertility and reduces inflammation.

Factory Pictures

1.



2.



3.



SHAREHOLDING STRUCTURE OF THE ISSUER

As at 30th April 2024, the shareholding structure is as listed below.

Shareholders	No of shares held	% Shareholding
Dr. Ayemere O. Victor (Ph.D.)	45,000,000	45
Habris Food Industries Limited	12,500,000	12.5
Whales Industries Limited	12,500,000	12.5
Mrs. Ibironke Ayemere	10,000,000	10
Almond-Gate Prime Consulting Limited	5,000,000	5
Dr. Alphonse Ognadou Sessou Komlan Fontcher	5,000,000	5
Mr. Asibor Ehizibue Sunday	5,000,000	5
Mr. Eigbe Ibolo Victor	5,000,000	5
Total	100,000,000	100%

CORPORATE GOVERNANCE AND BOARD OF DIRECTORS OF THE ISSUER

As at 30 April 2024, Zeenab has 5 Executive Directors and 6 Non-Executive Directors. The Board formulates broad policies and takes decisions for the management and operations of the company to attain the company's objectives. Profiles of the Board Members are shown below:

Board of Directors

❖ Prof. Emmanuel Dele Olaolu, FCIB - Chairman

Professor Emmanuel Dele Olaolu, is an esteemed figure in the field of Business Management & Finance with over 40 years of experience. He holds a Bachelor's degree in Banking & Finance, a Master of Science degree in Business Administration, an MBA, and a Doctorate Degree in Business Administration from prestigious institutions including the University of Lagos and Babcock University. He is also a Fellow of the Chartered Institute of Bankers of Nigeria (FCIB).

His illustrious career includes serving as Board Chairman of Zeenab Foods Limited, Abuja, and holding executive positions in multiple banks including Wema Bank Plc. He is currently a Professor at Baze University, Abuja, and has contributed significantly as a consultant to institutions like the Financial Institutions Training Centre and Lagos Business School.

❖ Dr. Ayemere O. Victor (Ph. D) – Managing Director

An experienced Business Executive and Ex. Banker with a proven track record of success in several Banks and has been consistently recognized as an outstanding performer. He holds a B.Sc. degree in Accounting from the University of Port Harcourt.

He has worked in various financial institutions including Diamond Bank Plc, Guaranty Trust Bank Plc, Bond Bank Plc and Central Bank of Nigeria; while holding various job positions which include Relationship Manager, Business Manager, and Branch Manager, among others. He has been exposed to both local and international training in accounting, branding and management consulting.

He is a business man and an acclaimed expert in financial services. Victor Ayemere is the current President, Benin Palm Oil Processing Industrial Cluster Group. He has attended various business, leadership and professional courses in Nigeria and overseas.

❖ Mr. Adamu Adamu Audu – Executive Director, Operations

Alhaji Adamu is a result oriented and competent Leader with over 20 years' experience in banking, commodity trading and equity investment in major sectors of the economy. An expert in supply chain management, marketing, business development, business process design and strategy.

Alhaji Adamu is a valued team player with strong leadership competence. During his banking days he rose through the ranks to become a successful manager. Mr. Adamu has in depth managerial experience where he has successfully ensured the growth of various companies.

❖ **Mrs. Ibironke Ayemere – Executive Director, Corporate Service**

Mrs. Ibironke Ayemere is a seasoned professional with 20 years of experience in finance, branding, and communication. She holds a Bachelor's degree in English Language and a Master's degree in International Law and Diplomacy from the University of Lagos. Throughout her career, she has held various roles such as Producer & Director at Elrovic Media Concept, Account & Clearing Officer at Broad Bank of Nigeria Plc and First Bank of Nigeria Plc, and Marketing at Super Screen Television.

❖ **Mr. Bolaji Richard Audu – Executive Director, Sales & Marketing**

Mr. Bolaji holds a Master Degree in Economics from the Lagos State University. He started his working career with the Lagos State Board of Internal Revenue in 1996. He later joined the legacy Magnum Trust Bank in 2004 which later merged with four other banks, Trust Bank of Africa, Indo-Nigeria Merchant Bank, NAL Bank of Nigeria and NBL Bank to form Sterling Bank in 2006. Bolaji is an Associate Member of the National Institute of Marketing of Nigeria (NIMN).

He has over seventeen years banking experience with experiences in Treasury Management, Sales/Marketing and other various departments. He has attended various Management trainings both local and international, among these are Leading for Impact–Dubai, The Winning Attitude, Team Building Skills & Emotional Intelligence Nigeria, Effective Leadership Development, Nigeria etc.

❖ **Engr. Daniel Igbinoba Doleyi - Executive Director, International Operations**

He holds a bachelor degree in production engineering from the University of Benin. He also holds certifications from the Nigerian Institute of Safety Professionals (NISP) level 2 and 3, Occupational Safety and Health Academy USA (OSHA - Manager) in 2012. He is also a member of Nigerian Institute of Management since 2010.

He has gotten work experience in the oil and gas, construction and manufacturing sector. His in-depth experience as an export manager made him rise to the position of Assistant General Manager International Operations. He works closely with the GM International operations to managing the Nigerian Export Trade House international relations with foreign offtakers, stake holders and directs on all export operations. He is a quintessential professional that is result oriented, he has over 20 years working experience and has gone through several leadership training.

❖ **JingJing Yang – Independent Non-Executive Director**

JingJing Yang is a seasoned business consultant with 21 years of experience. She obtained her first and second degrees from Peking University, Guanghua School of Management in 2003 and 2008 respectively.

JingJing spent 12 years in research and development with the China Everbright Group before transitioning to private practice. For the past 9 years, she has excelled in international finance and business management.

In 2024, Jing became a board member/non-executive director, bringing her wealth of experience and expertise to the table.

❖ **Mrs. Fatima Wujat Bissallah – Non-Executive Director**

Mrs. Fatima Wujat is a seasoned banking and business management professional with 15 years of experience. She holds a Bachelor's degree in Agriculture from Ahmadu Bello University, Kano (2006), and an MBA from Bayero University, Kano (2016).

Her career includes roles such as Bank Teller at Zenith Bank, Head of Service Support at Stanbic IBTC Plc, and Director of Operations at Yarmanya Farms & Enterprises. With a strong track record in strategic decision-making and leadership, she is poised to drive growth and deliver results in dynamic environments.

❖ **Dr. Alphonse Ognadou Sossou Komlan Fontcher - Independent Non-Executive Director**

Dr. Alphonse Sossou Kolman Fontche is a seasoned professional with 26 years of experience, serving as a Board Member and Non-Executive Director. He is a distinguished Medical Practitioner and Entrepreneur, known for his expertise in healthcare and business ventures across francophone nations.

Dr. Fontche obtained his MBBS degree in 1997 from Abdou Moumouni University in Niamey. Complementing his medical background, he also holds an MBA in International Business Management from the same university.

With a successful career spanning both medicine and entrepreneurship, Dr. Fontche brings a unique blend of expertise to the boardroom. His strategic acumen and extensive experience make him an invaluable asset in guiding organizational growth and strategic decision-making.

❖ **Wang Yike - Independent Non-Executive Director**

Wang Yike is a highly experienced professional with 32 years of expertise in business and financial advisory. He currently serves as a Board Member and Non-Executive Director, bringing a wealth of strategic insight to organizational decision-making.

Wang Yike earned a first-class degree in Corporate & Investment Finance from Shandong University School of Management in the People's Republic of China in 1991. Following his education, he embarked on a successful career spanning both public and private sectors. Eventually, he established his consulting firm, specializing in providing comprehensive business and financial advisory services.

❖ **Dharmendra Yadav - Independent Non-Executive Director**

Dharmendra Yadav is a co-founder at KarnMax and holds a Bachelor of Engineering (B.E.) in Computer Science from Visvesvaraya Technological University, graduating in 2011.

With over a decade of experience in the tech industry, he served as a Senior Software Engineer at Tech Mahindra for 5 years, specializing in designing and developing enterprise data warehouses.

Prior to that, he worked as a Software Engineer at IBM for 3 years, focusing on data extraction, transformation, and loading processes using DataStage. Dharmendra is proficient in system optimization, process automation, and analysing customer requirements to deliver optimal solutions.

KEY MANAGEMENT TEAM

The company is managed by a competent board with combined experience across the agricultural, finance, and accounting sectors in Nigeria.

❖ **Dr. Ayemere O. Victor (Ph.D.) - Chief Executive Officer /MD (See Board profile above)**

❖ **Adamu Adamu Audu - Executive Director, Operations (See Board profile above)**

❖ **Mrs. Ibironke Ayemere - Executive Director, Corporate Service (See Board profile above)**

❖ **Mr. Bolaji Richard Audu - Executive Director, Sales & Marketing (See Board profile above)**

❖ **Engr. Daniel Igbinoba Doleyi - Executive Director, International Operations (See Board profile above)**

❖ **Mr. ThankGod Onosahwo, ACA, ACTI, ACIFC, MCIB - Chief Finance Officer**

Mr. ThankGod Onosahwo is a distinguished professional with 20 years of experience in accountancy and finance. He holds a Bachelor's degree in Economics from Delta State University, obtained in 2004. Additionally, ThankGod is an Associate member of prestigious institutions including the Institute of Chartered Accountants of Nigeria, Chartered Institute of Finance & Control of Nigeria, Chartered Institute of Taxation of Nigeria, and Chartered Institute of Bankers of Nigeria (Microfinance Certification).

With a comprehensive skill set spanning various facets of finance and accounting, he brings a wealth of expertise to the table. His

extensive experience, coupled with his professional certifications, positions him as a valuable asset capable of driving financial excellence and strategic growth in any organization.

❖ **Dr. Kenneth C. Zediegwu - Company Secretary & Legal Adviser**

Dr. Kenneth C. Zediegwu is a distinguished legal practitioner with a decade of experience, specializing in company secretarial duties and legal advisory services. He obtained his Bachelor's degree in Law (LL. B) from Anambra State University in 2013 and was subsequently called to the Nigerian Bar in 2014. Dr. Zediegwu furthered his academic pursuits by earning a Master's degree in Labour Law and a Doctorate Degree in Taxation Law from Nnamdi Azikiwe University, Awka.

With a solid foundation in legal education and a profound understanding of corporate governance and taxation law, Dr. Zediegwu brings invaluable expertise to his role as Company Secretary & Legal Adviser. His combination of academic rigor and practical experience equips him to provide strategic legal counsel and ensure regulatory compliance for organizations across diverse industries.

❖ **John Ntswen - Production & Quality Control Manager**

John Ntswen is a proficient Production & Quality Control Analyst with 14 years of hands-on experience, currently serving as a Production & Quality Control Manager. He holds a Master of Science (M.Sc.) Degree in Food Science and Technology from Ebonyi State University, Abakaliki, Ebonyi State, which he attained in 2018. Additionally, John earned a Bachelor of Science (B.Sc.) Degree in Food Science and Technology from the University of Agriculture, Makurdi, Benue State, in 2007.

❖ **Jennifer Maksat – Head; Customer Service**

Jennifer Maksat is a seasoned professional with 12 years of experience in customer service, currently serving as the Head of Customer Service. She obtained a Bachelor of Arts (B.A.) Degree in Theatre and Film Arts from the University of Jos, Plateau State, in 2012.

Jennifer's extensive experience in customer service, combined with her background in theatre and film arts, equips her with exceptional communication and problem-solving skills. As the Head of Customer Service, she excels in leading teams to deliver exceptional customer experiences and drive satisfaction.

❖ **Ebenezer Ise – Head; ICT**

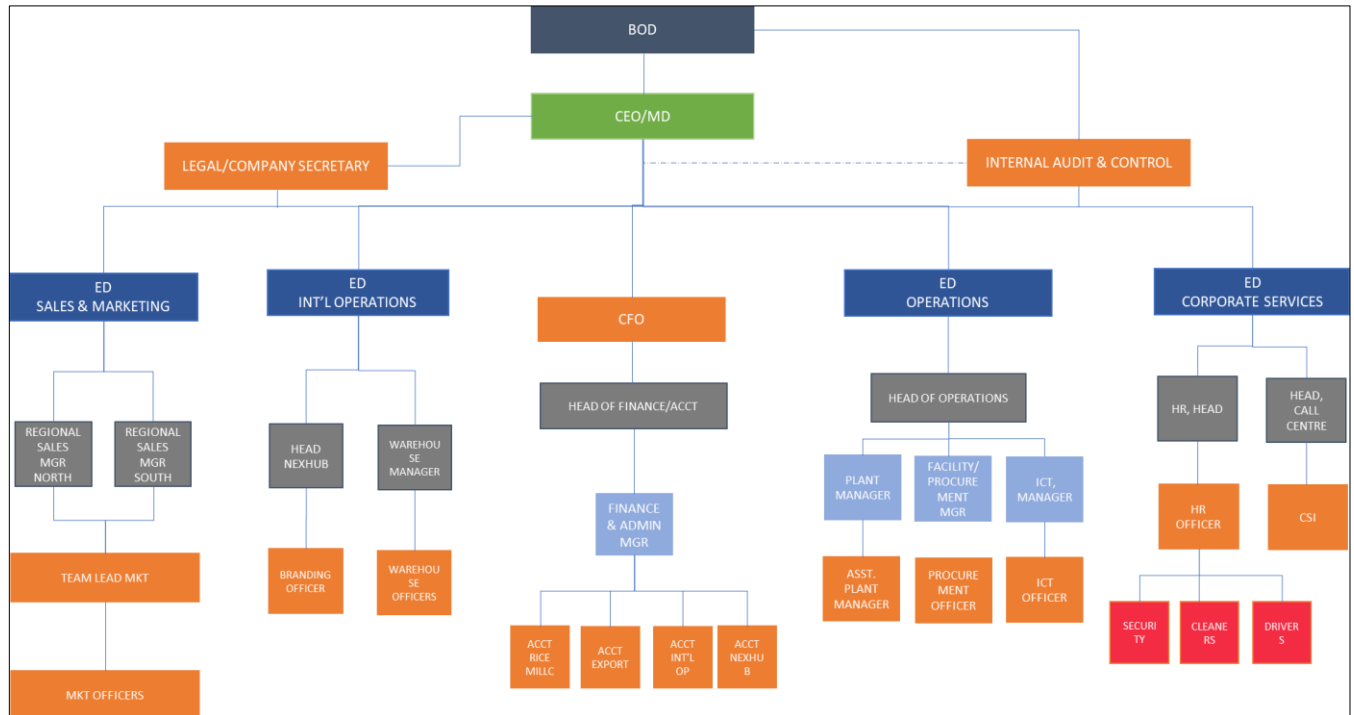
Ebenezer Ise is a proficient Computer Scientist and Cybersecurity Consultant with 10 years of experience, currently serving as the Head of ICT. He obtained a dual degree in Computer and Cybersecurity Science from the Federal University of Technology, Minna, in 2009. In addition to his academic credentials, Ebenezer holds professional certifications in Cybersecurity, Programming, Data Analysis, and Technical Support from Google.

EMPLOYEES

As at December 31, 2023, Zeenab has a total of 114 employees. A team of seasoned professionals with proven track records in the field of supply chain management, strategic management, business development, financial management and international business.

ORGANIZATIONAL STRUCTURE

Zeenab's business operates a hierarchical organizational structure as shown below:



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.

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

USE OF PROCEEDS

Use of Proceeds

Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of Notes will be used to support the Issuer's general corporate purposes and short-term funding requirements.

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

Sources of Repayment

The repayment of all obligations under the Programme will be funded from the operating cash flows of the Issuer.

REVISED CBN GUIDELINES ON THE ISSUANCE OF CPs

BACKGROUND

In July 2009, CBN suspended the use of Commercial Papers and Bankers Acceptances as off-balance-sheet instruments by banks and discount houses, citing concerns over abuse of their use as financing instruments. The ban was subsequently lifted on 16th November 2009. On 18th November 2009, CBN issued a circular titled “Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers” (the “Guidelines”), in an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of CPs and BAs in Nigeria. An updated circular was subsequently issued on 11th September 2019.

REGULATORY FRAMEWORK

Issuance, registration and quotation of CPs in Nigeria is subject to the provisions of the CBN Guidelines and FMDQ Exchange Rules. The provisions applicable to CPs are as highlighted below:

QUALIFICATION

A CP qualifies as a financing vehicle if:

- I. The issuer has three (3) years of audited financial statements, the most current not exceeding eighteen (18) months from the last financial year-end; and
- II. The issuer has an approved credit line with a Nigerian bank acting as an issuing and paying agent, where the bank guarantees the issue.

SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦5,000,000 (Five Million Naira) and multiples of ₦1,000 (One Thousand Naira), thereafter.

Furthermore, they shall be issued for maturities of between 15 (Fifteen) days and 270 (Two Hundred and Seventy) days, including rollover, from the date of issue. The discount element on maturing CPs may not be capitalized and rolled over.

RATING

Either the issuer of CP or the specific issue shall have an investment grade rating (minimum of BBB- or similar rating) by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the CSD.

INVESTORS IN COMMERCIAL PAPERS

CPs may be issued to and held by individuals, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians, and foreign institutional investors.

Clean CPs (i.e., CPs not backed by a guarantee or such other credit enhancement shall only be sold to Qualified Institutional Investors, and Eligible Investors. Eligible Investors seeking to invest in clean CPs shall first execute a declaration attesting to his/her/its eligibility in the manner/form prescribed in the FMDQ Exchange Commercial Paper Registration and Quotation Template Guide, or such other regulation as may be prescribed by FMDQ Exchange from time to time.

FORMS OF MAINTAINING CPs

Issuers and investors in CPs may issue or hold CPs in dematerialised or physical form. Issuers and investors are encouraged to issue and hold CPs in a dematerialised form.

ISSUING, COLLECTING AND PAYING AGENT

Only a deposit money bank or discount house (licensed by the CBN) that is a registered member of the FMDQ Exchange may act as an IPCA for the issuance of CP.

GENERAL REQUIREMENTS

- I. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- II. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- III. Any proposed issue of CPs shall be completed within 2 (two) weeks from the date of opening of the issue for subscription.
- IV. All CPs issued in Nigeria shall be registered with the clearing system, which shall serve as the custodian of all issues and a central depository for all dematerialised instruments.

MANDATORY REGISTRATION & QUOTATION

CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers requires CPs to be registered and quoted on an authorised securities exchange. Accordingly, banks are prohibited from transacting in CPs **that are not quoted or intended for a quotation on an authorised securities exchange**, in any capacity whatsoever, including acting as issuer, guarantor, issuing, placing, paying, and collecting agent, etc.

The CBN having approved the quotation rules of FMDQ Securities Exchange Limited has cleared it for the quotation of CPs in Nigeria.

COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ EXCHANGE RULES

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on page 45 of this Programme Memorandum.

COMPLIANCE WITH SECURITIES REGULATION

There is no obligation for the Issuer to register the Notes with the SEC. This is by virtue of Rule 8 of the SEC Rules, which exempts short-term securities (including notes) with maturity dates not exceeding 9 months from the date of issuance from registration with the SEC.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, subject to amendment and as completed, modified, supplemented, varied, or replaced, in whole or in part, by the final terms which are contained in the Applicable Pricing Supplement (the “**Final Terms**”), will govern the Notes to be issued under the Programme.

The provisions of these Terms and Conditions of the Notes (the “**Conditions**”) which are applicable to the Notes issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provision of the Final Terms modifying, supplementing, or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions.

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 the Programme Limit of ₦20,000,000,000.00 (Twenty Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from, the Deed of Covenant.

2. Form, Denomination, and Title

2.1 Form and Denomination`

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered, and denominated in a minimum amount of ₦5,000,000 and integral multiples of ₦1,000 in excess thereof; and will be sold at such discount from their face value amounts as shall be agreed upon by the Issuing and Placing Agent and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days, including the rollover from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 The Notes issued will be in the form of short-term Zero-Coupon Notes and will not bear interest, other than in the case of late payment.
- 2.1.4 The Notes will be delivered to the Issuing and Placing Agent in dematerialized (uncertificated, book-entry) form; shall be registered by the Issuing and Placing Agent with the CSD which shall serve as the custodian and central depository of the Notes; and the Issuing and Placing Agent may deal in the Notes in accordance with the 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 the Notes shall take effect in accordance with the rules governing the transfer of title in securities held by the CSD.
- 2.2.3 The Issuer and the Agent may deem and treat the registered holder of any Note as indicated in the records of the CSD and the IPA as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

3. Status of the Notes

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

4. Guarantee

CPs issued under the Programme may be backed by a Guarantor, as stated in the applicable Pricing Supplement.

5. Redemption

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

6. Payments

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

6.1 Method of Payments

- 6.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 6.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Agent.
- 6.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 6.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.
- 6.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note, where the Issuer or CPA has provided evidence that the monies have been transferred to the account of the Noteholders
- 6.1.6 If the Issuer or the Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, protest, curfew, lockout, fire explosion, floods, riot, insurrection, war, accident, any act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) and the Issuer and the Agent shall not be responsible for any delay arising from making such payment by cheque, as long as such payments are made on the Maturity Date. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.
- 6.1.7 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.

6.2 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which 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. The Noteholder shall not be entitled to any interest, return, or other payment in respect of any delay in payment.

6.3 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of 5 (five) days ending on the due date for redemption in respect of that Note, or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 7.2 (Action upon Event of Default).

7. Event of Default

7.1 Event of Default

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

- 7.1.1 Non-Payment: default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default.
- 7.1.2 In line with section 15.2 of the FMDQ Exchange Rules, part payment of the CP value to investors shall also constitute a default
- 7.1.3 Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations under the Offer Documents which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of Ten (10) days, after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Issuing, Collection and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required).
- 7.1.4 Seizure/Compulsory Acquisition of Assets: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation, or nationalization of all or a material part of the assets of the Issuer.
- 7.1.5 Inability to Pay Debts: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties.
- 7.1.6 Enforcement Proceedings: a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within 120 (One Hundred and Twenty) days of service by the relevant officer of the court of such attachment, execution or other legal process
- 7.1.7 Insolvency: if the 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 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.

- 7.1.8 Obligations Unenforceable: any of the Notes or the Offer Documents is or becomes wholly or partly void, voidable, or unenforceable.
- 7.1.9 Failure to Notify: In line with section 15.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the IPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 5:00pm on the Redemption Date
- 7.1.10 If the members of the Issuer pass a resolution for the winding up of the Issuer

7.2 Action upon Event of Default

- 7.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer and the Guarantor 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 or Guarantor 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.
- 7.2.2 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.
- 7.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

8. Register

- 8.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 8.2 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.
- 8.3 The Register shall be open for inspection from 9.00 am to 5.00 pm during the normal business hours of the Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 8.4 The Agent shall alter the Register in respect of any change of name, address, or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

9. Notices

9.1 Notices to the Noteholders

- 9.1.1 All notices to the Noteholders will be valid if it is delivered by hand, courier, electronic mail, or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party at their respective addresses of record in the relevant register of Notes of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner that complies with the rules and regulations of the FMDQ Exchange, the CSD, or such other regulatory authority as may be applicable to the Notes.

- 9.1.2 Any notice if delivered by hand or registered post before 5 p.m. local time on a given date, shall be deemed to have been delivered on that date. Any notice or communication given by electronic mail shall be deemed to have been delivered when sent, subject to no delivery failure notification being received by the sender within 24 (twenty-four) hours of the time of sending or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

9.2 Notices from the Noteholders

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

10. Modification

- 10.1 The Issuing, Collection, and Paying Agent and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Issuing and Paying Agent is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria or delivered in accordance with the provisions of Condition 8 (Notices) and shall be deemed to have been given and received on the date of first publication.
- 10.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be affected unless:
- 10.2.1 such amendment is in writing and signed by or on behalf of the Issuer;
- 10.2.2 the Exchange is notified of such amendments and
- 10.2.3 such amendment:
- 10.2.3.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or
- 10.2.3.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 10.3 Any such modification shall be binding on all the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

11. Meeting of Noteholders

- 11.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to the Noteholders. The notice required to be given shall be in accordance with clause 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, which places shall be in Nigeria.
- 11.2 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.
- 11.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 11.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporate entity executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporate entity,

appoint any person (a "Proxy") to attend and act on his/her or its behalf in connection with any meeting or proposed meeting of the Noteholders.

- 11.5 Any Noteholder which is a corporate entity may by resolution of its directors or other governing body authorize any person to act as its representative (a "Representative") in connection with any meeting or proposed meeting of the Noteholders.
- 11.6 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.
- 11.7 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 fails to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.
- 11.8 At any meeting of Noteholders, two or more Noteholders present in person, by a representative, or by proxy, holding in the aggregate not less than one-third of the Principal Amount of outstanding Notes shall form a quorum.
- 11.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by a representative, or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 11.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 11.11 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (twenty-One) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one-third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum being present.
- 11.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

12. Further issues

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

13. Governing Law

- 13.1 The provisions of this Programme Memorandum and the Notes are governed by and shall be construed in accordance with the laws of the Federal Republic of Nigeria.
- 13.2 The Nigerian Courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

TAX CONSIDERATION

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest. Notwithstanding, the discount on the Notes may be taxed in accordance with applicable Nigerian Income tax laws, to wit, CITA or PITA as may be applicable to the Noteholders.

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

RISK FACTORS

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

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

1. RISKS FACTORS RELATING TO THE ISSUER

a) Operational Risks

Risk could occur as a result of inadequate or failed internal processes, people and systems or from external events leading to direct or indirect loss for the Company. Examples of these risks include rogue trading, fraud/forgery, penalties or expenses incurred, loss of goods in transit, inappropriate sales practices, poor accounting processes, lapses in financial control and legal settlements resulting from accidents or mishaps alleged to have been caused by the Company.

b) Business Disruption Risks

Over the past four (4) quarters, the global economy has been plagued by the continuous spread of the novel COVID-19, leading to significant uncertainty and volatility in financial markets worldwide. In an effort to limit the spread of the pandemic, several countries took strategic steps including the closure of borders and control of importation of goods and products not considered essential. In view of the nature of Zeenab's business, this decision impacted business operations by lengthening the timeline for delivery of products by Zeenab. Whilst countries around the world, including Nigeria, have since opened up their borders and business appears to be returning back to pre-CODID-19 pace, there is no assurance that similar situations will not arise in the near future.

Noting that concerted efforts are being made to develop a vaccine against the virus, there is no assurance on the certainty of or timing within which these efforts would materialize.

c) Change in Governing Law

The Issuer is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

d) Credit Risk

Due to adverse business or other conditions, especially the current ongoing COVID-19 pandemic, which has had adverse effects on businesses, there would be an obvious credit risk concern. Credit risk is the risk of financial loss to Zeenab if a customer or counterparty fails to meet its contractual obligations. In order to mitigate the credit risk, the Management of the Issuer determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables aging analysis. Customers are also categorized according to their credit characteristics. Customers with high credit risk are placed on restriction and future credit services are made only with the approval of Zeenab's Management.

e) Liquidity Risks

Liquidity risk is the risk that Zeenab would be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding maturing obligations. Liquidity risk projections like available credit facilities are incorporated in the regular management information reviewed by Zeenab's Management. The focus of the liquidity review is on the net financing capacity such as free cash plus available credit facilities in relation to the financial liabilities.

f) Legal Risks

There is a risk that the Company's counterparties, such as suppliers may fail to fulfil their obligations. The Company in the ordinary course of business may become vulnerable to litigation.

Where proceedings lead to substantial legal liability, this could have a detrimental effect on the Company's business, brand image and reputation. Regulatory fines and claims from litigation could also impact the Company's financial performance in the year where such payments are being made.

Additionally, modifications affecting any applicable law or regulations, whether before or after the completion of the transaction, cannot be anticipated.

g) Brand and Reputation Risk

The risk of brand erosion and reputational loss as well as a change in the ability to deliver on brand promise. It includes failure to understand, identify, or manage developments that could negatively impact the Issuer's brand and its corporate identity. The Issuer's reputation may also be affected by the corrupt behavior of any employees or agents, hence affecting its brand and ability to retain and generate business.

2. RISKS FACTORS RELATING TO THE NOTES

a) Market Price Risk

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Company's results, adverse business developments, changes in the macroeconomic environment, and the actual or expected sale or purchase of a large number of Notes.

Each investor needs to assess the market risk prior to trading their Notes.

b) Interest Rate Risk

The Notes may vary inversely with changes in prevailing interest rates as the Notes could be offered at a fixed rate benchmarked against treasury bills. In this instance, where the interest rates rise, the prices of fixed-rate securities fall and when interest rates drop, the prices increase.

Therefore, the extent of the fall or rise in the prices is a function of the existing interest, days to maturity, and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Notes.

c) Liquidity Risk

Although the listing of the Notes increases the possibility of trading activity, the Notes issued under the Programme will be new securities that may not be widely distributed. The liquidity of the Notes may be limited, and investors may not be able to trade the Notes actively or realize a yield comparable to that of similar instruments, if any, in developed secondary markets. The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates as well as global events, which may also have an adverse effect on the price of the Notes.

d) Ranking

The Notes will constitute senior unsecured obligations of the Issuer. Therefore, holders of secured indebtedness, if any, will have claims that are prior to the claims of the holders of the Notes, to the extent of the assets securing such indebtedness. Thus, in the event of a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding, the pledged assets would be available to satisfy obligations on the secured indebtedness before any payment could be made on the Notes.

3. RISKS FACTORS RELATING TO NIGERIA

a) Political Risk

Following the controversial 2023 general elections, the country appears to be settling down for governance. Besides, the diverse political, religious and ethnic landscape in Nigeria that has led to struggles for power between rival groups, continues to hinder the smooth governance of the country. The pastoralist conflict in the North-East and Middle Belt has been escalating and Boko Haram continues to weaken the North-East economy. In the South, Niger Delta pipeline attacks could threaten oil production and the state of the environment.

In addition, frustrations over poor living conditions and economic hardships can potentially fuel further conflict. The risks related to political instability, continued criminal activities including banditry, kidnapping, security challenges as well as political and religious tensions in the country could adversely impact Nigeria's economy and by extension - the operations of Zeenab Foods Limited.

b) Economic Risk

Nigeria has a fast-growing population estimated at over 200 million, making it Africa's most populous country. Feeding this surging population requires a highly productive and efficient food processing industry. Food processing allows for preservation, enhances shelf-life and provides wider access to food. It also creates higher-value products from raw agricultural produce. Despite its importance, Nigeria's food processing sector remains underdeveloped and unable to reach its full potential. The sector suffers from poor infrastructure, lack of financing, inadequate skilled labour, poor electricity supply, and limited technology adoption. Most food processing is done informally by micro-enterprises with low efficiency. Following initial market reforms by the newly inaugurated Tinubu administration, the country has seen the removal of fuel subsidies and the harmonization of the apex bank's foreign exchange market segments. These have led to sustained inflationary pressures and a reduction in the purchasing power of households and businesses alike. The Company's prospects may be impacted by economic headwinds in Nigeria as they could adversely affect the demand for its products.

c) Foreign Exchange Risks

The Nigerian foreign exchange market has witnessed sustained volatility post COVID-19 as the market continued to witness strained foreign exchange supply. This, in addition to the harmonization of the foreign exchange market segments by the Tinubu administration sustained the depreciation of the Naira against the US Dollar. Specifically, Naira shed more half its value against USD from N307/USD at the beginning of 2020 to N463.38/USD as at June 09, 2023 at the Investors & Exporters Foreign Exchange window. Following the harmonization of the exchange rates, Naira tumbled further to N1,550/USD as at March 1, 2024.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Clearing System

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

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared, and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSD.

Authorised Participants

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

For purposes of Notes issued under this Programme, the Authorized Participants are Pathway Advisors Limited and any other bank or any other Issuing House appointed by the Issuer.

Registration

- I. The Authorised Participants shall register with the CSD before dealing in CPs
- II. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form.
- III. Noteholders are required to route their account opening applications and transactions through any of the above-mentioned Authorised Participant, who will officially notify the CSD to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- IV. The CSD will assign a unique identification number (the "**Trade Member Code**") to the Authorised Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- V. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the CP unique identifier for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- VI. The CSD will re-open the existing unique identifier for all tranches with the same maturity dates, however, new unique identifier will be issued for tranches with different maturity dates.

Lodgement

The Authorised Participants shall provide the schedule of all the subscribers and their expected holdings to the CSD for distribution. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgment to transfer the CPs to the sub-accounts, individual accounts, or custodian accounts of the beneficial owners of the Notes.

Redemption

- I. No transactions or trades may be effected for any CPs two (2) working days prior to its maturity date as the Register closes

two (2) working days before the Maturity Date.

- II. The Authorized Participants will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by noon on the date which is two (2) working days before the Maturity Date.
- III. The Issuer shall ensure that there are sufficient funds in its funding account with the CPA to pay all investors (i.e., including investors that have indicated interest to participate in another CP/NICP issuance within the Programme/ Discrete Issue) by 12:00 noon on the maturity date of the CP, failing which the Issuer shall be in violation of FMDQ Exchange Rules. The CPA shall ensure that funds have been transferred to all CP holders (i.e., excluding investors that have indicated interest in participating in another CP/NICP issuance within the Programme/ Discrete Issue) by 3:00 PM on the maturity date of the CP
- IV. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- V. The Maturity Date shall be on a Business Day, however, if the relevant Business Day falls on a public holiday, the following Business Day shall be the Maturity Date of the CP.

Roll-Over

- I. All CPs, including rollovers, shall not exceed 270 days (tenor) from the date of issue.
- II. Every rollover of a CP shall be treated or classified as a fresh/separate CP.
- III. Where the issuer is desirous to rollover, the IPA shall be informed no later than three business days before the maturity date of the CP and shall furnish the IPA with the relevant updated document for the re-evaluation of the CP
- IV. Upon receipt of the Issuer/Promoter's intention to Rollover, the IPA shall be required to notify FMDQ Exchange that all investors have been duly informed no later than 3:00 PM, one (1) Business Day prior to the maturity date of the CP
- V. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the new CP unique identifier, subject to receipt of CP rollover fees from the Authorised Participant.
- VI. The CSD shall expunge the existing CP unique identifier from the system and replace them with new codes.

Default

The Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPA shall provide reasons for the default or imminent default (e.g., insufficient funds in the funding account to meet payment obligations on the maturity date or inability of CPA to effect payment to investors due to technical issues such as a market disruption or as the case may be)

- I. The Exchange shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- II. The CPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 5:00 PM on the Maturity Date, failing which the Issuer shall be deemed to be in default
- III. In the case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- IV. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly. CPA pays off the Noteholders and notifies the CSD of the evidence

Secondary Market Trading (OTC) Guidelines

- I. Standard settlement cycle is T+2.
- II. FMDQ Exchange shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform based on the following settlement timelines:
 - a. Same Day Settlement: 12.30 p.m.
 - b. T+1 or T+2 Settlements: 3.00 p.m.
- III. The CSD shall deliver securities and send confirmation of transfers via the CSD's authorised platform by 2.00 p.m. on the settlement date to FMDQ Exchange and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. The Authorised Participant 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 CSD and the Authorised Participant simultaneously.
- V. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before the close of business on the date which is five (5) BusinessDays before the Maturity Date.

Reporting

- I. The CSD shall effect the transfer of CPs on the settlement date as advised by the exchange and keep records of consideration 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 visit the CSD's website (www.fmdqgroup.com/fmdqdepository) to ascertain its CPbalances after each day's trade.

Transfer of Notes

Title to the 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

Transaction parties will be responsible for effecting the payment transfers via Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) or any other transfer mode agreed by the transaction parties and recognized by the CBN.



ZEENAB FOODS LIMITED RC:977506

Issue of Up to ₦ [●] Series 1 Under its ₦20,000,000,000 Commercial Paper Issuance Programme

This Pricing Supplement must be read in conjunction with the Programme Memorandum dated 28th June 2024 prepared by Pathway Advisors Limited on behalf of Zeenab Foods Limited in connection with its ₦20,000,000,000 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 Applicable 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 18 November 2009, and the CBN circular to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together with the "**CBN Guidelines**") and the FMDQ Exchange Commercial Paper Registration and Quotation Rules (the "**Rules**") in force from time to time. The document is not required to be registered with the Nigerian Exchange Limited ("**NGX**") 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.

LEAD ARRANGER / ISSUING AND PLACING AGENT



COLLECTING AND PAYING AGENT



THIS PRICING SUPPLEMENT IS DATED [●] 2024.

PARTIES	
Issuer	Zeenab Foods Limited
Collecting and Paying Agent	Polaris Bank Limited
Arrangers, Issuing & Placing Agents and Financial Advisers	Pathway Advisors Limited
Sponsor to the Registration on FMDQ Exchange	Pathway Advisors Limited
Auditors	ATC Professional Services
Solicitors	Greychapel Legal
PROVISIONS RELATING TO THE NOTE	
Series Number	1
Programme Size	₦20,000,000,000.00
Issued and Outstanding at the date of this Pricing Supplement	NIL
Face Value	[]
Discounted Value	[]
Nominal Amount Per Note	₦1000
Tenor	270 Days
Issue Date	[]
Maturity Date	[]
Final Redemption Amount	[]
Minimum Subscription	Minimum of ₦5,000,000.00 and multiples of ₦1,000.00 thereafter
Specified Currency	Nigeria Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, unsubordinated and secured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debts preferred by law, <i>pari passu</i> with all other present and future secured and unsubordinated obligations of the Issuer outstanding from time to time
Sale Restriction	The issuance, sale and transfer of CPs issued under the Programme is restricted to Qualified Institutional Investors as defined in the FMDQ Exchange Commercial Paper Registration and Quotation Rules.
Form of Notes	Uncertificated
Quotation	FMDQ Securities Exchange Limited
Taxation	Please refer to the 'Tax Consideration' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Use of Proceeds	Working Capital
Source of Repayment	Operating cashflow of the company
Book Closed Period	[]
ZERO COUPON NOTES	
Discount Rate	[]
Implied Yield	[]
Any Other Formula or Basis for Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{actual number of days in a year}))$
Day Count Fraction	Actual/ Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria

PROVISION REGARDING REDEMPTION		
Redemption/Payment Basis	Redemption at par	
Issuer's Early Redemption	Not Applicable	
Issuer's Optional Redemption	Not Applicable	
Other Terms Applicable on Redemption	Not Applicable	
Offer Opens	[]	
Offer Closes	[]	
Allotment Date	[]	
Notification of Allotment	[]	
Settlement Date	[]	
Details of Bank Account to Which Payments Are to be Made in Respect of the Notes	Bank: Account Name: Account Number:	
Settlement Procedure and Settlement Instruction	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)	
Issuer Rating	Short Term Rating "A1", Long term Rating "A" by DataPro Limited "A" Rating by Augusto & Co Limited	

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 December 31, 2023 audited accounts.

RESPONSIBILITY

The Issuer and its Board of Directors 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 _____ 2024

For and on behalf of Zeenab Foods Limited.

Name: **Dr. Ayemere O. Victor (Ph.D.)**
Capacity: Managing Director
Who warrants his/her authority hereto

Name: **Mr. Bolaji Richard Audu**
Capacity: Director
Who warrants his/her authority here

ATC PROFESSIONAL SERVICES

CHARTERED ACCOUNTANTS

3, Balogun Street (1st Floor)
Off Awolowo way, Anifowoshe,
Ikeja, Lagos.
T: 01-3427201, 01-3427202.
E: info@atcprofessional-ng.com
W: www.atcprofessional-ng.com



Audit | Assurance | Advisory

18 March 2024

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

Dear Sir,

ZEENAB FOODS LIMITED ₦20 BILLION COMMERCIAL PAPER ISSUANCE PROGRAMME: REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS OF THE BOARD OF DIRECTORS OF ZEENAB FOODS LIMITED

Opinion

The accompanying summary of financial information which comprise the summary statements of financial position as at **31st December 2021, 2022, and 2023** the summary of profit or loss and other comprehensive income for the years **2021, 2022, and 2023** and the summary of cash flows for the years ended, are derived from the audited financial statements of Zeenab Foods Limited for the year ended **31st December 2021, 2022, and 2023** respectively.

In our opinion, the summary financial information derived from financial statements of Zeenab Foods Limited (the "Company") for the years ended **31st December 2021, 2022, and 2023** 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 Zeenab Foods 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 Zeenab Foods Limited.

The Audited Financial Statements and Our Report Thereon

In our opinion the summary of financial information derived from the audited financial statements of Zeenab Foods Limited for years ended **31st December 2021, 2022, and 2023** 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

...Heritage of Professional Excellence



The Directors are responsible for the preparation of the summary audited financial information for years ended **31st December 2021, 2022, and 2023** 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,

Adewale Banjoko (FCA)

FRC No: **FRC/2017/ICAN/000000016803**



Statement of Financial Position as at December 31, 2023

	2019	2020	2021	2022	2023
	N'000	N'000	N'000	N'000	N'000
ASSETS					
NON-CURRENT ASSETS					
Property, plants and equipment's	2,310,985	3,527,612	8,477,094	8,261,996	9,937,208
Intangible Assets	18,094	9,047	52,021	41,618	31,214
Total non-current assets	2,329,079	3,536,659	8,529,115	8,303,614	9,968,422
CURRENT ASSETS					
Inventories	447,892	426,894	495,585	1,608,594	1,161,253
Trade and other receivables	270,319	544,103	741,934	588,428	1,928,477
Cash and cash equivalent	420,926	383,924	298,607	190,872	815,175
Total Current assets	1,139,137	1,354,921	1,536,126	2,387,894	3,904,905
Total assets	3,468,216	4,891,580	10,065,241	10,691,508	13,873,327
EQUITY					
Issued Share Capital	5,000	5,000	5,000	5,000	5,000
Deposit for Shares	2,000,000	2,000,000	2,000,000	-	-
Retained Earnings	573,953	2,322,578	5,119,444	7,379,873	10,828,449
Total Equity	2,578,953	4,327,578	7,124,444	7,384,873	10,833,449
LIABILITIES					
NON-CURRENT LIABILITIES					
Related Party Loan	-	-	1,800,000	990,000	-
	-	-	1,800,000	990,000	-
CURRENT LIABILITIES					
Trade and other payables	203,862	360,952	981,069	930,787	264,000
Bank loan	-	-	-	1,250,000	2,687,908
Related party Loan	595,193	-	-	-	-
Current tax liabilities	90,207	203,049	159,729	135,848	87,970
Total current liabilities	889,262	564,001	1,140,798	2,316,635	3,039,878
Total Liabilities	889,262	564,001	2,940,798	3,306,635	3,039,878
Total Liabilities and Equity	3,468,215	4,891,579	10,065,242	10,691,508	13,873,327

Statement Of Profit or Loss and other Comprehensive Income for the year ended 31 December 2023

	2019	2020	2021	2022	2023
	N'000	N'000	N'000	N'000	N'000
Revenue	5,982,500	7,700,400	13,239,160	17,443,618	21,905,031
Cost of Sales	(5,369,257)	(5,347,950)	(9,423,626)	(13,750,253)	(17,149,094)
Gross Profit	613,243	2,352,450	3,815,534	3,693,365	4,755,937
Other Income	-	-	-	-	487,000
Administrative expenses	(244,200)	(335,301)	(523,056)	(705,203)	(964,109)
Impairment Provisions	(5,435)	(11,025)	(39,049)	(30,636)	(101,499)
Finance Cost	(29,173)	(62,156)	(168,007)	(432,422)	(309,773)
Profit/(Loss) before tax	334,435	1,943,968	3,085,422	2,525,104	3,867,556
Income Tax Expenses	(90,207)	(195,342)	(288,555)	(264,674)	(418,980)
Profit/(Loss) after tax	244,228	1,748,626	2,796,867	2,260,430	3,448,576
Other Comprehensive Income:	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-
Total Comprehensive Income tax of the year	244,228	1,748,626	2,796,867	2,260,430	3,448,576

Statement Of Cash Flow for the year Ended 31 December 2023

	2019	2020	2021	2022	2023
	N'000	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit/(Loss) for the year	334,434	1,943,967	3,085,421	2,525,103	3,867,555
<i>Non-cash adjustment to reconcile profit before tax to net cash flows</i>					
Depreciation of property, plants and equipments	128,805	214,854	356,091	403,098	483,396
Amortization of intangible asset	9,047	9,047	9,047	10,404	10,404
	472,286	2,167,868	3,450,559	2,938,605	4,361,355
Working capital adjustments:					
Inventory	311,920	20,998	(68,692)	(1,113,009)	447,341
Trade and other receivables	(19,269)	(273,784)	(197,831)	153,506	(1,340,049)
Trade and other payables	90,679	157,090	620,117	(50,282)	(666,787)
Income tax paid	-	(82,500)	(331,875)	(288,555)	(466,858)
Net cash generated from operating activities	855,616	1,989,672	3,472,278	1,640,265	2,335,002
Cash flow from investing activities					
Acquisition of property, plant & equipment	(45,236)	(1,431,481)	(5,357,595)	188,000	(2,158,607)
Net cash generated from investing activities	(45,236)	(1,431,481)	(5,357,595)	188,000	(2,158,607)
Cash flow from financing activities					
Bank loan	-	-	-	2,000,000	2,648,000
Deposit for shares	-	-	-	(2,000,000)	-
Related Party loan	-	-	1,800,000	-	-
Loan payment	(904,807)	(595,193)	-	1,560,000	(2,200,092)
Net cash generated from (used in) financing activities	(904,807)	(595,193)	1,800,000	1,560,000	447,908
Net increase in cash and cash equivalents	(94,426)	(37,002)	(85,317)	(107,735)	624,303
Cash and cash equivalents at 1 January	515,351	420,926	383,924	298,607	190,871
Cash and cash equivalents at 31 December	420,926	383,924	298,607	190,872	815,175

Zeenab Foods Limited

Issuer Rating

A

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

Outlook: Stable

Issue Date: 27 May 2024

Expiry Date: 30 June 2025

Previous Rating: N/A

Industry: Agro-Product

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Analysts:

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Agusto & Co. Limited

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57, Marina

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RATING RATIONALE

- Agusto & Co. hereby assigns an “A” rating to Zeenab Foods Limited (“Zeenab Foods”, “ZFL” or “the Company”). The rating reflects the Company's strong financial performance, underpinned by good profitability, good operating cash flow position, as well as a low leverage. The rating is further strengthened by the committed expansion programme aimed at doubling its rice milling capacity to 240 metric tonnes per day by 2025 with prospect for revenue growth, reduction in average production cost and ultimately, improvement in the Company's bottom line. The growth in ZFL's export revenue also offers reasonable protection against local currency devaluation and foreign exchange exposure that result from importation of machinery for its production plant. Notwithstanding, the rating is constrained by the persistent working capital deficiency of the business owing to investment in inventory during harvest season, which weighs on the Company's cash flow.
- Zeenab Foods Limited is a food processing and agro-commodity trading company established in 2011. The Company engages in the milling of paddy rice with an installed milling capacity of 120 metric tonnes. In addition to rice milling, ZFL also processes other agro commodities such as beans, millet and cassia tora, which are sold locally or exported. The Company owns two factories located in the Federal Capital Territory (Abuja) and Kano State. Zeenab Foods also supplies grains and other agro-commodities to international donor agencies like the United Nation's World Food Programme (UN WFP), which the agency uses to support various humanitarian aid projects. In 2022, ZFL was appointed the operator of the Nigerian Export House in China and recently commissioned a liaison office in Lagos to drive export volumes.
- In the financial year ended 31 December 2023 (FYE 2023), ZFL's revenue rose by 25.6% to ₦21.9 billion driven by growth in sales volume and product price increase. During the year, direct cost to revenue ratio was largely flat at 78.3%. As a result, the gross profit margin for the year was stable at 21.7%. Despite the increase in depreciation expense and staff cost amidst ongoing capacity expansion, the operating profit margin (OPM) remained relatively flat at 16.8% in FYE 2023, reflective of the positive impact of higher output on average cost and profit. The pre-interest, pre-tax profit for FYE 2023 improved to 19.1% (FYE 2022: 17%), upheld by income from ancillary businesses, as well as cheap loans from the government which moderates the overall cost of borrowing. In the same vein, the pre-interest, pre-tax return on asset (ROA) increased to 30% (2022: 28%), while the pre-tax return on equity (ROE) grew to 36% (2022: 34%), which were better than our benchmarks. The ROE of 36% surpassed the

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Zeenab Foods Limited

average national inflation rate of 24.5% for 2023. Moving forward, we expect the strong demand for agro-products to sustain the revenue and profit performance of the business.

- In the unaudited results for the three months ended 31 March 2024 (Q1 2024), ZFL's revenue stood at ₦10.3 billion, representing a 23% growth compared to Q1 2023. Due to input cost pressures, gross profit margin and OPM declined to 20.1% and 16.3% respectively compared to FYE 2023. Similarly, the pre-tax profit margin fell to 15%. Notwithstanding, the annualised ROA and ROE of 44% and 50% respectively were better than our benchmarks for operators in the agro-product Industry and the average national inflation rate of 24.5% for 2023.
- As at FYE 2023, the Company's operating cash flow (OCF) position increased by 27.7% to ₦2.6 billion, supported by sales growth, improved profit and reduction in inventory balance. Owing to similar growth in revenue, the OCF to sales ratio for the year remained stable at 12%. The Company's three-year cumulative OCF of ₦8.3 billion was sufficient to cover the cumulative returns to providers of finance (RTPoF) of ₦0.9 billion, made up of interest expense only. Notwithstanding the investment in inventory during harvest cycle, we expect improvement in profitability to continue to strengthen the OCF position of the business.
- As at the review date, the Company recorded a working capital need of ₦2.7 billion and a working capital of ₦0.9 billion, thus resulting in an overall working capital deficiency of ₦1.9 billion, which was funded by short-term commercial borrowings. The Company usually stockpile inventory during harvest (September to January) mostly against confirmed orders, which weighs on its working capital position. If the operating model of the Company is maintained, we do not anticipate improvement in the working capital issues in the near term.
- The Company borrows to fund its working capital need. As at FYE 2023, ZFL had loans amounting to ₦2.7 billion (2021: ₦2.2 billion). The OCF cover of interest expense during the year increased to 8.5x, while interest expense to revenue ratio improved to 1.4% (2022: 2.5%) reflecting the impact of sales growth, coupled with cheap loans in the Company's overall debt portfolio. In our view, ZFL's access to government grants, strong sales prospect of its products and consistent profit retention will continue to moderate the leverage position of the business.
- The Agro-product Industry in Nigeria will continue to expand along with the country's population growth. The essential nature of the products and their well-diversified use, aside human and animal consumption, make their demand resilient to inflation. Given that the industry produces food for the large Nigerian population, we believe it will continue to attract fiscal and monetary support from the government. The existing supply gap exacerbated by insecurity in the food belt region of the country also portends opportunity for the Company to capture more value domestically. Equally, growth in ZFL's export sales, amidst rising global demand for agro-products, will continue to strengthen its top line and minimise currency risk.
- Based on the foregoing, we attach a **stable** outlook to Zeenab Foods Limited.



ZEENAB FOODS LIMITED

Long-Term Rating:

A

Short Term Rating: A1

Rating Outlook: Positive

Trend: Up

Currency: Naira

Date Issued: 10 May, 2024

Valid Till: 9 May., 2025

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

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Turnover	21,905,031	17,443,618	13,239,160	7,700,400	5,982,500
Profit Before Tax	3,867,555	2,260,430	3,085,422	1,943,968	334,434
Equity	10,833,449	7,384,873	7,124,444	4,327,578	2,578,953
Non-Current Asset	9,968,422	8,303,615	8,529,116	3,536,658	2,329,078
Total Asset	13,873,327	10,691,509	10,065,242	4,891,579	3,468,215
Non-Current Liability	-	990,000	1,800,000	-	-

Rating Explanation

The Short-Term Rating of A1 indicates *Good Credit Quality* and satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of A indicates *Low Risk*. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has the strong ability to meet its ongoing obligations.

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 were 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:

- Good Liquidity
- Low Debt Profile
- Good Asset Utility
- Diversified Income Sources
- Stable Management

Negative Rating Factor:

- Macro Economic Constrains

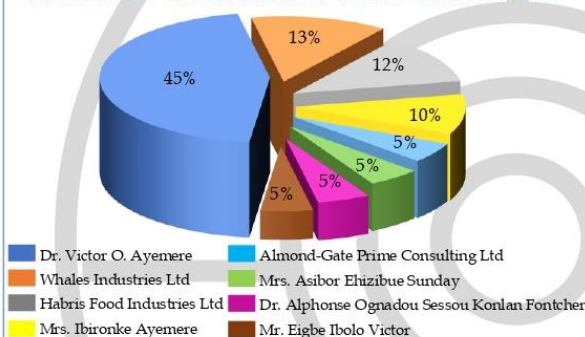
This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We 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.

BACKGROUND

Zeenab Foods Limited ("The Company") was incorporated on September 5, 2011. It commenced operations in the same year, specializing in food processing and agro-commodity trading.

The Company's primary activities include rice milling, agricultural commodities export and supplying agricultural commodities for the **United Nations** World Food Programme. It processes, packages a diverse range of products such as **Rice, Millet, Beans, Sorghum, Dried Split Ginger, Sesame seeds and Cassia Tora**. The operating model involves building and integrating business strategies that capture the entire agricultural commodities value chain from farm gate to the processing facilities for onward distribution to local and international consumers.

ANALYSIS OF SHAREHOLDING STRUCTURE



The Company is headquartered in Abuja. However, its branches are in Kano, Lagos and Edo States. It also maintains a trade centre in China. It has a workforce of 114 employees.

Dr. Victor Ayemere holds 45% of the Company's Shares. Other significant Shareholders with shareholdings exceeding 10% include **Habris Food Industries Limited, Whales Industries Limited, and Mrs. Ibrionke Ayemere**.

DIRECTORS' PROFILE

The following persons served as directors during the year under review; **Prof Emmanuel Dele Olaolu – Chairman, Dr. Victor O. Ayemere – Chief Executive Officer, Mr. Adamu Adamu Audu, Mrs. Ibrionke Ayemere, Mr. Bolaji Richard Audu, Engr. Daniel Igbinoaba, Mrs. Fatima Wujat Bissallah, Jingjing Yang, Dr. Alphonse Ognadou Sessou Komlan Fontcher, Wang Yike and Dharmendra Yadav**.

The Directors' profile is as follows:

- Name:** Professor Emmanuel Dele Olaolu
Position: Chairman
Profession: Business Management & Finance
Year of Experience: 40 years
Education:
 - B.Sc. - Banking & Finance, University of Lagos
 - MBA - University of Lagos
 - MBA - Lagos State University, Ojo



May 13, 2024

The Managing Director
Pathway Advisors Limited
13b Anthony Etukudo Street
Lekki Phase 1
Lagos

Dear Sir,

**LEGAL OPINION IN RESPECT OF THE COMMERCIAL PAPER PROGRAMME OF UP TO
N20,000,000,000.00 (TWENTY BILLION NAIRA) BY ZEENAB FOODS LIMITED**

1. Introduction

We are Solicitors to Zeenab Foods Limited's ("the **Issuer**") proposed Commercial Paper Issuance Programme of up to N20,000,000,000.00 (Twenty Billion Naira) (referred to as "**the Transaction**").

We have provided our legal opinion on the Transaction below for your benefit.

2. Transaction Documents

2.1. This legal opinion ("**Opinion**") is based on our review of the Memorandum and Articles of Association, and other statutory documents of the Issuer as well as the following documents:

- a. a draft Programme Memorandum;
- b. a draft Deed of Covenant;
- c. a draft Issuing and Placing Agency Agreement; and
- d. a draft Collecting and Paying Agency Agreement.

The documents listed above are referred to as "**Transaction Documents**" in this Opinion.

3. Confidentiality

- 3.1 The contents of this Opinion are confidential and subject to legal professional privilege. Therefore, neither this Opinion nor any of its contents may be disclosed, copied, referred to or quoted (in whole or in part) without the prior written consent of Greychapel Legal, which consent shall only be granted on the express understanding that Greychapel Legal shall in no event be liable to any such entity to which it is disclosed.
- 3.2 Accordingly, this Opinion may only be relied on for the purpose stated above and may not be relied on by any other party other than the Issuer or its designated representatives and advisers.

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Abuja: No 42, Moses Majekodunmi Crescent, Utako.

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Lawyers listed at www.greychapellegal.com

4. Assumptions on Sources

- 4.1. This opinion has been prepared on the basis of the information obtained from documents disclosed or made available by the Issuer.
- 4.2. We have not sought to establish the accuracy of the information contained in the Transaction Documents or the reliability of the same by reference to independent evidence. However, we are not aware of any of these assumptions being incorrect or misleading.
- 4.3. Except where apparent from the documents provided, or where otherwise stated in this Opinion, we have assumed the accuracy and completeness of the documents and information reviewed and that no other relevant document or information has been withheld.
- 4.4. Except where apparent from the documents provided or where otherwise stated, we have also assumed that:
- 4.4.1. each party to the Transaction Documents has the right, power and authority and has taken all actions necessary to validly execute and deliver, and to exercise its rights and perform its obligations under the relevant document, agreement or arrangement;
 - 4.4.2. all signatures and company seals on all documents we have examined or on the relevant originals where we have examined copies are genuine; and
 - 4.4.3. that the documents are not subject to any further conditions and are not in any way affected by any event or circumstance not explicitly disclosed.

5. Opinion

Based on the above and subject to the qualifications below, we are of the opinion that, should the Transaction proceed on the terms as presently contained in the Transaction Documents:

5.1. Legal Status of the Issuer

The Issuer is duly incorporated and validly subsisting under the relevant laws of the Federal Republic of Nigeria.

5.2. Validity of Transaction Documents

All Transaction Documents, as presently prepared shall be valid, binding, and enforceable in line with their terms.

5.3. Capacity of the Parties

Each party to the Transaction Documents has, by virtue of its constitutional documents, the capacity and power to enter into and perform its obligations under the relevant Transaction Document(s).

5.4. Consent/Authorisations

All parties to the Transaction Documents have obtained the essential consents, authorisations and licences empowering them to execute the respective Transaction Documents.

5.5. Regulatory Compliance

To the best of our knowledge from the documents provided to us, the Issuer is not in breach of any legal and regulatory requirements, as of the time of embarking on the Transaction.

5.6. Legal and Enforceable obligations

The Commercial Paper Notes ("CP Notes") constitute legal, valid and binding obligations of the respective parties enforceable against the Issuer in accordance with their terms of issue.

5.7. Validity of the Deed of Covenant

The Deed of Covenant embodies the Issuer's undertaking to the Noteholders to duly perform and fulfill its obligations in respect of each CP Note. By virtue of Clause 3.3 of the Deed of Covenant, the Issuer shall be liable to the Noteholders for obligations under the CP Notes. The obligations of the Issuer are valid, legal and binding obligations enforceable against the Issuer in accordance with the Deed of Covenant.

5.8. Validity of the Collecting and Paying Agency Agreement

The Collecting and Paying Agency Agreement ("CPA Agreement") sets out the rights and duties of the Collecting and Paying Agent ("CPA") in respect of the issuance of the CP Notes. By virtue of Clause 7.1 of the CPA Agreement, the Issuer must ensure there are sufficient funds in the account designated by the CPA to repay any matured CP Notes.

5.9. Effect of Issuer's Default

In the event of the failure of the Issuer to perform its obligations in respect of the CP Notes, the Deed of Covenant makes the Issuer liable to the Noteholders for the Issuer's obligations with respect to the CP Notes.

5.10. Material Contracts

We were not provided with any material contracts by the Issuer, and are thus, of the view that there are no existing obligations of the Issuer which may impair or negatively impact on its capacity to deliver on the Transaction.

6. Qualification

6.1. The validity and enforceability of rights and remedies under the Transaction Documents may be subject to limitations imposed by applicable Nigerian bankruptcy, insolvency, reorganisation, administration, moratorium, limitation, prescription and time-bar or other laws affecting the rights of creditors in general and to any provision generally applicable under Nigerian law regarding the invalidation or revision of unfair contract terms.

6.2. For the purposes of this Opinion, we have limited our review to matters of Nigerian law. The laws of Nigeria shall also govern any obligations in connection with this Opinion.

6.3. This Opinion is expressly limited to the matters stated herein and we render no opinion whether by implication or otherwise as to any other matters.

6.4. We have issued this Opinion on the basis that the unsigned Transaction Documents will not deviate materially from the versions we have prepared/reviewed and we assume no obligation to update or supplement our opinion contained in this document to reflect any facts or circumstances that may come to our attention or any changes in law that may occur or become effective after the date of this Opinion.

7. Liability

7.1. This Opinion is addressed exclusively to Pathway Advisors Limited "the Addressee" on the understanding that no other person may use or rely on its contents or any views expressed in it without our prior written consent. Accordingly, we do not accept any responsibility or bear any duty of care or other liability to any person other than the Addressee in respect of this Opinion.

7.2. The Opinion may be included in the Programme Memorandum and may be disclosed in connection with any actual or potential dispute or claim to which the Addressee is a party in relation to the Transaction on the understanding that any disclosure is made solely for information purposes and not for the purposes of reliance. Accordingly, we do not accept any responsibility or bear any duty of care or other liability in that regard.

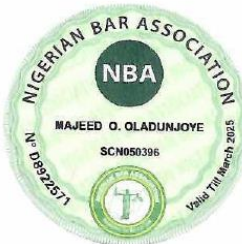
8. Conclusion

We trust that you would find guidance in the foregoing. However, do not hesitate to contact us should you require further clarification.

Yours faithfully,
GREYCHAPEL LEGAL



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STATUTORY AND GENERAL INFORMATION

Authorization

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors Zeenab Foods Limited dated 14th February, 2024.

Auditors

ATC Professional Services (Chartered Accountants) acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2020, December 31, 2021, December 31, 2022 and December 31, 2023 and issued qualified reports.

Commercial Paper Outstanding

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

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.

Material Contracts

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



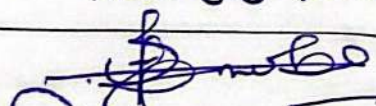
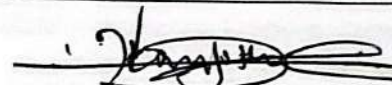
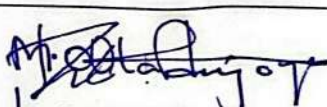
- I. the Deed of Covenant executed by the Issuer as a deed poll in favour of the Noteholders;
- II. the Issuing and Placing Agency Agreement executed by the Issuer and Issuing and Placing Agent;
- III. Collecting and Paying Agency Agreement executed by the Issuer and the Collecting and Paying Agent;

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

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE PROGRAMME

Issuer	<p>Zeenab Foods Limited Plot 252, Cadastral Zone C16, Idu Industrial Area, Idu, Federal Capital Territory, Abuja.</p> <p> AYEMERE O. VICTOR MD/CEO</p>
Arranger, Issuing & Placing Agent and Financial Adviser	<p>Pathway Advisors Limited 13B, Anthony Etukudo Street, Lekki Phase 1, Lagos.</p> <p> Adekunle Akide Managing Director</p>
Collecting & Paying Agent	<p>Polaris Bank Limited Asokoro Branch Plot 71, Yakubu Gowon Crescent, Asokoro, Abuja.</p> <p> Oseguwa Igbintan Business Head ABUJA</p>
Auditor to the Issuer	<p>ATC Professional Services 3, Balogun Street (1st Floor) Off Awolowo way, Anifowoshe, Ikeja, Lagos.</p> <p> BANJOKO ADEWALE DARTNER</p>
Solicitor	<p>Greychapel Legal Plot 17B, Emmanuel Abimbola Cole Lekki Phase 1, Lagos.</p> <p> Oladele Oladugboye Principal Partner</p>

