

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. BEFORE SUBSCRIBING, FOR GUIDANCE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR INDEPENDENT INVESTMENT ADVISER, REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION (“SEC” OR “THE COMMISSION”). INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 63 OF THIS PROSPECTUS



FUNDING SPV PLC

MECURE INDUSTRIES FUNDING SPV PLC RC 1718492

(Incorporated as a Special Purpose Vehicle by Mecure Industries Limited)

₦20,000,000,000 BOND ISSUANCE PROGRAMME

THIS SHELF PROSPECTUS HAS BEEN ISSUED IN COMPLIANCE WITH THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION (“SEC” OR THE “COMMISSION”) AND CONTAINS PARTICULARS IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION WITH REGARDS TO THE PROGRAMME.

THIS SHELF PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT THERETO AND ALL DOCUMENTS WHICH ARE INCORPORATED HEREIN, BY REFERENCE AND, IN RELATION TO ANY TRANCHES OR SERIES (AS DEFINED HEREIN) OF INSTRUMENTS, TOGETHER WITH THE APPLICABLE PRICING SUPPLEMENT. THIS SHELF PROSPECTUS SHALL BE READ AND CONSTRUED ON THE BASIS THAT SUCH DOCUMENTS ARE INCORPORATED HEREIN AND FORM PART OF THIS SHELF PROSPECTUS.

THIS SHELF PROSPECTUS AND THE SECURITIES THAT IT OFFERS HAVE BEEN REGISTERED BY THE COMMISSION. INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES & EXCHANGE COMMISSION BY CONTACTING THE COMMISSION VIA SEC@SEC.GOV.NG OR +234 (0) 946 21100; +234 (0) 946 21168.

IT IS A CIVIL WRONG AND CRIMINAL OFFENCE UNDER THE INVESTMENTS AND SECURITIES ACT (NO. 29 OF 2007) TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE CLEARANCE AND REGISTRATION OF THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES FROM ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED HEREIN OR FOR ANY OMISSION OF A MATERIAL FACT.

THE REGISTRATION OF THE SHELF PROSPECTUS AND ANY APPLICABLE PRICING SUPPLEMENT THEREAFTER DOES NOT IN ANY WAY WHATSOEVER SUGGEST THAT THE SECURITIES & EXCHANGE COMMISSION ENDORSES OR RECOMMENDS THE SECURITIES OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED THEREIN.

THIS PROSPECTUS HAS BEEN APPROVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF MECURE INDUSTRIES FUNDING SPV PLC AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE INQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS SHELF PROSPECTUS IS PROVIDED IN SECTIONS 85 AND 86 OF THE INVESTMENTS AND SECURITIES ACT 2007.

THIS SHELF PROSPECTUS IS VALID UNTIL 2024.

LEAD ISSUING HOUSE/BOOK RUNNER:



JOINT ISSUING HOUSES/BOOK RUNNERS:



VETIVA

VETIVA CAPITAL MANAGEMENT LIMITED

RC: 485600



GREENWICH MERCHANT BANK LIMITED

RC: 189502

THIS SHELF PROSPECTUS IS DATED THE 31ST DAY OF MARCH, 2021

This Shelf Prospectus will be available on the following websites throughout the Validity Period

www.sec.gov.ng

www.mecure.com

TABLE OF CONTENTS

1. IMPORTANT NOTICES.....	5
2. DEFINITION OF TERMS.....	7
3. DECLARATION BY THE ISSUER	12
4. DECLARATION BY THE SPONSOR	13
5. DOCUMENTS FILED WITH THE SEC.....	14
6. INFORMATION RELATED TO THE SHELF PROSPECTUS	15
6.1 Presentation of Information.....	15
6.2 Financial Information	15
6.3 Rounding.....	15
6.4 Forward Looking Statements.....	15
6.5 Third Party Information	17
7. ISSUE OF APPLICABLE PRICING SUPPLEMENT	18
8. PARTIES TO THE PROGRAMME	19
9. THE PROGRAMME	20
10. TRANSACTION OVERVIEW.....	23
10.1 Description of Transaction Structure.....	23
10.2 Utilisation of the Issue Proceeds	23
10.3 Servicing of the Bonds.....	23
10.3.1 Deed of Undertaking.....	23
10.4 Illustration of Issuance Programme	24
11. SUMMARY OF THE PROGRAMME	25
12. TERMS AND CONDITIONS OF THE PROGRAMME.....	30
13. TAX CONSIDERATIONS	49
14. MACROECONOMIC OVERVIEW - NIGERIA.....	51
15. PHARMACEUTICAL MANUFACTURING – INDUSTRY OVERVIEW	60
16. RISK FACTORS.....	63

17. THE ISSUER.....	69
17.1 Introduction	69
17.2 Directors and Secretary	69
17.3 Director’s Interests	69
17.4 Profiles of The Directors and Secretary	69
17.5 Employees	70
17.6 Indebtedness.....	70
17.7 Material Contracts	70
17.8 No Material Adverse Change.....	70
17.9 Financial Information	70
17.10 Litigation	70
18. THE SPONSOR – MECURE INDUSTRIES LIMITED.....	72
18.1 History and overview	72
18.2 Shareholding structure	73
18.3 Achievements.....	74
18.4 Business segments	74
a) OTC Medicines.....	74
b) Branded Generics	74
c) Dietary Supplements	74
18.5 CORPORATE GOVERNANCE AND BOARD OF DIRECTORS OF THE SPONSOR	75
18.6 MANAGEMENT TEAM.....	77
19. EXTRACT FROM THE SPONSOR’S RATING REPORTS	80
20. REPORTING ACCOUNTANT’S REPORT.....	82
21. VALUATION REPORT	105
22. STAUTORY AND GENERAL INFORMATION.....	113
22.1 Authorisation of the Programme	113
22.2 Incorporation and Share Capital History of the Issuer.....	113
22.3 Share Capital and Shareholding Structure of the Sponsor.....	113
22.4 Summary of the capital structure of the Sponsor	113
22.5 Subsidiaries, Associated Companies and Investments.....	114
22.6 Off Balance Sheet Items.....	114
22.7 Costs and Expenses.....	114

22.8 Material Contracts 114

22.9 Declarations 114

22.10 Relationship between the Issuer, Issuing Houses and other Advisers..... 115

22.11 Mergers and Takeovers 115

22.12 Consents 115

22.13 Claims and Litigation:..... 117

22.14 Indebtedness of the Issuer and Sponsor 119

22.15 Documents Available for Inspection 119

23. GOING CONCERN STATUS OF THE ISSUER 120

24. FORM OF PRICING SUPPLEMENT 122

1. IMPORTANT NOTICES

This Shelf Prospectus has been prepared on behalf of Mecure Industries Funding SPV Plc (as Issuer) and Mecure Industries Funding SPV Plc (as Sponsor) in connection with the Issuer's N20,000,000,000 Bond Issuance Programme, for the purpose of giving information to prospective investors in respect of the Issuer, the Sponsor and the Bonds described herein. The SEC has cleared and registered this Shelf Prospectus and the securities that it offers.

The respective Boards of Directors of the Issuer and the Sponsor accept full responsibility for the information contained in this Shelf Prospectus. The respective Boards of Directors of the Issuer and the Sponsor confirm (having taken all reasonable care to ensure that is the case) that the information contained or incorporated by reference in this Shelf Prospectus is correct, does not omit anything likely to affect the import of such information, and is in accordance with the facts and the relevant Rules and Regulations of the Commission.

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

Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, the Sponsor, any of the Issuing Houses, the Trustees or any other professional adviser that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme, the Issuer, the Sponsor or the securities referred to herein should purchase the Bonds.

Each prospective investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the Sponsor. Neither this Shelf Prospectus nor any other information supplied in connection with the Issue or the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Sponsor, any of the Issuing Houses or the Trustee to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Sponsor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The Issuing Houses expressly do not undertake to review the financial condition or affairs of the Issuer or the Sponsor throughout the life of the Programme or the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Issuing Houses have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Issuing Houses as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing Houses or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information

or its investment decision.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from any of the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the Debt Securities offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States of America, the United Kingdom and certain other jurisdictions. The Issuer does not represent that this Shelf Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

2. DEFINITION OF TERMS

“Applicable Pricing Supplement”	The document(s) to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series or Tranche of Debt Securities issued under the Programme and read in conjunction with the Shelf Prospectus
“Auditor”	Olufemi Fajuyi & Co., or any successor auditor which may be appointed in future
“Board” or “Directors”	Board of Directors of the Company
“Bonds”	The registered bonds issued by the Issuer from time to time under the Programme with in accordance with this Shelf Prospectus and any subsequent Applicable Pricing Supplement aggregate value not exceeding ₦20,000,000,000.
“Bond Issuance Programme” or the “Programme”	The ₦20,000,000,000 Bond Issuance Programme being undertaken by the Issuer as described in this Shelf Prospectus, pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦20,000,000,000
“Bondholder”	Any registered owner or beneficial owner of Bonds issued under any series or tranche and shall include the legal and personal representatives or successors of the Bondholders
“Book Building”	A process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investor and High Net Worth Investors
“Book Runner(s)”	The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Lagos, Nigeria
“CAC”	Corporate Affairs Commission
“CBN”	Central Bank of Nigeria
“Central Securities Depository” or “CSD”	CSCS or FMDQ Depository Limited and which expression shall include its successors or any additional or alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement
“CIT”	Companies Income Tax
“CITA”	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)

“CGT”	Capital Gains Tax
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the Bonds” in this Prospectus, the Programme Trust Deed and the relevant Series Trust Deed
“Coupon”	The interest payable to Bondholders as specified in the Applicable Pricing Supplement
“Coupon Determination Date”	The date falling no later than two Business Days prior to the Coupon Payment Date on which the Trustee determines the interest rate applicable on a Bond (other than Fixed Rate Bonds and Zero-Coupon Bonds) for that Interest Period
“Coupon Payment Date”	The date on which coupon is to be paid to Bondholders as specified in the Applicable Pricing Supplement
“CSCS” or the “Clearing System”	Central Securities Clearing System Plc
“Daily Official List”	The publication of The Nigerian Stock Exchange, published daily, detailing price movements and information on all securities quoted on the NSE
“Daily Quotations List”	The publication of the FMDQ OTC, published daily, providing information on all securities quoted on its Exchange
“Debt Securities”	Registered bonds to be issued under the Programme by the Issuer
“DMO”	Debt Management Office
“Event of Default”	All such events of default as are defined under the Programme Trust Deed
“Exchange”	The FMDQ OTC or The NSE or any other securities exchange recognized by the Commission
“Federal Government” or “FGN”	Federal Government of Nigeria
“Finance Act”	The Finance Act 2019
“FIRS”	Federal Inland Revenue Service
“Fixed Rate”	The rate of interest payable in respect of Fixed Rate Bonds
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and which will not change during the life of the Bonds
“Floating Rate”	The rate of interest payable in respect of Floating Rate Bonds
“Floating Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a floating rate basis in accordance with a variable benchmark rate as prescribed in the Applicable Pricing Supplement
“FMDQ” or “FMDQ OTC”	FMDQ Securities Exchange Limited
“FRCoN”	Financial Reporting Council of Nigeria
“GCR”	Global Credit Rating Co.

“High Net Worth Investor or HNI”	As defined in the SEC Rules, an investor with a minimum net worth of ₦100,000,000 (One hundred million Naira) (excluding personal homes automobiles and furniture)
“IASB”	International Accounting Standards Board
“Interest Period”	Interest Period as defined in the Programme Trust Deed
“IFRS”	International Financial Reporting Standards
“Intercompany Note”	The notes issued by the Note Issuer and purchased by the Note Subscriber with the net proceeds of the Bonds issue on the terms contemplated in the MNSA
“ISA”	Investments and Securities Act (No 29 of 2007)
“Issue Date”	The date on which a Bond is issued and when accrual of the interest on the Bond commences
“Issue Price”	The price at which a Bond is issued as specified in the Applicable Pricing Supplement
“Issuer”, the “Company” or “MCI Funding SPV” or “Note Subscriber”	ME CURE INDUSTRIES FUNDING SPV PLC
“Issuing Houses”	Cordros Capital Limited, Greenwich Merchant Bank Limited, Vetiva Capital Management Limited and any other person that may be appointed as an Issuing House
“Joint Issuing House/ Book Runner”	Greenwich Merchant Bank Limited, Vetiva Capital Management Limited and any other person that may be appointed as a Joint Issuing House/ Book Runner
“Lead Issuing House /Book Runner”	Cordros Capital Limited
“LFN”	Laws of the Federation of Nigeria 2004
“Maturity Date”	The final redemption date as specified in each Applicable Pricing Supplement on which the Redemption Amount is due to be paid
“MNSA”	The Master Notes Subscription Agreement dated on or about the 31 ST day of March, 2021, among Me Cure Industries Limited, Me Cure Industries Funding SPV Plc, and the Trustees under which MCI issues the Intercompany Notes to the Issuer
“MCI” or “Me Cure” or the “Sponsor” or the “Note Issuer”	Me Cure Industries Limited
“Master Notes Subscription Agreement” or “MNSA”	Means the agreement dated on or about the date of this Prospectus and made between the Issuer, the Sponsor, and the Bond Trustee in relation to the Notes
“Naira”, “NGN” or “₦”	The Nigerian Naira
“NBS”	National Bureau of Statistics

“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“OTC”	Over-the-counter
“PIT”	Personal Income Tax
“PITA”	Personal Income Tax Act Cap, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011 and the Finance Act)
“Principal Amount”	The nominal amount of each Bond, as specified in the Applicable Pricing Supplement
“Professional Parties”	Professionals engaged by the Issuer to advise on the establishment of the Bond Issuance Programme and the issuance of Bonds thereunder
“Qualified Institutional Investor”	As defined in Rule 321 of the SEC Rules, Institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable Private Equity funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms.
“Rating Agencies”	DataPro Limited, GCR or any other rating agency that may be appointed
“Record Date”	The date on which the list of holders of the Bonds is extracted from the Register for the purposes of making Coupon payments
"Receiving Agents"	The capital market operators who are authorized to receive applications for the offer. Being an offer by book build, the authorized agents for this offer are the Issuing Houses/Book Runners
“Receiving Bank”	Union Bank of Nigeria Plc
“Redemption Amount”	The aggregate Principal Amount outstanding in respect of a series of Bonds on the Maturity Date as specified in the Applicable Pricing Supplement
“Register”	The Bond register kept at the specified office of the Registrar into which shall be entered the names and addresses of each Bondholder and the particulars, transfers and redemption of the Bonds held by each Bondholder for the relevant Series or Tranche.
“Registrar”	Crescent Registrars Limited or any other person so appointed by the Issuer
“Reporting Accountant”	Deloitte & Touche or any other person that may be appointed as Reporting Accountant
“Reverse Floating Rate”	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
“SEC Rules” or “Rules and Regulations”	The Rules and Regulations of the Securities and Exchange Commission (2013) issued pursuant to ISA and as

	amended from time to time
“SEC” or “The Commission”	Securities and Exchange Commission
“Series”	Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Payment Dates and/or Issue Prices
“Series Trust Deed”	A Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, Sponsor and the Trustee with regards to a specific Series and empowering the Trustee to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	This Prospectus that ME CURE INDUSTRIES FUNDING SPV PLC has filed in accordance with the Rules and Regulations, which contains details of the Bond Issuance Programme
“Sponsor”	ME CURE INDUSTRIES LIMITED
“The Constitution”	The Constitution of the Federal Republic of Nigeria 1999 (as amended)
“The NSE”	The Nigerian Stock Exchange
“Tranche”	Bonds which are identical in all respects
“Transaction Documents”	The Shelf Prospectus, Pricing Supplement, the Trust Deeds and all related documents
“Trust Deed” or “Programme Trust Deed”	The programme trust deed entered into by the Issuer, Sponsor and the Trustee by which the Bond Issuance Programme is constituted
“Trust Deeds”	The Programme Trust Deed and the Series Trust Deed(s)
“Bond Trustees”	STL Trustees Limited, GTL Trustees Limited and Cordros Trustees Limited who are granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme
“Security Trustee”	GTL Trustees Limited
“Validity Period”	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which, Bonds may be issued under the Programme
“VAT”	Value Added Tax
“WHT”	Withholding Tax as provided for in section 78 (2) of CITA and Section 72 of PITA
“Zero Coupon Bond”	A Bond issued at a discount to its face value

3. DECLARATION BY THE ISSUER



12 Oct 2020
The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja.

Dear Sir,

Me Cure Industries Funding SPV Plc N20 Billion Bond Issuance Programme and subsequent Issuance of Notes under the Programme.

This Shelf Prospectus has been prepared by the Issuing Houses on behalf of Me Cure Industries Funding SPV Plc ("the Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of a N20 Billion Bond Issuance Programme (the "Programme")

We hereby make the following declarations in respect of the Programme:

1. We confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. there has been no significant change in the financial condition, or material adverse change in the Prospectus of the Issuer since the date of the document;
3. the Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Shelf Prospectus; and
4. no prosecution has been commenced against the Issuer during the 12 (twelve) calendar months immediately preceding in respect of any breach or contravention of any securities of the Companies and Allied Matters Act Chapter C20, Laws of the federation of Nigeria 2020.

Signed for and on behalf of Me Cure Industries Funding SPV Plc
By its duly Authorized representatives:


Director
Samir Udani


Director
Dokor 13 OCT 2020



OLUMIDE OSINBAJO
Banwo & Ighodalo
Company Secretary

NOTARIZED AND ATTESTED BY
CHARLES N. NNEJI
08023659895, 07036437073



ADDRESS
Me Cure Industries Limited,
Me Cure House, Apeja Oshodi Expressway,
Oshodi, Lagos, Nigeria.

BOARD OF DIRECTORS
EXECUTIVE: Mr. Samir Udani (Chairman),
Mrs. Dokor Aderline Nkidi, Dr. Aja Obiefuna
NON-EXECUTIVE: Mrs. Ayokunde Owoigbo,
Mrs. Aunil Udani, Mr. Chidi Oloro, Mr. Ajun Udani


www.mecure.com info@mecure.com

4. DECLARATION BY THE SPONSOR



12 Oct 2020
The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Dear Sir,

Me Cure Industries Funding SPV Plc N20 Billion Bond Issuance Programme and subsequent Issuance of Notes under the Programme.

We are the Sponsors in respect of this Shelf Prospectus, which has been prepared by the Issuing Houses on behalf of Me Cure Industries Funding SPV Plc (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of a N20 Billion Bond Issuance Programme (the "Programme").

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. there has been no significant change in the financial condition, or material adverse change in the Prospectus of the Issuer since the date of the document;
3. the Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Shelf Prospectus; and
4. no prosecution has been commenced against the Issuer during the 12 (twelve) calendar months immediately preceding in respect of any breach or contravention of any securities of the Companies and Allied Matters Act Chapter C20, Laws of the federation of Nigeria 2020.

Signed for and on behalf of Me Cure Industries Limited
By its duly Authorized representatives:


Director
Samir Udani


Director


Banwo & Ighodalo
Company Secretary
11, Oshodi Road, S. W.
Lagos

NOTARIZED AND ATTESTED BY
CHARLES N. NNEJI
08023659895, 07036437873
13 OCT 2020



ADDRESS
Me Cure Industries Limited,
Me Cure House, Apapa Oshodi Expressway,
Oshodi, Lagos, Nigeria.
T.C Number: 619125

BOARD OF DIRECTORS
Samir Udani (Chairman),
Nddi, Dr. Ape Obiefuna
Mrs. Ayotunde Owoigbe,
Abdullahi Oloro, Mr. Arjun Udani



5. DOCUMENTS FILED WITH THE SEC

The following documents have been filed with the Commission and form part of this Prospectus:

- i. The Sponsor's Rating Report by Global Credit Rating Co. dated March 2020;
- ii. The Sponsor's Rating Report by DataPro Limited dated April 2020;
- iii. The Reporting Accountant's Report dated 26th October, 2020; and
- iv. The Audited Financial Statements of the Sponsor for the years ended 2015, 2016, 2017, 2018, 2019 and Half year, 2020.

This Shelf Prospectus is accessible, and copies are available free of charge at the offices of the Issuing Houses from 8:00a.m. till 5:00 p.m. on Business Days, and on the website of the Sponsor (<https://www.mecure.com>), during the Validity Period.

Telephone enquiries should be directed to the Issuing Houses on:

LEAD ISSUING HOUSE	CONTACT PERSON	TELEPHONE NUMBER
Cordros Capital Limited	Femi Ademola	+234 803 714 3904

JOINT ISSUING HOUSES	CONTACT PERSON	TELEPHONE NUMBER
Greenwich Merchant Bank Limited	Kenneth Ero	+234 805 700 1925
Vetiva Capital Management Limited	Gbadebo Adenrele	+234 807 209 0073

6. INFORMATION RELATED TO THE SHELF PROSPECTUS

6.1 Presentation of Information

The information set forth herein has been obtained from official sources that are believed to be reliable, but the fairness, accuracy, completeness or correctness of the information or opinions contained herein has not been verified. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Shelf Prospectus nor any issue made hereunder, or any future use of this Shelf Prospectus shall, under any circumstance, create any impression that there has been no change in the affairs of the Sponsor since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus has been provided by the Sponsor and Issuer from their records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Sponsor/Issuer. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

A wide variety of other information concerning the Sponsor and Issuer, including financial information, is available in authorized publicly available publications. Any such information that is inconsistent with the information set forth in this Shelf Prospectus should be disregarded. No such information is a part of or incorporated into this Shelf Prospectus.

6.2 Financial Information

The Sponsor maintains its books of account and prepares its statutory financial statements in Naira in accordance with IFRS (as issued by the IASB) and the requirements of CAMA and the Financial Reporting Council of Nigeria Act, 2011.

6.3 Rounding

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

6.4 Forward Looking Statements

Certain statements included herein and in any Pricing Supplement may constitute forward looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer’s or Sponsor’s intentions, beliefs or current expectations concerning, amongst other things, the Sponsor’s operating results, financial condition, liquidity, prospects, growth, strategies

and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's or Sponsor's actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

Neither the Issuer nor Sponsor is obliged to, nor do they intend to, update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer, the Sponsor, the Issuing Houses or persons acting on the Issuer or Sponsor's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor of the Bonds should not place undue reliance on these forward-looking statements.

Factors that could cause actual results to differ materially from the Sponsor's/ Issuer's expectations are contained in the cautionary statements in this Shelf Prospectus and include, among other things, the following:

- overall political, economic and business conditions in Nigeria;
- economic and political conditions in international markets, including governmental changes;
- changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- interest rate fluctuations and other capital market conditions;
- changes in government regulations, especially those pertaining to the Sponsor's industry; competitive factors in the industries in which the Sponsor and its customers operate;
- the demand for the Sponsor's products and services;
- continued hostilities and disruptions in the North-Eastern part of Nigeria and other national emergencies;
- exchange rate fluctuations; and
- the timing, impact and other uncertainties of future actions.

The sections of this Shelf Prospectus titled "**Risk Factors**", "**Description of Mecure Industries Limited**" and "**Statutory and General Information**" contain a more detailed discussion of the factors that could affect the Sponsor's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Issuer does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new Information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Shelf Prospectus.

6.5 Third Party Information

The Issuer and the Sponsor obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian economy and the Nigerian political landscape in general from certain government and other third-party sources as identified where it appears herein.

There is not necessarily any uniformity of views among such sources as to such information provided. The Sponsor has not independently verified the information included in this section. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text. The Sponsor has accurately reproduced such information and, so far as the Sponsor is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Sponsor has relied on the accuracy of this information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. Neither the Issuer, the Sponsor, nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been reproduced from official publications of, and information supplied by, a number of government agencies and ministries, and other governmental and intergovernmental organizations, including the CBN, DMO and NBS.

7. ISSUE OF APPLICABLE PRICING SUPPLEMENT

Following the publication of this Shelf Prospectus, an Applicable Pricing Supplement shall be prepared by the Issuer for the approval of the SEC in accordance with the Rules and Regulations for each series of Bonds issued under the Programme.

Statements contained in any such Applicable Pricing Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

Each of the Issuer and the Sponsor declare, to the best of their knowledge and honest belief, that no material facts have been omitted from nor is there any material misstatement in this Shelf Prospectus, which would make any statement contained herein misleading or untrue. In the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Shelf Prospectus which is capable of affecting the assessment of the Bonds, the Issuer will prepare a Pricing Supplement to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Bonds.

8. PARTIES TO THE PROGRAMME

8. PARTIES TO THE PROGRAMME

SPONSOR	ISSUER
MECURE INDUSTRIES LIMITED Plot 6, Block H Debo Industrial Compound Oshodi Lagos. Email: info@mecure.com Telephone: 07000632873 Website: www.mecure.com	MECURE INDUSTRIES FUNDING SPV PLC Plot 6, Block H Debo Industrial Compound Oshodi Lagos. Email: info@mecure.com Telephone: 07000632873 Website: www.mecure.com

DIRECTORS OF THE SPONSOR

Samir Udani (Director) <i>Asuka</i>	Arjun Udani (Director) <i>Asuka</i>
Avni Udani (Director) <i>Asuka</i>	Anderline Dukur (Director) <i>Asuka</i>
Ayotunde Owoigbe (Independent Director) <i>Ayotunde Owoigbe</i>	Ajie Obi (Executive Director) <i>Ajie Obi</i>
Chidi Okoro (Independent Director) <i>Chidi Okoro</i>	Banwo & Ighodalo (Company Secretary) <i>Banwo & Ighodalo</i>

DIRECTORS OF THE ISSUER

Samir Udani (Director) <i>Asuka</i>	Arjun Udani (Director) <i>Asuka</i>
<i>Banwo & Ighodalo</i> (Company Secretary) 48, Awolowo Road, S. W Ikoyi, Lagos	

PROFESSIONAL PARTIES

Lead Issuing House/Book Runner

Cordros Capital Limited

70, Norman Williams
Ikoyi
Lagos

Femi Akande

Joint Issuing Houses/Book Runners

Vetiva Capital Management Limited Plot 266B, Kofo Abayomi Street, Victoria Island Lagos	Greenwich Merchant Bank Limited Plot 1698A, Oyin Jolayemi Street Lagos Island Lagos
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Dr Gbadebo Adenle

AAAB

Bansin Ogundej

Joint Trustees

Stl Trustees Limited 30, Marina Road Lagos Island Lagos <i>Funmi Ekundayo</i> Funmi Ekundayo	Gtl Trustees Limited 5th Floor, St Nicholas House, 2-10, Hospital Road Lagos Island Lagos <i>Gama Bankaye</i> GAMA BANKAYE	Cordros Trustees Limited 110, Norman Williams Ikoyi Lagos <i>G. MBANUGO UDENZ</i> G. MBANUGO UDENZ
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Solicitor to the Issue

Aluko & Oyebode
1, Murtala Muhammed Drive
Ikoyi
Lagos

*Chrys
Ayokunle*

Solicitor to the Issuer

Banwo & Ighodalo
48, Awolowo Road
Ikoyi
Lagos

*Azeem Muse - Secy
AAR*

Auditor

Olufemi Fajuyi & Co.

18, Oremeji Street Off Coker road
Ilupeju
Lagos.

Stephen Adeyemo Oluwatosin

Reporting Accountant

Deloitte & Touche

Civic Towers, Ozumba Mbadiwe Road
Victoria Island
Lagos

*Funmi Oshin
Kunle Oshin*

Rating Agencies

DataPro Limited

Foresight House, 163/165 Broad Street
Lagos Island

Matthew Jesse Olabisi
MATTHEW JESSE OLABELI

Global Credit Rating Co.

11th floor, New Africa House
31 Marina
Lagos

Subal Oyinda-Farajola

Receiving Bank

Union Bank of Nigeria Plc
Station Plaza 36
Marina
Lagos

Joe Mbulu
JOE MBULU
Executive Director

Registrars

Crescent Registrars Limited

23 Olusoji Idowu Street
Ilupeju
Lagos.

Mercy Onyejiro

Stockbrokers

Cordros Securities Limited

70, Norman Williams
Ikoyi
Lagos

*Chief
Oyafonke*

Meristem Stockbrokers Limited

124, Norman Williams
Ikoyi
Lagos.

Enkwe

9. THE PROGRAMME

A copy of this Shelf Prospectus, together with the documents specified herein have been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the Rules and Regulations of the Commission and the listing requirements of the relevant exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the Programme. In the event that any issue under the Programme is to be listed, an application will be made to either the Governing Council of the NSE for the admission of such Bonds to its Daily Official List or to the FMDQ for the listing of the Bonds (as determined by the Issuer) or to any SEC registered securities exchange. The Bonds will upon admission to the platform(s) qualify as security in which Trustees may invest under the Trustee Act.

The Directors of the Issuer and Sponsor have taken all reasonable care to ensure that the information concerning the Issuer or the Sponsor contained in this Prospectus is true and accurate in all material respects on the date of this Prospectus and that as of the date hereof there are no other material facts in relation to the Issuer or the Sponsor, the omission of which would make misleading any statement herein.

LEAD ISSUING HOUSE/BOOK RUNNER:



CORDROS CAPITAL LIMITED
RC: 600461

JOINT ISSUING HOUSES/BOOK RUNNERS:



VETIVA CAPITAL MANAGEMENT LIMITED
RC NO: 485600



GREENWICH MERCHANT BANK LIMITED
RC NO: 189502

MECURE INDUSTRIES FUNDING SPV PLC RC 1718492

**is authorized to issue this Shelf Prospectus in respect
of the ₦20,000,000,000 Bond Issuance Programme**

This Shelf Prospectus contains:

1. on page 12 to 13, the declaration to the effect that the Sponsor did not breach any Terms and Conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on page 80 to 82, an extract of the Rating Report on the Sponsor by DataPro Limited and GCR for incorporation in this Shelf Prospectus;
3. on pages 82 to 104, the Reporting Accountants' Report on the audited financial information of the Sponsor, dated October 26th, 2020, prepared by Deloitte for the years ended 2019, 2018, 2017, 2016, 2015 and Half year, 2020.
4. on pages 105 to 112, the Valuation Report on assets of the Sponsor;
5. on page 117 to 118, the details and summary of the claims and litigation against the Sponsor prepared by Aluko & Oyebode.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until 31st March, 2024. No Bonds shall be issued on the basis of this Shelf Prospectus read together with the Applicable Pricing Supplement three (3) years after the Issue Date indicated on the cover of this Shelf Prospectus. Copies of this Shelf Prospectus can be obtained at the office of the Issuer and the Issuing Houses and on the website of the Sponsor (www.mecure.com) throughout its Validity Period.

10. TRANSACTION OVERVIEW

This section contains summarized information of aspects of the Programme and characteristics of the Bonds. This summary is not exhaustive, nor does it purport to be a complete or professional review of the investment situation regarding the possible purchase of the Bonds, which you may currently be considering. This summary should be read as an introduction to this Shelf Prospectus, as such, it should be read in conjunction with the remainder of this Shelf Prospectus and the Applicable Pricing Supplement. Investors should read the entire Shelf Prospectus carefully, especially the risks involved in investing in the Bonds which are discussed under “Risk Factors” commencing on page 63.

1.1. Description of Transaction Structure

The Issuer, Mecure Industries Funding SPV Plc, is a special purpose vehicle set up specifically to finance the Sponsor’s funding requirements, by issuing Bonds to the general public, particularly to Qualified Institutional Investors and HNIs. Accordingly, proceeds of the Bonds will finance the Issuer’s purchase of the Notes in accordance with the terms of the Master Notes Subscription Agreement between the Sponsor, the Issuer and the Bond Trustees dated on or around 31st March 2021.

The Issuer will issue the Bonds for the sole purpose of funding the Issuer’s acquisition of the relevant Notes issued by the Sponsor. The Notes will have the characteristics that demonstrate the capacity to generate funds to service any payments due and payable on the Bonds. Therefore, the terms of the Bonds will be consistent with the terms of the Notes.

1.2. Utilisation of the Issue Proceeds

Pursuant to the MNSA, the Issuer shall purchase the Notes from the Sponsor, with the net proceeds of the Bonds.

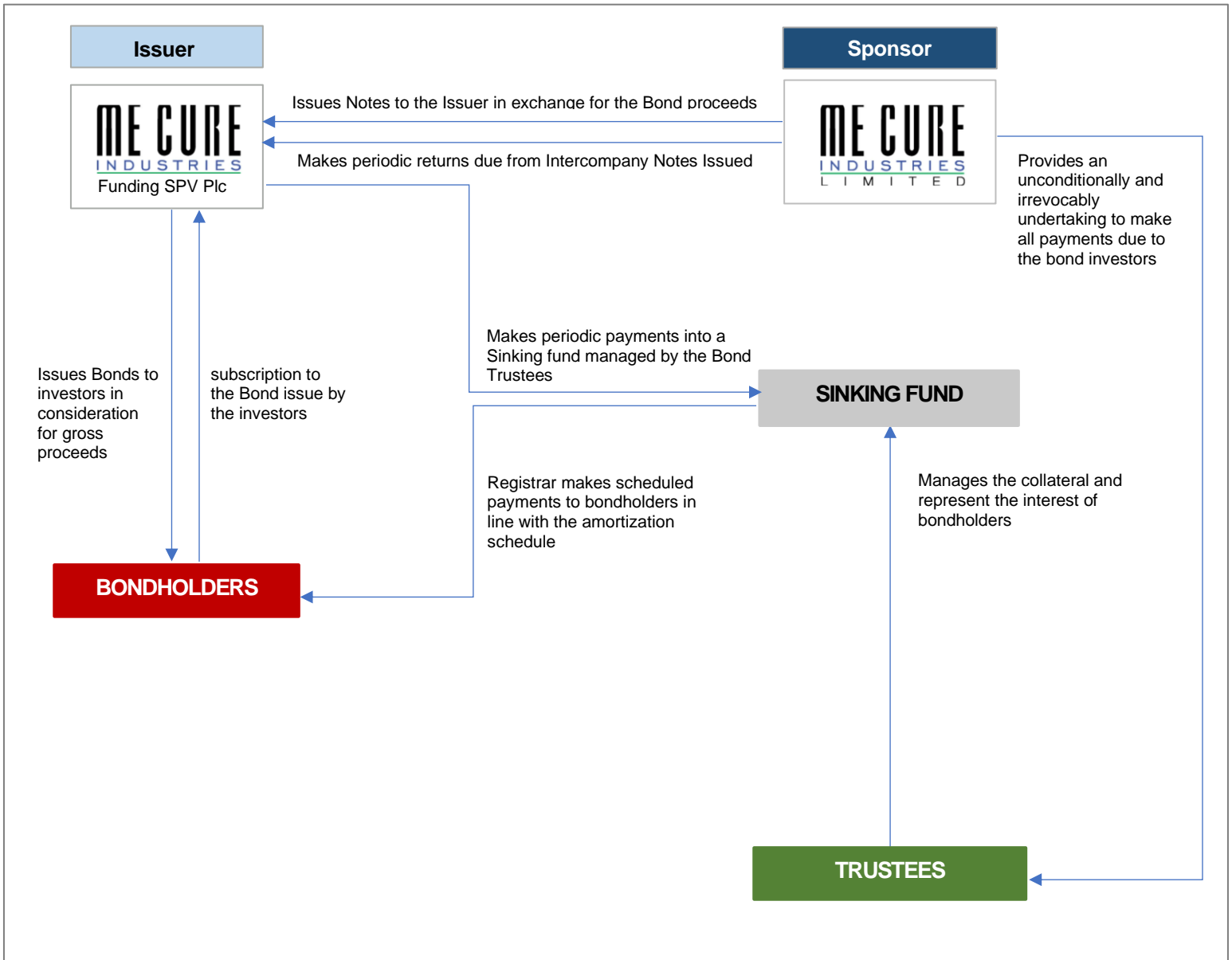
1.3. Servicing of the Bonds

The payment of Coupons, semi-annually or otherwise and the scheduled repayment of principal, in accordance with the repayment schedule in the Pricing Supplement, will be serviced with payments received from the Sponsor on the Notes issued in accordance with the terms of the MNSA.

1.4. Deed of Undertaking

The Bonds are backed by a Deed of Undertaking issued by the Sponsor in favour of the Issuer and Trustee (on behalf of the Bondholders) in support of all the payment obligations of the Issuer under the Programme, and the Sponsor irrevocably undertakes, as primary obligor to pay all amounts due in respect of all Bonds issued under the Programme in accordance with the terms of the Deed of Undertaking.

1.5. Illustration of Issuance Programme



11. SUMMARY OF THE PROGRAMME

The following information should be read in conjunction with the full text of this Shelf Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the proposed Bonds to be issued under the Programme and a description of the Issuer and the Sponsor. This summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, the Applicable Pricing Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus. Words and expressions defined in “*Terms and Conditions of the Bonds*” shall have the same meaning in this summary:

ISSUER:	Mecure Industries Funding SPV Plc
SPONSOR:	Mecure Industries Limited.
PROGRAMME DESCRIPTION:	<p>Bond Issuance Programme to be established by Mecure Industries Funding SPV Plc through which a Bond or a series of Bonds will be issued.</p> <p>The Programme covers convertible and non-convertible Bonds, senior or subordinated and/or Secured Bonds, Fixed Rate Bonds, Floating Rate Bonds, Reverse Floating Bonds, Zero Coupon Bonds and any combinations thereof, with a minimum tenor of twelve (12) months, all of which shall be denominated in Naira or in such other currency as may be agreed between the Issuing Houses and the Issuer and specified in the Applicable Pricing Supplement.</p> <p>No Bonds shall be offered on the basis of this Shelf Prospectus or a Pricing Supplement after the expiration of the three (3) year validity period of the Shelf Prospectus. The Bonds shall be constituted by the Programme Trust Deed. Each Series shall be constituted by the relevant Series Trust Deed(s).</p> <p>The provisions of the Programme Trust Deed shall apply separately and independently to the Bonds, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Series Trust Deed(s).</p>
PROGRAMME AMOUNT:	N 20,000,000,000 (Twenty Billion Naira only).

STATUS OF THE BONDS:	<p>The Bonds are senior, unsubordinated obligations of the Issuer and rank pari passu among themselves and equally with all other existing senior obligations of the Issuer, from time to time outstanding, except for obligations mandatorily preferred by law applying to companies generally.</p> <p>The Bonds qualify as securities in which Trustees may invest under the Trustees Act. In addition, the Bonds are securities in which PFAs may invest under the Pension Act and the Regulations on Investment of pension fund assets issued by National Pension Commission.</p>																																																								
FORM OF BONDS/ TRANSFERABILITY:	The Bonds shall be issued in registered form and shall be transferable. The issue and ownership of the Bonds will be affected and evidenced by the particulars of the Bonds being entered in the Register by the Registrar and the Bonds being electronically registered in the CSCS account of the Bondholder.																																																								
LEAD ISSUING HOUSE/BOOK RUNNER:	Cordros Capital Limited, or any other Issuing House as may be specified in the Pricing Supplement.																																																								
JOINT ISSUING HOUSES/BOOK RUNNERS:	Greenwich Merchant Bank Limited, Vetiva Capital Management Limited, or any other Issuing House as may be specified in the Pricing Supplement.																																																								
TRUSTEES:	STL Trustees Limited, GTL Trustees Limited and Cordros Trustees Limited, or any other trustee appointed by the Issuer																																																								
LISTING:	Bonds may be unlisted or listed on recognized stock exchanges such as the FMDQ OTC, The NSE and/or any other SEC approved relevant stock exchange.																																																								
USE OF PROCEEDS:	Proceeds will be used to purchase Intercompany Notes.																																																								
MATURITY DATE:	As specified in the Applicable Pricing Supplement.																																																								
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FINANCIAL INFORMATION OF THE SPONSOR:	<table border="1"> <thead> <tr> <th></th> <th>N'000</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020 (H1)</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td>11,801,095</td> <td>11,233,039</td> <td>15,172,872</td> <td>15,813,495</td> <td>8,653,783</td> </tr> <tr> <td>Operating Profit</td> <td></td> <td>2,214,117</td> <td>1,672,952</td> <td>2,066,881</td> <td>2,135,745</td> <td>1,053,589</td> </tr> <tr> <td>Profit Before Tax</td> <td></td> <td>1,930,535</td> <td>527,509</td> <td>901,723</td> <td>815,371</td> <td>425,383</td> </tr> <tr> <td>Equity</td> <td></td> <td>4,468,629</td> <td>3,292,939</td> <td>3,720,480</td> <td>4,024,393</td> <td>4,380,943</td> </tr> <tr> <td>Fixed Asset</td> <td></td> <td>3,911,677</td> <td>1,770,444</td> <td>3,849,282</td> <td>5,085,525</td> <td>5,625,627</td> </tr> <tr> <td>Total Assets</td> <td></td> <td>10,959,437</td> <td>8,001,937</td> <td>12,211,509</td> <td>13,690,767</td> <td>14,385,318</td> </tr> <tr> <td>Long-term Debt</td> <td></td> <td>5,429,407</td> <td>7,249,109</td> <td>6,726,288</td> <td>7,964,738</td> <td>7,726,004</td> </tr> </tbody> </table>		N'000	2016	2017	2018	2019	2020 (H1)	Revenue		11,801,095	11,233,039	15,172,872	15,813,495	8,653,783	Operating Profit		2,214,117	1,672,952	2,066,881	2,135,745	1,053,589	Profit Before Tax		1,930,535	527,509	901,723	815,371	425,383	Equity		4,468,629	3,292,939	3,720,480	4,024,393	4,380,943	Fixed Asset		3,911,677	1,770,444	3,849,282	5,085,525	5,625,627	Total Assets		10,959,437	8,001,937	12,211,509	13,690,767	14,385,318	Long-term Debt		5,429,407	7,249,109	6,726,288	7,964,738	7,726,004
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METHODS OF ISSUE:	Bonds under this Programme may be issued by way of public offering, private placement, via a Book Building process and/or any other such methods as described in the Applicable Pricing Supplement and as approved by the SEC.
ISSUANCE IN SERIES:	The Bonds will be issued in series and each Series may comprise one or more tranches issued on different dates. The Bonds in each Series will have the same maturity date and identical terms (except that the Issue Date, Issue Price, Interest Payment Dates and related matters may be different). Details applicable to each Series will be specified in the Applicable Pricing Supplement.
ISSUE PRICE:	The Bonds may be issued at their Principal Amount or at a premium or discount to their Principal Amount, as specified in the Applicable Pricing Supplement.
COUPON:	Refers to the specified rate of interest on a Bond as specified in the Applicable Pricing Supplement.
DENOMINATIONS:	The Bonds will be issued in such denominations as specified in the Applicable Pricing Supplement.
INTEREST RATES:	Bonds may be interest-bearing or non-interest bearing. Interest (if any) may be at a Fixed Rate or Floating Rate and may vary during the lifetime of the relevant Series as indicated in the Pricing Supplement.
CURRENCY OF BONDS:	The Bonds shall be denominated in Naira (N) or any other currency as may be agreed between the Issuer, Sponsor and the Issuing House(s) and specified in the Applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
FIXED RATE BONDS:	Fixed Rate Bonds will bear Coupons which will be payable in arrears on each Coupon Payment Date as may be specified in the relevant Applicable Pricing Supplement.
FLOATING RATE BONDS:	Floating Rate Bonds will bear interest at a rate on such basis as may be agreed between the Issuer and Issuing House(s) as is specified in the Applicable Pricing Supplement and will be calculated on such basis as may be specified in the Applicable Pricing Supplement.
INDEX-LINKED BONDS:	The Issuer may offer Bonds which provide for payments of principal or premium or interest which are linked to a currency, securities exchange or commodities exchange index or other indices as stated in the Applicable Pricing Supplement. Specific provisions regarding the manner in which such payments are to be calculated and made will be provided in the Applicable Pricing Supplement.

ZERO COUPON BONDS:	Zero Coupon Bonds may be issued at a discount to par and will not bear interest other than in the case of default interest for late payment as prescribed in the relevant supplement.
OTHER BONDS:	High interest Bonds, low interest Bonds, step-up Bonds, step-down Bonds, dual currency Bonds, covered Bonds and any other type of Bonds which the Issuer and the Issuing Houses may agree to issue under the Programme, subject to compliance with all applicable laws, regulations and directives, as set out in the Applicable Pricing Supplement.
SPONSOR'S RATING:	BBB (GCR), BBB (DataPro).
BOND RATINGS:	The Bonds issued under this Programme will be rated by one or more ratings agencies at the instance of the Issuer, Ratings assigned to each Series of Bonds will be stated in the Applicable Pricing Supplement.
EVENTS OF DEFAULT:	The events of default under the Bonds are as specified within the Trust Deed and the relevant Series Trust Deed(s). The Trustees shall notify the SEC of such event(s) of default as required by the SEC Rules and Regulations.
EARLY REDEMPTION:	Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement and then only subject to any applicable legal or regulatory limitations.
REDEMPTION:	Bonds may be redeemable at par or at such other redemption amount as may be specified in the Applicable Pricing Supplement.
TENOR OF BONDS:	Bonds may be issued with such maturities as may be agreed with the Issuer and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency.
TAXATION:	Under current legislation in Nigeria, the tax consequences of an investment in the Bonds to be issued under the Programme are quite broad and extensive. These include exemption from Companies Income Tax, Value Added Tax and Personal Income Tax respectively, by virtue of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011, the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order, 2011 (the VAT Order), the Personal Income Tax (Amendment) Act 2011. These exemptions became effective from 2 January 2012 and are for a period of 10 years, save for the exemption in the Person Income Tax

	<p>(Amendment) Act, applicable to individuals, which will be in force in perpetuity. Accordingly, income and interest earned from the Bonds will be exempted from Companies Income Tax and personal income tax. Furthermore, the proceeds from the disposal of the Bonds are exempt from VAT imposed under the provisions of the VAT Act for the period of exemption.</p> <p>The Issuer will not be required by law to withhold tax on Coupon payments to Holders. However, in relation to Bonds with a maturity date later than 2 January 2022 issued to Holders taxable under the Companies Income Tax Act, the Issuer may be required by law, to withhold tax on Coupon payments to Bondholders who are corporate entities (except the relevant exemption order are extended). Withholding tax implications in respect of the Coupon payments on the Bonds to Holders who are corporate entities for the period after 2 January 2022 will be stated in the applicable Pricing Supplement.</p> <p>The Bonds are not exempt from VAT payable on commissions on trade transactions on any stock exchange. Accordingly, commissions payable to the SEC, FMDQ Exchange, NSE and the CSD/CSCS shall be subject to VAT.</p>
APPLICABLE PRICING SUPPLEMENT:	The final terms of each Series will be provided in a pricing supplement.
BOND RATING:	The Bonds issued under this Programme will be rated by at least one rating agency duly registered with or recognized by the SEC and the credit rating stated in the applicable Pricing Supplement. Such rating shall be reviewed annually in accordance with the SEC Rules.
LISTING:	Each Series of the Bonds will be listed on the FMDQ and/or the NSE, and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer, the Sponsor and Issuing Houses and specified in the applicable Pricing Supplement.
OTHER CONDITIONS:	Terms applicable to each Series as specified in the Applicable Pricing Supplement other than those specifically contemplated under this Shelf Prospectus which the Issuer and the Issuing Houses may agree to issue under the Programme subject to compliance with all applicable laws and regulations.
GOVERNING LAW:	The Transaction Documents will be governed by the laws of the Federal Republic of Nigeria.

12. TERMS AND CONDITIONS OF THE PROGRAMME

The following is the text of the terms and conditions of the Bonds which subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are attached to the applicable Series Trust Deed, and Supplementary Shelf Prospectus/Pricing Supplement (the “Final Terms”) and save for the italicised text will be deemed to be incorporated by reference into the Bonds issued under this Deed. Certain provisions of these Terms and Conditions of the Bonds (the “General Conditions”) are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed

The provisions of these General Conditions which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Bonds will be issued in individual Tranches which, together with other Tranches, may form a Series of Bonds. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these General Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these General Conditions; alternative or optional provisions of these General Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these General Conditions; and all provisions of these General Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these General Conditions as required to give effect to the terms of the relevant Final Terms.

Introduction

The Bonds are constituted by a trust deed dated 31st March, 2021 between Me Cure Industries Funding SPV Plc (the “Issuer”), Me Cure Industries Limited (the “Sponsor”), Cordros Trustees Limited (“Cordros Trustees”), GTL Trustees Limited (“GTL Trustees”) and STL Trustees Limited (“STL Trustees”) (the “Programme Trust Deed”). (Cordros Trustees, GTL Trustees and STL Trustees are collectively referred to as the “Trustees” which expression shall include all persons for the time being appointed as trustee or Trustees under the Programme Trust Deed).

Any Tranche or Series of Bonds which is to be created and issued pursuant to the Programme Trust Deed shall be constituted by, be subject to and have the benefit of a Series Trust Deed (the “Series Trust Deed”) between the Issuer, the Sponsor and the Trustees. The Issuer shall execute and deliver such Series Trust Deed to the Trustees containing such provisions (whether or not corresponding to any of the provisions contained in the Programme Trust Deed) as the Trustees may require. Each Series Trust Deed shall set out the form of the Tranche of Bonds to be so constituted thereby and may be accompanied by legal opinions (in form and substance satisfactory to the Trustees) or supporting authorisations/approvals as may be required by the Trustees.

The Holders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to it. The Programme Trust Deed and any Series Trust Deed are hereinafter collectively referred to as the “Trust Deed”. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the [Trustees], and at the specified offices of the Registrar.

These terms and conditions include summaries of, and are subject to the detailed provisions of the Programme Trust Deed and the Series Trust Deed. Except otherwise stated, words and expressions defined in the Programme Trust Deed shall bear the same meanings when used herein.

12.1. Currency, Form, Title and Denomination

12.1.1 Issue and Currency

The Bonds may be issued by the Issuer in Series or Tranches pursuant to the Programme Trust Deed. A Tranche of Bonds may, together with a further Tranche or Tranches, form a Series of Bonds issued, provided that the aggregate nominal amount of all Bonds Outstanding under the Programme at any one point in time does not exceed the Programme Limit. The Supplementary Shelf Prospectus/Pricing Supplement for each Tranche of Bonds is (to the extent relevant) incorporated herein for the purposes of those Bonds and supplements these General Conditions.

The Supplementary Shelf Prospectus/Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions, replace or modify these General Conditions for the purposes of those Bonds.

The Bonds shall be in registered form or as may be specified in the applicable Final Terms, in a specified currency and in specified denomination(s).

12.1.2 Form and Title

(i) Uncertificated Bonds

The Bonds shall be issued in dematerialised (book-entry) form and each Holder shall be issued an E-allotment Notification. Each Holder shall be entitled to deal in the same in accordance with CSD/CSCS procedures and guidelines.

The CSD/CSCS Statement of Account shall be conclusive and binding for all purposes save in the case of manifest error and such person stated in the CSD/CSCS Statement of Account shall be treated by the Issuer, the Trustees and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

(ii) Certificated Bonds

A Holder may elect to receive a Certificate covering the aggregate Principal Amount of his beneficial interest in the Bonds, PROVIDED THAT joint Holders shall be entitled to only one (1) Certificate in respect of the Bonds jointly held by it which Certificate shall be delivered to that one of the joint Holders whose name appears first in the Register and the delivery of a Certificate to one of such persons shall be deemed to be sufficient delivery to all.

Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register.

Title to the Bonds passes only by registration in the Register. The Holder of any Series will (except as otherwise required by law) be treated as its legal and beneficial owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder

(iii) Listing

A Tranche of Bonds may be listed on the NSE and/or the FMDQ or on such other or further financial exchange(s) as may be determined by the Issuer, subject to any applicable laws. The Supplementary Shelf Prospectus/Pricing Supplement will specify whether or not a Series

or Tranche of Bonds will be listed, on which financial exchange(s) they are to be listed (if applicable) and, if such Series or Tranche of Bonds are to be listed on The NSE, the relevant platform or sub-market of the NSE such Tranche of Bonds are to be listed.

(iv) Denomination

The aggregate nominal amount, specified currency and specified denomination of a Series or Tranche of Bonds will be specified in the Supplementary Shelf Prospectus/Pricing Supplement.

(v) Closed Periods

No Holder may require the transfer of the Bonds: (i) during the period of fifteen (15) days ending on the due date for redemption of, or payment of any Coupon or Instalment Amount in respect of that Bond; (ii) after any Bond has been called for redemption by the Issuer or a Holder pursuant to Condition 12.4 (Redemption, Purchase and Options); or (iii) following the issuance of default notice to the Issuer by the Trustees pursuant to Condition 12.8 (Events of Default).

12.2. Status of The Bonds

12.2.1 Status of the Senior Bonds

Unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Senior Bonds shall constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Senior Bonds in respect of principal and any Coupon thereon shall, save for such obligations as may be preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other secured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

12.2.2 Status of the Subordinated Bonds

Subordinated Bonds are direct, unsecured and subordinated obligations of the Issuer and rank pari passu and without any preference among themselves and at least pari passu with the claims of all holders of Subordinated Indebtedness.

In the event of the Winding-up of the Issuer, the claims of the Trustees and the Holders of Subordinated Bonds against the Issuer to payment of principal and Coupon in respect of the Subordinated Bonds will rank:

- (i) subordinated in right of payment to the payment of all Senior Indebtedness; and
- (ii) pari passu without any preference among themselves.

12.3. Covenants

For as long as any of the Bonds remains Outstanding (as defined in the Programme Trust Deed), the Issuer shall/undertakes to comply with the following covenants:

12.3.1 Indebtedness

Save as provided in the Programme Trust Deed, the Issuer, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), shall not incur any other indebtedness, other than the issue of bonds for the sole purpose of purchasing debt securities issued by, or the making of any loan to, the Sponsor and or investing in the Permitted Investments;

12.3.2 Restricted Payments

Save as provided in the Programme Trust Deed, the Issuer, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), shall not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if an Event of Default has occurred and is continuing.

12.3.3 No Consolidation or Merger

Save as provided in the Programme Trust Deed, the Issuer, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), shall not consolidate with or merge into any other Person (or enter into any transaction whose effect would be similar to that of a merger) or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets to any Person by one or more transactions or series of transactions (whether related or not).

12.3.4 Cessation of Business

Save as otherwise permitted in the Programme Trust Deed, the Issuer shall not cease to carry on its business as a full, effective and valid going concern. The Issuer shall not, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities). The Issuer shall not engage in any business or activities:

- (i) other than acquiring and holding the Notes and the Permitted Investments and any security in respect thereof, or purchasing debt securities issued by, or any future loans to the Sponsor or any other issue of notes as aforesaid and performing any act incidental to or necessary in connection with the foregoing; and
- (ii) not permitted under its memorandum and articles of association or relevant laws applicable to its continued corporate existence.

The Issuer shall procure that no material change that would have a Material Adverse Effect is made to the nature of its business from that carried on as at the date of the relevant Series Trust Deed or conduct its business in a manner that might jeopardize the Issuer's fulfillment of its obligations under the Trust Deed.

12.3.5 Trustees Not Obligated to Monitor Compliance

The Issuer shall furnish the Trustees annually, with a certificate on which the Trustees may rely to confirm the Issuer's compliance with the Conditions (including Conditions 12.3.2, 12.3.3 and 12.3.4). Notwithstanding this, the Trustees are not obliged to monitor compliance by the Issuer with the Conditions (including Conditions 12.3.2, 12.3.3 and 12.3.4).

12.3.6 Negative Pledge

For as long as any of the senior and unsecured Bonds remains Outstanding (as defined in the Programme Trust Deed), the Issuer shall not create any Security Interest upon the whole or any part of its present or future undertaking, business, assets or revenues to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustees in their absolute discretion shall deem not to be materially less beneficial to the Holders. Provided that the restrictions in this Condition (12.3.6) will not apply to Permitted Indebtedness.

12.4. Redemption, Purchase and Options

A Series or Tranche of Bonds will be redeemed on the Maturity Date in accordance with Condition 12.4.1 (Scheduled Redemption). If "Redemption at the option of the Issuer (Call Option" is specified as applicable in the Supplementary Shelf Prospectus/Pricing Supplement, a Tranche of Bonds may, or upon the occurrence of an Event of Default as set out in Condition 12.8 (Events of Default) be redeemed prior to its Maturity Date in accordance with this Condition 12.4 (Redemption, Purchase and Options).

12.4.1 Scheduled Redemption

Unless previously redeemed or purchased and cancelled as specified below, the Bonds will be redeemed at the Final Redemption Amount on the Maturity Date subject to the provisions contained in Condition 12.5 (*Payments*).

12.4.2 Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 12.4, Bonds of a Series or Tranche that provide for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in respect of such Bonds. The outstanding nominal amount of such Bonds shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Bonds, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. The Registrar shall update the Register to reflect the amount outstanding within five (5) Business Days of the Instalment Date.
- (ii) "**Instalment Amount**" means the portion of the Principal Amount payable on a date specified in the applicable Final Terms (the "**Instalment Date**").
- (iii) Unless previously redeemed, purchased and cancelled as provided below, the Bonds shall be

finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in respect of the Bonds, is its nominal amount) or, in the case of Bonds falling within paragraph (i) above, its final Instalment Amount.

12.4.3 Early Redemption

The Early Redemption Amount payable in respect of Bonds of a Series (upon redemption of such Bonds pursuant to Condition 12.4.3 or upon it becoming due and payable as provided in Condition 8 (Events of Default), shall be the Final Redemption Amount unless otherwise specified in the Final Terms in respect of the Bonds.

12.4.4 Redemption at the Option of the Issuer (Call Option)

If the Issuer is specified in the Supplementary Shelf Prospectus/Pricing Supplement as having an option to redeem, the Bonds may, be redeemed at the option of the Issuer in whole or, if so specified in the Supplementary Shelf Prospectus/Pricing Supplement, in part, upon the Issuer, having given:

- (i) not less than thirty (30) and not more than sixty (60) days, or such other period as specified in the Supplementary Shelf Prospectus/Pricing Supplement, notice to the Holders in accordance with Condition 12.13 (Notices); and
- (ii) not less than seven (7) days before giving the notice referred to above, to redeem all or some of the Bonds then Outstanding on the Optional Redemption Date(s) (Call) and at the Optional Redemption Amount(s) (Call) specified in, or determined in the manner specified in, the Supplementary Shelf Prospectus/Pricing Supplement together, if appropriate, with Coupon accrued up to (but excluding) the Optional Redemption Date(s) (Call).
- (iii) Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Maximum Redemption Amount, both as specified in the Supplementary Shelf Prospectus/Pricing Supplement, if applicable. In the case of a partial redemption of Bonds, the Bonds to be redeemed (Redeemable Bonds) will be selected individually by lot; and in each such case not more than thirty (30) days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date).

A list of the serial numbers of the individual Certificates will be published in accordance with Condition 12.13 (Notices) not less than ten (10) days prior to the date fixed for redemption.

Holders of Redeemable Bonds shall surrender the individual Certificates, together with Receipts and Coupon (if any) relating to the Bonds in accordance with the provisions of the notice given to it by the Issuer. Where only a portion of the Bonds represented by such Certificates, Receipts and Coupon (as applicable) are redeemed, the Registrar shall deliver new individual Certificates, Receipts and Coupon (as applicable) to such Holders in respect of the balance of the Bonds.

12.4.5 Redemption for Taxation Reasons

If so specified in the Supplementary Shelf Prospectus/Pricing Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part,

- (i) at any time (if neither the Floating Rate Bonds provisions nor the Indexed Bonds provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

- (ii) on any Coupon Payment Date (if the Floating Rate Bonds Provisions or the Indexed Bonds provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable and are applicable at the time of redemption); or
- (iii) on giving not less than thirty (30) nor more than sixty (60) days' notice to the Holders (which notice shall be irrevocable) at its Early Redemption Amount together with the Coupon accrued to the date fixed for redemption, if:
 - a. the Issuer satisfies the Trustees and the SEC immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax (other than the expiry of the Companies Income Tax Act 2004 exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 ("CIT Order") in relation to Bonds with a maturity date later than January 2, 2022), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and
 - b. such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustees and the SEC a certificate signed by two (2) Directors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

Provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Bonds may be redeemed at any time, ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (ii) where the Bonds may be redeemed only on a Coupon Payment Date, sixty (60) days prior to the Coupon Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

12.5. Payments

- 12.5.1 Only Holders named in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (the "Record Date") shall be entitled to payment of amounts due and payable in respect of Bonds.
- 12.5.2 Payments of an Instalment Amount (where applicable), the Principal Amount, Periodic Distribution, final Instalment Amount and Coupon (where applicable) will be made in the relevant currency and by credit/electronic funds transfer to the specified bank account of the

Holder. Provided however that the Issuer shall withhold amounts due to a Holder until a bank account is specified in writing by the Holder and the Holder shall not be entitled to any further Coupon, return or other payment in respect of any such delay. Coupon or returns on Bonds due will be paid to the Holder shown on the Register of Bonds of a Series at the close of business on the Record Date. The Holder shall be the only person entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of each amount so paid.

- 12.5.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of a Force Majeure Event or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque of any such amounts made payable to the relevant Holder. Such payments by cheque shall be sent by registered post to the address of the Holder of registered Bonds as set forth in the Register or, in the case of joint Holders of Registered Bonds, the address set forth in the Register of that one of it who is first named in the Register in respect of that Bond. Payment by electronic transfer to the Holder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Bonds. Cheques may be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Holders for the purposes of all cheques posted in terms of this Condition 12.5.3 (Payments).
- 12.5.4 If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Holder thereof shall not be entitled to payment of the amount due until the following Business Day unless the day falls in the next calendar month, in which case the due date will be the immediately preceding day that is a Business Day, and the Holder shall not be entitled to any further Coupon, return or other payment in respect of any such delay. For the purpose of this Condition, "Business Day" means any day, other than a Saturday, Sunday or a Federal Government declared public holiday, on which banks are open for business in the Federal Republic of Nigeria and in the case of transfer to or from an account held by a non-resident Investor, in the place where such bank account is maintained.
- 12.5.5 All payments of all amounts (whether in respect of Principal Amount, Coupon or otherwise) due and payable in respect of any Bonds shall be made by the Trustees or the Registrars (if so instructed by the Trustees) from the Sinking Fund or Payment Account (as applicable) on behalf of the Issuer.
- 12.5.6 Interpretation of the Principal Amount:
- (i) Any reference in the General Conditions to the Principal Amount in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to the Principal Amount under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Programme Trust Deed:
 - a. the Final Redemption Amount of the Bonds;
 - b. the Early Redemption Amount of the Bonds;
 - c. the Optional Redemption Amount(s) (if any) of the Bonds;
 - d. in relation to Bonds redeemable in instalments, the Instalment Amounts; and

- e. any premium and any other amounts (other than Coupon) which may be payable by the Issuer under or in respect of the Bonds.

12.6. Transfer of Bonds

12.6.1 Transfer of Bonds

All Bonds issued pursuant to the Programme Trust Deed shall be transferable subject to the provisions for registration of transfers contained therein.

Any Person becoming entitled to registered Bonds in consequence of the death or liquidation of the Holder of such Bonds may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 12.6 (Transfer of Bonds) or of his title as the Issuer shall require, be registered himself as the Holder of such Bonds or, subject to any procedure/requirements the Issuer shall require and the provisions on transfer, may transfer such Bonds.

The Register shall be maintained at the offices of the Registrar and the Registrar shall provide for the registration of any Bonds with respect to each Tranche or Series of Bonds or its transfer under such reasonable regulations as the Registrar with the approval of the Issuer and the Trustees may prescribe.

The Register shall reflect the number of registered Bonds issued and Outstanding, the date upon which each of the Holders was registered as such. The Register shall contain the name, address, and bank account details of the Holders of the registered Bonds. The Register shall set out the Nominal Amount of the Bonds issued to such Holders and shall show the date of such issue. The Register shall be open for inspection during the normal business hours of the Registrar to any Holder or any person authorised in writing by any Holder.

Each Tranche or Series shall be registered in the applicable Register. Any transfer of Bonds represented by a Certificate shall be effective only to the extent that such transfer is registered in the Register, by the Holder or transferee thereof in person or by his attorney duly authorised in writing, upon presentation and surrender of the Certificate (if the Bonds are issued in physical form) together with a written instrument of transfer in a form satisfactory to the Registrar duly executed by or on behalf of the registered Holder and the transferee by a duly authorised attorney. Upon surrender of the aforesaid documents to facilitate the registration of transfer of Bonds, the Registrar shall if the above stated conditions are met, register such transfer, and deliver a new Certificate (if any) to the transferee as appropriate.

The transfer of Bonds in dematerialised (book entry) form shall be regulated by the CSD/CSCS procedures and guidelines.

The Register shall be closed during such periods, not exceeding an aggregate of thirty (30) days in any year.

12.6.2 Prohibition on Stripping

Where so specified in the Supplementary Shelf Prospectus/Pricing Supplement, Bonds which shall be issued subject to the condition that the relevant Bonds (including rights to Instalment Amounts

and/or Coupon thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Bonds may not be stripped and transferred to various transferees at different times. Stripping of Bonds is otherwise permitted.

12.7. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be proscribed and become void unless made within six (6) years from the appropriate Relevant Date in respect of the Principal and Coupon.

As used in these General Conditions, "Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven (7) days after that on which notice is duly given to the Holders that such payment will be made.

12.8. Events of Default

Upon the happening of any of the following events ("Events of Default"), the Issuer shall forthwith notify all the Holders and the Trustees. The Trustees at their discretion may, or if so requested in writing by Holders of at least one-tenth in Principal Amount of the Bonds of the relevant Series then Outstanding, or if so directed by a Special Resolution of the Holders of the Bonds of the relevant Series, shall give written notice to the Issuer at its specified office, effective upon the date of receipt thereof by the Issuer, that an Event of Default has occurred and that the Bonds are immediately due and repayable, whereupon the Early Redemption Amount (if any) of the Bonds together with any accrued interest to the date of payment shall become immediately due and payable:

12.8.1 Non-Payment of Principal Amount: default is made in the payment on the due date of the Principal Amount in respect of the Bonds or on the Notes and such default continues for a period of ten (10) Business Days; or

12.8.2 Non-Payment of Coupon: default is made in the payment on the due date of Coupon in respect of the Bonds; and such default continues for a period of ten (10) Business Days. Provided that non-payment as a result of a technical or administrative error which is remedied within the aforementioned ten (10) Business Days shall not be deemed an Event of Default; or

12.8.3 Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations in the Bonds or the Programme Trust Deed which default is incapable of remedy, or is not remedied within thirty (30) days after written notice of such default shall have been given to the Issuer by the Trustees at their specified office; or

12.8.4 Cross-Default: (A) any other present or future indebtedness of the Issuer for or in respect of monies borrowed or raised becomes due and payable prior to its stated maturity by reason of any default on the part of the Issuer or the Sponsor, or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Sponsor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any monies borrowed or raised provided that the aggregate amount of the relevant Financial Indebtedness in respect of which one or more of

the events mentioned above in this paragraph (iv) have occurred and equals or exceeds [N10,000,000,000.00 (Ten Billion Naira)]; or

- 12.8.5 Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or commenced against a material part of the property, assets or revenues of the Issuer or Sponsor, where the value of such property, assets or revenue exceeds N10,000,000,000.00 (Ten Billion Naira), and such distress, attachment, execution or other legal process is not discharged or stayed within ninety (90) days; PROVIDED THAT for the purposes of this provision, "material" in relation to the Issuer or Sponsor shall mean 15% or more of the value of the property, assets or revenues of the Sponsor or Issuer indicated above or
- 12.8.6 Release of Sponsor:** if there shall be any release of the Sponsor from its obligations under this Deed, the Notes or any of the Programme Documents, other than in accordance with this Deed, including any release by operation of law, or any failure by the Sponsor to make payment when demanded by the Trustees in accordance with the Programme Documents; or
- 12.8.7 Event of Default under the Master Notes Subscription Agreement:** if there shall be an occurrence of an event of default under the Master Notes Subscription Agreement; or
- 12.8.8 Security Enforced:** any Security Interest present or future, created or assumed by the Issuer or Sponsor over a material part of the Issuer's property, assets or revenues, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- 12.8.9 Insolvency:** the Issuer or the Sponsor is, or is deemed by law or a Court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or Sponsor; or
- 12.8.10 Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Sponsor, or the Issuer or the Sponsor shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of Directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustees or by a Special Resolution of the Holders; or
- 12.8.11 Failure to take action:** any action, condition or thing (including the obtaining of any consent, license, approval or authorisation) now or hereafter necessary to enable the Issuer and/or the Sponsor to comply with its obligations under the Programme Trust Deed for the issuance of the Bonds is not taken, fulfilled or done, or any such consent, license, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer and/or the Sponsor being unable to perform any of its obligations in terms of the Bonds or the Programme for the issuance of the Bonds for a period of two (2) weeks after the date on which written notice of such failure, requiring same to be remedied shall have been given to the Issuer and/or the Sponsor by the Trustees.

12.8.12 Provided that if the failure is one which can be remedied but cannot be completely remedied within the two (2) weeks after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Issuer and/or the Sponsor has taken active steps within the two (2) weeks after such written notice has been given to remedy the failure and is diligently pursuing such remedy; or

12.8.13 **Material Adverse Effect:** Upon the occurrence of an event with a Material Adverse Effect; or

12.8.14 **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or the Sponsor.

12.9. Enforcement

12.9.1 The Trustees may, at any time, at their discretion and without notice institute such proceedings as they think fit to enforce its rights under the Trust Deed in respect of the Bonds of a relevant Series including the repayment of the Bonds at any time after the Bonds shall have become repayable under the terms of issue (including pursuant to Condition 12.8 (Events of Default), but shall not be bound to do so unless:

- a. they have been so requested in writing by the Holders of not less than one-tenth in principal amount of the outstanding Bonds of a relevant Series or has been so directed by a Special Resolution passed at a meeting of the Holders convened in accordance with clause 1.2 of Schedule 1 of this Deed; and
- b. they have been indemnified, prefunded and/or secured to its satisfaction.

12.9.2 No Holder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Trust Deed unless the Trustees having become bound so to proceed, fail so to do within fourteen (14) Business Days and the failure shall be continuing, in which case the Holder, shall have only such rights against the Issuer as those which the Trustees are entitled to exercise.

12.9.3 The Trustees or the Holders shall be entitled to all remedies available under the law for the recovery of amounts owing in respect of the Bonds or under the Trust Deed.

12.9.4 The Trustees shall also file a notice of any default and remedies being pursued with the SEC within ten (10) days of becoming aware of the occurrence of an Event of Default.

12.9.5 If the Floating Rate Bonds or Index Linked Coupon Bonds of any Series become immediately due and repayable under Condition 12.8 (Events of Default) the rate and/or amount of coupon payable in respect of it will be calculated by a calculation agent (where so specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement) (the "Calculation Agent") at the same intervals as if such Bonds had not become due and repayable, the first of which will commence on the expiry of the Coupon Period during which the Bonds of the relevant Series become so due and repayable mutatis mutandis in accordance with the provisions of Condition 12.10 (Coupon and Other Calculations) except that the rates of Coupon need not be published.

12.9.6 Upon the occurrence of an Event of Default, the Trustees shall at its discretion be entitled to liquidate the Sinking Fund or Payment Account and or Permitted Investments (where applicable) for the payment of the amounts outstanding on the Bonds, provided however that the Trustees shall only be obliged to distribute to the Holders up to the extent of such amounts as they realise from the Sinking Fund or Payment Account or disposal of the Permitted Investments and such amounts shall be applied to meet the obligations of the Issuer in accordance with the Programme Trust Deed and the applicable Series Trust Deed.

12.9.7 Upon the occurrence of an Event of Default under the Master Notes Subscription Agreement, the Trustees may be entitled to proceed directly against the Sponsor in respect of the resulting amount due and payable by the Sponsor under the Notes.

12.10. Coupon and Other Calculations

If the Supplementary Shelf Prospectus/Pricing Supplement so specifies, the Bonds of any Tranche will bear Coupon from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the Supplementary Shelf Prospectus/Pricing Supplement and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Supplementary Shelf Prospectus/Pricing Supplement. The Coupon payable on the Bonds of any Series or Tranche for a period other than a full Coupon Period shall be determined in accordance with the Supplementary Shelf Prospectus/Pricing Supplement.

12.10.1 Coupon on Fixed Rate Bonds

Coupon on Fixed Rate Bonds will be paid on the Coupon Payment Dates specified in the Supplementary Shelf Prospectus/Pricing Supplement.

(i) Accrual of Coupon

The Bonds shall bear Coupon from the Coupon Commencement Date at the Coupon Rate payable in arrears on each Coupon Payment Date, subject as provided in Condition 12.5 (Payments). Each Bond will cease to bear Coupon from the relevant Coupon Termination Date.

(ii) Fixed Coupon Amount

The Coupon Amount payable in respect of each Bonds for any Coupon Period shall be the relevant Fixed Coupon Amount and, if the Bonds are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(iii) Calculation of Coupon Amount

The amount of coupon payable in respect of each Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Coupon Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the specified currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the specified denomination of such Bond divided by the Calculation Amount, provided that:

- a. if an Initial Broken Amount is specified in the Supplementary Shelf Prospectus/Pricing

Supplement, then the first Coupon Amount shall equal the Initial Broken Amount specified in the Supplementary Shelf Prospectus/Pricing Supplement; and

- b. if a Final Broken Amount is specified in the Supplementary Shelf Prospectus/Pricing Supplement, then the final Coupon Amount shall equal the Final Broken Amount specified in the Supplementary Shelf Prospectus/Pricing Supplement.

12.10.2 Coupon on Floating Rate Bonds and Indexed Linked Coupon Bonds

(i) Accrual of Coupon

The Bonds shall bear Coupon from the Coupon Commencement Date on the outstanding nominal amount at the Coupon Rate payable in arrears on each Coupon Payment Day, subject as provided in Condition 12.5 (Payments). Each Bond will cease to bear Coupon from the Coupon Termination Date.

(ii) Floating Coupon Rate

The Floating Coupon Rate which is applicable to a Series or Tranche of Floating Rate Bonds for a Coupon Period will be determined in the manner specified in the relevant Supplementary Shelf Prospectus/Pricing Supplement.

(iii) Indexed Coupon

If the Indexed Coupon Bond provisions are specified in the Supplementary Shelf Prospectus/Pricing Supplement as being applicable, the Coupon Rate(s) applicable to the Bonds for each Coupon Period will be determined in accordance with the manner specified in the Supplementary Shelf Prospectus/Pricing Supplement.

(iv) Maximum and/or Minimum Coupon Rate

If the Supplementary Shelf Prospectus/Pricing Supplement specifies a Maximum Coupon Rate for any Coupon Period, then the Coupon Rate for such Coupon Period shall in no event be greater than such Maximum Coupon Rate and/or if it specifies a Minimum Coupon Rate for any Coupon Period, then the Coupon Rate for such Coupon Period shall in no event be less than such Minimum Coupon Rate.

(v) Determination of Floating Coupon Rate and Calculation of Coupon Amount

The Trustees, in the case of Floating Rate Bonds will, at or as soon as practicable after each time at which the Coupon Rate is to be determined in relation to each Coupon Period, procure the calculation of or calculate the Coupon Amount payable in respect of each Bonds for such Coupon Period. The Coupon Amount will be calculated by applying the Coupon Rate for such Coupon Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the specified currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the specified denomination of the relevant Bond divided by the Calculation Amount.

(vi) Calculation of Other Amounts

If the Supplementary Shelf Prospectus/Pricing Supplement specifies that any other amount is to be

calculated (by the Calculation Agent, if any), the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Supplementary Shelf Prospectus/Pricing Supplement.

(vii) Publication

The Calculation Agent, if any, will cause each Coupon Rate determined by it, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Trustees, any Exchange on which the relevant Floating Rate Bonds are for the time being listed, as soon as possible after its determination and in any event not later than the later of the day that is three (3) Business Days before the relevant Coupon Payment Date and the relevant Coupon Determination Date for that Coupon Period. Notice thereof shall also promptly be given to the Holders in accordance with Condition 12.12 (Notices).

Each Coupon Rate determined by the Calculation Agent, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) shall be made available to the Holders in respect of any unlisted Floating Rate Bonds promptly upon request.

The Calculation Agent will be entitled to recalculate any Coupon Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Coupon Period. Any such amendment will be promptly notified to the Issuer, the Trustees and to the Holders in accordance with Condition 12.12 (Notices) and, the relevant Exchange where the Tranche of Bonds is listed. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Coupon Amount but instead may publish only the Calculation Amount and Coupon Amount in respect of a Bond having the minimum Specified Denomination.

12.10.3 Coupon on Mixed Rate Bonds

The Coupon Rate payable from time to time on Mixed Rate Bonds shall be the Coupon Rate payable on any combination of Fixed Rate Bonds or Floating Rate Bonds, or Indexed Bonds for respective periods, each as specified in the Supplementary Shelf Prospectus/Pricing Supplement. During each such applicable period, the Coupon Rate on the Mixed Rate Bonds shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Bonds are Fixed Rate Bonds, Floating Rate Bonds or Zero-coupon Bonds, or Indexed Bonds, as the case may be.

12.10.4 Coupon on Partly Paid Bonds

In the case of Partly Paid Bonds, coupon will accrue on the paid-up Nominal Amount of such Bonds and otherwise as specified in the Supplementary Shelf Prospectus/Pricing Supplement from the Coupon Commencement Date to the Coupon Termination Date.

12.10.5 Coupon on Instalment Bonds

In the case of Instalment Bonds, Coupon will accrue on the amount outstanding on the relevant Bonds from time to time and otherwise as specified in the Supplementary Shelf Prospectus/Pricing

Supplement from the Coupon Commencement Date to the Coupon Termination Date.

12.10.6 Coupon on Unpaid Amounts

Each Bond (or in the case of the redemption of part only of a Bond, that part only of such Bond) will cease to bear coupon (if any) from the Coupon Termination Date. If on the date of redemption and upon due presentation of the Bond, payment of principal is improperly withheld or refused, coupon shall accrue at the rate specified in the Supplementary Shelf Prospectus/Pricing Supplement from the date on which such amount is due and payable until the date on which all amounts due in respect of such Bonds have been paid.

12.10.7 Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the Month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

12.10.8 Margin, Maximum/Minimum Rates of Coupon, Instalment Amounts and Redemption Amounts Rate Multipliers and Rounding

- (i) If any Margin or Rate Multiplier is specified in respect of the Bonds (either (i) generally, or (ii) in relation to one or more Coupon Accrual Periods), an adjustment shall be made to all Rates of Coupon, in the case of (i), or the Rates of Coupon for the specified Coupon Accrual Periods, in the case of (ii), calculated in accordance with Condition 12.10.4 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Coupon, Instalment Amount or Redemption Amount is specified in respect of the Bonds, then any Rate of Coupon, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified): (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up); (ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender, in the country of such currency).

12.10.9 Calculations

The Coupon payable in respect of any Bonds for any Coupon Accrual Period shall be calculated by

multiplying the product of the Rate of Coupon and the calculation amount as specified in the applicable Supplementary Shelf Prospectus/Pricing Supplement (“the Calculation Amount”) by the Day Count Fraction for such Coupon Accrual Period, unless a Coupon Amount (or formula for its calculation) is specified in respect of such Coupon Accrual Period, in which case the Coupon Amount payable per Calculation Amount in respect of such Bonds for such Coupon Accrual Period shall equal such Coupon Amount (or be calculated in accordance with such formula). Where any Coupon Period comprises two or more Coupon Accrual Periods, the Coupon Amount payable per Calculation Amount in respect of such Coupon Period shall be the sum of the Coupon Amount payable in respect of each of those Coupon Accrual Periods. In respect of any other period for which Coupon is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which Coupon is required to be calculated.

“Day Count Fraction” means, in respect of the calculation of an amount of Coupon on Bonds of a Series for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Coupon Period or latest Accrual Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual-ICMA” is specified in respect of the Bonds, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bonds Basis” is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “30/360” is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if “Actual/Actual” is specified in respect of the Bonds:
 - a. if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period

falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Coupon Accrual Period” means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Period Date and each successive period beginning on (and including) a Coupon Period Date and ending on (but excluding) the next succeeding Coupon Period Date.

“Coupon Amount” means

- (i) in respect of a Coupon Accrual Period, the amount of Coupon payable per Calculation Amount for that Coupon Accrual Period and which, in the case of Fixed Rate Bonds, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Coupon Payment Date ending the Coupon Period of which such Coupon Accrual Period forms part; and
- (ii) in respect of any other period, the amount of Coupon payable per Calculation Amount for that period.

“Coupon Determination Date” means, with respect to a Rate of Coupon and Coupon Accrual Period, the date specified as such in respect of the Bonds.

“Coupon Period Date” means each Coupon Payment Date unless otherwise specified in the Supplementary Shelf Prospectus/Pricing Supplement.

12.11. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and/or Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12.12. Notices

12.12.1 Notices to the Holders

All notices to the Holders will be valid if mailed to them at their respective addresses (including electronic email addresses) of record in the relevant register of Bonds of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the SEC Rules and the rules and regulations of any securities exchange or other

relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given in the case of a notice of meeting at the expiration of seven (7) days after the mail containing same is posted and in any other case at the expiration of five (5) days following the date on which the notice was posted 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. Where a notice is served personally or sent by courier, it shall be deemed to have been duly given or made at the time of actual receipt. Where a notice is sent by electronic mail transmission, it shall be deemed to be duly given or made upon receipt of an electronic mail from the recipient, confirming that the said notice has been duly received or upon receipt of an electronic mail confirming that the said electronic mail has been read by the recipient provided that in the case of any electronic mail transmission sent after 4.30 pm, it shall be deemed to have been duly received on the next Business Day.

A meeting of the Holders may be called by giving not less than twenty-eight (28) days' notice in writing if consent is accorded thereto by Holders holding not less than seventy-five per cent (75%) of the nominal amount of the Bonds for the time being outstanding.

12.12.1 Notices from the Holders

Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relevant Certificate (if any), with the Registrar.

Any change of name or address on the part of the Holder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly.

12.13. Meetings of Holders

The Programme Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by a Special Resolution of a modification of any of these General Conditions.

The quorum for any meeting convened to consider a Special Resolution shall be two (2) or more persons holding or representing by proxy in the aggregate not less than 75% of the Nominal Amount of the Bonds held by the applicable class for the time being outstanding.

Any Special Resolution duly passed shall be binding on Holders (whether or not they were present at the meeting at which such resolution was passed).

12.14. Governing Law

The provisions of these General Conditions and the Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria. The Issuer has agreed for the benefit of the Trustees and the Holders that the courts of Nigeria are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Trust Deed, the Bonds and/or the Coupons or any non-contractual obligation arising out of or in connection with it.

13. TAX CONSIDERATIONS

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

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

13.1. Taxation of Bondholders

Under Nigerian law, income accruing in, derived from, brought into, or received in Nigeria in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Interest shall be deemed to be derived from Nigeria if (a) there is a liability to payment of the interest by a Nigerian company or a company in Nigeria regardless of where or in what form the payment is made, or (b) the interest accrues to a foreign company or person from a Nigerian company or a company in Nigeria regardless of whichever way the interest may have accrued. Consequently, interest payments on the Bonds derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable rate of 10% (ten per cent.) or 7.5% (seven and a half per cent.) if the foreign company or person to whom the interest accrues is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly) and the Issuer would be required to withhold tax on such payments and remit same to the appropriate tax authorities.

However, under current legislation in Nigeria, the Bonds issued under the Programme are exempt from taxation in Nigeria. As such, all payments made to Bondholders shall be free and clear of Withholding, State and Federal Income with no deductions whatsoever being made at source. In addition, proceeds from the disposal of Bonds are exempt from taxation.

The Federal Government of Nigeria approved a waiver of taxes on all categories of bonds and short term Federal Government securities; including taxes prescribed pursuant to the CITA, PITA and VAT Act, with the aim of eliminating respective taxes payable on such investments; by virtue of the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011 ("CIT Order"), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("VAT Order") and the Personal Income Tax (Amendment) Act 2011 respectively. The CIT Order and VAT Order became effective on 2 January 2012 and are valid

for a period of ten (10) years from that date. The exemption under the Personal Income Tax (Amendment) Act 2011 is indefinite.

Accordingly, the Issuer may not be required to withhold tax on interest payments to the Holders and all payments payable under the Bonds will be paid without deduction or withholding for or on account of any income tax. However, where the maturity of any Bonds issued under the Programme exceeds 1 January 2022, the Issuer may be required by law to withhold tax on interest payments to the Holders that are corporate entities. The treatment of withholding of tax on the interest payments for Holders that are corporate entities for periods beyond 1 January 2022 will be stated in the relevant Pricing Supplement.

The proceeds from the disposal of the Bonds will be exempt from VAT imposed under the VAT Act in accordance with the VAT Order, effective from 2 January 2012 and valid for a period of ten (10) years from that date. Thus, VAT will not be payable upon a disposal of the Bonds during the subsistence of the Order. However, upon termination of the exemption period on 2 January 2022, the proceeds of the disposal of the Bonds still outstanding may be subject to VAT.

Bonds issued under the Programme are not exempt from VAT payable on commissions on stock exchange transactions. Accordingly, commissions payable to the SEC, FMDQ Exchange, NSE and the CSD/CSCS shall be subject to VAT.

14. MACROECONOMIC OVERVIEW - NIGERIA

A. GENERAL OVERVIEW

Inhabiting almost half of West Africa's population with about 207.1 million people (*Worldometer, November 16, 2020*) and a land area of approximately 923,773km² as at 2019, Nigeria is Africa's largest economy and most populous country. According to the National Bureau of Statistics, Nigeria's national statistical agency, the country's GDP as at 2019 stood at ₦145 trillion (\$448 billion), with a GDP per capita of ₦729,832 (\$2,230). Nigeria is comprised of 36 states and a Federal Capital Territory, Abuja; which is located in central Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: North-West, North-Central, North-East, South-East, South-South and South-West. There are currently 774 constitutionally recognized local government areas and area councils in Nigeria. With an abundance of resources, it is Africa's biggest oil exporter, and also has the largest natural gas reserves on the continent.

B. ECONOMY

Despite having the largest economy and population in Africa, the Nigerian economy is highly dependent on its Oil sector, as Oil receipts account for the majority of fiscal revenue, government earnings and exports in the country. Historically, oil revenues have accounted for about 70% of government revenues and 92% of FX income for the government making the economy largely vulnerable to the effects of oil price fluctuations in the global market. The weakening of the product price in many countries and emerging markets; buoyant oil production by the major national players as well as booming shale oil production as an alternative to crude oil have adversely affected the price of oil.

Following the recession in 2016, the Nigerian economy has continued to grow, albeit slower than expected as GDP grew by 2.55% y/y in Q4 2019 from 2.38% in Q4 2018, a far cry from the projected average yearly growth of 4.62% in the Economic Recovery Growth Plan of 2017 – 2020. The country's economy is broadly classified into Oil and Non-Oil sector, with the Non-Oil sector fairly diversified between Services; Agriculture; and Industries.

Gross Domestic Product (GDP)

Following the continuation of its slow growing pattern in 2019, the Nigerian economy contracted by 6.10% y/y in Q2 2020 as lower oil prices and production, and COVID-19 induced disruptions weighed down output. The non-oil sector was the core driver of the overall GDP, accounting for 90.3% of the -6.10% y/y decline, as compared with 9.7% accounted for by the non-oil sector. Across the Sectorial components, except for the Agriculture sector (+1.5% y/y) which grew during the quarter, the Industries (-12.05% y/y) and Services (-6.78% y/y) sectors declined.

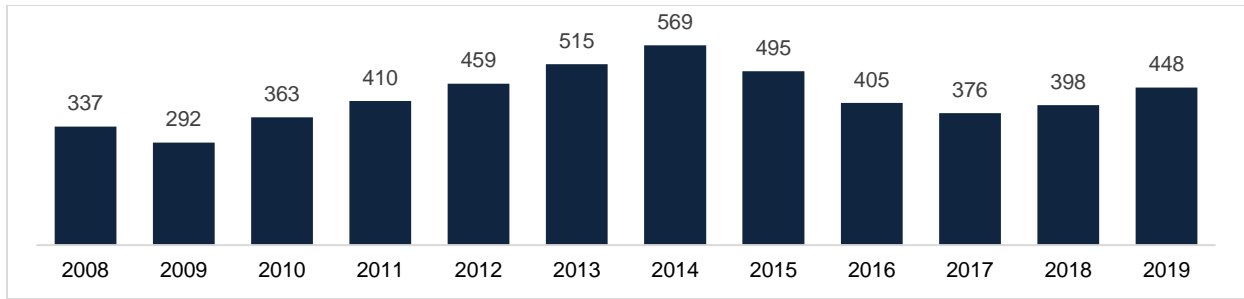


Figure 1: Nominal GDP (USD Billion)

Sources: National Bureau of Statistics, World Bank

Figure 1 above is a representation of the trend of Nigeria’s Nominal GDP for the last twelve (12) years, showing a movement of slow recovery which started in 2017, following a contraction in 2015 and the famous 2016 recession mainly caused by a crash in international crude oil prices. 2019 Nominal GDP (\$448 billion) is the largest in Africa, making Nigeria retain its position as the largest economy in Africa.

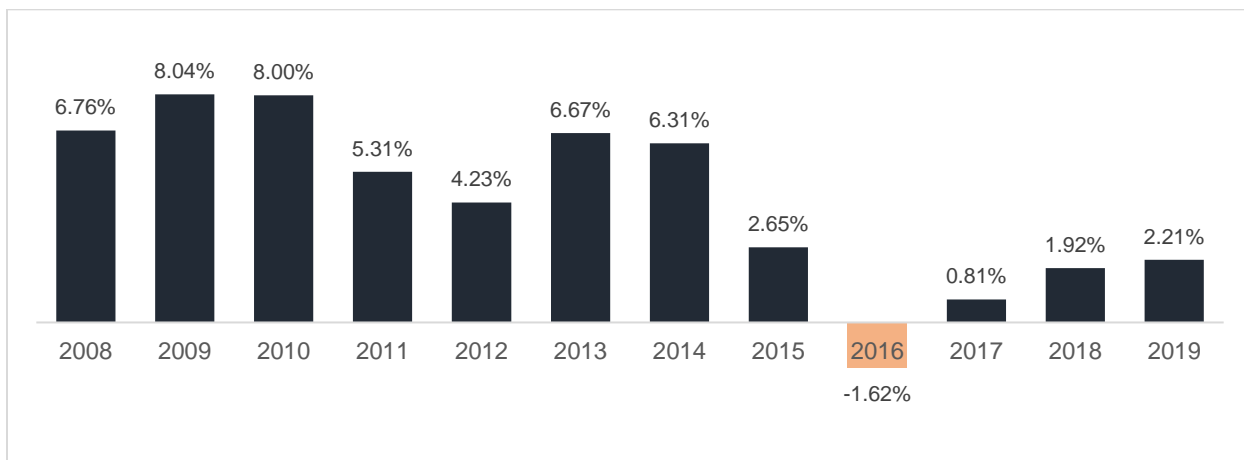


Figure 2: Real GDP Growth (%)

Sources: National Bureau of Statistics, World Bank

Figure 2 above shows the trend of real GDP growth in Nigeria in the last twelve (12) years. As evident from the table, growth rates have been steady since the 2016 recession, albeit significantly lower than the growth rate recorded between 2008 and 2014. The nosedive in the country’s economic growth, which started in 2015 when it dropped from 6.31% to 2.65%, was on the back of a number of supply factors including booming US oil production and shifting OPEC policies causing a crash in international oil prices which started from mid-2014, and spanned into Q3 2016 where it reached the lowest. That said, given the impact of lower oil prices and production, and COVID-19 induced disruptions, we do not expect the real GDP to expand in 2020.

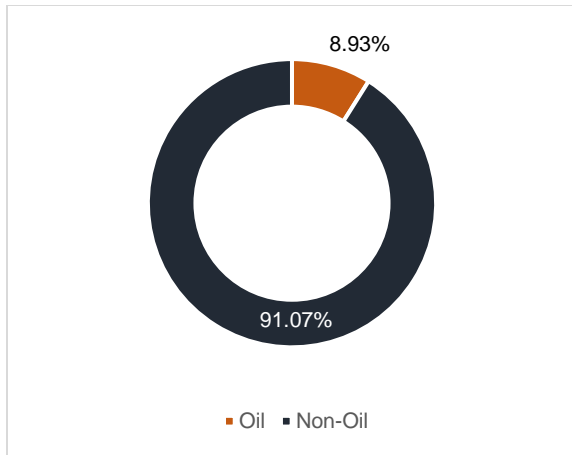


Figure 4: Oil & Non-Oil Contribution

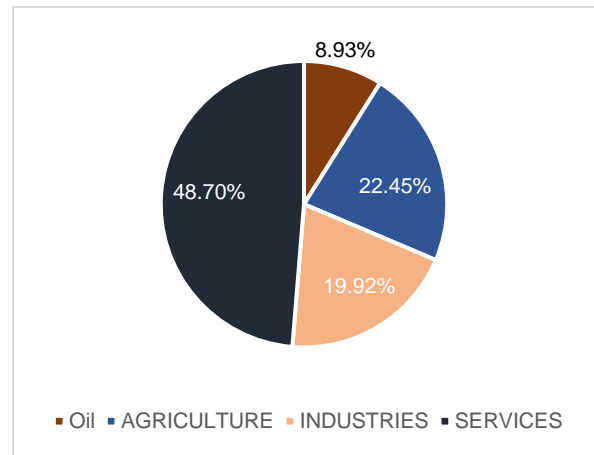


Figure 3: Sector Contribution

Sources: National Bureau of Statistics

According to the NBS, the Oil sector declined at a faster rate (-6.63%) than the Non-Oil sector (-6.05%) in Q2 2020, causing a slight disruption in the percentage contribution between the two sectors. The Non-Oil sector's contribution increased as it recorded higher percentage contribution of 91.07% in Q2 2020 (Q1 2020: 90.50%) while the Oil sector contributed 8.93% (Q1 2020: 9.50%) to GDP.

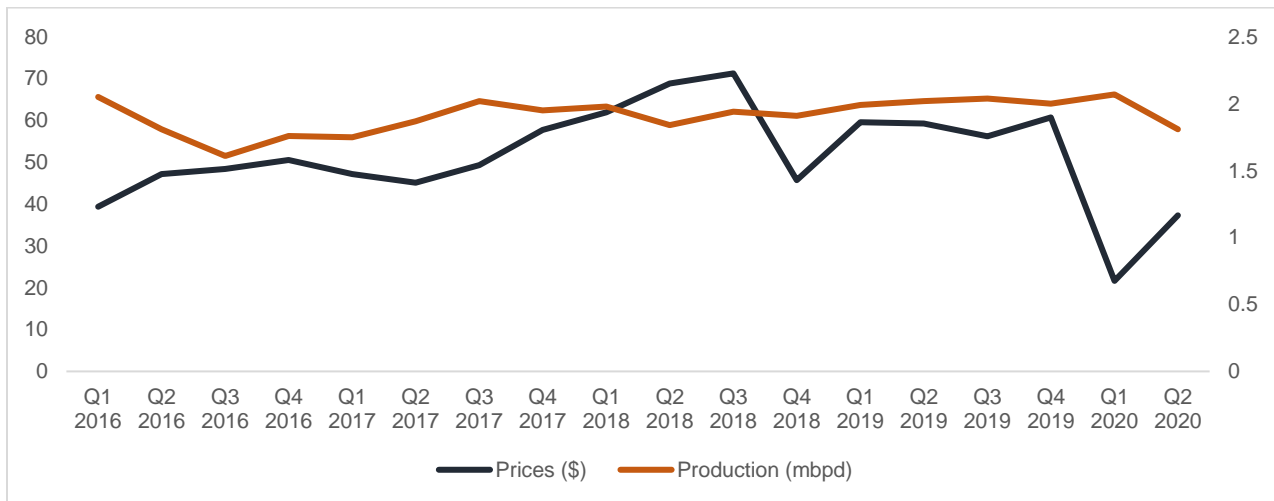


Figure 5: Oil Production & Oil Prices

Sources: National Bureau of Statistics

According to the NBS, the recorded decline of the Oil sector in Q2 2020 (-6.63%) follows a 7.17% decline in the average daily crude production of 1.81 million barrels per day (mbpd), compared to 2.02 mbpd recorded in the same quarter of 2019; and a drastic fall in oil prices caused by the oil price tussle and COVID-19 pandemic. The Non-Oil sector also recorded a decline of -6.05% growth in Q2 2020, dropping from 1.64% recorded in Q2 2019.

The overall economic performance recorded in Q2 2020 is a significant drop of 3.88% in growth

rate compared to Q2 2019 and 4.26% compared to the growth in Q1 2020, mirroring the huge effects of the COVID-19 disruption, particularly on the Oil economy.

Fiscal Terrain

The Nigerian fiscal terrain is largely characterized with a deficit arising from the excess of government expenditure over its revenue. According to the Central Bank of Nigeria (CBN), fiscal deficits in Nigeria grew from about ₦400 billion in 2015 to about ₦2.19 trillion in 2019. The fiscal deficit has been consistently widened by falling oil prices over the years. The fiscal deficit in respect of the COVID-19 induced revised 2020 budget is approximately ₦5.37 trillion.

Federally collected revenue in Nigeria is dependent on the Oil and Gas sector, making government spending vulnerable to oil price volatility and oil production. Given that government is the largest spender in the economy, the effect of the Oil and Gas sector on the economy is usually more pronounced than the sector’s contribution to GDP. According to the Budget Office, Gross Oil Revenue of ₦2,298.48 billion was collected in the first half of 2020 as against ₦1,516.68 billion prorated budget projection for the period. This reflects an increase of ₦781.80 billion (51.55%) over the 2020 half year budget estimate but ₦535.13 billion (18.89%) below the half year actual gross oil revenue recorded in 2019. A breakdown of the revenue by sub-head indicates that only Petroleum Profit and Gas Taxes of ₦1,057.36 billion, Royalties (Oil & Gas) of ₦618.48 billion and Miscellaneous (Pipeline fees etc.) of ₦5.18 billion surpassed their half year projections of ₦355.31 billion, ₦472.69 billion and ₦3.15 billion by ₦702.05 billion (197.59 percent), ₦145.79 billion (30.84 percent) and ₦2.04 billion (64.69 percent) respectively.

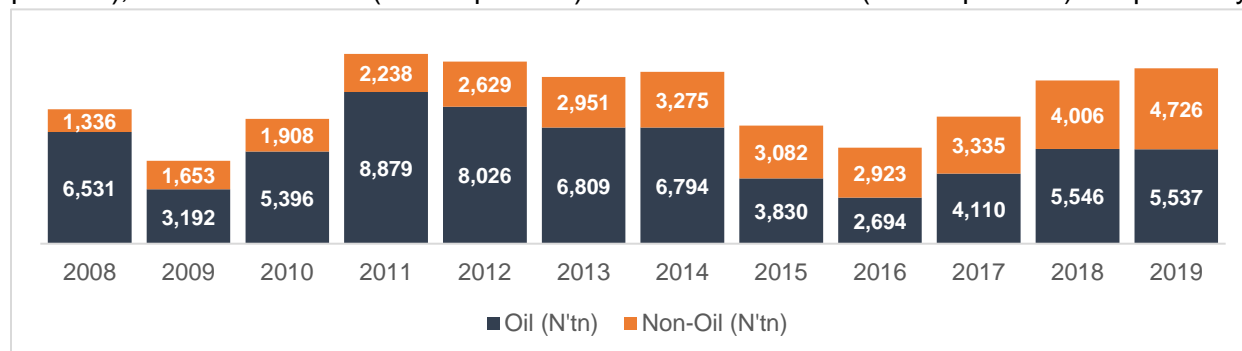


Figure 6: Composition of Federally Collected Revenue

Sources: Central Bank of Nigeria

The components of Nigeria’s Non-Oil revenue include Value Added Tax (VAT), Corporate Tax, Customs and Excise Duties and Other sources. According to the CBN, the biggest source of the country’s non-oil revenue is corporate tax.

(₦ Billion)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Gross Non-Oil Revenue	965.46	981.58	884.74	833.61	921.53
Value Added Tax (VAT)	311.94	275.12	308.48	324.58	327.20
Corporate Tax	442.38	487.90	360.53	284.03	387.52
Customs & Excise Duties	199.36	205.14	202.76	212.90	195.82
Others	11.78	13.43	12.97	12.10	10.99

Components of Gross Non-Oil Revenue

Sources: Budget Office of the Federation – Budget Implementation Report

Gross non-oil revenue of ₦921.53 billion was received in the second quarter of 2020 signifying a shortfall of ₦364.97 billion (28.37%) below the quarterly estimate of ₦1,286.50 billion. A further analysis of the non-oil revenue items showed that all the non-oil revenue items fell below their respective quarterly expectations. Value Added Tax of ₦327.20 billion, Company Income Tax of ₦387.52 billion, Customs & Excise Duties of ₦195.82 billion and Special Levies of ₦10.99 billion were below their quarterly estimates of ₦547.65 billion, ₦449.65 billion, ₦251.06 billion and ₦38.13 billion by ₦220.46 billion (40.26%), ₦62.13 billion (13.82%), ₦55.24 billion (22.0%) and ₦27.15 billion (71.19%) respectively.

Inflation

The Consumer Price Index (“CPI”) measures the average change in prices, over a period of time, of goods and services consumed by persons for day-to day living. This index is used to calculate the inflation rate for any given period. Inflation in Nigeria has seen a see-saw movement and a corresponding increase in inflation induced by a myriad of events including, exchange rate pressures on the back of significant dips in crude oil prices/ production, electricity tariff hikes, security issues driven by Boko Haram and Herdsmen crises, seasonality, etc.

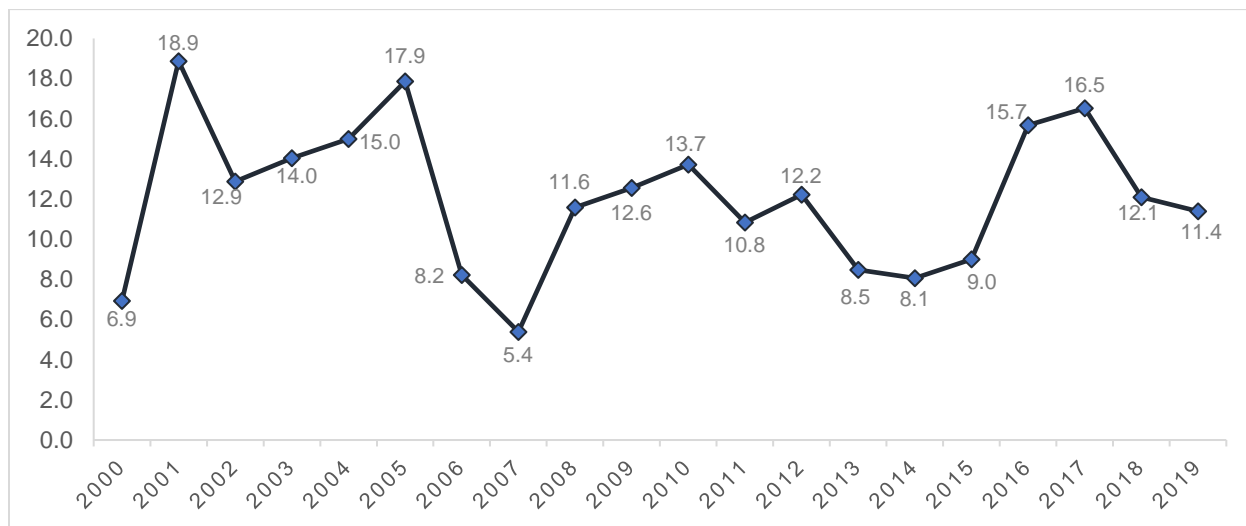


Figure 7: Nigeria Inflation Rate 2000-2020

Following the land border closure in August 2019, there has been an uptick in inflation. The inflation increase has been supported by COVID-19 induced price hike of food, increased energy prices and persistent insecurity in the Northern states. According to the NBS, the

Consumer Price Index (CPI) increased by 13.22% year-on-year in August 2020, 0.40% higher than the rate recorded in July 2020 (12.82%), this is in contrast to the CBN's inflation target of 6% - 8% thus representing the limitation of monetary policies in controlling fiscal induced repercussions.

The composite food index rose to 16.00% in August 2020, compared to 15.48% in July 2020. On month-on-month basis, the food index increased by 1.67% in August 2020, up by 0.15% from 1.52% recorded in July 2020. The rise in the food index was caused by increases in prices of Bread and cereals, Potatoes, Yam and other tubers, Meat, Fish, Fruits, Oils and fats, and Vegetables.

The core inflation, which excludes the prices of volatile agricultural produce, stood at 10.52% in August 2020, up by 0.42% when compared with 10.1% recorded in July 2020. On month-on-month basis, the core sub-index increased by 1.05% in August 2020. This was up by 0.30% when compared with 0.75% recorded in July 2020. The rise in core inflation in August was driven by recorded increase in prices of Passenger transport by air, Hospital services, Medical services, Pharmaceutical products, Maintenance, and Repair of personal transport equipment.

Interest Rates

According to a CBN Communique of the Monetary Policy Committee (the "Committee") Meeting of 22nd September, 2020, the Committee decided to reduce the Monetary Policy Rate ("MPR") from 12.50% to 11.50%. The decision of the MPC to reduce the MPR was informed by the impact of the Covid-19 pandemic on the economy, viz-a-viz; increased inflationary pressure, restrictions in international trade, decline in the manufacturing and non-manufacturing purchasing index which were attributable to slower growth in production, rate of unemployment, amongst others.

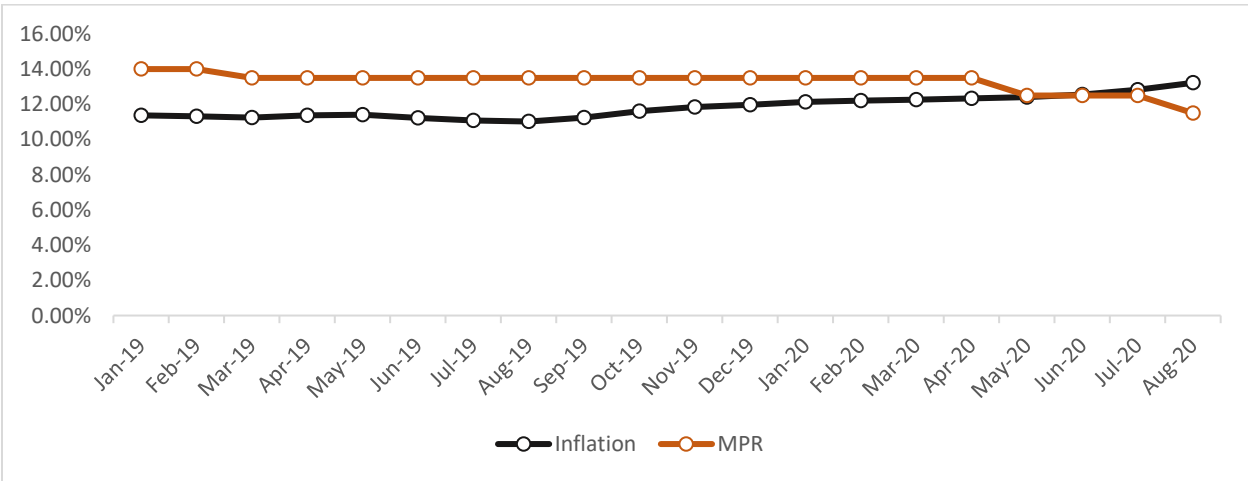


Figure 8: Monetary Policy Rate vs Inflation

Sources: Central Bank of Nigeria, National Bureau of Statistics

Managing inflation is one of the most important objectives of monetary policy. MPR in Nigeria has been over the rate of inflation since January 2019, until recently when the Committee cut the MPR to 11.5% from 12.5% in a bid to checkmate the damaging effect of the COVID-19

pandemic on the economy, leaving inflation rate (currently 13.22%) 1.7% above the interest rate in the economy.

Foreign Reserves

Nigeria’s gross foreign reserves witnessed a marginal decrease from US\$35.9 billion in July 2020 to about US\$35.6 billion as at August 2020. Oil exports from Nigeria account for the bulk of its foreign currency earnings. The country’s external reserve is derived primarily from proceeds and earnings from crude oil production and sale. A further analysis of Nigeria’s foreign reserves reveals a 12.2% drop in reserves balance between January 2020 and April 2020, when it reached its lowest in over a 12-month since the recession of 2016. The drop is attributable to the fall in international oil prices caused by COVID-19.

C. DEMOGRAPHICS

According to the World Bank, Nigeria’s population was estimated at 200.9 million in 2019, implying a 2.6% growth from 2018 numbers. Nigeria remains the most populous nation in Africa and accounts for about half of the West African population.

Nigeria has a relatively young population, with just 2.71% of the population aged 65 and above as at 2019. Specific breakdowns also reveal that 53.57% of the population are between the ages of 15 and 64, while the rest of the population are below 15 years.

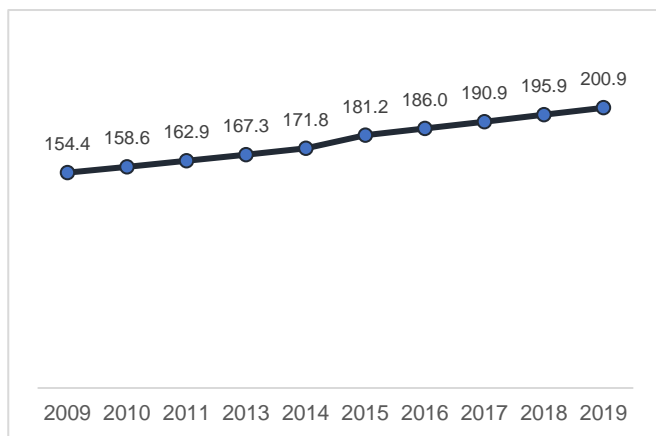


Figure 9: Nigeria’s Population in millions (2009 -2019)

Source: World Bank

Nigeria has some densely populated states, such as Lagos, Kano, and Kaduna, with the rest of the population unevenly distributed across the others.

According to the World Bank, Nigeria had an average population density of 215.1 people per square kilometer in 2018. Lagos State, Nigeria’s premier commercial and residential hub, reported the highest population among Nigerian states with c. 21 million people as at 2016. Other densely populated states are Kano, Kaduna, Katsina, Oyo and Rivers States.

Nigeria’s urban population has increased rapidly over the last 50 years. According to the UN World Urbanization Prospects Report (2018), Nigeria is expected - together with India and China - to collectively account for 35% of the growth in the world’s urban population between 2018 and 2050; with Nigeria projected to add 189 million urban dwellers over the period. The reported pace of urbanization in Nigeria is unprecedented, with cities such as Lagos reporting average annual urban growth rates of c.4%. According to the UNPD, Lagos is the fastest growing city in the world, with an increase of 77 people per hour – over 55,000 people monthly.

D. ECONOMIC REFORM POLICIES

An action plan to spur the Nigerian Economy post the 2016 recession, the Economic Recovery Growth Plan (“ERGP”), was released by the Nigerian government in March 2017 and is a medium-term comprehensive strategy spanning 2017-2020. The ERGP is being implemented to address supply-side constraints to economic growth including power, fuel, foreign exchange, technology and low-quality human capital. The vision of the 4-year plan is to generate sustained inclusive growth through structural economic transformation that allows for increasing productivity and sustainable diversification of production. The initiatives involved in the ERGP are hinged on three broad and strategic objectives namely; restoring growth, improving human capital and building a globally competitive economy. The target is to achieve a top 100 ranking in the World Bank’s Doing Business index by 2020 by investing in critical infrastructure and creating a more transparent business environment.

However, following the imminent expiry of the ERGP this year, the Nigerian Federal Government has expressed its intention to design a new national development plan to replace the ERGP. As is with the ERGP, the new development plan would be broken down into two 5-year medium-term plans, from which the annual budgets would be drawn.

E. POLITICAL LANDSCAPE

Nigeria held its national elections in 2019, for the sixth time since its return to democracy in 1999. The incumbent president, Muhammadu Buhari, on the platform of the All Progressive Congress (APC) won the elections and was sworn in for a second term on May 29, 2019. He has identified fighting corruption, increasing security, tackling unemployment, diversifying the economy, enhancing climate resilience, and boosting the living standards of Nigerians as main policy priorities his government seek to continue to pursue in his second term up till 2023. The administration has narrowed down its objectives in three broad areas of impact, with specific action points to achieve its electoral mandates;

Economic Impact

- Enhancing ease of doing business to achieve sustainable economic growth and development
- Reducing unemployment by creating jobs for Nigerians through agriculture and social investment programs like N-Power
- Investing heavily in infrastructure to induce the economy and ease living for citizens. The president particularly commits to identified three (3) key areas tagged as areas of “critical infrastructure”, including: Roads, Rail, Power, and Information Technology
- Providing a platform for small & medium enterprises which facilitates business and entrepreneurship

Anti-Corruption

- Curbing revenue leakages and create an effectual civil service
- Reforming the non-transparent and mismanaged oil sector by revamping the Nigerian National Petroleum Corporation (NNPC)

- Tightening leakages in key government ministries (Defense, Customs, Finance and Budget)

Security

- Prioritize restoring security to areas plagued with unrest
- Checkmating any possibility of unrest in the Niger Delta region via constant negotiations with militant groups.

15. PHARMACEUTICAL MANUFACTURING – INDUSTRY OVERVIEW

The pharmaceutical manufacturing industry is a part of the healthcare industry, involved mainly in the research, manufacturing and production of syrups, tablets, creams, ointments, powders and capsules for medical applications. The pharmaceutical manufacturing industry in Nigeria is highly fragmented with over 100 registered pharmaceutical manufacturers.

Many pharmaceutical manufacturing companies in Nigeria produce a range of pharmaceutical dosage forms cutting across various therapeutic classes such as analgesics, antimalarials, antibiotics, antiretrovirals, antacids, hematinic, vitamins and minerals, cough and cold remedies, anti-diarrhea, antihistamines anti-ulcer, antihypertensive, antidiabetics etc. However, majority of the pharmaceutical companies in the country engage in generic drug production, which involves the production of versions of brand-name drugs that are no longer under patent protection. This is consequent to the spate of high research and development costs associated with brand-name formulas. Generic pharmaceutical manufacturers typically produce drugs using the same Active Pharmaceutical Ingredient (API) as the original brand-name drugs but can sell at a lower price, as they do not incur product development costs. Consequently, players in the generic segment of the industry are faced with the challenges of heightened competition level and relatively lower profitability.

As a result of the dominance of generic drugs in the industry, which results in drugs having close substitutes, competition is primarily based on price and brand names. To improve margins, many pharmaceutical companies including Mecure Industries Limited have majored in branded generics, which involves producing a molecule copy of an off-patent brand-name product under a trade name and investing massively in marketing, thus attracting more customers and earning higher profits.



Figure 10: Pharmaceutical Manufacturing Industry Contribution to GDP

Throughout 2018 and early 2019, the contribution of the Pharmaceutical Manufacturing Industry to Nigeria's GDP averaged 0.22%. The industry's GDP contribution spiked the later part of 2019 before dipping to 0.25% in Q4 2019 (Q1 2020: 0.27%) (NBS). The spike in the industry's contribution in mid-2019 was largely due to relatively higher prices of pharmaceutical products sold in those periods, reflecting higher value of activities in the industry.

According to the United Nations Industrial Development Organization, imported pharmaceutical products (raw materials and finished goods) are estimated to control 75% of the local pharmaceutical market, with imports being sourced predominantly from India, China and the United States of America. The dominance of pharmaceutical imports is aggravated by the relative cheapness of imported drugs (particularly substandard drugs), existing low pharmaceutical expertise, low capacity utilization, unavailability of raw materials locally, high production costs as a result of the high cost of inputs, high research and development costs, poor infrastructure and the capital-intensive nature of the Industry.

A. Industry Drivers

Government Policies & Regulatory Activities

Government Policies, sector spending plans and public regulations are all critical factors that have telling effects on the activities of players in Nigeria's healthcare sector. The major driving factor for Nigeria's pharmaceutical industry is Nigerian government's endeavors to crack down on counterfeit drugs, reduce medical tourism out of the country, in addition to achieving an ambitious goal of relaunching the National HIV Vaccine Plan (*hivresearch.org*).

Infrastructural Investments

A sound system of public health infrastructure has great effects on the pharmaceutical industry as it drives performance and efficiency. Public health infrastructure provides communities, states, and the Nation the capacity to prevent disease, promote health, and prepare for and respond to both acute threats and existing chronic challenges to health. The provision of social infrastructures such as steady electricity, by the government, together with trained and motivated scientific workforce are also critical in improving the capacity utilization in the pharmaceutical industry.

Technology

Generally, the pharmaceutical industry and the health care sector have been enhanced by the use of technology overtime. Accelerated research and development, enhanced drug efficiency tracking system, enhanced anti-fake measures, digitalized record keeping, access to health-monitoring mobile apps, etc. have helped to reduce error rate and enhance drug production process. The use of artificial intelligence can help drug scientists filter through vast reams of this data to find how patients are really being impacted by the pharmaceutical products they are using.

Population

Activities in the healthcare sector are constantly driven by changes in a country's population and demography. For Nigeria, increased activities in the pharmaceuticals manufacturing industry is required to match the demand arising from the growing population. The rate of expansion of the ageing population in a country is also a key demand driver for medical services, especially pharmaceutical products.

B. Industry Challenges

The pharmaceutical industry in Nigeria is confronted with various difficulties challenging the business environment and limiting the efforts of operators to maximize the full potentials readily available in this important health sub-sector in the Nigerian economy. The following are some of the important challenges affecting the industry;

Huge Capital Outlay

The maximization of the vast potential of the pharmaceutical manufacturing industries is hinged upon huge capital outlay to drive research & development and drug innovation. The lack of effective research & development in Nigeria due to poor research support from the government and by private companies themselves has been a significant challenge facing the industry.

Brain Drain

The massive reduction in the number of pharmaceutical majors and experts in Nigeria caused by continuous emigration has led to a decline in the availability of quality labour force in the industry. Pharmaceuticals practitioners have blamed the mass exit on poor working conditions in the country as only about 4% (four percent) of Nigeria's budget is allocated to health – while the annual healthcare threshold per person in the United States is \$10,000, in Nigeria it is just \$6. These various factors have an indirect impact on the quality of medical services and pharmaceutical produce in the country.

Infrastructural Deficiencies

As much as health and social infrastructures are critical to the development of the healthcare sector and pharmaceutical industry, Nigeria's reality, considering its population, is quite far from acceptable standards. The state of unstable power supply, poor road networks and unsophisticated IT infrastructures pose huge challenge to pharmaceutical manufacturers as they result in higher lead time for products, delaying movement in the value chain. Industry operators have also been forced to spend a lot of money on alternative sources of power such as generators, solar energies and inverters, each of which costs a lot of money to maintain, and consequently aggravate the cost of production.

Foreign Exchange Fluctuations

Fluctuations in the value of Naira tend to lead to higher costs of imported equipment used in the production of pharmaceutical products. According to the United Nations Industrial Development Organization, imported pharmaceutical products (raw materials and finished goods) are estimated to account for about 75% of the local pharmaceutical market, exposing industry players to price risks and affecting profitability.

16. RISK FACTORS

This section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Bonds. The risks in this section are provided as general information only. Before making any investment decision, prospective investors should refer to, and carefully consider the risks described below and the information contained elsewhere in this Shelf Prospectus, which may describe additional risks associated with the Bonds.

The Issuer disclaims any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus or as such risks may change from time to time. Prospective Investors should consult their own financial and legal advisers about the risks associated with an investment in the Bonds.

An investment in the Bonds is subject to significant risks. Investors should carefully consider all of the information in this Shelf Prospectus and, in particular, the risks described below before deciding to invest in the Bonds. The following describe some of the significant risks that could affect the Sponsor's business and the value of the Bonds. Additionally, some risks may be unknown to the Sponsor and/or the Issuer and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially and adversely affect our business, financial condition, results of operations and prospects, which in turn could have a material adverse effect on our ability to pay all or part of the interest or principal on the Bonds.

The risks described below are not the only ones that may affect us or the Bonds and should be used as guidance only.

Given that the Sponsor is the operating company that will ultimately service the repayments of the Bonds, any reference to 'our' under this section is a reference to the Sponsor.

16.1 COUNTRY RISK

i. Economic risk

The Nigerian economy is largely dependent on oil production and is directly affected by fluctuations in the global prices of oil. Oil prices are unpredictable over the medium to long term and are determined by various factors outside our control. The impact of volatile oil prices on the Nigerian economy was evident in lowered external revenues and foreign reserves in the past few years of sub \$50 oil price. Growth in the economy in recent quarters has been significantly less than in previous years, while inflation hits double digits. While the outlook for growth remains positive, any long-term shift away from fossil fuels, including from developed economies seeking to develop alternative sources of energy, could adversely affect oil prices and demand and the resulting in the decline in oil revenue of Nigeria and the Nigerian economy in general. Damage to the Nigerian economy as a result of the downturn in the oil industry, may harm would adversely affect our customers and increase fuel running costs, which may have a material adverse effect on our business, results of operations, financial conditions and/or prospects.

ii. Security risk

Terrorism and militant activity remain problematic in parts of Nigeria, where a range of terrorist and militant groups with differing goals operate. The Boko Haram sect, a terrorist

group based primarily in north-eastern Nigeria, initially became active in 2009 and increasingly received international attention for the number and frequency of attacks against the Nigerian people. These incessant attacks led to the declaration of a state of emergency by the government on May 14, 2013 in the states affected by the Boko Haram conflict and the deployment of troops to those states. However, the state of emergency declared has since lapsed and the Nigerian military has recorded some success in containing the threat of the Boko Haram in recent times.

In addition to the instability caused by Boko Haram, there have also been attacks by Fulani herdsmen in various states in the country such as Abia, Enugu, Benue and Adamawa resulting in the death of hundreds including women and children.

There is also the rising threat of secession with some groups in the South East of Nigeria clamouring for secession to form their own nation called 'Biafra'. These groups are the 'Movement for the Actualization of the Sovereign State of Biafra' (MASSOB) and the 'Indigenous People of Biafra' (IPOB).

Additionally, in the past, there have been occurrences of violence, oil theft, and civil disturbance in the Niger Delta, Nigeria's southern oil-producing region, mainly from militant groups who attack oil installations, among other things, in protest against the Government and the allocation of oil revenue among the regions of the country. Such acts have mainly been directed at oil interests in the region, and oil production from onshore fields has slowed as a result, materially and adversely affecting the Federal Government's revenues from oil production. The Nigerian National Petroleum Corporation recently expressed its concern over the incidence of pipeline vandalism across the country. There can be no assurance that such unrest will abate or not escalate. In the South-Western part of Nigeria, the Western Nigeria Security Network code-named Operation Amotekun was established in January 2020 by the governors of the South Western states of Nigeria (i.e. Lagos, Oyo, Ogun, Ondo, Osun and Ekiti States) to assist police officials and other security agencies and traditional rulers in combating terrorism, banditry, armed robbery and kidnapping. Furthermore, the group aims to resolve herdsmen and farmer-related conflicts in the region.

Unless resolved by the government, these conflicts and security may adversely affect Nigeria's political and economic stability which may, in turn, further affect our business, financial condition and results of operations.

iii. Emerging markets risk

Emerging markets such as Nigeria are subject to greater risks than more developed markets, and financial turmoil in any emerging market could cause the price of the Securities to decrease. Specific risk associated with investing in Nigeria that may have a material adverse effect on our business, financial condition, results of operations and prospects include, but are not limited to, the following:

- higher volatility and less liquidity in respect of the Bonds;
- greater political risk, and changes in, and instability of, the political and economic environment;
- civil strife, terrorism and insurrection;
- government interventions, including expropriation or nationalisation of assets;
- potential adverse or unforeseen changes in laws and regulatory practices, including import and export license requirements and restrictions, tariffs, legal structures and tax laws;
- medical pandemics or disease outbreaks (such as the occurrence and spread of the Coronavirus) and famine
- difficulties in staffing and managing operations;
- lack of well-developed legal systems, which could make it difficult for us to enforce contractual rights and intellectual property;

- security and safety of employees;
- adverse currency fluctuations;
- introduction of tariffs or subsidies;
- uncertainty in government policies and actions, including lack of predictability in the application of tax laws and selective tax audits;
- stricter exchange control;
- consequences of corrupt practices on the economy;
- logistical and communications challenges; and
- changes in labor conditions.

Changes in investment policies or shifts in the prevailing political climate in Nigeria could result in the introduction of increased government regulation with respect to, among other things:

- price controls;
- export and import controls;
- income and other taxes;
- environmental and planning legislation;
- customs and immigration;
- corruption, anti-money laundering and combating the financing of terrorism;
- foreign exchange and currency controls and convergence of import and export rates, and CBN rates affecting operating costs; and
- labour and welfare benefit policies

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in and are familiar with investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Nigeria. Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Nigeria and adversely affect the Nigerian economy. In addition, during such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Any of the aforementioned risks could have a material adverse effect on our business, financial condition and results of operations

iv. Political Risk

Nigeria has experienced varying degrees of political instability in the past. Ongoing and future conflicts, including armed conflicts, and politics-related conflicts in Nigeria

Any adverse significant changes in the political climate in Nigeria, including changes affecting the stability of the government or involving a rejection, reversal or significant modification of policies, favoring the privatization of state-owned enterprises, reforms in the power, banking and oil and gas sectors or other reforms, may have negative effects on the economy, government revenues or foreign reserves and, as a result, a material adverse effect on our

business, results of operations, financial condition, cash flows, liquidity and/or prospects and ability to meet our debt obligations.

v. *Inefficiencies in the judicial system may create an uncertain environment for investment and business activity.*

Nigerian law is predicated on the common law system, with its roots being derived from the English legal system. Still in its growing phase, the Nigerian legal system continues to undergo development and faces a number of challenges including delays in the judicial process as most cases take a considerable period of time to be concluded. However, recent years have witnessed considerable reform of the judiciary, especially in Lagos State (the commercial center of Nigeria and where we are headquartered), with the setting up of commercial courts, the appointments of more commercially minded judges and the introduction of new rules to cut down on delays in the judicial process. In addition, the Federal government has made the National Industrial Court a superior court of record. The National Industrial Court has exclusive jurisdiction amongst others, in civil cases and matters relating to labor, employment, trade unions, industrial relations, terms of service, and matters arising in relation to the workplace. Despite reforms, the slow judicial process may sometimes affect the enforceability of judgments obtained. Those and other factors that have an impact on Nigeria's legal system make an investment in the Bonds subject to the aforementioned risks.

vi. *Structural Risks*

a. *The Issuer*

The Issuer is a special purpose vehicle with no business other than issuing Bonds and purchasing corresponding Intercompany Notes issued by the Sponsor. The Issuer has no assets other than such Intercompany Notes. The ability of the Issuer to repay the Bonds will be limited to the ability of the Sponsor to repay the Intercompany Notes and so, investors are relying solely on the creditworthiness of the Sponsor.

b. *The market price of the Bonds may be volatile*

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in our operating results and those of our competitors, adverse business developments, changes to the regulatory environment in which we operate, changes in financial estimates by securities analysts, the actual or anticipated sale of a large number of Bonds or other securities and other factors.

c. *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Bonds. Such ratings may not reflect the potential impact of all risks related to our company, the market in which it operates, the other risks discussed herein and other factors that may affect the value of the Bonds.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. We cannot give any assurance that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment,

circumstances so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Bonds by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Bonds.

d. *Legal Investment considerations may restrict certain investments*

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are a legal investment for it, (ii) the Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions may apply to its purchase or pledge of any Bonds.

vii. *Market Risks*

a. *Liquidity risk for the Bonds*

While the listing of the bonds on the NSE and/ or on any other approved exchange increases the possibility of trading activity, there may not be very active two-way quote trading in the Bonds once issued. The liquidity of the Bonds may be somewhat limited, and investors may not be able to trade the Bonds actively. Although, there are a number of initiatives aimed at developing the debt capital market, and creating a liquid and a vibrant bonds market, the impact of these initiatives on the trading of the Bonds cannot be assessed at this time.

b. *Changes in interest rates may affect the price of the Bonds*

When securities such as bonds are offered with a fixed interest rate, such securities are subject to price fluctuations. As such, securities may vary inversely with changes in prevailing interest rates. That is, where interest rates rise, prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing Coupon, 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 Bonds.

The Bonds may, in the event of a change in market conditions which result in an adverse change in interest rates, be unattractive to investors; with the prevailing rates being more attractive than the Coupon on the issued Bonds.

c. *Foreign currency risk*

Aspects of our operational activities may involve foreign currency either in terms of the cost of manpower, importation of raw materials or other foreign currency denominated elements. Accordingly, we are subject to fluctuations in the rates of currency exchange between the Naira and other currencies, and such fluctuations or any further depreciation of the Naira may materially affect our business, prospects, financial condition and results of operations.

17. THE ISSUER

17.1 Introduction

The Issuer was incorporated on the 6th of October 2020 as a public limited company under the name of Mecure Industries Financing SPV Plc. The Issuer carries on business at Plot 6, Block H, Debo Industrial Compound (Oshodi, Lagos). The authorized share capital of the Company is ₦1,000,000 (One Million Naira) divided into 1,000,000 ordinary shares of ₦1.00 each.

The SPV was established to borrow or raise money from the Nigerian capital markets, or other international markets, either by way of a standalone issue or by the establishment of programmes. The issue hinges on amounts as may from time to time be determined by the Board of Directors of the Company to issue bonds, notes, shares, or other debt, equity, derivatives, debt linked, equity linked, credit linked, currency-linked, inflation-linked, index-linked, commodity-linked, bond replicas, asset backed and/or hybrid securities, whether convertible, redeemable, senior, secured, Secured, subordinated, preferred and/or other types of structured notes, securities and instruments, within such maturity periods following the approval of relevant regulatory authorities.

The current shareholding structure of the Issuer is:

Name	Shareholding	Percentage (%)
Mecure Industries Limited	999,999	99.99990
Anderline Dukur	1	0.00010

17.2 Directors and Secretary

Name	Address
Samir Udani (Director)	A1, Pearl Estate, Adekunle Odulami Crescent, Ilupeju, Lagos
Arjun Udani (Director)	A1, Pearl Estate, Adekunle Odulami Crescent, Ilupeju, Lagos
Banwo & Ighodalo (Company Secretary)	48, Awolowo Road, South West Ikoyi, Lagos

17.3 Director's Interests

Samir Udani and Arjun Udani hold an indirect interest in the Issuer through their respective 20% holdings in the Sponsor.

17.4 Profiles of The Directors and Secretary

Samir Udani – Directors

Samir Udani started his career as a medical representative at Theraped Laboratories in 1979. He holds a B.Sc. in Chemistry and Physics from Mumbai University, India as well as B.Sc. (Tech) in Food Science from the University Institute of Chemical Technology, India. Samir Udani with over 35 years industry experience won numerous awards such as Business Man of the

Year Healthcare, Nigeria in 2009. He founded Mecure and oversees the Group's businesses.

Arjun Udani – Director

Arjun has over 12 years industry experience in the pharmaceutical industry. He was the General Manager, Renaissance Life Science, Mumbai. He holds a B.sc, Business Management, Mumbai University, India and a degree in Advanced Project Management, Stanford University, California. Arjun Udani is the lead, Mecure Healthcare, HealthDekho and Smart Buy.

Banwo & Ighodalo - Company Secretary

Banwo & Ighodalo (“B&I”) is ranked as a leading Nigerian law firm in the areas of Capital Markets, Securities, Mergers & Acquisitions; Corporate Finance & Restructuring, Project Finance and Foreign Investment & Divestments and one of the top five law firms in Shipping, Aviation & International Trade, Energy & Natural Resources and Intellectual Property. B&I also has a tested and dependable track record in Commercial Litigation. B&I provides company secretarial and legal advisory services to a number of companies in Nigeria, including publicly listed companies.

17.5 Employees

The Issuer has no employees.

17.6 Indebtedness

The Issuer has not incurred any debt, other than that which it shall incur in relation to the Transaction contemplated herein.

17.7 Material Contracts

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts

17.8 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.

17.9 Financial Information

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

17.10 Litigation

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

proceedings are pending or threatened.

18. THE SPONSOR – MECURE INDUSTRIES LIMITED

18.1 History and overview

Mecure Industries Limited was incorporated on 16 March 2005 as a private limited liability company. The Company is principally in the business of manufacturing drugs (tablets, capsules and syrups) in Nigeria under two (2) categories namely Pharmaceuticals and Nutraceuticals. The Pharmaceuticals segment comprises of forty-one (41) drugs such as Ebu 200 & 400 (ibuprofen tablets), Laclox (an ampiclox formulation), Lamox (an amoxicillin formulation) and Lampicin (an ampicillin formulation), used in treating different ailments.

The Nutraceuticals segment consist of 100 products including multivitamins and dietary supplements, the majority of which are imported from Youthberry (an American supplement manufacturing company). While the Nutraceuticals segment is largely a trading line, the Company produces its Pharmaceuticals drugs (predominantly branded generics) with support from its research and development team at its factory at Debo Industries Compound, Oshodi, Lagos State.

Mecure Industries Limited is a member of the Mecure Group and has four sister companies - Mecure Healthcare Limited (engaged in diagnostics), Mecure Infracore Limited, Mecure Smart Buy Limited and Mecure Wecare Limited. There exists significant cross-selling within the Mecure Group particularly between Mecure Healthcare Limited and Mecure Industries Limited, in which patients of the former are encouraged to patronize the drugs of the latter, thereby enhancing value chain in the group.

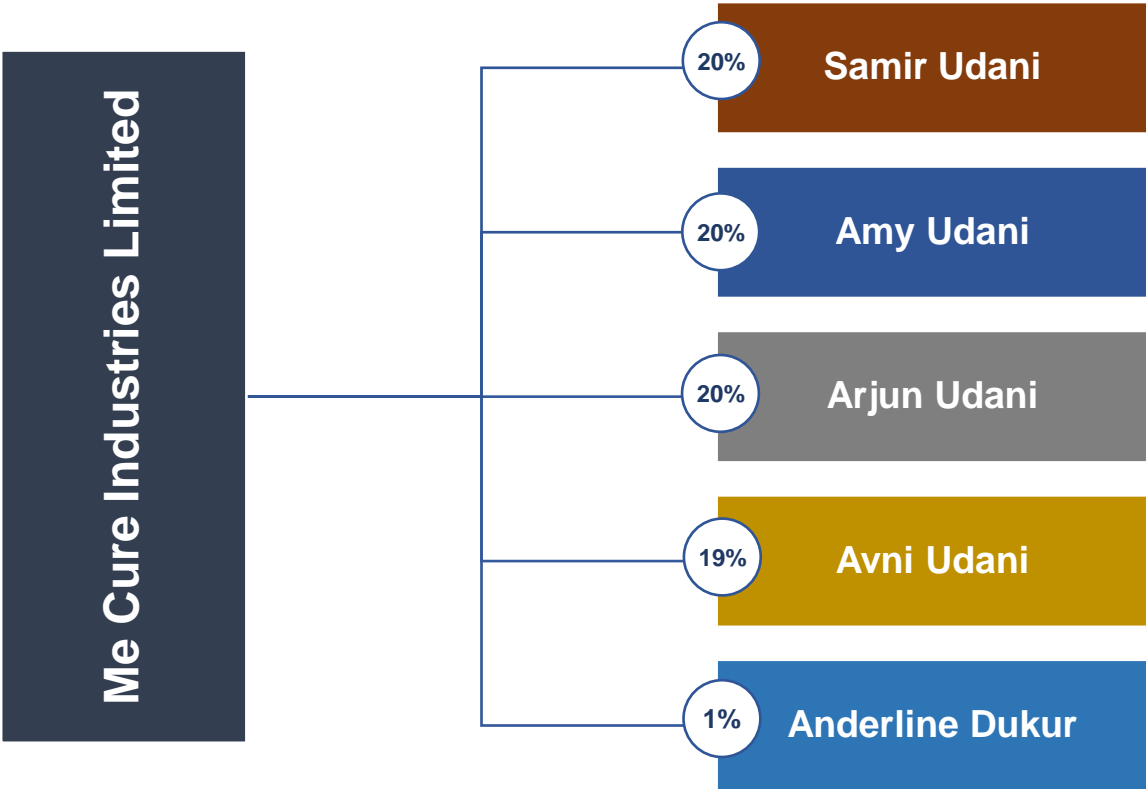
Mecure 's head office (where its production plant is sited) is located at Plot 6, Block H, Debo Industries Compound, Oshodi Apapa Expressway, Oshodi, Lagos State⁵. The Company owns two depots in Anambra and Kano States (due to wider customer acceptance and less competition in those markets) and a distribution network consisting of over 100 distributors that facilitate the circulation of the Company's products across Nigeria.

To further promote product distribution, the Company recently introduced mobile applications such as the Smart Pill and Smart Buy applications under its Direct2Retail strategy. These applications serve as online pharmacies that facilitate easy purchase and delivery of Mecure 's products to retail customers in urban cities.

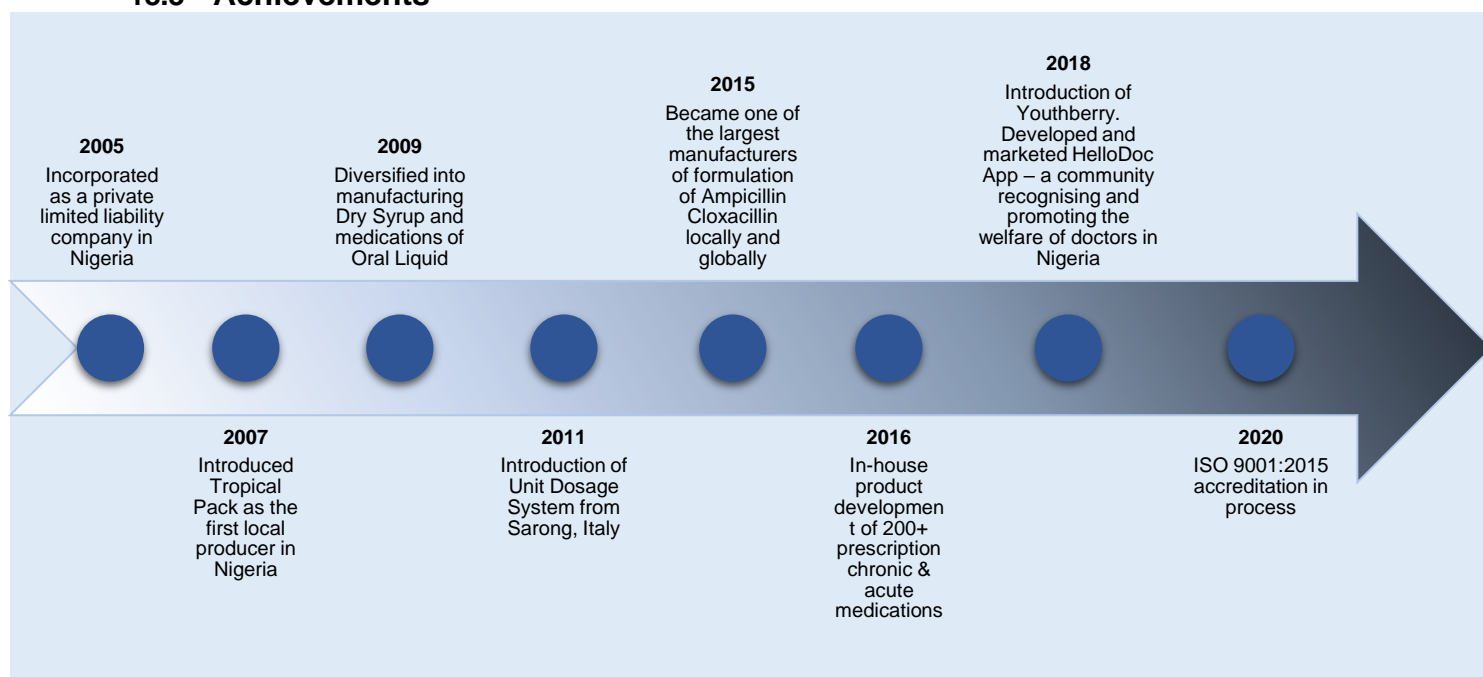
Mecure Industries Limited imports majority of its production inputs (particularly active and inactive pharmaceutical ingredients) from India and China. This is due to the limited availability of the required raw materials locally. The Company has a current installed production capacity of 3.13 billion tablets, 1.58 billion capsules and 30 million syrup bottles annually.

18.2 Shareholding structure

The shareholding structure of Mecure Industries Limited is represented below:



18.3 Achievements



18.4 Business segments

The Company is committed to increasing access to high quality healthcare for people across Nigeria, at every stage of life. The Company does this by developing, producing and marketing affordable generic drugs as well as innovative and specialty pharmaceuticals and nutraceuticals. The following are the classes of drugs the Company produces:

a) OTC Medicines

Mecure's OTC business provides branded products that are intended to prevent illness and promote well-being. These products are part of the increasing shift from treatment to prevention among consumers. This movement is a reflection of people living longer lives, while at the same time expecting continued high quality of life.

b) Branded Generics

Mecure's exceptional integration of generics enables the Company to generate a robust pipeline of high-value medicines, with an emphasis on branded generics. Its capabilities have expanded to include tablets, capsules, liquids.

c) Dietary Supplements

The Company's superior level of nutraceutical experience is its core competence. The Company use state-of-the-art manufacturing methods and technology to produce products that exceed expectations, and it leverages that experience to offer its customers the highest quality solutions.

18.5 CORPORATE GOVERNANCE AND BOARD OF DIRECTORS OF THE SPONSOR

Mecure's board structure comprise of the Chairman, two executive directors, two non-executive directors and two independent directors. The strength of its corporate governance structure is evidenced by the presence of independent board members and external Company auditors.

The Board formulates the broad policies and take decisions for the management and operations of the company with a view to attaining the company's objectives. Profile of the Board members are below.

Samir Udani – Chairman

Samir Udani started his career as a medical representative at Theraped Laboratories in 1979. He holds a B.Sc. in Chemistry and Physics from Mumbai University, India as well as B.Sc. (Tech) in Food Science from the University Institute of Chemical Technology, India. Samir Udani with over 35 years industry experience won numerous awards such as Business Man of the Year Healthcare, Nigeria in 2009. He founded Mecure and oversees the Group's businesses.

Avni Udani – Non- Executive Director

Avni Udani has over 15 years' experience in the pharmaceutical industry. She has a Diploma, Home Science from Mumbai University, India, a B.sc, in Economics and Politics from Mumbai University, India, and a Master degree, fine art from the Mumbai University, India. She is responsible for the oversees procurement activities of Mecure.

Arjun Udani – Non-Executive Director

Arjun has over 12 years industry experience in the pharmaceutical industry. He was the General Manager, Renaissance Life Science, Mumbai. He holds a B.sc, Business Management, Mumbai University, India and a degree in Advanced Project Management, Stanford University, California. Arjun Udani is the lead, Mecure Healthcare, Health Dekho and Smart Buy.

Anderline Dukur– Executive Director

Prior to Mecure, Mrs. Dukur was Regulatory Affairs Officer for Renaissance Pharmaceuticals. Mrs. Dukur spent more than 10 years in teaching hospitals and pharmacies, serving various positions from Medical Representative to leading efforts at National Youth Service Corps Program. In the course of her career Mrs. Dukur has taken up role as the Chief Pharmacist for an All-Day Pharmacy, Accidents & Emergency Pharmacy Department, In-patient Pharmacy, Special Wards for Cancers, HIV/AIDS Patients, Theatre Pharmacy and a Compounding Pharmacy. Mrs. Dukur holds a Masters in Clinical Pharmacy from University of Lagos, Nigeria, a Masters in Public Health from Lagos State University, College of Medicine, a Bachelors in Pharmacy from University of Nigeria. Mrs. Adrenaline Dukur, Director, Regulatory Affairs and Safety, joined Mecure in 2006 as Supt. Pharmacist, Regulatory Affairs.

Dr. Ajie Obi – Executive Director

Dr. Ajie Obi holds a B.Sc. Medicine & Surgery (MBBS) from University of Nigeria, Enugu Campus and a Masters in Pharmacology from University of Lagos. He previously worked as a lecturer in Lagos State Teaching Hospital (LUTH). He is currently the lead, Pharmacovigilance Officer, Mecure.

Ayotunde Owoigbe – Independent Director

Ayotunde has over 19 years legal experience. She holds an LLB, University of Lagos and she is also a member of the Nigerian Bar Association. She was immediate past Chairperson, Capital Market Solicitors Association and Partner Banwo & Ighodalo.

Chidi Okoro – Independent Director

Chidi Okoro has over 30 years' experience in sales and pharmaceuticals. He has previously worked with Emzor, GlaxoSmithKline, etc. He holds a B.Pharm Pharmacy, University of Nigeria, a Masters, IE Business School, and an MBA, Marketing, University of Lagos.

18.6 MANAGEMENT TEAM

The management team is responsible for implementing and executing the organization's objectives.

Profile of the management team members are below:

Samir Udani - Chief Executive Officer

Samir Udani started his career as a medical representative at Theraped Laboratories in 1979. He holds a B.Sc. in Chemistry and Physics from Mumbai University, India as well as B.Sc. (Tech) in Food Science from the University Institute of Chemical Technology, India. Samir Udani with over 35 years industry experience won numerous awards such as Business Man of the Year Healthcare, Nigeria in 2009. He founded Mecure and oversees the Group's businesses.

Anderline Dukur - Superintendent Pharmacist

Prior to Mecure, Mrs. Dukur was Regulatory Affairs Officer for Renaissance Pharmaceuticals. Mrs. Dukur spent more than 10 years in teaching hospitals and pharmacies, serving various positions from Medical Representative to leading efforts at National Youth Service Corps Program. During her career Mrs. Dukur has embraced her role as the Chief Pharmacist for an All-Day Pharmacy, Accidents & Emergency Pharmacy Department, In-patient Pharmacy, Special Wards for Cancers, HIV/AIDS Patients, Theatre Pharmacy and a Compounding Pharmacy. Mrs. Dukur holds a Masters in Clinical Pharmacy from University of Lagos, Nigeria, a Master's in Public Health from Lagos State University, College of Medicine, a Bachelors in Pharmacy from University of Nigeria. Mrs. Adrenaline Dukur, Director, Regulatory Affairs and Safety, joined Mecure in 2006 as Supt. Pharmacist, Regulatory Affairs.

Nitesh Gupta - Chief Operating Officer

Nitesh the former plant manager of Puma Pharmaceutical Limited has over 27 years of pharmaceutical manufacturing experience. His experience spans across: Pharmacy, Manufacturing, Business and Operations management, etc. He holds a B.Sc. and M.Sc. in Pharmaceutical sciences.

Aniruddh Goyal - Chief Financial Officer

Aniruddh is a Chartered accountant with over 16 years' experience across finance and audit. He was the former Chief Financial Officer, ABJ Developers Limited. He holds a B.Sc. in Commerce, M k Saboo College Pilani, Rajasthan University.

Bhanubhai J. Patel - Chief Quality Control Officer

Bhanubhai has over 44 years in quality control and assurance in the pharmaceutical industry. He was the former General Manager/ Assistant Technical Manager at Konark Research Foundation. He holds a B.Sc. in, Chemistry, South Gujarat University. He is also a member of the Indian Pharmaceutical Association.

Anaje Felix Emeka - Sales & Marketing

Anaje is an experienced Sales and Marketing professional. He holds a B.Sc. in Biochemistry from Nnamdi Azikiwe University and a Master's in Business Administration from Ladoko Akintola University. He joined Mecure in 2019 as a Business Development executive and was responsible for managing operations and revenue generation activities including Business Development and Sales Marketing. He is currently responsible for Sales and Marketing, Business Management, Operations Management and Relationship Management.

Oritsetimeyin Victor Grace - Head of Human Resources

Grace has over 5 years' experience in Human Resources. She is a member of the Chartered Institute of Personnel Management and a holder of B.Sc. in Accounting from Ambrose Alli University. She was a former Senior Human Resources Executive. She currently oversees the Human Resources division of Mecure.

Olanipekun Ijeoma - Quality Assurance Manager

Mrs. Ijeoma serves as manager of Quality Assurance, responsible for Mecure's full range of laboratory analysis, testing to ensure compliance and quality assurance across the organization. Prior to working for Mecure, Mrs. Ijeoma worked for several pharmaceutical companies and hospitals and was in charge of heading the microbiology department.

She has a Post-graduate Diploma in Microbiology and a Higher National Diploma from Lagos State University

Adil Sheikh - Chief Technology Officer

Adil has over twelve years' experience in leading design & development of large-scale software solutions. He has extensive hands-on experience at all levels of solution design & development across multiple technology stacks as well as a proven technical acumen and business analysis skills to define business objectives and project scope. He is responsible for infrastructure & efficient running of IT operations and the application of technology best practices to build scalable, enterprise level applications in pharmaceuticals & healthcare domain. Revamped several legacy systems and deployed multiple greenfield solutions to optimize business operations & maximize revenue.

He has a Bachelor's degree in Engineering from Mumbai University.

19. EXTRACT FROM THE SPONSOR'S RATING REPORTS



MeCure Industries Limited

2020 Corporate Rating

MECURE INDUSTRIES LIMITED

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

CORPORATE RATING REPORT

References

Abiodun Adesoyaju, FCA.
Abimbola Adesoyaju
Oladele Adeoye

EVALUATION

VALID TILL: April, 2021

Long-term Rating: **BBB**
Short term Rating **A2**
Previous Rating: **N/A**
Rating Outlook: **Stable**
Trend: **Up**
Currency: **Naira**

EXECUTIVE SUMMARY

	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Turnover	15,813,495	15,172,872	11,233,039	11,801,095	6,369,462
Pre Tax Profit	815,371	901,723	527,509	4,326,041	1,548,014
Equity	4,024,393	3,720,480	3,292,939	4,468,529	2,538,093
Fixed Asset	3,378,555	1,186,919	724,933	3,911,677	4,023,035
Total Asset	13,690,767	12,211,509	8,001,937	10,959,437	6,505,857
Long-term Debt	7,964,738	6,726,288	3,925,442	6,043,678	3,655,897

RATING EXPLANATION

The Short term rating of **A2** indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long term rating of **BBB** indicates *Slight Risk*. It shows fair financial strength, operating performance and business profile when compared to the standard established by DataPro. This company, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

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.

SUMMARY

- Rating

BBB

- Report Type:
Corporate
Rating

- Client:
MeCure
Industries
Limited

- Date Compiled
17-Apr-20

MeCure Industries Limited

Nigeria Corporate Analysis

March 2020

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	BBB _(NG)	Stable	March 2021
Short term	National	A3 _(NG)		

Financial data:

(USD'm comparative) *

	31/12/18	31/12/19
NUUSD (avg.)	305.6	306.4
NUUSD (close)	306.5	306.5
Total assets	33.4	39.1
Total debt	23.6	25.4
Total capital	5.7	7.6
Cash & equiv.	0.1	0.1
Turnover	49.6	51.6
EBITDA	11.1	12.1
NPAT	1.4	1.0
Op. cash flow	neg.	7.3

Market cap n/a

*Central Bank of Nigeria exchange rate.

Rating history:

Initial/first time rating (March 2020)

Issuer Long term: BBB_(NG)Issuer Short term: A3_(NG)

Rating Outlook: Stable

Related methodologies/research:

Global Master Criteria for Rating Corporate

Entities, updated February 2018;

Glossary of terminology, February 2018

GCR contacts:

Primary Analyst:

Samuel Popoola

Credit Analyst

samuel@gcratings.com

Committee Chairperson:

Dave King

Analyst location: Lagos, Nigeria

Tel: +234 1 904 9462-3

Website: www.globalratings.com.ng

Summary rating rationale

- MeCure Industries Limited ("MeCure", "MIL" or "the Company") is a well-entrenched Nigerian pharmaceutical manufacturer, whose modest but defensive market position is underpinned by growing capacity, as well as established supply chain and independent distribution networks.
- Product innovation and higher traded volumes supported strong revenue progression in most of the years under review, barring FY19, when factory remodelling curtailed growth. Management expects an average growth of 30% p.a. in the next two years supported by planned capacity expansion. However, FY20 performance could be constrained by the heightened economic uncertainty.
- Company margins continue to trend above the industry, with EBITDA having remained within the 20%-25% of revenue in the past three years despite some variability in volume. Although, the domestic industry mostly imports active pharmaceutical ingredients ("APIs"), MeCure is somewhat temporarily insulated against potential supply chain disruptions (given the stock-up of inventories of about four months) that could arise from foreign currency risks, imported inflation and the downstream contagion of the COVID-19 crisis on the economy. GCR Ratings ("GCR") will continue to monitor the evolving impact of the challenges highlighted.
- Retained cash flows have been volatile historically, mostly due to working capital pressures and more recently, investment in additional capacity. Although favourable creditor terms help MeCure to better manage liquidity, maintaining optimal stock levels still places significant pressure on the Company's operating cash flows.
- Consequently, MeCure evidences high net debt levels, which equated to 3.3x the Company's equity at FY19 (FY18: 4.2x). Although net debt to EBITDA has been moderately high, trending within the 1.4x-2.2x range, interest coverage has remained below 2.0x since FY17 due to high finance costs. These metrics currently constrain the credit risk profile.
- Management expects to achieve double digit interest coverage and plans to manage debt to EBITDA within the 0.5x-1.5x range over the rating horizon, on the back of improved cash generation, a capital injection and more competitively priced debt facilities. This could bode positively for the gearing assessment if MeCure can demonstrate a commitment to a more conservative funding profile.
- The Company's funding flexibility is also currently constrained by limited utilised credit lines, with 90% of debt maturing within 12 months. Liquidity pressure could emanate from the escalation of dollar-denominated obligation (c.60% of debt) due to Naira depreciation. The Company is planning to list a N5.5bn bond programme to be used to refinance existing expensive loans.

Factors that could trigger a rating action may include

Positive change: Sustained profitability, enhancement of the credit protection metrics, and a successful debt restructuring could bode positively for the ratings.

Negative change: Significant underperformance relative to earnings which further constrains debt service and earnings based leverage would be negatively viewed.

20. REPORTING ACCOUNTANT'S REPORT



26 October 2020

The Managing Director
Me Cure Industries Limited
Me Cure House
Plot 6, Block H
Apapa Oshodi Expressway
Lagos State, Nigeria

Dear Sir

Reporting Accountants' Report on the audited financial statements of Me Cure Industries Limited for the five years ended 31 December 2019 and half year ended 30 June 2020 in respect of its proposed Bond Issuance Programme

The financial statements for the periods ended 31 December 2015, 2016, 2017, 2018, 2019, and June 2020 were audited by Alexander Johnson and Co. (Chartered Accountants). The financial statements comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and a summary of significant accounting policies, and other explanatory notes.

We have reviewed the audited financial statements for the periods ended 31 December 2015 and 2016, which were prepared in accordance with Statement of Accounting Standards (SAS) issued by the Nigerian Accounting Standards Board (NASB); and the financial statements for the periods ended 31 December 2017, 2018, 2019, and 30 June 2020, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The auditors issued clean audit opinions in the review periods.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal controls as Management determines is necessary to enable the preparation of financial statements that are free from misstatements, whether due to fraud and error.

Our examination of the audited financial statements was conducted in accordance with the "International Standard on Review Engagements (ISRE) 2400 (Revised) – Engagements to Review Historical Financial Statements". This Standard requires that we plan and perform our examination to obtain moderate assurance that the audited financial statements are free from material misstatements. Such moderate assurance provides less assurance than an audit and does not require us to issue an audit opinion. Our examination was based on our review of the auditors' work papers, the evidence obtained, and the analytical procedures applied by the auditors in respect of financial data.

Based on our review and apart from other reclassifications and adjustments reflected in the Statement of Adjustments, nothing has come to our attention that causes us to believe that the financial statements for the periods ended 31 December 2017, 2018, 2019, and 30 June 2020 do not present fairly, in all material respects, the financial position, financial performance and cash flows of Me Cure Industries Limited, in accordance with the International Financial Reporting Standards.

We draw your attention to the financial statements for the years ended 31 December 2015 and 2016, which were prepared based on the Nigerian Generally Accepted Accounting Principles (NGAAP). For these periods, Me Cure Industries Limited did not adopt IFRS, which was mandatory for non-public interest entities in Nigeria. As a result, some balances and disclosures are not in conformity with the required framework (IFRS) in those periods. We are however unable to comment on the extent to which the balances and disclosures as at 31 December 2015 and 2016 differ from an IFRS compliant financial statement.

Please note that the Directors of Me Cure Industries Limited are responsible for the contents of the prospectus in which this report is included.

Yours faithfully
For: Deloitte & Touche



Temitope Odukoya
Partner
FRC/2012/ICAN/0000000422

Statement of Comprehensive Income

In thousands of Nigerian Naira	Notes	30 June	31 December	31 December	31 December	31 December	31 December
		2020	2019	2018	2017	2016	2015
		IFRS			NGAAP		
				[Restated]	[Restated]		
Revenue	4	8,653,783	15,813,495	15,172,872	11,233,039	11,801,095	6,369,462
Cost of sales	5	(5,903,046)	(10,653,590)	(10,194,910)	(7,876,256)	(6,559,470)	(3,951,125)
Gross profit		2,750,737	5,159,904	4,977,962	3,356,783	5,241,625	2,418,337
Other income	SOA	-	-	-	-	107,010	42,147
Marketing expenses	6, SOA	(507,693)	(837,995)	(783,061)	(79,620)	(59,023)	(53,535)
Administrative expenses	6, SOA	(1,189,455)	(2,186,164)	(2,128,020)	(1,604,211)	(2,875,495)	(2,138,706)
Operating profit		1,053,589	2,135,745	2,066,881	1,672,952	2,414,117	268,244
Finance cost	8, SOA	(628,206)	(1,320,374)	(1,165,159)	(1,145,443)	(483,582)	(425,099)
Profit / (loss) before tax		425,383	815,371	901,723	527,509	1,930,535	(156,855)
Income tax	9, SOA	(68,833)	(511,458)	(474,181)	(441,509)	-	(11,504)
Profit / (loss) for the year		356,550	303,913	427,541	86,000	1,930,535	(168,359)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income		356,550	303,913	427,541	86,000	1,930,535	(168,359)
Basic and diluted earnings/(loss) per share (Naira)	18	17.83	15.20	21.38	4.30	91.18	(10.53)

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

In thousands of Nigerian Naira	Notes	30 June	31 December	31 December	31 December	31 December	31 December
		2020	2019	2018	2017	2016	2015
		IFRS			NGAAP		
			[Restated]	[Restated]			
ASSETS:							
Property, plant and equipment	10	4,396,354	3,378,555	1,186,919	724,933	3,911,676	4,023,035
Intangible assets	11	318,118	1,706,970	1,980,604	1,045,511	-	-
Development cost	11	911,155	-	681,759	-	-	-
Total non-current assets		5,625,627	5,085,525	3,849,282	1,770,444	3,911,676	4,023,035
Current assets:							
Inventories	12	7,074,326	6,542,089	6,622,734	5,098,026	5,488,723	1,849,389
Trade and other receivables	13	1,645,685	2,040,607	1,710,786	1,116,175	274,534	234,153
Cash and cash equivalents	14	39,681	22,546	28,707	17,292	703,750	251,122
Loans and advances	14	-	-	-	-	580,754	147,958
Total current assets		8,759,692	8,605,242	8,362,227	6,231,493	7,047,760	2,482,622
TOTAL ASSETS		14,385,319	13,690,767	12,211,509	8,001,937	10,959,437	6,505,657
LIABILITIES							
Non-current liabilities:							
Term loan	16	7,072,958	7,084,562	6,002,884	3,539,082	164,850	-
Unsecured loan	16	-	227,130	410,002	3,539,082	5,264,557	2,855,914
Deferred tax liabilities	9	653,046	653,046	313,401	170,945	-	-
Total non-current liabilities		7,726,004	7,964,738	6,726,288	7,249,109	5,429,407	2,855,914
Current liabilities:							
Trade and other payables	15	1,418,617	438,243	326,885	466,174	447,130	311,666
Bank overdraft	16	-	472,473	818,748	245,415	614,271	799,983
Current tax liabilities	9	859,755	790,921	619,108	287,382	-	-
Total current liabilities		2,278,372	1,701,637	1,764,741	998,971	1,061,401	1,111,649
TOTAL LIABILITIES		10,004,376	9,666,375	8,491,029	8,248,080	6,490,808	3,967,563
EQUITY							
Share capital	17	20,000	20,000	20,000	20,000	20,000	20,000
Retained profit		4,360,944	4,004,394	3,700,480	3,272,939	4,448,629	2,518,093
TOTAL EQUITY		4,380,944	4,024,394	3,720,480	3,292,939	4,468,629	2,538,093
TOTAL LIABILITIES AND EQUITY		14,385,319	13,690,767	12,211,509	11,541,019	10,959,437	6,505,657

Statement of Changes in Equity

In thousands of Nigerian Naira	Share capital	Retained earnings	Total
Balance at 1 January 2020	20,000	4,004,394	4,024,394
Profit for the year	-	356,550	356,550
Balance at 30 June 2020	20,000	4,360,944	4,380,944
Balance at 1 January 2019	20,000	3,700,480	3,720,480
Profit for the year	-	303,913	303,913
Balance at 31 December 2019	20,000	4,004,394	4,024,394
Balance at 1 January 2018	20,000	3,272,939	3,292,939
Profit for the year	-	427,541	427,541
Prior year adjustment (Restated Non-current asset)	-	-	-
Balance at 31 December 2018	20,000	3,700,480	3,720,480
Balance at 1 January 2017	20,000	4,448,629	4,468,629
Profit for the year	-	86,000	86,000
Prior year adjustment (Restated Non-current asset)	-	(1,261,690)	(1,261,690)
Balance at 31 December 2017	20,000	3,272,939	3,292,939
Balance at 1 January 2016	20,000	2,518,093	2,538,093
Profit for the year	-	1,930,535	1,930,535
Balance at 31 December 2016	20,000	4,448,629	4,468,629
Balance at 1 January 2015	20,000	2,686,452	2,706,452
Profit / (loss) for the year	-	(168,359)	(168,359)
Balance at 31 December 2015	20,000	2,518,093	2,538,093

Statement of Cash Flows

In thousands of Nigerian Naira	Notes	30 June	31 December	31 December	31 December	31 December	31 December
		2020	2019	2018	2017	2016	2015
		IFRS			NGAAP		
				[Restated]	[Restated]		
Cash flows from operating activities							
Cash used in operations	19	2,102,224	2,227,323	(56,028)	1,799,690	(1,645,811)	1,275,536
Tax paid	9	-	-	-	(21,688)	-	(11,504)
Net cash generated from (used in) operating activities		2,102,224	2,227,323	(56,028)	1,778,002	(1,645,811)	1,264,032
Cash flows from investing activities							
Purchase of property, plant and equipment	10	(1,373,882)	(2,786,015)	(875,626)	(87,885)	(289,341)	(500,085)
Purchase of intangible assets	11	-	-	(2,504,070)	-	-	-
Net cash generated from (used in) investing activities		(1,373,882)	(2,786,015)	(3,379,696)	(87,885)	(289,341)	(500,085)
Cash flows from financing activities							
Long-term loan		(238,734)	898,805	2,873,805	(1,890,325)	2,573,493	(1,141,855)
Bank overdraft		(472,473)	(346,275)	573,333	(368,856)	(185,712)	477,239
Net cash generated from (used in) financing activities		(711,207)	552,530	3,447,138	(2,259,181)	2,387,781	(664,616)
Net (decrease)/increase in cash and cash equivalents		17,135	(6,161)	11,414	(569,064)	452,629	99,330
Cash and cash equivalents at the beginning of the year	14, SOA	22,546	28,707	17,292	586,356	251,122	151,791
Cash and cash equivalents at end of the period	14	39,681	22,546	28,706	17,292	703,751	251,121

Notes to the Financial Statements

The ensuing accounting policies and disclosures refers:

1 General Information

These financial statements are the financial statements of Me Cure Industries Limited ("the Company"). Me Cure Industries Limited was incorporated in Nigeria on 16th March, 2005 under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The address of its registered office is:

Debo Industrial Compound
Plot 6, Block H, Oshodi Apapa Expressway
Oshodi Lagos, Nigeria

The principal activity of the Company is to carry out the business of manufacturing of pharmaceutical and nutraceutical products.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements of the Me Cure Industries Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, except for the years ended 2015 and 2015. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate. For first time adoption, appropriate standards are adopted in line with IFRS 1.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10 & 11.

2.2.1 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business as the fall due. The directors are of the opinion that the Company will continue to be in operation in the nearest future. There is no intention on their part to liquidate the entity or to significantly curtail its activities.

2.2.2 Changes in accounting policies and disclosures

i) New standards, amendments, interpretations

The following standards have been adopted by the Company for the first time for the financial period beginning on or after 1 January 2018:

ii) New Standards, amendments, interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not as at the latest reporting periods and have not been earlier adopted by the Company. The Company's assessment of the impact of these new standards and interpretations (excluding quantitative impact) is set out below.

Notes to the Financial Statements

Title of standard	IFRS 9 Financial Instruments
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The Company has reviewed its financial assets and liabilities and is not expecting any impact from the adoption of the new standard on 1 January 2018.
Date of adoption by Company	Effective January 1, 2018.

Title of standard	IFRS 15 Revenue from contracts with customers
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. It requires that in recognising revenue, the Company must: 1. Identify the contract(s) with the customer 2. Identify performance obligations in the contract(s) 3. Determine the transaction price 4. Allocate the transaction price to performance obligations in the contract 5. Recognise revenue when (or as) the Company satisfies a performance obligation. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	The company's revenue is the fair value of the consideration received or receivable from the sales of manufactured pharmaceutical products & Nutraceuticals net of discount. The new standard will not have a significant impact on the company.
Date of adoption by company	Effective January 1, 2018.

Title of standard	IFRS 16 Leases
Nature of change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The new standard will not have any impact on the Company.
Date of adoption by company	Effective January 1, 2018.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (N).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in profit or loss. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2.4 Financial Instruments

2.4.1 Financial assets

a) Classification

The Company classifies its financial assets as loans and receivables. The Company does not hold any financial assets in any other financial instrument category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Notes to the Financial Statements**b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade receivables, due from related parties and cash and cash equivalents, and are included in current and non current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

c) Recognition and measurement

Loans and receivables are initially recognized at fair value using the effective interest rate method. Subsequently, loans and receivables are carried at amortised cost less any impairment.

2.4.2 Financial liabilities**a) Classification**

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

b) Financial liabilities at amortised cost

These include trade payables, due to related parties and borrowings. Trade payables are classified as current liabilities due to their short term nature while borrowings are split into current and non current liabilities. Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

c) Recognition and measurement

Financial liabilities are recognized initially at fair value, net of any transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

2.4.3 Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.4.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.4.5 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

2.5 Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured and when risks and rewards have passed to the customer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable from sale of pharmaceutical products & Nutraceuticals net of discounts. This amount excludes value added tax and any amount remittable to third parties.

Notes to the Financial Statements

2.6 Employee benefits**2.6.1 Wages, salaries and annual leave**

Wages, salaries, bonuses, other contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company.

The Company operates a defined contribution pension scheme.

2.6.2 Defined contribution scheme

The Company operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. The employee contributes 8% while the Company contributes 10% of monthly emoluments of the employees in compliance with the Pension Reform Act 2014. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Company. The contributions are recognised as employee benefit expense when they are due.

2.7 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities.

In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

The cash flows from investing and financing activities are determined by using the direct method.

2.8 Cash and cash equivalents

Cash and cash equivalents represent a net of cash and bank balances as well as short term investments that are readily convertible to cash. Cash and cash equivalents comprise cash in hand and current balances with banks.

2.9 Leases

The Company is a lessee and it classifies its leases as operating leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.10 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Construction work in progress is not depreciated. All such assets, once available for use are capitalised within the appropriate class of property, plant and equipment and subjected to the applicable depreciation rate in the year they are put to use.

Notes to the Financial Statements

Land is not depreciated by the Company. Depreciation of property, plant and equipment is calculated using the straight-line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Useful life (years)
Plant machinery	10
New factory (WIP)	NIL
Motor vehicle	10
Ambulance	10

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and taken into account in determining operating profit. These gains or losses are recognised within "other income or loss" in profit or loss.

2.11 Intangible assets

Intangible assets include computer software. Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of the software is five years for E-Pharmacy and ten years for IP Software.

2.12 Finance cost

Finance cost comprises interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.13 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in arriving at profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a) Income tax

The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the country, Nigeria, where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balance on a net basis.

Notes to the Financial Statements

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of inventory is determined using the first-in, first-out (FIFO) method and comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), incurred in bringing inventory to its present location and condition.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Share capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

3 Financial risk management

3.1 Financial risk factors

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management is carried out by the board of directors. The finance department identifies, evaluates and hedges financial risks. The board provides principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

3.1.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

a) Management of credit risk

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Services rendered to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Notes to the Financial Statements

b) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

The definition of credit ratings of cash and bank balances is listed below:

AAA: Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

3.1.2 Liquidity risk**a) Management of liquidity risk**

Cash flow forecasting is performed by the finance department. The finance department monitors funding requirements to ensure it has sufficient cash to meet operational needs.

The Company has incurred indebtedness in the form of trade payables, overdrafts and loans. The Company evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Company devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities.

3.1.3 Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate risk and foreign exchange rate risk.

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk. The Company had no borrowings as at year end.

b) Foreign exchange risk

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

The sensitivity of the Company's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 5% depreciation of the Naira against the US Dollar as shown below:

c) Price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company does not hold any financial instruments whose value changes with changes in market prices and is not exposed to price risk.

3.2 Capital management**3.2.1 Risk management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The Company is geared as at 31 December 2019 and 31 December 2018 respectively.

Notes to the Financial Statements

3.3 Fair value

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All the Company's financial assets and liabilities are measured at amortized cost. The fair values are within level 2 of the fair value hierarchy.

3.4 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

3.5 Critical accounting estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the area that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in note 10, together with information about the basis of calculation.

3.5.1 Income and deferred tax

The Company is subject to income taxes within Nigeria, which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilise the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income are based on forecast cash flows from operations.

Notes to the Financial Statements

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
4 Revenue						
Sales of finished product	8,653,783	15,813,495	15,172,872	11,233,039	11,801,095	6,389,462
All revenue was generated within Nigeria.						
5 Cost of sales						
Opening Inventories of raw material	4,092,628	4,159,129	2,875,511	2,195,489	1,849,389	1,123,183
Add: Purchases of raw materials	5,976,239	9,769,469	10,919,425	6,384,387	10,198,803	4,677,331
Less: Closing Inventories of raw materials	(4,894,809)	(4,092,628)	(4,159,129)	(2,039,210)	(5,488,723)	(1,849,389)
Material Consumed	5,174,058	9,835,970	9,635,808	6,540,666	6,559,470	3,951,125
Add: Opening Inventories of work-in-progress	959,470	1,486,199	684,018	823,308	-	-
Less: Closing Inventories of work-in-progress	(719,591)	(959,470)	(1,486,199)	(764,704)	-	-
Add: Opening Inventories of Finished goods	1,489,991	977,405	1,538,497	2469925	-	-
Less: Closing Inventories of Finished goods	(1,459,926)	(1,489,991)	(977,405)	(2,294,112)	-	-
Overheads	327,608	5,041	6,308	6,006	-	-
Other direct expenses	131,436	798,436	793,884	1,095,167	-	-
	5,903,046	10,653,590	10,194,910	7,876,256	6,559,470	3,951,125
6 Expenses by function						
Marketing expenses	507,693	837,995	783,061	79,620	59,023	53,535
Administrative expenses	1,189,455	2,186,164	2,128,020	1,604,211	2,875,495	2,138,706
	1,697,148	3,024,159	2,911,081	1,683,831	2,934,518	2,192,241
The balances above have been further analysed as follows:						
Employee costs (Note 7)	303,860	516,105	486,564	431,854	338,589	347,501
Depreciation (Note 11)	32,302	64,203	64,203	64,203	400,700	550,358
Utilities	75,985	130,063	156,005	130,236	109,833	99,752
Rent	17,946	22,487	39,363	37,461	40,746	36,006
Foreign exchange loss - realised	11,540	17,738	34,782	69,521	1,570,235	734,360
Marketing expenses	507,693	837,995	783,061	79,620	59,023	53,535
Audit fees & Professional fee	9,775	19,438	17,292	16,428	15,657	10,722
Repairs and maintenance expenses	17,046	62,914	72,340	49,799	48,715	41,580
Amortization (Note 11)	477,697	955,393	887,217	522,755	-	-
Regulatory expenses	17,635	21,488	8,998	8,007	7,532	4,758
Outsourcing fee	24,360	47,751	46,407	23,735	29,195	25,814
Insurance	18,699	35,126	32,993	28,659	29,746	36,044
Other expenses	182,811	293,458	281,855	221,553	406	27
Communication	-	-	-	-	5,990	5,874
Consumables	-	-	-	-	15,755	12,617
Public relation	-	-	-	-	35,544	31,759
Transport outward	-	-	-	-	101,736	95,355
Travelling expenses	-	-	-	-	42,901	29,263
Utilities	-	-	-	-	34,215	39,716
Directors' remuneration	-	-	-	-	48,000	37,200
	1,697,148	3,024,159	2,911,081	1,683,831	2,934,518	2,192,241

Notes to the Financial Statements

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
7 Employee costs						
Salaries and wages	286,766	453,356	446,828	396,632	-	-
Defined contribution benefit	1,186	1,894	2,083	2,645	-	-
Other employment related expenses	15,907	60,856	37,653	32,577	-	-
	303,860	516,105	486,564	431,854	-	-

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
8 Finance Cost						
Bank commission and charges	49,687	182,072	156,902	85,345	-	-
Bank interest	578,519	1,138,301	1,008,256	1,060,098	-	-
	628,206	1,320,374	1,165,159	1,145,443	483,582	425,099

Interest relates to the interest paid during the year for the term loan

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
9 Taxation						
a) Current income tax						
Company income tax	53,204	143,617	299,006	250,898	-	11,504
Education tax	15,629	28,196	32,719	19,665	-	-
Deferred tax charge to the profit or loss	-	339,645	142,456	170,945	-	-
Total tax charge to profit or loss	68,833	511,458	474,181	441,509	-	11,504

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
b) Current income tax liability						
Balance at 1 January	790,922	619,108	287,382	38,507	-	-
Charge for the year:						
Income tax expense	53,204	143,617	299,006	250,898	-	-
Education tax	15,629	28,196	32,719	19,665	-	-
Payment during the year	-	-	-	(21,688)	-	-
At 31 December	859,755	790,921	619,108	287,382	-	-

c) Deferred income tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets of N413 million as at 30 June 2020 for the Company have not been recognised as at 30 June 2020 because the Directors are of the opinion that it is probable that future taxable profits will not be available against which they can be utilised.

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
The analysis of deferred tax assets/(liabilities) is as follows:						
To be recovered after more than 12 months	(653,046)	(653,046)	(313,401)	(170,945)	-	-
To be recovered within 12 months	-	-	-	-	-	-
	(653,046)	(653,046)	(313,401)	(170,945)	-	-

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss (P/L) are attributable to the following items:

Notes to the Financial Statements

	At 1 January 2020	Credit/ (charge) to P/L	Credit/ (charge) to equity	At 30 June 2020
	N'000	N'000	N'000	N'000
Deferred income tax assets/(liabilities):				
Property, plant and equipment	(653,046)	-	-	(653,046)
Tax losses charged to profit & loss	-	-	-	-
Unutilised tax credits	-	-	-	-
Total deferred tax liabilities	(653,046)	-	-	(653,046)
	At 1 January 2019	Credit/ (charge) to P/L	Credit/ (charge) to equity	At 31 December 2019
	N'000	N'000	N'000	N'000
Property, plant and equipment	(313,401)	(339,645)	-	(653,046)
Tax losses charged to profit & loss	-	-	-	-
Unutilised tax credits	-	-	-	-
Total deferred tax liabilities	(313,401)	(339,645)	-	(653,046)
	At 1 January 2018	Credit/ (charge) to P/L	Credit/ (charge) to equity	At 31 December 2018
	N'000	N'000	N'000	N'000
Property, plant and equipment	(170,945)	(142,456)	-	(313,401)
Tax losses charged to profit & loss	-	-	-	-
Unutilised tax credits	-	-	-	-
Total deferred tax assets/(liabilities)	(170,945)	(142,456)	-	(313,401)

10 Property, plant and equipment

	Plant & Machinery N'000	New Factory WIP N'000	Motor Vehicle N'000	Ambulance N'000	ePharmacy N'000	Total N'000
Cost:						
As at 1 January 2020	6,479,661	1,371,743	49,788	592,243	-	8,493,435
Additions	1,373,882	-	-	-	-	1,373,882
As at 30 June 2020	7,853,543	1,371,743	49,788	592,243	-	9,867,317
As at 1 January 2019	5,065,389	-	49,788	592,243	-	5,707,420
Additions	1,414,272	1,371,743	-	-	-	2,786,015
As at 31 December 2019	6,479,661	1,371,743	49,788	592,243	-	8,493,435
As at 1 January 2018	4,189,763	-	49,788	592,243	-	4,831,795
Additions	875,626	-	-	-	-	875,626
As at 31 December 2018	5,065,389	-	49,788	592,243	-	5,707,420
As at 1 January 2017	4,101,879	-	49,788	592,243	-	4,743,910
Additions	87,885	-	-	-	-	87,885
As at 31 December 2017	4,189,764	-	49,788	592,243	-	4,831,795
As at 1 January 2016	3,842,104	-	20,221	592,243	2,613,776	7,068,345
Additions	259,775	-	29,567	-	-	289,341
As at 31 December 2016	4,101,879	-	49,788	592,243	-	7,357,686
As at 1 January 2015	3,457,772	-	18,011	532,037	2,560,439	6,568,259
Additions	384,332	-	2,210	60,207	53,337	500,085
As at 31 December 2015	3,842,104	-	20,221	592,243	2,613,776	7,068,345

Notes to the Financial Statements

	Plant & Machinery N'000	New Factory WIP N'000	Motor Vehicle N'000	Ambulance N'000	ePharmacy N'000	Total N'000
Accumulated depreciation:						
As at 1 January 2020	4,725,113	-	34,420	355,346	-	5,114,879
Change for the year	323,983	-	2,489	29,612	-	356,084
As at 30 June 2020	5,049,096	-	36,909	384,958	-	5,470,963
As at 1 January 2019	4,194,939	-	29,441	296,122	-	4,520,501
Change for the year	530,175	-	4,979	59,224	-	594,378
As at 31 December 2019	4,725,113	-	34,420	355,346	-	5,114,879
As at 1 January 2018	3,845,502	-	24,463	236,897	-	4,106,862
Change for the year	349,437	-	4,979	59,224	-	413,639
As at 31 December 2018	4,194,939	-	29,441	296,122	-	4,520,501
As at 1 January 2017	3,426,526	-	19,484	177,673	-	3,623,683
Change for the year	418,976	-	4,979	59,224	-	483,179
As at 31 December 2017	3,845,502	-	24,463	236,897	-	4,106,862
As at 1 January 2016	-	-	-	-	-	-
Change for the year	-	-	-	-	-	-
As at 31 December 2016	3,426,526	-	19,484	-	-	3,446,009
As at 1 January 2015	-	-	-	-	-	-
Change for the year	-	-	-	-	-	-
As at 31 December 2015	3,029,327	-	15,983	-	-	3,045,310
Net book value:						
At 30 June 2020	2,804,447	1,371,743	12,879	207,285	-	4,396,354
At 31 December 2019	1,754,548	1,371,743	15,368	236,897	-	3,378,555
At 31 December 2018	870,450	-	20,347	296,122	-	1,186,919
At 31 December 2017	344,262	-	25,325	355,346	-	724,933
At 31 December 2016	675,353	-	30,305	592,243	-	3,911,676
At 31 December 2015	812,777	-	4,238	592,243	2,613,776	4,023,035

The depreciation charge on Plant & Machinery is classified as cost of sales. The depreciation charge on other categories of property, plant and equipment is classified as administrative expenses.

Notes to the Financial Statements

	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
11 Intangible assets						
Cost:						
As at 1 January and 31 December	3,295,535	3,295,535	2,613,776	2,613,776	-	-
Accumulated amortisation (Restated):						
As at 1 January	2,681,952	2,091,021	1,568,266	1,045,510	-	-
Charge for the year	295,466	590,931	522,755	522,755	-	-
As at 31 December	2,977,418	2,681,952	2,091,021	1,568,265	-	-
Net book value:						
At 31 December	318,118	613,583	522,755	1,045,511	-	-
Intangible asset comprises of E-Pharmacy and IP Software Development						
	2020 H1	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
Intangible assets - R&D						
Cost:						
As at 1 January and 31 December	1,822,310	1,822,310	1,822,310	1,822,310	-	-
Accumulated amortisation :						
As at 1 January	728,924	364,462	-	-	-	-
Charge for the year	182,231	364,462	364,462	364,462	-	-
As at 31 December	911,155	1,093,386	1,457,848	1,457,848	-	-

Notes to the Financial Statements

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
12 Inventories						
Raw materials	4,894,809	4,092,628	4,159,129	2,039,210	-	-
Work-in-Progress	719,591	959,470	1,486,199	764,704	-	-
Finished goods	1,459,926	1,489,991	977,405	2,294,112	-	-
	7,074,326	6,542,089	6,622,734	5,098,026	5,488,723	1,849,389

Write-downs of inventories represent the lower of cost or net realisable value as at the reporting date.

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
13 Trade and other receivables						
Prepaid expenses	22,841	32,455	48,028	45,589	-	-
Trade receivables	1,148,962	736,129	427,663	441,888	-	-
Other receivables	315,625	337,494	322,606	293,630	-	-
Due from related parties (note 20)	158,257	934,528	912,488	335,068	-	-
	1,645,685	2,040,607	1,710,785	1,116,175	274,534	234,153

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
14 Cash and cash equivalents						
Cash-in-hand	2,580	1,212	3,211	1,372	-	-
Cash at bank	37,101	21,333	25,497	15,920	-	-
	39,681	22,546	28,707	17,292	703,790	251,122

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Loans and advances	-	-	-	-	580,754	147,958

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
15 Trade and other payables						
Trade payables	352,584	382,832	284,023	446,093	409,779	285,973
Pension and other benefits	1,588	2,372	606	227	-	-
PAYE and Withholding Tax	3,164	3,293	13,397	8,803	-	-
Accrued salaries	12,189	12,276	13,080	5,969	-	-
Audit fee payable	2,545	5,528	2,410	2,462	-	-
Due to related parties	1,017,069	31,943	13,370	620	-	-
Other accrued expenses	29,478	-	-	1,999	37,351	25,693
	1,418,817	438,243	326,885	466,174	447,130	311,666

All trade payables are due within twelve (12) months.

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
16 Borrowings						
Current						
Bank overdraft	-	472,473	818,748	-	614,271	799,583
Unsecured loan (LC)	-	227,130	410,002	-	164,850	-
Term Loan	7,072,958	7,084,562	6,002,684	3,539,062	5,264,557	2,655,914
Total Borrowings	7,072,958	7,784,165	7,231,635	3,539,062	6,043,678	3,655,897

Details of bank borrowings are:

- Bank Overdraft represent facility provided by Zenith Bank, Ecobank, Standard Chartered Bank and Union Bank Plc. These facility are for working capital use
- Other bank loan such as Bill Finance and LC represent LC and bill financing. These facilities are available for purchases of raw materials (import LC)
- Term Loan represent a long term loan from Sterling bank plc with total amount N451million.

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
17 Ordinary share capital						
Authorised:						
Ordinary shares of N1.00 each	20,000	20,000	20,000	20,000	20,000	20,000
Issued and fully paid:						
Ordinary shares of N1.00 each	20,000	20,000	20,000	20,000	20,000	20,000

Notes to the Financial Statements

18 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	2020 H1	2019	2018	2017	2016	2015
Profit attributable to equity holders of the	356,550	301,913	427,541	86,000	1,823,525	(210,506)
Weighted average number of ordinary shares in issue ('000)	20,000	20,000	20,000	20,000	20,000	20,000
Basic and diluted loss per share (Naira)	17.83	15.20	21.38	4.30	91.18	(10.53)

Diluted EPS is the same as the basic earning per share as there are no potential securities convertible to ordinary shares.

19 Cash generated from operating activities

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Profit before tax	425,383	815,371	901,723	577,509	1,930,535	(156,855)
Adjustment for:						
Depreciation of property, plant and equipment (Note 10)	356,085	594,378	413,640	483,179	400,700	550,358
Amortisation	477,697	955,393	887,317	522,755	-	-
Changes in working capital:						
- (Increase) / Decrease in inventories	(532,337)	80,645	(1,524,708)	390,697	(3,639,313)	31,537
- (Increase) / Decrease in trade and other receivables	394,922	(129,821)	(594,611)	(295,887)	(473,177)	676,499
- Increase / (Decrease) in trade and other payables	580,374	111,358	(139,289)	136,437	135,464	173,997
Cash generated from / (used in) operations	2,383,224	2,227,323	(56,828)	1,799,690	(1,645,811)	1,275,536

20 Related parties

The Me Cure Industries Limited has a common directors with Me Cure Healthcare Limited who is a parent company of Me Cure Infraproject and Me Cure WeCare

A number of transactions were entered into with related parties in the normal course of business in an arms length basis. These are disclosed below:

a) Finance costs	Nature of relationship	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
	Common Directors (MHL)	-	178,654	-	-	-	-
	Common Directors (MPL)	-	21,694	-	-	-	-

The receivables from Me Cure Healthcare Limited, Me Cure Infraproject Limited and Me Cure WeCare Limited relates to loan repayment and short-term non-interest borrowings by Me Cure Industries Limited on behalf of its related companies.

b) Receivables from related parties	Nature of relationship	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Mecure Healthcare Limited	Common Directors	26,371	707,388	725,656	-	-	-
Mecure Infraproject Limited	Common Directors	-	91,747	51,439	-	-	-
Mecure WeCare Limited	Common Directors	-	135,393	135,393	-	-	-
Me Cure Smartbuy Nigeria Ltd		36,814	-	-	-	-	-
		63,085	934,528	912,488	-	-	-
Interest free loans and advances							
Me Cure Infraproject Ltd - Loan		67,842	-	-	-	-	-
Me Cure WeCare Ltd - Loan		27,129	-	-	-	-	-
		158,256	934,528	912,488	-	-	-
c) Key management compensation		2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Amy Udani	Director	188	23,000	-	-	-	-
Ami Udani	Director	2,545	25,000	-	-	-	-
Mrs. Anderline Dukor	Director	620	-	-	-	-	-
		3,353	48,000	-	-	-	-

The directors receive emolument from the Company for the year ended 2019 (2018: N48 million).

Notes to the Financial Statements**21 Directors and employees**

a) The average number of persons (excluding directors) employed by the Company during the year was as follows:

	2020 H1 Number	2019 Number	2018 Number	2017 Number	2016 Number	2015 Number
Managerial						
Senior staff						
Others						
	-	-	-	-	-	-

b) The table below shows the number of employees (excluding directors), who earned over N400,000 as emoluments in the year and were within the bands stated.

	2020 H1 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Below 400,000						
400,000 - 1,000,000						
1,000,001 - 3,000,000						
3,000,001 - 6,000,000						
Above 6,000,000						
	-	-	-	-	-	-

c) Staff costs for the above persons have been disclosed in Note 8.

22 Contingent liabilities

There are no contingent liabilities as at the reporting date ended 31st December, 2019

23 Commitments

The Company had no capital commitments as at 31 December 2019 (2018: Nil).

24 Events after reporting period

There were no events after the reporting date that are deemed to have an adjusting or non-adjusting effect on the financial statements.

Statement of Adjustments

In thousands of Nigerian Naira

	31 December 2016	31 December 2015
Statement of Comprehensive Income		
Other income		
Reported per audited financial statement	-	-
Reclassified from appropriation account:		
Lease rent & interest	49,469	42,147
Trading profit	57,541	-
Adjusted balance	<u>107,010</u>	<u>42,147</u>
Marketing expenses		
Reported per audited financial statement	-	-
Reclassified from appropriation account:		
Marketing & promotion	59,023	53,535
Adjusted balance	<u>59,023</u>	<u>53,535</u>
Administrative expenses		
Reported per audited financial statement	915,583	870,323
Reclassified from appropriation account:		
Forex loss	1,570,235	734,360
Directors remuneration	48,000	37,200
Depreciation	400,700	550,358
Marketing expenses	(59,023)	(53,535)
Adjusted balance	<u>2,875,495</u>	<u>2,138,706</u>
Finance cost		
Reported per audited financial statement	-	-
Reclassified from appropriation account:		
Financial charges	483,582	425,099
Adjusted balance	<u>483,582</u>	<u>425,099</u>
Income tax		
Reported per audited financial statement	-	-
Reclassified from appropriation account:		
Income tax paid during the year	-	11,504
Adjusted balance	<u>-</u>	<u>11,504</u>

Note to the reclassification / adjustments:

The reclassifications / adjustments relate to items included in the Company's appropriation account for the years 31 December 2015 and 31 December 2016, which were not reflected on the face of the audited statement of comprehensive income.

**31 December
2017**

Statement of Cash Flow

Cash and cash equivalents at the beginning of the year

Reported per audited financial statements as at 31 December 2016	703,750
Reconciling difference due to prior year adjustment to non-current assets	(117,394)
Reported per audited financial statements as at 1 January 2017	<u>586,356</u>

Note to the adjustments:

The difference between the reported closing cash and cash equivalents balance as at 31 December 2016 and the reported opening cash and cash equivalents balance as at 1 January 2017 was due to restatement of the audited 2017 financial statements, in line with IFRS requirements. The financial statements for the years ended 2015 and 2016 were prepared based on Nigerian GAAP requirements.

21. VALUATION REPORT



Adefila & Partners

ESTATE SURVEYORS & VALUERS, REAL ESTATE DEVELOPMENT & MANAGEMENT CONSULTANTS.

Our Ref:

Your Ref:

IKEJA BRANCH OFFICE:

12, Ezekiel Street,
(1st Floor), Off Toyin Street,
Ikeja, Lagos.

P.O. Box 51352, Ikoyi, Lagos.

Tel: 08033053067, 08150648306

E-mail: adefilaandpartners.ikeja@yahoo.com

January 17, 2020.

The CEO,
Me Cure Industries Limited,
Plot 6, Block H, Oshodi Industrial Scheme,
Oshodi,
Lagos State,
Nigeria.

Dear Sir,

**VALUATION OF ASSETS OF ME CURE INDUSTRIES LIMITED LOCATED AT PLOT
6, BLOCK H, OSHODI INDUSTRIAL SCHEME, LAGOS STATE.**

We refer to your instruction of December 23, 2019 with regards to the valuation of the assets of your company; we have conducted the inspection of same and are pleased to report as follows:

INTRODUCTION:

Me Cure Industries Limited is a private liability company registered with relevant authorities and a leading human therapeutics company in the pharmaceutical industry in Nigeria.

CONTENT OF VALUATION:

The assets of Me Cure Industries Limited covered by this reports were as listed in the inventory given to us as well as those identified during our inspection.

~ 1 ~



LAGOS OFFICE: BOOKSHOP HOUSE (8th Floor), 50/52, Broad Street, Lagos. P. O. Box 51357, Ikoyi, Lagos. Tel: +234 (1) 2710115, 2710116

ABUJA OFFICE: Suite C4 BENSIMA HOUSE Plot 2942, Aguiyi Ironsi Road, Maitama - Abuja. Tel: 09-4130636, 4130737

IBADAN OFFICE: Coco House (13th Floor), Oba Adebimpe Road, Dugbe, Ibadan, Oyo State. Tel: 07058809470, 08164991779

ASABA BRANCH OFFICE: Summit Furniture Limited Premises, Km 12, Asaba - Benin Road, By Summit Junction Asaba,

Delta State. Tel: 08056231843. E-mail: mails.asabaoffice@adefilapartners.com.ng

The assets are categorized as follows:

- Plant and Machinery
- E – Pharmacy Assets
- Furniture, Fittings and Office Equipment
- Motor Vehicles
- Software and IP development

INSPECTION:

We inspected the assets between 28th day of December, 2019 and 31st day of December, 2019 and our valuation is based on the condition of the assets and market conditions prevailing as at the 31st day of December, 2019 when we effectively concluded our inspections.

PURPOSE OF VALUATION:

We are instructed that the main purpose of this valuation is to determine the Fair Value of the company assets at Plot 6, Block H, Oshodi Industrial Scheme, Oshodi, Lagos for Mortgage purpose.

BASIS OF VALUATION:

Our basis of valuation is the open market basis. This basis as used here means the best and highest price at which the assets as a whole or individual items might be expected to be sold as at today by private treaty in the open market assuming a willing buyer and seller, and a reasonable period within which to negotiate the sale, given adequate publicity.

The open market basis will give the fair Value of the assets. This value is the economic worth of the assets to the company.

~ 2 ~



It is derived from the Net Current Replacement Cost subject to an allowance for any Residual Value the assets may have at the end of their economic lives.

Where an asset is still available in the market, we have derived its Net Current Replacement Cost from depreciating its Gross Current Replacement Cost, which is the current price of the asset, complete with accessories, installation and commissioning costs.

For asset no longer available, the Gross Current Replacement Cost has been derived by the application of trade index to its original costs, its Historical Cost. The Gross Current Replacement Cost thus achieved was then depreciated to arrive at the Net Current Replacement Cost.

The rate adopted for depreciating the Gross Current Replacement Cost to arrive at the Net Current Replacement Cost took special note of the unexpired economic lives of the assets, their maintenance records and obsolescence (functional, technological and economical obsolescence) among other factors.

The figures arrived at were compared with the prices of similar items in the second – hand market around the world and locally before the figures in

~ 3 ~



our valuation were adopted as the Fair Value of your company assets.

METHOD OF VALUATION

DEFINITION OF TERMS:

Gross Current Replacement Cost: This refers to the current cost of acquiring the assets together with ancillary costs of transportation, freight, insurance, and installation.

Fair Value: This is defined under International Accounting Standard 16 (IAS16) as the amount for which an asset could be exchanged between identified, willing and knowledgeable parties in an arm-length transaction.

Fair Value of items of plant and equipment is usually taken to be their market value, however given the specialized nature of the process of plant and equipment and the lack of relevant sales information, International Accounting Standards allows the use of Depreciated Gross Current Replacement Cost to assess Fair Value.

ASSUMPTIONS:

Our valuation is based on the following assumptions:

1. That all information supplied to us are correct;
2. That spare parts, materials and personnel are sufficiently available for continuous

~ 4 ~



- operation and effective maintenance of the assets in line with industrial standards;
3. There are no outstanding payment in the form of Hire Purchase or any other form of finance arrangement in respect of any item of plant, machinery and vehicles
 4. The assets will continue in the same line of business for a considerable time in the future.
 5. That the factory layout including arrangement conformed with factory ordinance or act and relevant Health and Safety (HSE) requirement.
 6. The software and IP Developed with which Me cure has proprietary rights will continue to be used in the running and management of the company.

COMMENTS:

- i.) We have taken into consideration, the standard of maintenance culture prevalent in the organization;
- ii.) We are also cognizant of the exchange rate of the Naira vis – a – vis other major currency of the world and their effect on the prices of local and foreign goods.
- iii.) For the valuation of E-Pharmacy assets and Ambulances with lifesaving appliances and command control, we have considered the company as a going concern, whereby any

~ 5 ~



interest in the subject property shall be with the intention of continuing in the same line of business.

- iv.) For the valuation of Software and IP development assets, we have considered the company as a going concern, whereby any interest in the subject property shall be with the intention of continuing in the same line of business.

VALUE CONCLUSION:

Fair Value:

On the basis of the foregoing facts and assumption, it is our Opinion that the FAIR VALUE of the assets in the attached schedule in the use of your company is **N9,190,426,664.79 (NINE BILLION, ONE HUNDRED AND NINETY MILLION, FOUR HUNDRED AND TWENTY-SIX THOUSAND, SIX HUNDRED AND SIXTY-FOUR NAIRA, SEVENTY-NINE KOBO).**

Assets	Fair value
* Plant and Machinery	N6,519,290,630.11
* E-Pharmacy	N1,592,094,645.00
* Furniture, Fittings and Office Equipment	N 49,746,103.08
* Vehicles	N 422,831,788.20
* Software and IP development	<u>N 606,463,498.40</u>
Fair Value	<u>N9,190,426,664.79</u>

~ 6 ~



Adefila & Partners

Forced Sale Value:

On the basis of the foregoing facts and assumption, it is our Opinion that the FORCED SALE VALUE of the assets in the attached schedule in the use of your company is **N6,519,216,900.08 (SIX BILLION, FIVE HUNDRED AND NINETEEN MILLION, TWO HUNDRED AND SIXTEEN THOUSAND, NINE HUNDRED NAIRA, EIGHT KOBOS).**

Assets	Forced Sale Value
* Plant and Machinery	N4,889,467,972.59
* E-Pharmacy	N 875,652,054.75
* Furniture, Fittings and Office Equipment	N 33,590,172.12
* Vehicles	N 295,982,251.74
* Software and IP development	<u>N 424,524,448.88</u>
Forced Sale Value	<u>N6,519,216,900.08</u>

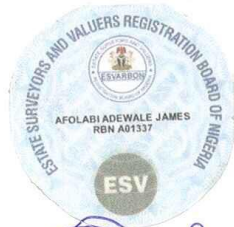
~ 7 ~



CAVEATS:

1. Figures of value quoted for individual items in the schedule of assets attached to this report represent “value in use” by your company of each asset as part of your entire assets.
2. The form, content and scope of all quotation from the valuation are subject to our approval.
3. Our valuation of plant and machinery excludes spare parts and loose tools.
4. No liability to third parties will be accepted by our firm with regards to the contents of this valuation.
5. No allowance has been made for expenses for realization or taxation that may arise in the event of a disposal.
6. We hereby certify that our valuation has been carried out in accordance with the rules, regulations and guidance notes of The Nigeria Institution of Estate Surveyors and Valuers, and in accordance with International Valuation Standard as prescribed by the International Valuation Standards Committee.

Yours faithfully,



Afolabi Adewale James

ADEFILA & PARTNERS

~ 8 ~



22. STAUTORY AND GENERAL INFORMATION

22.1 Authorisation of the Programme

In a resolution dated 6th November, 2020, the Board approved the establishment of a ₦20,000,000,000 (Twenty billion Naira) Bond Issuance Programme, and the issuance of Bonds thereunder.

22.2 Incorporation and Share Capital History of the Issuer

Mecure Industries Funding SPV Plc was incorporated on the 6th of October, 2020; the registered address of the company is at Plot 6, Block H, Debo Industrial Compound (Oshodi, Lagos). The authorized share capital of the Company is ₦1,000,000 (One Million Naira) divided into 1,000,000 ordinary shares of ₦1.00 each.

The current shareholding structure of the company is:

Name	Shareholding	Percentage (%)
Mecure Industries Limited	999,999	99.99990%
Anderline Dukur	1	0.00010%

22.3 Share Capital and Shareholding Structure of the Sponsor

The authorised share capital of the Sponsor (evidenced by a Statement of Share Capital Form CAC 2 and the Memorandum of Association both dated July, 2008 and filed at incorporation) is ₦20,000,000 (Twenty Million Naira) divided into 20,000,000 ordinary shares of ₦1.00 each.

The shareholding structure (evidenced by a Statement of Share Capital Form CAC 2 and the Memorandum of Association referenced above) is:

S/N	Name of Shareholder	Number of Shares	Percentage Holding
1	Samir Udani	4,000,000	20%
2	Avni Udani	3,800,000	19%
3	Amy Udani	4,000,000	20%
4	Arjun Udani	4,000,000	20%
5	Anderline Dukur	200,000	1%

22.4 Summary of the capital structure of the Sponsor

S/N	Description	Amount
1	Cash and Cash equivalent	39,681,000
2	Short term debt	-
3	Long term debt	7,072,958,000
4	Total shareholders' equity	4,380,943,000

22.5 Subsidiaries, Associated Companies and Investments

As at the date of this Shelf Prospectus, the associated companies of the Issuer are:

- i) Mecure Industries Limited;
- ii) Health Dekho Healthcare Limited;
- iii) Mecure Smart Buy; and
- iv) Mecure Healthcare Limited.

22.6 Off Balance Sheet Items

As at 30th June 2020, the Sponsor had no off-balance sheet items other than in the ordinary course of business.

22.7 Costs and Expenses

Costs and expenses in respect of any issuance of Bonds under this Programme shall be payable by the Issuer and shall be disclosed in the Applicable Pricing Supplement relating to the Bonds being issued.

22.8 Material Contracts

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

22.9 Declarations

Except as otherwise disclosed in this Shelf Prospectus:

- a) No share of the Issuer or Sponsor is under option or agreed conditionally or unconditionally to be put under option;
- b) No commissions, brokerages or other special terms have been granted by the Issuer or Sponsor to any person in connection with the Programme or sale of any securities of the Issuer;
- c) Save as disclosed herein, the directors of the Issuer or Sponsor have not been informed of any holding representing 5% or more of the issued share capital of the Issuer or Sponsor;
- d) There are no founders', management or deferred shares or any options outstanding in the Issuer or Sponsor;
- e) There are no material service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;
- f) There are no long-term service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;
- g) No prosecution has commenced against the Issuer or Sponsor or any of its subsidiaries in respect of any breach of any securities or banking laws or Companies and Allied Matters Act, 2020; and
- h) No action has been taken against the Issuer or Sponsor by the NSE, FMDQ or any other recognized Exchange in respect of any breach of the listing requirements of The Exchange.

Further declarations/information in respect of Directors/shareholders/key management staff of the Issuer:

It is further declared that to the best of the Directors' knowledge as at 12th October, 2020,

- a) None of the Directors/shareholders/key management staff is under any bankruptcy or insolvency proceedings in any court of law;
- b) None of the Directors/shareholders/key management staff has been convicted in any criminal proceeding; and
- c) None of the Directors/shareholders/key management staff is the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

22.10 Relationship between the Issuer, Issuing Houses and other Advisers

There are no relationships (other than the professional ones established pursuant to this Programme) existing between the Issuer and any of their advisers.

22.11 Rights of Bondholders

The Bondholders shall not have or acquire any right against the Bond Trustee in respect of the Bonds except as expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognized as a Bondholder except in respect of Bonds registered in his name in the Register.

22.12 Mergers and Takeovers

As at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or current financial year:

- a merger or takeover offer by third parties in respect of the Sponsor's securities; and
- a merger or takeover by the Sponsor in respect of another company's securities.

22.13 Consents

The following have given and not withdrawn their written consents to the issue of this Shelf Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Party	Role
Samir Udani	Director of the Issuer
Arjun Udani	Director of the Issuer
Samir Udani	Director of the Sponsor
Arjun Udani	Director of the Sponsor
Avni Udani	Director of the Sponsor
Chidi Okoro	Director of the Sponsor
Anderline Dukur	Director of the Sponsor

Dr. Ajie Obi	Director of the Sponsor
Ayotunde Owoigbe	Director of the Sponsor
Cordros Capital Limited	Lead Issuing House
Vetiva Capital Management Limited	Joint Issuing House
Greenwich Merchant Bank Limited	Joint Issuing House
STL Trustees Limited	Trustee
GTL Trustees Limited	Trustee
Cordros Trustees Limited	Trustee
Banwo & Ighodalo	Solicitor to the Issuer
Aluko & Oyebode	Solicitor to the Issue
Deloitte & Touche	Reporting Accountant
Olufemi Fajuyi & Co.	Auditor
Cordros Securities Limited	Stockbroker
Meristem Stockbrokers Limited	Stockbroker
Global Credit Ratings Co.	Rating Agency
DataPro Limited	Rating Agency
Union Bank of Nigeria Plc	Receiving Bank
Crescent Registrars Limited	Registrar

22.14 Claims and Litigation:



www.aluko-oyebode.com

10 November 2020

Cordros Capital Limited
70, Norman Williams Street
South-West Ikoyi
Lagos

Vetiva Capital Management Limited
266B, Kofo Abayomi Street
Victoria Island
Lagos

Greenwich Merchant Bank Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Dear Sirs,

RE: ISSUANCE OF ₦4,500,000,000.00 SERIES 1 SECURED FIXED RATE BONDS DUE 2025 UNDER THE MECURE INDUSTRIES FUNDING SPV PLC ₦20,000,000,000.00 BOND ISSUANCE PROGRAMME

We act as Solicitors to the Issue in connection with the proposed issuance of ₦4,500,000,000.00 (Four Billion, Five Hundred Million Naira) Series 1 secured fixed rate bonds by Mecure Industries Funding SPV Plc (the "Issuer") under a proposed ₦20,000,000,000.00 (Twenty Billion Naira) Bond Issuance Programme (the "Transaction").

We have provided herein our opinion on the status of pending litigation in which the Issuer is involved in.

As at 1 October 2020, the Issuer is not engaged (whether as defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other proceedings (collectively, "Claims") nor is the Issuer aware that there are any such Claims being threatened or pending.

As a result of this and based on our review of the facts provided by the Issuer, we are of the opinion that there are no Claims in existence or threatened which would have a material effect on the financial position or operations of the Issuer.

Yours faithfully,
ALUKO & OYEBODE

A handwritten signature in black ink, appearing to be 'Ayodeji Oyetunde'.

Ayodeji Oyetunde
Partner

10 November 2020

Cordros Capital Limited
70, Norman Williams Street
South-West Ikoyi
Lagos

Vetiva Capital Management Limited
266B, Kofo Abayomi Street
Victoria Island
Lagos

Greenwich Merchant Bank Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Dear Sirs,

RE: ISSUANCE OF ₦4,500,000,000.00 SERIES 1 SECURED FIXED RATE BONDS DUE 2025 UNDER THE MECURE INDUSTRIES FUNDING SPV PLC ₦20,000,000,000.00 BOND ISSUANCE PROGRAMME

We act as Solicitors to the Issue in connection with the proposed issuance of ₦4,500,000,000.00 (Four Billion, Five Hundred Million Naira) Series 1 secured fixed rate bonds by Mecure Industries Funding SPV Plc under a proposed ₦20,000,000,000.00 (Twenty Billion Naira) Bond Issuance Programme (the "Transaction").

We have provided herein our opinion on the status of pending litigation in which Mecure Industries Limited (the "Sponsor") is involved in.

As at 1 October 2020, the Sponsor is not engaged (whether as defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other proceedings (collectively, "Claims") nor is the Sponsor aware that there are any such Claims being threatened or pending.

As a result of this and based on our review of the facts provided by the Sponsor, we are of the opinion that there are no Claims in existence or threatened which would have a material effect on the financial position or operations of the Sponsor.

Yours faithfully,
ALUKO & OYEBODE



Ayodeji Oyetunde
Partner

22.15 Indebtedness of the Issuer and Sponsor

The Issuer has no indebtedness as at the date of this Shelf Prospectus other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein. The Sponsor has a debt stock of ₦7,072,958,000.

22.16 Documents Available for Inspection

Copies of the following documents may be inspected at the Issuing Houses offices between 8:00 a.m. and 5:00p.m. on any Business Day throughout the validity of the Programme:

- Certificate of Incorporation of the Issuer, duly certified by the CAC;
- Memorandum and Articles of Association of the Issuer, duly certified by the CAC;
- Reporting Accountants' Report on the audited accounts of the Sponsor for the for the years ended 31 December 2015, 2016, 2017, 2018, 2019, H1 2020;
- The Programme Trust Deed dated 31st March, 2021 among Mecure Industries Limited, Mecure Industries Funding SPV Plc, STL Trustees Limited, GTL Trustees Limited and Cordros Trustees Limited;
- Master Notes Subscription Agreement dated 31st March, 2021 among Mecure Industries Limited, Mecure Industries Funding SPV Plc, STL Trustees Limited, GTL Trustees Limited and Cordros Trustees Limited;
- Board Resolution of the Sponsor dated 6TH of November, 2020 authorizing the Bond Issuance Programme;
- Board Resolution of the Issuer dated 6TH of November, 2020 authorizing the Bond Issuance Programme;
- Letter from the SEC dated on or before 27TH JANUARY, 2021 approving the registration of the Shelf Prospectus;
- The schedule of the Claims and Litigation referred to above and the Solicitors' opinion thereon;
- Audited Financial Statement of the Sponsor for the years ended 2015,2016, 2017, 2018, 2019 & H1 2020;
- Shelf Prospectus issued with respect to the Bond Issuance Programme;
- Written Consents of the Directors and Professional Parties to the Issue; and
- Material contracts referred to on page 109.

23. GOING CONCERN STATUS OF THE ISSUER

**OLUFEMI
FAJUJI
& CO**

Chartered Accountants

4, Olowu Street
Off Obafemi Awolowo Way
Ikeja, Lagos
P.O.Box 2271
Mushin, Lagos State.
Tel:08024906831
08033202949

NOVEMBER 2, 2020

ME CURE INDUSTRIES LIMITED
4/5 OSHODI - OWORONSHOKI EXPRESS WAY,
PAPA AJAO, LAGOS

AND

THE DIRECTORS
CORDROS CAPITAL LIMITED
70, NORMAN WILLIAMS STREET
IKOYI, LAGOS.

AND

THE DIRECTOR
GREENWICH MERCHANT BANK LIMITED
PLOT 169A, OYIN JOLAYEMI STREET
VICTORIA ISLAND, LAGOS.

AND

THE DIRECTORS
VETIVA CAPITAL LIMITED
266B KOFO ABAYOMI STREET
VICTORIA ISLAND, LAGOS.

Dear Sirs,

Confirmation of Going Concern

Proposed Bond Capital Raise of Me Cure Industries Funding SPV PLC, Sponsored by Me Cure Industries Limited

We have reviewed the financial records of Me Cure Industries Limited up to 31 December, 2019 including the half year ended 30 June, 2020. In line with the requirements of International Standard on Auditing (ISA) 570 (Revised) Going Concern, we confirm as follows;

- i. The financial statements were prepared by management using the going concern basis of accounting, and management had neither intention nor need to reduce substantially its business operations or liquidate the entity, or to cease operations.
- ii. That we obtained sufficient and appropriate financial information regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, and to conclude, based on the evidence obtained, that there is no material uncertainty about Me Cure Industries Limited's ability to continue as a going concern.

Based on our review, we conclude that, as at the date of the financial statements, there were no threats to Going Concern, and there was no material uncertainty about the ability of Me Cure Industries Limited to continue in business in the foreseeable future.

Yours faithfully,



Oyelayo Oyinola
FRC/2014/ICAN/00000009286.

For Olufemi Fajuyi & Co.
(Chartered Accountants)
Lagos.

Date: November 2, 2020



F O F

Tuesday, 03 November 2020

THE DIRECTOR GENERAL
Securities and Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business
Abuja.

Dear Sir,

CONFIRMATION OF GOING CONCERN STATUS OF ME CURE INDUSTRIES LIMITED

The Board of Directors of Me Cure Industries Limited ("Me Cure" or "the Company") is accountable and responsible for the performance and affairs of the Company. The Directors are required to prepare financial statements at the end of each financial period which will give a true and fair view of the state of affairs and the Company's profitability. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are responsible for selecting suitable accounting policies and applying them on a regular basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and the Company's financial statements are prepared using accounting policies which comply with generally accepted accounting standards in Nigeria, the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Based on our review of the Company's audited financial statement for the year ended 31 December 2019, H1 -2020 and having made appropriate enquiries, as well as reviewing the Company's historical and forecasted cashflows, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,

ME CURE INDUSTRIES LIMITED


Samir Udani
Director


Arjun Udani
Director

ADDRESS

Me Cure Industries Limited,
Me Cure House, Apapa Oshodi Expressway,
Oshodi, Lagos, Nigeria.
RC Number: 619125

BOARD OF DIRECTORS

EXECUTIVE: Mr. Samir Udani (Chairman),
Mrs. Dukor Anderline Ndidi, Dr. Ajie Obiefuna
NON-EXECUTIVE: Mrs. Ayolunde Owoigbe,
Mrs. Avni Udani, Mr. Chidi Okoro, Mr. Arjun Udani

24. FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be prepared by the Issuer for each Series of Bonds issued under the Programme

Pricing Supplement
To the Shelf Prospectus dated [●] [●] 2021



MECURE INDUSTRIES FUNDING SPV PLC RC: 1718492
(INCORPORATED AS A SPECIAL PURPOSE VEHICLE BY MECURE INDUSTRIES LIMITED)
Offer for Subscription of Up to ₦ [●]

Series [●]: [●] -Year [●]

[●] % Fixed Rate Senior Secured Bonds Due [●] Under the ₦20,000,000,000 Bond Issuance Programme

Issue Price: 100% of Par Value Payable in full on Application

Application List	
Opens	[●] 2021
Closes	[●] 2021

This Pricing Supplement is prepared for the purpose of Rule 279(3) of the Rules and Regulation of the Securities & Exchange Commission (“the Commission” or SEC) in connection with the ₦20,000,000,000 Bond Issuance Programme established by MECURE INDUSTRIES FUNDING SPV PLC (“the Issuer”). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [●] [●] 2021 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). Application has been made to the [●] for the admission of the Bonds to the Daily Quotations List of the Exchange. The Bonds now being issued will upon admission to the Daily Quotations List qualify as securities in which Trustee may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

Final Terms of Series [●] Bonds

Issuer	MECURE INDUSTRIES FUNDING SPV PLC
Series Number	[●]
Aggregate Principal Amount of Bonds	[N20,000,000,000]
<ul style="list-style-type: none"> • Issue Price: • Net Proceeds: 	[100% of Par Value]
Denomination(s):	[Minimum of N5,000,000 and multiples of N1,000,000 thereafter]
<ul style="list-style-type: none"> • Issue Date: • Interest Commence Date (if different from Issue Date): 	[●]
Maturity Date:	[●]
Principal Moratorium:	[●]
Interest Basis:	[●]
Redemption/Payment Basis:	[●]
Status:	[●]
Security:	[●]
Listing(s):	[FMDQ or The NSE]
Method of Distribution:	[Book build to Qualified Institutional Investors and High Net Worth Investors]
Validity Period:	[●]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE	
Fixed Rate Bond Provisions:	
Interest Rate:	[●]
Coupon Payment Date(s) /Payment Dates:	[Semi-annual in arrears on [●] and [●] of each year, commencing on [●]]
Interest Amount(s):	[●]
Business Day Convention:	[Following Business Day Convention/Preceding Business Day Convention]
Business Day:	[Modified Business Day]
Other terms relating to method of calculating interest for Fixed Rate Bonds:	[●]
Floating Rate Bond Provisions:	
Coupon Payment Date(s):	
Reference Banks:	
Spread (if applicable):	
Party responsible for calculating interest rate and interest amount(s):	
Relevant Time (if applicable):	
Screen Rate Determination: <ul style="list-style-type: none"> - Benchmark: - Coupon Determination Dates(s): - Relevant Screen Page - Day Count Fraction 	

PROVISIONS RELATING TO REDEMPTION		
	Optional Early Redemption (Call Option):	[Applicable/Not Applicable]
	Optional Early Redemption (Put Option):	[Applicable/Not Applicable]
	Scheduled Redemption/Amortization:	[•]
	Redemption Amount(s):	[•]
	Scheduled Redemption Dates:	[•]
	Final Redemption Amount:	[•]
DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS		
	Form of Bonds:	Dematerialized Bonds
	Registrar:	Crescent Registrars Limited
	Trustee(s):	STL Trustees Limited, GTL Trustees Limited and Cordros Trustees Limited
	Record Date:	[•]
	Other terms or special conditions:	[•]
GENERAL PROVISIONS APPLICABLE TO THE BONDS		
	Method of Distribution	[•]
	Underwriting	
	If Underwritten, names of Underwriters	[•]
	Clearing System:	Central Securities Clearing System Plc
USE OF PROCEEDS		
The Issuer shall utilise the proceeds to subscribe for the intercompany bond, as well as the cost and expenses of the issue.		
APPENDICES		
	Appendices	[List and Attach Appendices if applicable]
MATERIAL ADVERSE CHANGE STATEMENT		
Except as disclosed in this document and in the Shelf, Prospectus dated [•] [•] 2021, there has been no significant change in the financial or trading position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts]		
RESPONSIBILITY		
The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.		

Signed on behalf of the Issuer:

.....
Director

.....
Director