

This Programme Memorandum has been prepared in accordance with the guidelines of the Central Bank of Nigeria (“CBN”) guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, and the CBN circular to all deposit money banks and discount houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together the “**CBN Guidelines**”) and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) in force as at the date hereof.

The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Executive Management of Saro Lifecare Limited who jointly and individually accept full responsibility for the accuracy of all information given.



RC: 713497

SARO LIFECARE LIMITED

₦20,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

Saro Lifecare Limited (“**Saro Lifecare**” or “**SLC**” or the “**Issuer**”), a private limited liability company incorporated in Nigeria has established this **₦20,000,000,000** Commercial Paper Issuance Programme (the “**CP Programme**”), under which Saro Lifecare may from time to time issue Commercial Paper notes (“**CP Notes**” or “**Notes**”), denominated in Nigerian Naira as may be agreed between the Issuer and the IPA/Lead Arranger (as defined in the section entitled, “*Summary of the Programme*”, in separate series or tranches subject to the terms and conditions (“**Terms and Conditions**”) contained in this Programme Memorandum.

Each Series or Tranche (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the “**Applicable Pricing Supplement**”). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed **₦20,000,000,000** over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

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

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

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the “**Recipient**”) and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CP Notes.

LEAD ARRANGER



RC: 1706693

ISSUING AND PLACING AGENT



RC: 1706693

This Programme Memorandum is dated 23 December 2024

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GLOSSARY OF DEFINED TERMS

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

"Agency Agreement"	The Collecting and Paying Agency Agreement between the Issuer and the CPA dated on or about the date of this Programme Memorandum and the Issuing and Placing Agency Agreement between the Issuer and the IPA dated on or about the date of this Programme Memorandum
"Applicable Pricing Supplement"	The Pricing Supplement which provides the definitive terms and conditions applicable to a particular Series or Tranche of Notes issued under the CP Programme
"Authorised Participants"	Dealing Members of the FMDQ Securities Exchange Limited who are licensed members authorised to make market in securities admitted to trade on the FMDQ Exchange platform
"Board" or "Directors"	Board of Directors of Saro Lifecare Limited
"Business Day "	Any day except Saturdays, Sundays and public holidays declared by the FGN on which commercial banks are open for business in Lagos, Nigeria
"Business Hours"	8.00am to 5.00pm on any Business Day.
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 th September 2019, and the CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time
"CGT"	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004 (as amended by the Finance Acts)
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Acts)
"Collecting & Paying Agent" or "CPA"	Access Bank Plc and/or any successor Collecting and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
"Commercial Paper", "CP", "CP Notes" or "Notes"	Unsecured Commercial Paper Notes to be issued by the Issuer under the CP Programme and any Applicable Pricing Supplement in form of short-term zero-coupon notes held in dematerialized form by the Noteholders through the CSD
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦20,000,000,000
"Central Securities Depository" or "CSD"	FMDQ Depository Limited
"Day Count Fraction "	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
"Deed of Covenant "	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders.
"Default Date"	The date on which the written notice of the Event of Default is served to the Issuer

“Default Rate”	The interest rate to be charged to the Issuer when repayments are overdue. The interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue Rate + 5% per annum (whichever is higher)
“Executive Management”	The executive members of the board of directors of Saro Lifecare Limited
“Face Value”	The par value of the Notes
“FGN”	Federal Government of Nigeria
“FIRS”	Federal Inland Revenue Service
“Finance Acts”	The Finance Act 2019, the Finance Act 2020, the Finance Act 2021, and the Finance Act 2023 (and subsequent Finance Acts issued from time to time)
“FMDQ Exchange Rules”	The FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in April 2021 and re-issued in October 2023 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
“FMDQ Securities Exchange Limited” or “FMDQ Exchange”	A securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
“Holder” or “Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued to investors as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issue Rate”	The Discount Rate at issuance
“Issuing And Placing Agent” or “IPA”	Afrinvest Capital Limited any other non-bank financial institution(s) sponsoring the registration and quotation of CP Programmes and Issues on the Exchange, and the placement of CPs with investors at the primary issuance. The IPA must be a duly licenced Registration Member (Quotations) of FMDQ Exchange
“Lead Arranger”	Afrinvest Capital Limited
“LFN”	Laws of the Federation of Nigeria 2004
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
“Material Adverse Change”	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
“Naira”, “NGN” or “₦”	The Nigerian Naira
“NIBOR”	Nigerian Inter-Bank Offered Rate
“OTC”	Over The Counter
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)

“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme Memorandum”	This information memorandum dated December 23 2024 which sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investor” or “QII”	Include banks, fund/asset managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, Issuing Houses and any other category of investors as may be determined by the SEC from time to time.
“Register”	A register or such registers as shall be maintained by the CSD and the IPA in which are recorded details of Noteholders
“Relevant Currency”	Naira, being the currency in which payments in respect of the Notes of the relevant Series or Tranche are to be made
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
“Rollover”	<p>A Rollover shall refer to the issuance of a CP for the repayment of an existing CP Issue on its maturity date.</p> <p>A CP Issue shall qualify as Rollover where:</p> <ul style="list-style-type: none"> ▪ The funds of the investors from the matured CP issue are withheld at the request of the Issuer for investment in the new (Rollover) CP Issue under a registered Programme/Discrete Issue ▪ Only the existing investors of the matured CP Issue are invested in the new CP Issue having consented for their funds to be withheld for the purpose stated above ▪ The combined tenors of the initial CP Issue and any subsequent Rollover(s) do not exceed 270 days
“Saro Lifecare” or “SLC” or the “Issuer”	Saro Lifecare Limited
“SEC Rules ”	The Rules and Regulations of the Securities and Exchange Commission 2013, (as may be amended from time to time by the SEC), made pursuant to the Investments and Securities Act No. 29 of 2007.
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“The NGX”	The Nigerian Exchange Limited
“Tranche”	Notes which are identical in all respects
“Unique Identifier”	A code specifically designated or assigned to identify a CP
“VAT”	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts)
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦20,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum. The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

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

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

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

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

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

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

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

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

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

FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER

FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.

INCORPORATION OF DOCUMENTS BY REFERENCE

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

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

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

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

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

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

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

TRANSACTION OVERVIEW

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

Issuance of Commercial Papers

The Issuer will issue Commercial Papers from time to time which at any point in time the amount in issue and outstanding will not exceed the maximum amount of ₦20,000,000,000 (Twenty Billion Naira) under the Commercial Paper Issuance Programme.

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

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

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

Limited Recourse Obligations

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

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

SUMMARY OF THE PROGRAMME

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

Issuer:	Saro Lifecare Limited
Collecting and Paying Agent or CPA:	Access Bank Plc
Issuing and Placing Agent or IPA:	Afrinvest Capital Limited
Arranger:	Afrinvest Capital Limited
Programme Size:	₦20,000,000,000 aggregate principal amount of Notes outstanding at any point in time
Auditors:	Ernst and Young
Currency of Issue:	Nigerian Naira (₦)
Issuing and Placing Agent or IPA:	Afrinvest Capital Limited and any other additional IPA appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any IPA
Default Date:	The date on which the written notice of the Event of Default is served to the Issuer
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Discount Rate at issuance +5% per annum (whichever is higher)
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
Going concern:	The Company is a going concern and can in all circumstances be reasonably expected to meet its commitments
Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Rate:	The Discount Rate at Issuance
Issue Size:	As specified in the Applicable Pricing Supplement
Issuer Rating:	Saro Lifecare Limited have been assigned rating of BBB+ and A- respectively by DataPro Limited and Augusto & Co.

SUMMARY OF THE PROGRAMME

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

OVERVIEW OF SARO LIFECARE LIMITED

SARO LIFECARE LIMITED

Saro Lifecare Limited is a leading indigenous player in the Personal and Homecare category of the FMCG industry. It was incorporated in 2007 after the acquisition of the Personal & Home Care Division of Chemicals & Allied Plc. (CAP). It became the owners of Purit Antiseptic Liquid, Carat Medicated Soap, Safecut Aftershave and Dayspring, Liquid Detergent amongst other brands. SLC has further established its authority in the in-home pest category with the Sniper power brand.

Products

SLC's product offerings are outlined below:

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

Shareholding Structure

According to the register of members at 29th August 2024, the 100,000,000 ordinary shares of ₦1.00 each in the issued ordinary share capital of SLC are beneficially held as follows:

Name	Units	% Holding
Saroafrica UK Limited	74,986,034	74.99
Olakanmi Rasheed	24,986,792	24.99
Oluwole Adeyegbe	16,304	0.02
Tagbo Ozor	5,870	0.01
Aigbavboa Solomon	5,000	0.01
Total	100,000,000	100

Board of Directors of Saro Lifecare Limited

Presented below are brief profiles of the directors of SLC as of 31st October 2024.

Abdul Akhor Bello- Chairman

Mr. Bello retired from UAC of Nigeria Plc in June 2019 after 30 years of service during which period he held various senior management positions such as Group Chief Executive Officer; Group ED/Chief Financial Officer; Managing Director, UAC Property Development Company Plc and Managing Director, CAP Plc.

OVERVIEW OF SARO LIFECARE LIMITED

He brings to the Saro Lifecare executive and board service experience acquired across a range of businesses in manufacturing, banking, leasing, registrar services, pensions, real estate, logistics and quick service restaurant sectors. Mr. Bello served on the governing council of the Nigeria Employers Consultative Association, Nigeria-British Chamber of Commerce and the Nigerian Institute of Management.

A Fellow of the Institute of Chartered Accountants of Nigeria, Mr. Bello attended Yaba College of Technology, Lagos. He is an alumnus of Oxford University's Advance Management & Leadership Program and has undertaken various international development courses.

Oluwagbemileke Otun- *Managing Director*

Gbemileke has extensive knowledge of, and experience in Consumer Goods Industry, prudent management of resources and passion for building high-performance teams. She has previously held other senior management positions in Gossy Warm Springs, Saro Lifecare Limited and Saro Home and Garden.

Before joining the SaroAfrica Group, Gbemileke worked with a leading multinational consumer products company and had wide-ranging exposure to brand management, marketing, sales and distribution, corporate relations and communications. She holds a Bachelor's degree in Electrical/Electronic Engineering from the University of Lagos and a Master of Business Administration degree from the Lagos Business School, Pan African University, Lagos. She has attended local and international training courses including Harvard Business Schools' Strategic Marketing Management program.

Kikelomo Kuponiyi- *Independent Non-Executive Director*

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

Solomon Aigbavboa - *Independent Non-Executive Director*

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

Currently, he serves as the MD of Sonedis Nigeria, a Supply Chain & Healthcare Management Company. He also sits on the Boards of H & W Rice Ltd, Manomi Services Ltd, H & W Starch Derivatives Ltd & Saro Lifecare Limited.

Iquo Ukoh - *Independent Non-Executive Director*

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

USE OF PROCEEDS

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

SOURCES OF REPAYMENT

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

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The applicable Pricing Supplement in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such series of Notes.

1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦20,000,000,000 (Twenty-Five Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to and benefit from the Deed of Covenant.

2. Form, Denomination and Title

2.1 Form and Denomination

- 2.1.1 Unless otherwise specified in any applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦1,000,000 (One Million Naira Only) and integral multiples of ₦1,000 thereafter; and will be sold at such discount from their face amounts as shall be agreed upon by the IPA and the Issuer; and shall have a maturity not exceeding 270 (Two Hundred and Seventy) days including the roll over from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 Notes issued will be in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.
- 2.1.4 The Notes will be delivered to the IPA in dematerialised (uncertificated, book entry) form by crediting the CSD account of the applicants, which shall serve as the custodian and central depository of the Notes; and the IPA may deal in the Notes in accordance with CSD procedures and guidelines.

2.2 Title

- 2.2.1 Title to the Notes will pass upon credit to the CSD account of the Noteholder.
- 2.2.2 Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer may deem and treat the registered holder of any Note as indicated in the records of the CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes

3. Status of the Notes

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

4. Redemption

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

TERMS AND CONDITIONS OF THE NOTES**5. Payments**

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the Maturity Date. The registered Holder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged by payment to, or to the order of, the registered Holder in respect of each amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, as specified in the Applicable Pricing Supplement.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Issuing, Placing, Paying and Collecting Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Issuing, Placing, Paying and Collecting Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 In the case of nominees, the nominee shall be paid as the registered Noteholder, which payee shall in turn transfer such funds to the holders of the beneficial interests.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 If the Issuer or the Collecting and Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such payments by cheque shall be sent by post to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.
- 5.1.7 Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.
- 5.1.8 Where the Issuer fails to redeem the Notes on the Redemption Date (and only in this event) provided that such failure is not as a result of a Force Majeure event or a Disruption Event, interest shall begin to accrue on the Redemption Amount at the Default Rate from the date on which the Redemption Amount becomes due and payable until the date on which all amounts due in respect of such Note have been paid.
- 5.1.9 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Collecting and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Collecting and Paying Agent.

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5.2 Payment Day

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

5.3 Closed Periods

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

6. Event of Default**6.1 Event of Default**

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

- 6.1.1 If the Issuer fails to make payment in full by the Maturity Date; or
- 6.1.2 If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of 7 (seven) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3 Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.4 Failure to notify FMDQ Exchange by 5:00 PM in writing that the CP has been liquidated and that funds have been transferred to all CP holders on the maturity date of the CP and failure to provide evidence of settlement of all investors to the Exchange on the maturity date
- 6.1.5 Part-payment or non-payment of the CP value to investors (in the case of a proposed Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' CP holding on the maturity date, based on the initial terms of the Issue)
- 6.1.6 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestrated, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors; or
- 6.1.7 Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.8 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.9 If a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than 7 (Seven) days after the date on which it is issued

TERMS AND CONDITIONS OF THE NOTES

6.1.10 If a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of NGN2 billion and such distress, attachment, execution or other legal process is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is materially prejudicial to the interests of the Noteholders. Provided that the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within 10 Business Days of becoming aware of the order or action.

6.2 Action upon Event of Default

6.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may, by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.

6.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.

6.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria

7. Register

7.1 The Register shall be maintained by the CSD as Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.

7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Collecting and Paying Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.

7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Registrar and the Collecting and Paying Agent to any Noteholder or any person authorised in writing by the Noteholder.

7.4 The Registrar and the Collecting and Paying Agent shall alter the Register in respect of any change of name, address or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders.

All notices to the Noteholders will be valid if it is delivered by hand, courier, electronic mail or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party at their respective addresses of record in the relevant register of Notes of a Series maintained by the Registrar. The Issuer shall also

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ensure that notices are duly given or published in a manner which complies with the rules and regulations of the FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.

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

8.2 Notices from the Noteholders

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

9. Modification

- 9.1 Upon notifying the Exchange, the Lead Arranger and the Issuer may agree, without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless;
 - 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer;
 - 9.2.2 the Exchange is notified of such amendment; and
 - 9.2.3 such amendment:
 - i. if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes; or
 - ii. if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to the Noteholders. The notice required to be given shall be in accordance with clause 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, which place shall be in Nigeria.
- 10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the

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- Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "Proxy") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder which is a corporate entity may by resolution of its directors or other governing body authorize any person to act as its representative (a "Representative") in connection with any meeting or proposed meetings of the Noteholders.
- 10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.
- 10.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one-third of the Principal Amount of outstanding Notes shall form a quorum.
- 10.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition.
- 10.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.11 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (twenty-one) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one-third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

11. Changing of IPA

- 11.1 Upon receipt of FMDQ Exchange's approval to effect the revision, the Issuer is entitled to vary or terminate the appointment of the IPA and/or appoint additional or other IPA and/or make

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any change in the office of the IPA through which any IPA acts, provided that there will, at all times during the subsistence of the Programme, be an IPA with an office.

11.2 The IPA acts solely as IPA of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder

12. Further Issues

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

13. Governing Law

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

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

TAX CONSIDERATIONS

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

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

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

RISK FACTORS

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 Notes. The risks in this section are provided as general information only. Prospective investors should refer to, and carefully consider, the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes. The Issuer and the Arranger disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Programme Memorandum 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 Commercial Papers. An investment in the Commercial Papers involves certain risks, most of which may or may not occur and neither the Issuer nor the Arranger are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, Prospective Investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Programme Memorandum and any applicable Pricing Supplement before purchasing the Commercial Papers. Investors should also seek professional advice before making investment decisions in respect of the Notes.

IN RELATION TO NIGERIA

Political Risk

In recent years, Nigeria's political climate has been marked by considerable instability, with the nation grappling with a wide array of social challenges. These include terrorism, protests and civil unrest, religious and ethnic conflicts, and the vandalism of pipelines. Concurrently, various factors have undermined the business environment. Government policies, fluctuations in global oil prices, currency depreciation, and soaring inflation rates have all contributed to a challenging economic landscape. Together, these issues have eroded investor confidence and hindered business growth, creating an environment fraught with uncertainty.

While recent efforts have achieved some success in countering insurgent groups, the risk of these groups regrouping remains a significant concern. Effectively addressing this risk hinges on the government's ability to tackle the underlying issues that fuel these problems, such as poverty, limited access to education, religious intolerance, weak law enforcement, and general insecurity. Without addressing these root causes, insurgent groups are likely to persist, especially in the northeastern regions of Nigeria. The ongoing activities of these groups have detrimental effects on the nation's economy, which, in turn, could pose potential challenges for the Issuer's operations.

Economic Risk

The Issuer is domiciled in Nigeria, where most of its customers also reside. Accordingly, its business, results of operations, and/or financial conditions depend significantly on the economic and political conditions prevailing in Nigeria.

The trajectory of Nigeria's economic growth is profoundly influenced by a combination of internal and external factors, many of which extend beyond the fiscal and monetary policies implemented by its policymakers. A key characteristic of Nigeria's economy is its heavy reliance on oil revenues, which constitute a major portion of both government income and export earnings. As a result, fluctuations in global oil prices – impacted by factors such as the ongoing war in Ukraine and the recent escalation of the Israeli-Palestinian conflict – alongside challenges like low oil production levels, have a substantial effect on the nation's fiscal stability and overall economic performance.

To achieve a path of sustainable growth, Nigeria must tackle several critical issues. These include diversifying its revenue sources beyond oil, enhancing fiscal transparency, and implementing greater fiscal discipline. Addressing these areas is essential for mitigating the risks associated with external economic shocks and fostering a more resilient and stable economic environment.

To counter these challenges, the government has initiated economic reforms, including harmonizing foreign exchange rates and phasing out the petrol subsidy. However, the country's economic stability remains vulnerable to oil price fluctuations. However, there have been positive developments, such as

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a renewed focus on agricultural and digital sectors, which hold potential for long-term growth and diversification.

Issues with governance and processes continue to weigh on doing business in Nigeria.

Bureaucracy, bribery, and corruption are of serious concern and constitute major barriers to doing business in Nigeria and hinder economic growth and social development. Nigeria currently ranks 131 out of 190 countries in the World Bank's 2020 Doing Business ranking. This is an indication of the country's poor performance in the areas of paying taxes, enforcing contracts and trading across borders, which makes the climate difficult for doing business. This continues to impact negatively on tax revenues, investor confidence and mobility of goods.

Failure to address these issues, continued corruption in the public sector and any future allegations of or perceived risk of corruption in Nigeria could have an adverse effect on the Nigerian economy and may have a negative effect on Nigeria's ability to attract foreign investment. The inability to attract foreign investment will have a detrimental effect on the ability to attract foreign exchange, which will put pressure on the currency.

IN RELATION TO THE ISSUER

Operational Risk

This is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Examples of these risks and their associated losses include rogue trading, fraud/forgery, penalties or expenses incurred, settlement delays and regulatory infractions, inappropriate sales practices, poor accounting processes, lapses in financial control, and legal settlements involving significant payments for losses alleged to have been caused by the Company and/or its employees. The Company has well-developed Standard Operating Procedures, strong internal controls and an effective risk management and business continuity plan. Business Operations are reviewed monthly at management level.

Change in Governing Law

The Issuer is duly incorporated and established under the laws of Nigeria, and this legal status remains valid as of the date of this Programme Memorandum. However, no assurances can be provided regarding the potential impact of any future judicial decisions, changes in Nigerian law, or shifts in the official application or interpretation of Nigerian legal principles that may occur after the date of this Programme Memorandum. The legal landscape is subject to evolution, and such changes could affect the Issuer's operations and obligations. Consequently, while the Issuer is currently compliant with Nigerian law, future developments in the legal and regulatory environment may influence its standing and operations.

Liquidity Risk

Liquidity risk is the risk that the Issuer would be unable to meet its redemption obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding maturing obligations. Liquidity risk projections, including available credit facilities, are integrated into the regular management information reviewed by the Issuer. The liquidity review primarily focuses on assessing the net financing capacity, which encompasses free cash and available credit facilities, in relation to the company's financial liabilities.

Foreign Exchange Risk

Foreign exchange risk is the risk that changes in foreign exchange rates and controls would affect the value of the financial assets and liabilities as well as off-balance sheet items of the Issuer. Financial instruments that are exposed to this risk include foreign currency denominated loans and advances, foreign currency denominated securities, and future cash flows in foreign currencies arising from foreign exchange transactions undertaken by the Issuer in exchange rates could result in further devaluation/depreciation of the Naira which could have a material adverse effect on the Company's financial condition.

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RISKS RELATING TO THE COMMERCIAL PAPER

Change in interest rates may affect the price of the Commercial Papers

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, the price of the commercial papers may vary inversely with changes in prevailing interest rates. That is, a rise in interest will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, 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 Commercial Papers. However, these effects are only in the short term as the Commercial Papers are short-term instruments, to the extent that there are no extended roll-overs.

Independent Review and Advice

Each prospective investor in the Commercial Papers must conduct their own independent assessment and seek any professional advice as deemed appropriate or necessary under the circumstances to ensure that their purchase of the Commercial Papers aligns fully with their financial needs, objectives, and conditions. For institutional investors, it is also crucial to confirm that the terms of the Commercial Papers are consistent with all applicable investment policies, guidelines, and restrictions, notwithstanding the inherent risks associated with investing in or holding Commercial Papers. Prospective investors should not rely on the Issuer or any of its affiliates to determine the legality of their acquisition or to assess the other matters mentioned above.

Liquidity risk for the Commercial Papers

There is a risk that the liquidity of the Commercial Papers may be limited and consequently, investors may not be able to readily sell their Commercial Papers at prices that will enable them to realize a yield comparable to that of similar instruments, if any, in a developed secondary market. The short-term nature of the Commercial Papers means that investors will typically hold the securities till maturity. The trading market for debt securities may be volatile and adversely impacted by many events given the influence of economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Commercial Papers.

Exchange rate risks and exchange controls

Payments of principal and interest on the Commercial Papers will be made in Naira. This presents certain risks relating to currency conversions on foreign denominated portfolios. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Naira or revaluation of the investor's currency). An appreciation in the value of the Investor's Currency relative to the Naira would decrease (1) the Investor's Currency-equivalent yield on the Commercial Papers, (2) the Investor's Currency equivalent value of the principal payable on the Commercial Papers and (3) the Investor's Currency equivalent market value of the Commercial Papers. The relevant government may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive lesser interest and/or principal than expected.

Legality of Purchase

This covers the risk that neither the Issuer, the Arranger and IPA nor any of their respective affiliates have or assume responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation, or regulatory policy applicable to it.

Modification, waivers, and substitution

The conditions of the Commercial Papers contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. This means that

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decisions can be made that will bind all Noteholders, including those who did not attend or vote at the relevant General Meeting, as well as those who voted in opposition to the majority. As a result, there is a risk that individual Noteholders might find themselves subject to decisions made by the majority, even if they did not participate in the meeting or disagree with the outcome. This could potentially impact their rights and interests in ways they may not have anticipated, highlighting the importance for Noteholders to be aware of and understand these provisions in subscribing to the Commercial Papers.

Credit ratings may not reflect all risks.

The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial Papers. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

CSD

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

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

Authorized Participants

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

For the purposes of Notes issued under this Programme, the Authorised Participants are FBNQuest Merchant Bank Limited, the Issuing and Placing Agent and any other Authorised Participant as duly appointed by the Issuer.

Registration

- i. The Authorised Participant shall register with the CSD where CP custody and depository services are required. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form.
- ii. Noteholders are required to route their account opening applications and transactions through any of the above-mentioned Authorised Participants, who will officially notify the CSD to create subaccounts for the Noteholders and attach Noteholders' mandates to this effect.
- iii. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- iv. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- v. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

Custody and Dematerialisation

- i. An Authorised Participant with physical CP notes may decide to dematerialise CP(s) with the CSD by completing the relevant form.
- ii. All holders of CP notes shall route the notes through the Authorised Participant who will then submit on the CSD authorised platform in dematerialised form.
- iii. Authorised Participants may also decide to keep the CPs in physical form with the CSD (subject to service agreement with CSD), acting as the Custodian for the issue.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- iv. Authorised Participants can also lodge the CP(s) electronically by using the CSD e-lodgment format.
- v. The Authorised Participants (or Lead Arranger) will advise the CSD, after dematerialisation or e-lodgment to transfer CPs to Noteholders' (or their custodians') accounts at the CSD before trading commences.
- vi. Cut-off time for e-lodgment of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process the same within 24 hours of receipt.

Redemption

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

Roll-Over

- i. All CPs including roll-overs shall not exceed 270 days (tenor) from the issue date
- ii. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- iii. Upon receipt of the Issuer's intention to rollover, the IPA shall notify FMDQ Exchange no later than 3:00PM, one business day prior to the maturity of the CP, that all investors have been duly informed of the intention to rollover
- iv. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish the FMDQ Authorised Participants with the new CP symbol codes and unique identifiers, subject to receipt of CP rollover fees from the Authorised Participants.
- v. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes

Default

- i. Failure to notify FMDQ Exchange by 5:00 PM in writing that the CP has been liquidated and that funds have been transferred to all CP holders on the maturity date of the CP and failure to provide evidence of settlement of all investors to the Exchange on the maturity date
- ii. Part-payment or non-payment of the CP value to investors shall also constitute a Credit Default. In the case of a proposed Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuers/Promoters to effect such payment shall result in a default.
- iii. The FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPA shall provide reasons for the default or imminent default (e.g., insufficient funds in the funding account to meet payment obligations on maturity date or inability of IPCA/CPA to effect payment to investors due to technical issues such as a market disruption or as the case may be
- iv. In case of (i) above, the CP holdings must remain with the CSD until the Collecting and Paying Agent pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- v. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly

Secondary Market Trading (OTC) Guidelines

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- i. Standard settlement cycle is T + 2.
- ii. FMDQ Exchange shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform, based on the following settlement timelines:
 - a. Same Day Settlement - 12.30pm.
 - b. T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorised platform by 2.00 p.m. on the settlement date to FMDQ Exchange and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. Authorised Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ and CSD simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before the close of business on the date which is three (3) Business Days before the Maturity Date.

Reporting

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by Authorised Participants or the FMDQ and keep records of consideration for each transaction.
- ii. The CSD will advise Authorised Participants or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. Authorised Participants can visit the CSD website (<https://www.fmdqgroup.com/fmdqdepository/>) to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

Transfer of Notes

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

Cash Settlement

The Transaction Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement ("RTGS"), NIBSS Electronic Funds Transfer ("NEFT") or any other transfer mode agreed by the Transaction Parties and recognised by the CBN

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Saro Lifecare Limited
RC: 713497

**Issue of ₦[●] (Series [●]) Commercial Paper Notes
Under its ₦20,000,000,000
Commercial Paper Issuance Programme**

This Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated December 23, 2024 prepared by Afrinvest Capital Limited on behalf of Saro Lifecare Limited in connection with its ₦20,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

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

This document constitutes the Pricing Supplement relating to the issue of Commercial Paper Notes ("CP Notes" or "the Notes") described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

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

LEAD ARRANGER

RC: 1706693

ISSUING AND PLACING AGENT

RC: 1706693

This Pricing Supplement is Dated [.]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Issuer	Saro Lifecare Limited
Lead Arranger	Afrinvest Capital Limited
Collecting and Paying Agent	Access Bank Plc
Issuing and Placing Agent	Afrinvest Capital Limited
Auditors	Ernst & Young
Custodian/Registrar	FMDQ Depository Limited
Solicitor	Udo Udoma & Belo-Osagie
Sponsor to the Quotation on FMDQ Exchange	Afrinvest Capital Limited
Series Number	1
Programme Size	₦ 20,000,000,000
Aggregate Nominal Amount	[•]
a. Tranche	[•]
b. Series	[•]
Face Value	[•]
Discounted Value	[•]
Nominal Amount Per Note	[•]
Issue Price	[•]
Tenor	[•]
Maturity Date	[•]
Final Redemption Amount	[•]
Minimum Subscription	[•]
Specified Currency	[•]
Specified Denomination	[•]
Status Of Notes	Each Note constitutes a direct, unconditional, senior obligation of the Issuer, and the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, pari passu with other present and future senior obligations of the Issuer outstanding from time to time
Form Of Notes	[•]
Quotation	Notes may be quoted on the FMDQ Exchange platform or any other recognized Exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method Of Offer	[•]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Book Closed Period	The Register will be closed from [•] to [•] until the Maturity Date
Implied Yield	[•]
Discount Rate	[•]
Any Other Formula or basis For Determining Amount(S) Payable	[•]
Sale Restriction	The sale of CPs under the CP Programme have been restricted to Qualified Institutional Investors.
Day Count Fraction	[•]
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which commercial banks are open for business in Nigeria
Use of Proceeds	[•]
Source of Repayment	[•]
Redemption/Payment Basis	[Redemption at par][other(specify)]
Issuer's Early Redemption	[Applicable/Not Applicable]
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable On Redemption	[•]
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Notification Of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [•]
Settlement Date	[•]
Issue Date	[•]
Details Of Bank Account(s) To Which Payments Are to Be Made in Respect Of The Notes	[•]
Settlement Procedures and Settlement Instructions	[•]
Delivery Date	[•]

USE OF PROCEEDS

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

PRO FORMA APPLICABLE PRICING SUPPLEMENT

CORPORATE ACTIONS

Except as disclosed in this document, there have been no corporate actions since the 2023 audited accounts

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the 2023 audited accounts.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum and supplemental Programme Memorandum, if any, contains all information that is material in the context of the issue of the Note.

Signed at _____ on this _____ day of _____ 2024

For and on behalf of
Saro Lifecare Limited.

Name
Capacity: Director
Who warrants his/her authority hereto

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

AUDITOR'S COMFORT LETTER



Ernst & Young
10 & 11 Floors
UBA House
87 Marina Lagos
P.O. Box 2442, Marina

Tel: +234 (01) 891 4900
Fax: +234 (01) 443 0481
Email: service@egny.com
www.ey.com

12 November 2024

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

Dear Sir,

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

Opinion

The accompanying summary of financial information on pages 35 to 36 which comprise the summary statements of financial position as at 2020, 2021, 2022, and 2023 the summary of profit or loss and other comprehensive income for the years 2020, 2021, 2022, and 2023 and the summary of cash flows for the years ended, are derived from the audited financial statements of Saro Lifecare Limited for the year ended 2020, 2021, 2022, and 2023 respectively.

In our opinion, the summary financial information derived from financial statements of Saro Lifecare Limited (the "Company") for the years ended 2020, 2021, 2022, and 2023 are consistent in all material respect with the financial statements in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.


Summary Financial Statements

The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 applied in the preparation of the audited financial statements of Saro Lifecare Limited. Reading the summary financial statements and the auditor's report thereon, therefore is not a substitute for reading the audited financial statements and the auditor's report of Saro Lifecare Limited.

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



AUDITOR’S COMFORT LETTER



The Audited Financial Statements and Our Report Thereon

In our opinion the summary of financial information derived from the audited financial statements of Saro Lifecare Limited for years ended 2020, 2021, 2022, and 2023 are consistent, in all material respects, with those financial statements in accordance with the Companies and Allied Matters Act 2020.

Director's Responsibility for the Summary Financial Statements

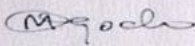
The Directors are responsible for the preparation of the summary audited financial information for years ended 2020, 2021, 2022, and 2023 in accordance with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and International Financial Reporting Standards.

Auditors' Responsibility


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

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

Yours faithfully,




Maureen Ogodo
Partner



0298570

For: Ernst and Young

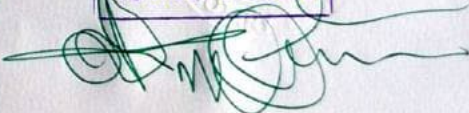



24/4/2024

BEFORE ME

VICTOR ANURIQHA (LLM)

NOTARY PUBLIC





NOTARY PUBLIC
VICTOR ANURIQHA (LLM)
Notary Solicitor
No 1, Ikorin Avenue,
Ikede St: Agos Oke,
Ikede Court, Magistrate Court
Sokoto State, Lagos State
08037123710
Expiry Date: For Life
FEDERAL REPUBLIC OF NIGERIA

STATEMENT OF PROFIT OR LOSS

<i>In thousands of Naira</i>	2023	2022	2021	2020
Revenue	13,386,288	11,106,796	8,355,759	7,222,979
Cost of Sales	(6,751,614)	(7,219,626)	(5,023,617)	(3,491,267)
Gross Profit	6,634,674	3,887,170	3,332,142	3,731,712
Other Income	366,847	946,326	526,497	332,051
Personnel Expenses	(520,792)	(412,161)	(310,620)	(383,467)
Administrative Expenses	(3,398,441)	(2,390,646)	(1,568,311)	(2,064,754)
Selling & Distribution Expenses	(855,035)	(627,842)	(768,967)	(474,476)
Operating Profit before Tax	2,227,253	1,402,846	1,210,741	1,141,066
Finance income	56,659	4,974	5,675	291
Profit before Tax	2,283,912	1,407,820	1,216,416	1,141,357
Income Tax Expense	(770,078)	(463,413)	(396,120)	(390,962)
Profit for the Year	1,513,834	944,407	820,296	750,395

STATEMENT OF FINANCIAL POSITION

<i>In thousands of Naira</i>	2023	2022	2021	2020
Assets				
Non-Current Assets				
Property, plant & equipment	1,085,815	1,180,153	1,046,762	944,570
Right-of-use-asset	-	-	-	-
Intangible assets	1,747	-	-	-
Deferred tax asset	3,972	-	3,645	-
Total Non-Current Assets	1,091,534	1,180,153	1,050,407	944,570
Current Assets				
Inventories	8,892,897	4,589,759	3,799,360	1,479,074
Trade and other receivables	1,291,325	848,511	1,417,331	1,904,085
Contract assets	327,493	3,248,355	31,973	1,799,125
Prepayments	43,843	31,003	28,043	20,212
Cash and cash equivalents	4,658,643	501,540	1,250,023	717,357
Total Current Assets	15,214,201	9,219,168	6,526,730	5,919,853
Total assets	16,305,735	10,399,321	7,577,137	6,864,423
Liabilities				
Current Liabilities				
Trade and other payables	5,917,932	2,062,529	1,763,405	2,497,222
Short term loan	3,266,645	2,592,426	470,000	-
Current income tax payable	906,282	440,297	513,364	364,017
Contract Liabilities	7,200	115,652	198,581	56,735
	10,098,059	5,210,904	2,945,350	2,917,974
Non-Current Liabilities				
Deferred tax liability	-	22,731	-	8,593
Total Non-Current Liabilities	-	22,731	-	8,593
Total Liabilities	10,098,059	5,233,275	2,945,350	2,926,567
Equity				
Share Capital	50,000	50,000	50,000	23,000
Share Premium	2,370,000	2,370,000	2,370,000	2,397,000
Deposit for Shares	248,832	248,832	248,832	-
Property Revaluation Reserve	32,403	32,403	32,403	32,403
Retained Earnings	3,506,441	2,464,811	1,930,552	1,485,453
Total Equity	6,207,676	5,166,046	4,631,787	3,937,856
Total Equity and Liabilities	16,305,735	10,399,321	7,577,137	6,864,423

EXTRACT OF CREDIT RATING REPORT

2024 Corporate Rating Report

SARO LIFECARE LIMITED

Issuer Rating:

A-

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

Outlook: Stable
 Issue Date: 21 August 2024
 Expiry Date: 30 June 2025

Previous Rating: Bbb+

Industry: Fast Moving
 Consumer Goods (Home &
 Personal Care)

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Company Profile	4
Ownership, Mgt. & Staff	5
Financial Condition	7
Outlook	12
Financial Summary	13
Rating Definition	15

Analysts:
 Christian Obiezu
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 isaacbabatunde@agusto.com

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 UBA House (5th Floor)
 57, Marina
 Lagos
 Nigeria
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RATING RATIONALE

- Agusto & Co. hereby upgrades the rating assigned to Saro Lifecare Limited ('Saro Lifecare', 'SLC' or 'the Company') to "A-". The rating upgrade reflects the notable improvement in the Company's profitability and cash flow positions on account of the efficiency in its raw material procurement and agile product pricing that has somewhat shielded its earnings from the economic headwinds of rising inflation and persistent currency devaluation. The rating also considers SLC's low leverage and its expanding aerosol manufacturing capacity, which should sustain its market leadership status in the in-home pest control segment of the Nigerian consumer goods market. We also believe that the increased local production and raw material sourcing will help to build additional resilience against price and supply chain risks associated with imported items. The rating is however constrained by high inventory investments, which have continued to weigh on the Company's working capital management. This is in addition to concerns over SLC's ability to sustain its sales volume and cost pass-through pricing strategy considering the low consumer spending on non-essential items and the intense price competition across its product range.
- Saro Lifecare Limited, an indigenous player in the consumer goods market in Nigeria, specialises in the manufacturing and marketing of in-home pest control and personal care products under six brands – Sniper, Nopest, Purit, Carat, Safecut and Diva's Secret. The Company is a member of the SaroAfrica International Limited ('Saro Group' or 'the Group'), a diversified corporation with business interests in crop protection, agro-processing, ethanol and personal care goods industries. SLC sells its products through an extensive wholesale and retail networks that include hypermarkets, supermarkets and grocery stores. The Company also leverages Saro Group's existing (crop protection) supply channels to reach farmers in remote locations. In line with its import substitution strategy, the Company commenced the local production of its insecticides and effectively discontinued the importation of finished aerosol products, following the commissioning of its aerosol factory in the second quarter of 2023.
- In the financial year ended 31 December 2023 (FYE 2023), SLC's revenue grew by 20.5% to ₦13.4 billion to reflect the favourable product mix and the upward price adjustments during the year. The Company's gross and operating profit margins improved markedly to 49.6% and

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SARO LIFECARE LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A1

Previous Rating: BBB

Rating Outlook: Positive

Trend: UP

Currency: Naira

Date Issued: 30 July, 2024

Valid Till: 29 July, 2025

Reference:

Abiodun Adeseyoju, FCA.

Abimbola Adeseyoju

Oladele Adeoye

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

EXECUTIVE SUMMARY

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Turnover	13,386,288	11,106,796	8,355,759	7,222,979	7,234,272
Profit/Loss Before Tax	2,283,912	1,407,820	1,216,416	1,141,357	1,007,403
Equity	6,207,676	5,166,046	4,631,787	3,937,856	3,343,818
Non-Current Assets	1,091,534	1,180,153	1,050,407	944,570	887,202
Total Asset	16,305,735	10,399,321	7,577,137	6,864,423	5,655,265
Current Assets	15,214,201	9,219,168	6,526,730	5,919,853	4,768,063

Rating Explanation

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

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

RATING SYNOPSIS

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

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

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

Overall, the following were observed:

Positive Rating Factors

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

Negative Rating Factor

- Macro-Economic Constraints

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.



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www.uubo.org

23rd December 2024

Afrinvest Capital Limited
27, Gerrard Road
Ikoyi, Lagos
Nigeria

Attention: Mr Suru Daniels

Dear Sirs,

**RE: ESTABLISHMENT OF A ₦20,000,000,000.00 (TWENTY BILLION NAIRA)
COMMERCIAL PAPER ISSUANCE PROGRAMME BY SARO LIFECARE
LIMITED**

We have been appointed as legal counsel in connection with the establishment of the ₦20,000,000,000.00 (Twenty Billion Naira) Commercial Paper Issuance Programme (the "Programme") by Saro Lifecare Limited (the "Issuer").

The Programme is for the issuance of discounted and/or zero-coupon commercial paper notes with a minimum tenor of 15 days and a maximum tenor of 270 days (the "Notes") in series and/or tranches and in an aggregate amount of up to ₦20,000,000,000.00 (Twenty Billion Naira) (across all tenors), being the maximum size of the Programme.

This opinion is issued pursuant to the Issuing and Placing Agency Agreement dated 23rd December 2024 between the Issuer and the Issuing and Placing Agent.

1. DEFINITIONS

- 1.1. Words and expressions used in this opinion ("Opinion") and not otherwise defined herein shall have the same meanings attributed to those terms in the Issuing and Placing Agency Agreement.

The following terms, where used in this Opinion, shall have the meaning set out beside them below:

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

"BFA" means the Business Facilitation (Miscellaneous Provisions) Act 2022;

PARTNERS: DAN ASBOR • ANNEKAN UKRANAH • ALMOKE LAMBO • UZOMA AZIKWE • FOLAKE ELLIAS ADEBOWALE • YINKA EDU • NICHOLAS OKAFOR • OZOFU LATUNDE OGBEMULOGA
LOLADE OGBESAN • HENNA AJAKPOVI • FESTUS ONYIA • ADEOLA SUNKOLA • JOSEPH EMBULEZE • ONYIYIYE OKAFOR • KAMINA IBRAHIM
OF COUNSEL: HYNA BELO-OSAGIE
RETIRED FOUNDER: UDOMA UDO-UDOMA
CONSULTANTS: OLUGBENGA OJO • ANOLA OLURODUNMI ETTI • SALLY UDOHA
OFFICES: LAGOS • ABUJA • PORT-HARCOURT

- (f) all approvals, consents, and authorisations provided to us are genuine and authentic;
- (g) all statements as to matters of fact contained in the Transaction Documents are correct and not misleading other than to the extent that such statements relate to matters that we have specifically opined on in this Opinion and that all representations of facts expressed in or implied by the documents that we have examined are accurate;
- (h) no Notes will be issued with a tenor of more than 270 days or on the basis that the Notes may be rolled over after 270 days;
- (i) the Issuer has been rated in the manner required by, and in compliance with, the CBN Guidelines and the CP Rules;
- (j) the documents in the file of the Issuer held at the CAC are the most recent and up to date records of the Issuer;
- (k) no steps have been taken for the administration, bankruptcy, liquidation, dissolution or similar procedure of or in respect of the Issuer, and the Issuer is not insolvent within the meaning of the CAMA, after the dates of the searches referred to in paragraph 5.10(a) below;
- (l) the copies of the Issuer's corporate documents which we have relied on are in full force and effect and have not been amended, modified, or superseded as at the date of this Opinion;
- (m) the proceeds realised from the issuance of the Notes under the Programme will not cause any borrowing or similar limit binding on the Issuer from time to time to be exceeded or breached; and
- (n) there are no facts not disclosed to us by the Issuer which would affect the conclusions that we have arrived at in this Opinion.

5. OPINION

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

- (a) Subject to the qualification in paragraph 6.2 below, the Issuer is a private limited liability company, duly incorporated and validly existing under the laws of Nigeria with corporate authority, perpetual succession, capacity to own moveable and immovable properties and the ability to sue and be sued in its corporate name.

- (b) The Issuer is empowered by Article 31 of its articles of association to issue the Notes and to perform its obligations under the Transaction Documents.

5.2. Due Authorisation

- (a) The Transaction Documents and the performance of the Issuer's obligations thereunder, and the issue of the Notes, have been duly authorised by the Board, and the Transaction Documents have been duly executed and delivered, in each case, by the Issuer.
- (b) The Transaction Documents constitute, and the Notes (when issued) will constitute, legal, valid, and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their respective terms subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law and / or in equity).
- (c) The holders of the Notes that will be issued under the Programme will each be entitled to enforce the terms of the Deed of Covenant against the Issuer.

5.3. No Conflict

The execution, delivery, and performance by the Issuer of its obligations under the Transaction Documents, and the issuance of the Notes pursuant to the Transaction Documents, will not, to the best of our knowledge, conflict with, violate, contravene, or constitute a default under:

- (a) the memorandum and articles of association of the Issuer; or
- (b) any law or regulation in force in Nigeria and applicable to the Issuer.

5.4. Filings, Registrations, or Consents


- (a) Save for the requirement to pay stamp duty on the Transaction Documents at the Stamp Duties Office of the FIRS and to file the Transaction Documents with FMDQ Exchange, it is not necessary under the laws of Nigeria that any document be filed, registered, recorded or notarised before or with any court, public office or other authority in Nigeria in order to ensure the legality, validity, enforceability, and the admissibility in evidence of any of the Transaction Documents or the performance by the Issuer of its obligations under the Transaction Documents (including the issuance of the Notes).

LEGAL OPINION ON THE NOTES



relating to the issue of any Note, in each case for the purposes of information only on the strict understanding that we assume no duty or liability whatsoever to any such recipient as a result or otherwise.

Yours faithfully,


UDO UDOMA & BELO-OSAGIE

GENERAL INFORMATION

○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Saro Lifecare Limited dated November 12, 2024.

○ **Auditors**

Ernst and Young acted as auditors of the annual financial statements of the Promoters for the financial years ended 31 December 2020-2023 and was responsible for the audit and issued unqualified report.

○ **Commercial Paper Outstanding**

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum within the financial year ending 31 December 2023. However, the issuer and Saro Agrosiences Limited jointly sponsored the Commercial Paper issued by SaroAfrica Funding SPV Plc that successfully raised and repayed ₦10.45 billion via the Series 1 and 2 CP Notes.

○ **Going Concern**

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

○ **Litigation**

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

○ **Material Contracts**

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

- i. the Deed of Covenant dated December 23, 2024 executed by the Issuer as a deed poll in favour of the Note holders;
- ii. the Issuing and Placing Agency Agreement dated December 23, 2024 executed by the Issuer and the IPA; and
- iii. the Collecting and Paying Agency Agreement dated December 23, 2024 executed by the Issuer and the CPA.

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

○ **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes

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