

This document is important and should be read carefully. If you are in any doubt as to its contents or the action to be taken, please consult your Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately. Investing in this offer involves risks. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on page 53 hereof.



**APL FUNDING SPV PLC
RC 7780420**

(INCORPORATED AS A SPECIAL PURPOSE VEHICLE BY ASIKO POWER LIMITED)

₦50,000,000,000 BOND ISSUANCE PROGRAMME

SHELF PROSPECTUS

This Shelf Prospectus ("**Prospectus**") and the Bonds (as defined below) which it offers have been cleared by and registered with the Securities and Exchange Commission ("**SEC**" or the "**Commission**"). It is a civil wrong and a criminal offence under sections 85 and 86 of the Investments and Securities Act No. 29 of 2007 (as amended) ("**ISA**" or the "**Act**") to issue a prospectus, which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in sections 85 and 86 of the ISA.

Clearance and registration of this Shelf Prospectus and the securities, which it offers do not relieve APL Funding SPV PLC (the "**Company**" or the "**Issuer**") of any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

This Shelf Prospectus which has been issued in compliance with Part IX of the Act, the Rules and Regulations of the Commission 2013 (as amended from time to time) ("**SEC Rules**") and the listing requirements of FMDQ Securities Exchange Limited ("**FMDQ Exchange**") and Nigerian Exchange Limited ("**NGX**") (together, the "**Rules and Regulations**"), contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to this ₦50,000,000,000 (Fifty Billion Naira) Bond Issuance Programme (the "**Programme**"). This Shelf Prospectus will be available for download on the Commission's website (www.sec.gov.ng) and the Issuer's website. (www.asikoenergy.com)

Under the Programme described in this Shelf Prospectus, the Company under the Sponsorship of Asiko Power Limited may subject to compliance with all relevant laws and regulation from time-to-time issue bonds, or debt securities or any other evidence of indebtedness for borrowed money. The Bonds may be issued from time to time in separate series, amounts, prices, by public offer or private placement and on terms to be set out in any accompanying supplementary shelf prospectus or pricing supplement ("**Supplement**"). The maximum aggregate nominal amount of all Bonds issued from time to time and outstanding under the Programme shall not exceed ₦50,000,000,000 (Fifty Billion Naira).

This Shelf Prospectus 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 tranches issued under the Programme, together with the applicable Supplements. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

The registration of this Shelf Prospectus and any Supplement shall not be taken to indicate that the Commission endorses or recommends the Bonds or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. No Instrument will be allotted or issued on the basis of this Prospectus later than three (3) years from the date of this Prospectus or any other time frame prescribed by SEC following the issue of this Prospectus unless the validity period is renewed or extended by the Commission. A copy of this Shelf Prospectus and any Supplement will be delivered to the Commission for registration.

This Prospectus has been reviewed and approved by the members of the Board of Directors of the Company and the Sponsor and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Investors may confirm the clearance of this Prospectus and registration of the Bonds issued thereunder with the Commission by contacting the Commission on sec@sec.gov.ng or +234 (0) 9462 1100 or +234 (0) 9462 1168.

LEAD ISSUING HOUSE



STANBIC IBTC CAPITAL LIMITED

RC: 1031358

JOINT ISSUING HOUSES



**FCMB Capital Markets Limited
RC 446561**



**Vetiva Advisory Services Limited
RC 1804609**

**THIS SHELF PROSPECTUS IS DATED 27 DECEMBER 2024
THE PROGRAMME IS VALID FOR 3 YEARS FROM THE DATE OF ISSUANCE**

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IMPORTANT NOTICES

This Shelf Prospectus ("**Prospectus**") has been prepared on behalf of APL Funding SPV PLC in connection with its ₦50,000,000,000 (Fifty Billion Naira) Bond Issuance Programme, for the purpose of providing information to prospective investors in respect of the Issuer, the Sponsor, the Co-Obligors and the Bonds described herein. The Commission has cleared and registered this Prospectus, and the securities referred to herein.

The Board of Directors of each the Issuer and the Sponsor accepts full responsibility for the accuracy of all information contained in this Prospectus and confirms that the information contained in this Prospectus is correct and does not omit anything likely to affect the import of such information and is in accordance with the facts and the SEC Rules and the relevant Rules and Regulations.

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

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

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

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

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

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

The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons who come into possession of this Prospectus or any Bonds must inform themselves about and observe any such restrictions. There are restrictions on the distribution of this Prospectus and

IMPORTANT NOTICES

the offer or sale of Bonds in the United States of America, the United Kingdom, the European Economic Area, Canada, Japan, Australia, the Republic of South Africa and certain other jurisdictions. The Issuer, the Sponsor, the Issuing Houses or the other professional advisers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. No action has been taken by the Issuer, the Issuing Houses or the other professional advisers which would permit a public offering of any Bonds or distribution of this document in any jurisdiction (other than Nigeria) where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

The Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the Securities Act) or the securities laws of any jurisdiction other than Nigeria. The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with relevant regulations under the Securities Act. This Prospectus may not be forwarded or distributed electronically or otherwise to any U.S. person or U.S. address. Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures, which precede them.

KEY TERMS AND ABBREVIATIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Applicable Pricing Supplement”, “Pricing Supplement” or “Supplement”	The document that is issued pursuant to, supplemental to, and should be read in conjunction with the Prospectus, which contains the definitive particulars of a Tranche or Series of Bonds for the purpose of giving information to prospective investors/Holders in connection with such Tranche or Series of Bonds
“Auditor”	The auditor to the Sponsor and Co-Obligors, Crowe Dafinone, or any successor auditor which may be appointed in future
“Agusto & Co”	Agusto & Co Limited
“Board” or “Directors” or “Board of Directors”	The members of the Board of Directors of the Sponsor and the Issuer who as at the date of this document are those persons whose names are set out in their respective register of Directors and on Page 28 of this Shelf Prospectus
“Bonds”	Any notes or debt securities or any other evidence of indebtedness for borrowed money issued by the Issuer from time to time pursuant to the Programme Trust Deed or a Series Trust Deed
“Bond Issuance Programme” or the “Programme”	The ₦50,000,000,000 bond issuance programme being undertaken by the Issuer as described in this Prospectus and pricing supplement (defined below), pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦50,000,000,000
“Bondholder” or “Holder”	In relation to any Bonds of a Series or Tranche, a Person (whether currently or in the future) registered in the applicable Register of such Tranche or Series of Bonds, as the holder of those Bonds from time to time and shall include the legal, personal representative or successor of such Bondholder and those entered as joint Bondholders. Any registered owner or beneficial owner of Bond units to be issued under the Programme.
“Bond Trustees”	FBNQuest Trustees Limited, and any other trustee appointed by the Issuer in respect of a Series or Tranche of Bonds
“Book Building”	A process of price and demand discovery through which a Bookrunner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investor and High Net Worth Individuals, as defined by the Securities Exchange Commission
“Bookrunner(s)”	The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building

KEY TERMS AND ABBREVIATIONS

“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
“Call Option”	If specified as applicable in the applicable Supplement, means the option of the Issuer to redeem the Bonds early in that Tranche of Bonds in whole or, if so specified in the applicable Supplement, in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 4(d) of the Terms and Conditions of the Bonds (Redemption at the Option of the Issuer (Call Option)
“CAMA”	Companies and Allied Matters Act, No 3 of 2020 (as amended)
“CBN”	Central Bank of Nigeria
“CITA”	Companies Income Tax Act, Chapter C21, LFN 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007 and the Finance Acts of 2019, 2020, 2021 and 2023)
“Co-Obligors”	Any other affiliated company of the Issuer or Sponsor, as stated in the Applicable Pricing Supplement, that may, together with one or more other affiliates, be jointly and severally liable for the primary payment obligation under the Bonds
“Closing Date”	The date stipulated as such in the applicable Supplements
“Coupon”	The specified rate of interest on a Bond (other than a Zero-Coupon Bond)
“Coupon Commencement Date”	in relation to the Bonds of any Series, the date specified in the Applicable Pricing Supplement or a supplement to the Shelf Prospectus from (and including) the date on which such Bond starts to bear Coupon or, if no such date is specified therein, the Issue Date (other than in relation to Zero Coupon Bonds)
“Coupon Determination Date”	The date falling no later than two Business Days prior to the Coupon Payment Date on which the Trustee determines the interest rate applicable on a Bond (other than Fixed Rate Bonds and Zero-Coupon Bonds) for that Interest Period
“Coupon Payment Date”	If applicable in relation to a Series of Bonds, the date(s) specified in the applicable Pricing Supplement or if no such date(s) is/are specified in the applicable Pricing Supplement, the last day of each Interest Period as may be adjusted in accordance with the relevant Business Day Convention (as specified in the applicable Pricing Supplement)
“Coupon Period”	Coupon Period as defined in the Programme Trust Deed
“CSD”	Central Securities Depository, operated by Central Securities Clearing Systems PLC
“DataPro”	DataPro Limited

KEY TERMS AND ABBREVIATIONS

“Deed” or the “Deed of Guarantee” or “Guarantee”	The deed of guarantee in relation to the Series 1 Bonds between Infrastructure Credit Guarantee Company Limited and FBNQuest Trustees Limited executed on or about the date of the issue of prospectus
“Early Redemption Amount”	The amount at which the Bonds will be redeemed by the Issuer pursuant to the provisions of Conditions 4(f) (Redemption for Taxation Reasons), 4(d) (Redemption at the option of the Issuer (Call Option)) and 4(e) (Redemption at the option of Bondholders (Put Option)) and/or Condition 9 (Events of Default) of the Terms and Conditions, or as set out in the applicable Supplement
“Event of Default”	All such events of default as are defined under the Programme Trust Deed and particularly set out in the Series Trust Deed for the relevant Series
“Exchange”	The FMDQ Exchange or the NGX Exchange or any other securities exchange recognised by the Commission
“Face Value”	The nominal value of the Bonds
“FGN” or “Federal Government” or “Government”	The Federal Government of Nigeria
“Final Redemption Amount”	The amount of principal payable in respect of each Bond upon final redemption thereof, as specified in the applicable Pricing Supplement
“FMDQ”	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC to provide a platform for, amongst others, listing, quotation, registration, and trading of securities.
“FRCN”	Financial Reporting Council of Nigeria
“Grace Period”	The grace period or cure period allowed under the terms of the Programme Trust Deed within which a potential Payment Default may be cured
“GCR”	Global Credit Rating Company Limited
“GDP”	Gross Domestic Product
“High Net Worth Investor” or “HNI”	As defined in Rule 321 of the SEC Rules
“IASB”	International Accounting Standards Board
“IFRS”	The International Financial Reporting Standards (formerly International Accounting Standards) issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time)
“InfraCredit” or the “Guarantor”	Infrastructure Credit Guarantee Company Limited, a company that provides local currency guarantees to enhance the credit quality of debt instruments issued

KEY TERMS AND ABBREVIATIONS

“Interest Commencement Date”	The first date from which Coupon on the Bonds will accrue, as specified in the applicable Pricing Supplement
“Interest Rate”	The rate of interest payable from time to time in respect of Coupon-bearing Bonds of a Series or Tranche and that is either specified or is indicated in the applicable Pricing Supplement
“ISA” or the “Act”	Investments and Securities Act No. 29 of 2007 (as amended)
“Issue”	The issuance of Bonds pursuant to the Programme
“Issue Date”	The date on which each Series of Bonds may be issued to prospective investors for subscription during the validity period of the Programme
“Issue Price”	The price, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued as set out in the applicable Pricing Supplement
“Issuer”	APL Funding SPV PLC, with registration number RC 7780420, a public limited liability company incorporated in accordance with the laws of the Federal Republic of Nigeria
“Issuing Houses”	Stanbic IBTC Capital Limited, FCMB Capital Markets Limited, Vetiva Advisory Services Limited, and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme and/or in relation to a particular Series or Tranche of Bonds
“Joint Issuing Houses”	FCMB Capital Markets Limited, Vetiva Advisory Services Limited, and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme and/or in relation to a particular Series or Tranche of Bonds
“Lead Issuing House”	Stanbic IBTC Capital Limited and any other Issuing House appointed as lead advisor for any issuance of Bonds under the Programme and as specified in the applicable Pricing Supplement
“LFN”	Laws of the Federation of Nigeria
“LPG”	Liquefied Petroleum Gas
“LNG”	Liquefied Natural Gas
“Material Adverse Effect”	<p>Any event or circumstance which in the reasonable opinion of the Bond Trustee (when taken alone or together with any previous event or circumstance), has or could reasonably be expected to have a material adverse effect, for as long as the Bonds are outstanding, on:</p> <p>(a) the assets, business or financial condition of the Issuer; or</p> <p>(b) the ability of the Issuer to perform its payment obligations under the Offer Documents; or</p>

KEY TERMS AND ABBREVIATIONS

	(c) the validity or enforceability of any of the Offer Documents or the rights or remedies of the Bondholders thereunder.
“Maturity Date”	The date on which the Principal Amount or the final Instalment Amount of Bonds of a Series or Tranche becomes due and payable as defined in Condition 4 of the Terms and Conditions, or as set out in the applicable Supplement
“Minimum Redemption Amount”	The amount specified as such in the applicable Pricing Supplement
“MPR”	Monetary Policy Rate
“Naira” or “NGN” or “₦”	The Nigerian Naira, the official currency of the Federal Republic of Nigeria
“NBS”	Nigerian Bureau of Statistics
“NGX” or the “Exchange”	Nigerian Exchange Limited
“Nominal Amount”	In relation to any Bond, the total amount, excluding interest owing by the Issuer under the Bond, as specified in the applicable Pricing Supplement
“Obligors”	The Issuer, Sponsor and the Co-Obligors and “Obligor” means any of them
“Optional Redemption Amount”	In respect of any Bond, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement
“Optional Redemption Date(s)”	The date(s) specified as such in the applicable Pricing Supplement in relation to a Tranche of Bonds pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 4(d) (Early Redemption at the option of the Issuer (Call Option)). If no such date(s) is/are specified in the applicable Pricing Supplement, the Optional Redemption Date(s) shall be the Interest Payment Date(s) (in the case of interest-bearing Bonds) or, such other date(s) (in the case of non-interest-bearing Bonds) stipulated as the date(s) for redemption of such Tranche of Bonds or the relevant portion of such Tranche of Bonds, as the case may be, in the notice delivered by the Issuer pursuant to Condition 4(d) (Early Redemption at the option of the Issuer (Call Option))
“Outstanding”	<p>In relation to the Bonds, all the Bonds issued other than:</p> <ul style="list-style-type: none">(a) those which have been redeemed or purchased in full(b) those Bonds in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant terms and conditions has occurred and the redemption moneys (including all coupon payable thereon) have been duly paid to the Trustees or as directed by the Trustees and where appropriate notice to that effect has been given to the relative Holders in accordance with the provisions of the Programme Trust Deed and remain available for payment

KEY TERMS AND ABBREVIATIONS

- (c) those which have been cancelled as provided in Clause 12 of the Programme Trust Deed (*Cancellation of Bonds and Records*)
- (d) those which have become void under Condition 8 of the Programme Trust Deed (*Prescription*)

Provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Bondholders;
- (ii) the determination of how many and which Bonds are for the time being Outstanding for the purposes of Conditions 13 (*Meetings of Bondholders*) and 16 (*Modification of the Trust Deed*): Bonds (if any) of the Terms and Conditions which are for the time being held by the Issuer (subject to any applicable Law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held); and
- (iii) any discretion, power, or authority (whether contained in this Shelf Prospectus or vested by operation of law) which the Trustees are required, expressly or impliedly, to exercise in or by reference to the interests of the Holders under any Series or Tranche; and
- (iv) the determination by the Trustees whether any event, circumstance, matter, or thing is, in their opinion, materially prejudicial to the interests of the Bondholders of any Series or Tranche.

“Payment Day”

Any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Bonds

“Payment Default”

Failure by the Issuer to pay any sums representing principal, coupon and premium (if any) on the guaranteed bonds by the due date or any other sums payable in accordance with the provisions of the Programme Trust Deed

“Person”

Any individual, company, corporation, firm, partnership, joint venture, association, organisation, state, or agency of a state or other entity, whether or not having separate legal personality

“PITA”

Personal Income Tax Act, Chapter P8, LFN 2004 as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011 and the finance acts of 2020)

“Principal Amount”

In relation to a Tranche or Series, the Face Value or nominal amount of the Bonds specified in the Conditions and applicable Pricing Supplement

“Programme”

The ₦50,000,000,000 (Fifty Billion Naira) bond issuance Programme described in this Shelf Prospectus, pursuant to which the Issuer may issue Bonds in Series or Tranches, in Naira from time to time with varying maturities and variable

KEY TERMS AND ABBREVIATIONS

	rates of interest provided however that the aggregate value does not exceed ₦50,000,000,000 (or its equivalent in other currencies)
“Programme Amount”	The maximum aggregate Nominal Amount of all Bonds Outstanding that may be issued under the Programme being an amount not exceeding ₦50,000,000,000. (Fifty Billion Naira)
“Programme Trust Deed”	The Programme Trust Deed dated 27 December 2024 between the Issuer, Sponsor and the Trustee containing provisions relating to the issue of Bonds under the Programme
“Put Notice”	A notice which must be delivered to the paying agent by any Bondholder wanting to exercise the Put Option
“Qualified Institutional Investor”	As defined in the SEC Rules, institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, Stock Broking Firms and a purchaser of securities that is financially sophisticated (or as amended from time to time)
“Rating Agencies”	Agusto & Co, DataPro or any other rating agency that may be appointed from time to time
“Receiving Bank”	Stanbic IBTC Bank Limited or any other bank that may be appointed as Receiving Bank
“Redemption Amount”	The Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount, or such other amount in the nature of a redemption amount, as appropriate, as may be specified in, or determined in accordance with the provisions of the applicable Pricing Supplement
“Register”	With respect to each Series of Bonds, the books kept by the Registrar as applicable into which shall be entered the names and addresses of each Holder and the particulars, transfers and redemption of the Bonds held by each Holder to evidence the registration of and dealings in such Bonds
“Registrar”	First Registrars & Investor Services Limited and if applicable, any successor Registrar which shall be any entity set forth with respect to each Series of Bonds in the applicable Trust Deed of such Series, serving as custodian of the Register for such Series of Bonds
“Reporting Accountant” or “KPMG”	KPMG Professional Services or any other person that may be appointed as Reporting Accountant
“SEC” or the “Commission”	Securities and Exchange Commission, established pursuant to the ISA
“SEC Rules and Regulations” or “SEC Rules”	The Rules and Regulations of the SEC, 2013 (as amended and supplemented from time to time)
“Security Trustee”	ARM Trustees Limited, and any other security trustee appointed by the Issuer in respect of a Series or Tranche of Bonds

KEY TERMS AND ABBREVIATIONS

“Senior Claim”	The claims of all creditors of the Issuer, including all claims in respect of deposits with or loans to the Issuer and all claims to interest thereon or in respect thereof, statutory preferences and other legally required payments, obligations under hedging and other financial Bonds, excluding all claims in respect of Subordinated Indebtedness
“Senior Indebtedness”	The aggregate of all Senior Claims with respect to the Issuer
“Senior Bonds”	Unsubordinated and unsecured Bonds of a Series or Tranche, the terms of issue of which provide that such Bonds are senior, rank <i>pari passu</i> with the Senior Indebtedness of the Issuer and include such additional features as may be specified in the applicable Supplement
“Series”	A Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices; the expressions, Bonds of the relevant Series, Holders of the relevant Series and related expressions shall be construed accordingly
“Series Trust Deed”	A deed entered into by the Issuer and the Trustees in relation to a specific Series and empowering the Trustees to hold, administer and manage the interest of the Bondholders in relation to that Series or Tranche
“Shelf Prospectus” or “Prospectus”	This shelf prospectus issued in accordance with SEC Rules which will apply to all Bonds issued under the Programme and which details the aggregate size and broad terms and conditions of the Programme
“Solicitor to the Transaction”	Banwo & Ighodalo and any other solicitor appointed by the Issuer in respect of a Series or Tranche of Bonds
“Solicitor to the Issuer”	Udo Udoma & Belo-Osagie and any other solicitor appointed by the Issuer in respect of a Series or Tranche of Bonds
“Specified Currency”	The currency specified in the applicable Pricing Supplement
“Specified Denomination”	The issue denomination specified in the applicable Pricing Supplement
“Specified Office”	The registered address of the Issuer as specified in the applicable Supplement or such other address as the Issuer may specify by notice to the Holders which change of address shall in each case be notified to the Holders in accordance with Condition 33 (<i>Notices</i>)
“Sponsor”	Asiko Power Limited
“Subordinated Indebtedness”	The aggregate of the indebtedness of the Issuer, under the Bonds and all other indebtedness of the Issuer, which is subordinated in the event of the winding up of the Issuer, to the claims of senior creditors

KEY TERMS AND ABBREVIATIONS

“Subordinated Bonds”	The unsecured Bonds of a Series or Tranche, the terms of issue of which provide that such Bonds are subordinated so as to rank <i>pari passu</i> with the Subordinated Indebtedness of the Issuer and behind the Senior Bonds and other senior indebtedness of the Issuer and include such additional features as may be specified in the applicable Supplement
“Terms and Conditions of the Bonds”	The terms and conditions in accordance with which the Bonds will be issued, as set out in Schedule 2 (Terms and Conditions) of the Programme Trust Deed
“Tranche”	In relation to any particular Series, all Bonds which are identical in all respects (including as to listing) except for their respective Issue Dates, Embedded Options and/or Maturity Dates, Profit Commencement Date, Coupon Commencement Dates and/or Issue Prices (as applicable)
“Trust Deeds”	The Programme Trust Deed and Series Trust Deed(s)
“Validity Period”	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which, bonds may be issued under the Programme
“VAT Act”	The Value Added Tax Act (Chapter V1) LFN 2004 (as amended by the Value Added Tax (Amendment) Act No 12 of 2007 and the Finance Acts of 2020

THE PROGRAMME

This Shelf Prospectus is issued pursuant to SEC Rules and Regulations and contains particulars in compliance with the requirements of SEC for the purpose of giving information to the public about the ₦ 50,000,000,000 (Fifty Billion Naira) Bond Issuance Programme established by the Issuer. The specific terms of each Series or Tranche in respect of which this Shelf Prospectus is being delivered will be set forth in the applicable Supplement and shall include the specific designation, aggregate principal amount, currency unit for which the Bonds may be purchased, maturity, interest provisions, authorised denominations, issue price, any terms of redemption and any other specific terms. If a specific issue under the Programme requires a listing, an application will be made to NGX and/or the FMDQ for the admission of such Bonds to the relevant exchange.

Each of the Directors represents that he/she has taken reasonable care to ensure that the information concerning the Issuer and Sponsor contained in this Prospectus is true and accurate in all material respects as at the date of this Prospectus and confirm, having made all reasonable enquiries, that to the best of his/her knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

LEAD ISSUING HOUSE



STANBIC IBTC CAPITAL LIMITED
RC: 1031358

JOINT ISSUING HOUSES



FCMB Capital Markets Limited
RC 446561



Vetiva Advisory Services Limited
RC 1804609

ON BEHALF OF



APL FUNDING SPV PLC
RC: 7780420

Are authorized to Issue this Shelf Prospectus in respect of

THE ₦50,000,000,000 BOND ISSUANCE PROGRAMME

This Shelf Prospectus contains:

1. on page 26, a declaration to the effect that the Issuer did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with SEC for the registration of this Shelf Prospectus;
2. on page 27, a declaration to the effect that the Sponsor did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;

THE PROGRAMME

3. on pages 92 to 141, the Reporting Accountant's Report on the Sponsor's historical financial information, prepared by KPMG for incorporation in this Shelf Prospectus;
4. on page 78 and 79, extract of the Rating Reports prepared by Agosto & Co and DataPro;
5. on pages 31 to 52 the Terms and Conditions of the Bonds
6. on pages 148 to 149, the details and summary of the claims and litigation the Sponsor is involved in prepared by Banwo & Ighodalo
7. on pages 144 a summary of material contracts of the Issuer and Sponsor

DESCRIPTION OF THE PROGRAMME

The information contained in this section is a summary of certain aspects of the Programme and the principal features of the Bonds to be issued thereunder. This summary does not contain all the information that is to be considered before investing in the Bonds nor does it purport to be a complete or professional review of the investment situation regarding the possible acquisition of the Bonds which may currently be under consideration. 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 Shelf Prospectus and to the detailed provisions of each of the Offer Documents and the Applicable Pricing Supplement. Investors should read the entire Shelf Prospectus carefully, especially the risks involved in investing in the Bonds which are discussed under "Risk Factors".

Description of the Transaction Structure

The Issuer, APL Funding SPV PLC, is a special purpose vehicle set up specifically to finance the Sponsor's funding requirements, by issuing Bonds to the general public, particularly to Qualified Institutional Investors and HNIs in accordance with the terms of the Programme Trust Deed between the Issuer, the Sponsor and the Bond Trustee dated 27 December 2024.

The Obligor(s) shall have a joint and several obligation(s) to repay the aggregate principal amount outstanding and Coupon under the Trust Deed in accordance with the Applicable Pricing Supplement. Under the Programme, the Issuer may from time-to-time issue Bonds denominated in Naira. The Bonds will be issued pursuant to a Programme Trust Deed dated 27 December 2024 and each Series of Bonds shall be constituted separately under a Series Trust Deed.

Objectives of the Issuer

The establishment of this Programme has been facilitated by the Issuer for purposes of raising capital via the issuance of Bonds on behalf of the Sponsor;

Issuance Structure

In respect of the Bonds issued pursuant to the Programme Trust Deed, a trust has been constituted pursuant to which the Trustee agrees to act as trustee for the Bondholders and agree to hold the Issuer's undertakings for the benefit of all Bondholders in that regard.

The applicable terms of any Bonds will be set out in the relevant Terms and Conditions incorporated by reference into this Prospectus, as modified and supplemented by any applicable Supplement relating to the Bonds. A summary of the Programme and the Terms and Conditions appear in the section of this Shelf Prospectus headed "*Summary of the Programme*". The terms and conditions for Bonds appear in the section of this Shelf Prospectus titled "*Terms and Conditions of the Bonds*". Additional terms and conditions in relation to Bonds may be issued from time to time in an applicable Supplement.

The Programme Amount is ₦50,000,000,000.00 (Fifty Billion Naira)

This Shelf Prospectus will apply to Bonds issued under the Programme in an aggregate nominal amount Outstanding which does not exceed the Programme Amount.

A summary of the documentation governing the Bonds to be issued under the Programme is outlined below:

- i. This Shelf Prospectus disclosing material information in relation to the Issuer;
- ii. The applicable Pricing Supplement containing specific terms relating to a particular issue of Bonds;
- iii. A Programme Trust Deed between the Issuer and the Trustees setting out inter alia, the powers, rights, obligations/duties of the Trustee in relation to the Bonds issued under the Programme;
- iv. Series Trust Deed(s) will be entered into constituting each series of Bonds issued by the Issuer, and will contain specific terms relating to that particular issue of Bonds;
- v. A Deed of Undertaking issued by the Sponsor to the Trustees (on behalf of the Bondholders) in support of all the payment obligations of the Issuer under the Programme

DESCRIPTION OF THE PROGRAMME

- vi. Vending Agreement between the Issuer and the Issuing Houses in connection with the roles of management and marketing of the offers under the Programme, amongst others. This will be prepared on a series-by-series basis.
- vii. A Deed of Guarantee between the Guarantor and the Bond Trustees about the roles of each party and the extent of the guarantor's liability.

SUMMARY OF THE PROGRAMME

This summary should be read as an introduction to this Shelf Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, any Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.

TERMS	DESCRIPTION
Issuer:	APL Funding SPV PLC
Sponsor	Asiko Power Limited
Co-Obligor(s)	Any other affiliated company of the Issuer or Sponsor, as stated in the Applicable Pricing Supplement, that may, together with one or more other affiliates, be jointly and severally liable for the primary payment obligation under the Bonds
Obligors	The Issuer, the Sponsor and the Co-Obligor(s) each on its own an "Obligor"
Programme Description	<p>A Bond Issuance Programme undertaken by the Issuer of convertible and non-convertible, senior or subordinated debt instruments to be issued in Series, and or Tranches. The Programme covers Fixed Rate Bonds, Floating Rate Bonds, Reverse Floating Bonds, Zero Coupon Bonds, any combinations thereof and in any other format recognised by the SEC, all of which shall be denominated in Naira.</p> <p>The Programme and the Bonds to be offered hereunder are accorded a shelf registration with the Commission for a three-year period commencing from the date of this Shelf Prospectus. No Bonds shall be offered on the basis of this Prospectus after the expiration of the three-year period unless the validity period is renewed by the Commission.</p> <p>The provisions of the Programme Trust Deed and any applicable Series Trust Deed shall apply to the Bonds.</p>
Programme Limit	₦50,000,000,000 (Fifty Billion Naira) aggregate principal amount of Bonds outstanding at any one time.
Lead Issuing House	Stanbic IBTC Capital Limited, appointed as lead issuing house for any issuance of Bonds under the Programme and as specified in the applicable Pricing Supplement.
Issuing Houses	Stanbic IBTC Capital, FCMB Capital Markets Limited, Vetiva Advisory Services Limited, and any other issuing house(s) appointed from time to time either in relation to the Programme or for a specific Series of Bonds issued under the Programme.
Joint Issuing Houses	FCMB Capital Markets Limited, Vetiva Advisory Services Limited, and any other issuing house appointed from time to time by the Issuer either generally in respect of the Programme and/or in relation to a particular Series or Tranche of Bonds.
Bond Trustee	FBNQuest Trustees Limited.
Method of Issue	The Bonds may be offered and sold by way of public offering, or any other means permitted by the Commission and as specified in the applicable Pricing Supplement.
Issuance in Series	Bonds will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Bonds in each Series will have their respective maturity dates specified in the applicable Supplement. However, Bonds in each Tranche will have identical terms. Other details applicable to each Series and Tranche will be specified in the applicable Supplement.

Currency	The Bonds shall be denominated in Naira (₦).
Use of Proceeds	The exact application of the proceeds of each Series in relation to the foregoing will be specified in the applicable Supplement.
Maturity Date	Such date as may be agreed between the Issuer and the relevant Issuing Houses and indicated in the applicable Supplement, subject to maturities as may be allowed or required from time to time by the relevant laws or regulations applicable in Nigeria.
Tenor	The tenor of a particular Series of Bonds shall be determined by the Issuer and the Issuing Houses and specified accordingly in the applicable Supplement for the Bonds being issued.
Tax Status of the Bonds	Under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004, as amended by the Finance Act (the “CGT Act”), capital gains tax is chargeable on the disposal of corporate bonds or other debt instruments which are not Nigerian Government securities (i.e. Federal, State and Local Government bonds). Under current legislation in Nigeria, investments in Bonds to be issued under the Programme are exempted from a number of taxes. These include exemptions from VAT and PIT, by virtue of the Value Added Tax Act, Chapter V1, LFN 2004 (as amended by the Value Added Tax (Amendment), Act, No.12 2007 and the Finance Act) and Personal Income Tax (Amendment) Act 2011 (as amended by the Finance Act). See “Tax Considerations” on page 77.
Issue Price	The Issue Price of a specific Series shall be specified in the applicable Supplement of the relevant Series.
Closing Date	The Closing Date of a specific Series shall be stated in the applicable Supplement relating to the Series of Bonds being issued.
Coupon	Bonds issued under the Programme may be interest-bearing, non-interest bearing or zero coupon. The Coupon payable on the Bonds shall be determined by the Issuer and Issuing Houses and stated accordingly in the applicable Supplement for the Bonds being issued.
Frequency	The frequency of payment of interest and any other monies due on the Bonds shall be specified in the applicable Supplement for the Bonds being issued.
Repayment	Repayment terms in respect of the Bonds issued under the Programme shall be specified in the applicable Supplement for the Series of Bonds being issued.
Day Count Convention	Different day count conventions may be stipulated in the applicable Supplement.
Principal Redemption	Bonds will be redeemed on the dates specified in the applicable Supplement.
Early Redemption	The applicable Pricing Supplement issued in respect of each Series will state whether such Bonds may be redeemed prior to their stated maturity by the Issuer and the terms applicable to such redemption.
Redemption Amount	The applicable Supplement will specify the Redemption Amount or if applicable, the basis for calculating the Redemption Amount payable.
Form of Bonds/ Transferability	The Bonds will be issued in registered form and be freely transferable in accordance with the relevant provisions of the Trust Deeds. Bonds will be issued in un-certificated, or book entry form registered with a separate identification code with the CSD as specified in the applicable Supplement.
Interest Rate	If the applicable Supplement so specifies, the Bonds of any Series will bear interest from the Interest Commencement Date at the Interest Rate specified in or determined in accordance with the applicable Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the applicable Supplement. The interest payable on the Bonds of any Series for a period other than a full

Interest Period shall be determined in accordance with the applicable Supplement.

Status	<p>Unless stated otherwise in an applicable Supplement, the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which shall at all times rank pari passu without preference or priority among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer and the Sponsor from time to time owing, save for such obligations as may be preferred by provisions of law that are both mandatory from time to time outstanding and of general application.</p> <p>The Bonds qualify as securities in which trustees may invest under the Trustees Investments Act, T22, LFN 2004 (as amended from time to time). In addition, the Bonds are securities in which PFAs may invest under the Pension Act, 2014 and the Regulations on Investment of Pension Fund Assets issued by National Pension Commission (1 February 2019).</p>
Subscription of Bonds	<p>The Bonds may be subscribed to in accordance with the form of application set out in the applicable Pricing Supplement relating to the Bonds being issued.</p>
Grossing up	<p>All amounts payable under the Bonds shall be made free and clear of, and without deductions or withholding for or on account of any taxes, duties, assessments or any governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result thereof.</p>
Listing	<p>An application may be made to list the Bonds on a registered exchange such as the NGX or the FMDQ</p>
Issuer Rating	<p>The Issuer has a “Bbb-” rating from Augusto & Co and BBB+ rating from DataPro</p>
Issue Ratings:	<p>Bonds issued under the Programme will be assigned a rating and such rating shall be indicated in the applicable Supplement. The rating is valid for a period of one year from the date of issue, or for such validity period as the rating agencies specify</p>
Governing Law	<p>The Bonds issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with, Nigerian law.</p>

INFORMATION RELATING TO THE SHELF PROSPECTUS

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

The members of the Board of Directors of the Issuer and the Sponsor individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which would make any material statement herein misleading or untrue. Additional information may be obtained through the office of the Issuing Houses as listed on page 28 of this Shelf Prospectus on any Business Day during the period of the respective opening and closing dates of the issuance of Bonds under the Programme, provided that the Issuing Houses possesses such information or can acquire it without unreasonable effort or expense.

Nothing in this Shelf Prospectus should be construed to mean that the Issuing Houses are bound to provide any information coming to their attention to any Bondholder or potential investor in the Bonds. Also, the Issuing Houses are not bound to advise any investor or potential investors on the financial condition or affairs of the Sponsor or Issuer during the life of the arrangement contemplated therein.

The Bonds are complex financial instruments suitable only for sophisticated investors. As such, each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances.

A potential investor should not invest in the Bonds, which are complex financial instruments unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing market conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable Supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such an investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including thoroughly understanding the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on the circumstances that may or may not occur in the future. Such forward-looking statements can be identified by the use of forward-looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Shelf Prospectus and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer’s or the Sponsor’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

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

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

- Overall political, economic and business conditions in Nigeria;
- Changes in government regulations, especially those pertaining to the banking industry;
- Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- Economic and political conditions in international markets, including governmental changes;
- The demand for the Sponsor’s products and services;
- Competitive factors in the industries in which the Sponsor and its customers operate;
- Interest rate fluctuations and other capital market conditions;
- Exchange rate fluctuations; and
- The timing, impact and other uncertainties of future actions.

The sections of this Shelf Prospectus entitled “**Risk Factors**”, “**Overview of the Nigerian Gas Industry**”, “**Overview of the Sponsor**”, “**Reporting Accountant’s Report**” and “**Statutory and General Information**” contain more detailed discussions of the factors that could affect the Sponsor’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Issuer, the Sponsor and the Co-Obligors do not undertake any obligation to update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer or to persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. A prospective investor of the Bonds should not place undue reliance on these forward-looking statements.

OTHER INFORMATION

THIRD PARTY INFORMATION

The Issuer, the Sponsor and the Issuing Houses obtained certain statistical and market information that is presented in this Shelf Prospectus on such topics as the Nigerian economic landscape and related subjects from certain government and other third-party sources described herein. The Issuer and the Sponsor have accurately reproduced such information and, so far as the Issuer and Sponsor are aware and are able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Prospective investors should also note that some of the Sponsor' estimates are based on such third-party information. Neither the Issuer, the Sponsor nor the Issuing Houses has independently verified the figures, market data or other information on which these third parties have based their studies. Certain statistical information reported herein has been derived from official publications of, and information supplied by, a number of government agencies and ministries, including the CBN, the Nigerian Debt Management Office and the Nigerian National Bureau of Statistics.

ROUNDING

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

ISSUE OF PRICING SUPPLEMENTS / SUPPLEMENTARY SHELF PROSPECTUSES

Following the registration of this Shelf Prospectus, a Pricing Supplement may be prepared by the Issuer for the approval of the SEC, as the case may be, in accordance with Rule 279(3)(6)(b) of the SEC Rules.

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

The Issuer and the Sponsor declare that, to the best of their knowledge and honest belief, no material facts have been omitted from, and there are no material misstatements in this Shelf Prospectus, which would make any statement contained herein misleading or untrue. The Issuer will, in the event of any significant new factor or material mistake or inaccuracy relating to information included in this Shelf Prospectus that is capable of affecting the assessment of the Programme or the Bonds, prepare a Supplement to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Bonds.



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

04 October 2024

Dear Sir,

Establishment of a NGN50 Billion Bond Issuance Programme by APL Funding SPV PLC (the "Programme") and Series I Issuance of up to NGN8.5 Billion under the Programme ("the Transaction")


This Shelf Prospectus and Pricing Supplement has been prepared by the Issuing Houses on behalf of APL Funding SPV PLC (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer/Sponsor's business in connection with the establishment of the Programme and the Transaction.


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


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

SIGNED for and on behalf of APL Funding SPV PLC

By its duly Authorised Representatives:


Felix Oluwagbemiga Ekundayo
Director


Abubakar Oladotun Folami
Director


Temitayo Ojeleke
Hawkes Legal, Company
Secretary

APL Funding SPV PLC

Plot 224, Moshood Abiola Way,
Ibeju, Lagos
Nigeria

Tel: +234 (1) 283 2282

www.asikocenergy.com


CHIDI OKOROJI
NOTARY PUBLIC
Suite 20B, Entrance 7,
TBS, Lagos.
08037218335
chidiorokorji@gmail.com

Registration Number: RC 7780420



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

04 October 2024

Dear Sir,

Establishment of a NGN50 Billion Bond Issuance Programme by APL Funding SPV PLC (the "Programme") and Series I Issuance of up to NGN8.5 Billion under the Programme ("the Transaction")

We are the Sponsor in respect of this Shelf Prospectus and Pricing Supplement, which has been prepared by the Issuing Houses on behalf of APL Funding SPV PLC (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer/Sponsor's business in connection with the establishment of the Programme and the Transaction.


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

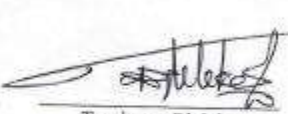
1. we confirm that the information contained in this Shelf Prospectus and Pricing Supplement is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. there has been no significant change in the financial condition, or material adverse change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

SIGNED for and on behalf of Asiko Power Limited

By its duly Authorised Representatives:


Felix Oluwole Ekundayo
Managing Director


Abubakar Oladotun Folami
Executive Director, Finance


Temitayo Ojeleke
Hawkes Legal, Company
Secretary


Asiko Power Limited
Plot 224, Moshood Abiola Way,
Ibeju, Lagos
Nigeria
Tel: +234 (1) 293 2292
www.asikoenergy.com


CHIDI OKOROJI
NOTARY PUBLIC
Suite 20B, Entrance 7,
TBS, Lagos.
08037218355
chidiorokorji@gmail.com

Registration Number: RC 764301

PARTIES TO THE PROGRAMME

Directors and Company Secretary of the Issuer

Engr. Alexander Oneoritse Ogedegbe (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Felix Oluwagbemiga Ekundayo (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Mustapha Olusegun Fasinro (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Abubakar Oladotun Folami (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Kamar Oladipo Bakrin (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Babatunde Olakunle Edun (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Martin Olayinka Ekundayo (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Company Secretary:
Hawkes Legal
1st Floor, Mamman Kotangora House, 23A
Marina
Lagos

Directors and Company Secretary of the Sponsor

Engr. Alexander Oneoritse Ogedegbe (Chairman)
224, Moshood Abiola way
Ijora
Lagos

Mr. Felix Oluwagbemiga Ekundayo (Managing Director)
224, Moshood Abiola way
Ijora
Lagos

Mr. Abubakar Oladotun Folami (Executive Director)
224, Moshood Abiola way
Ijora
Lagos

Mr. Kamar Oladipo Bakrin (Independent)
224, Moshood Abiola way
Ijora
Lagos

Mr. Babatunde Olakunle Edun (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Mustapha Olusegun Fasinro (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Mr. Martin Olayinka Ekundayo (Non-Executive)
224, Moshood Abiola way
Ijora
Lagos

Company Secretary:
Hawkes Legal
1st Floor, Mamman Kotangora House, 23A
Marina
Lagos

Lead Issuing House

Stanbic IBTC Capital Limited
Stanbic IBTC Towers
Walter Carrington Crescent
Victoria Island
Lagos

Samuel

Oyinda Akingemi

PARTIES TO THE PROGRAMME

Joint Issuing Houses

FCMB Capital Markets Limited

First City Plaza
44 Marina Road
Lagos

Poussaint
Director General

Vetiva Advisory Services Limited

Plot 266B Kofo Abayomi Street
Victoria Island
Lagos

Olutade Olaegbe

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Alexander P. Dafinone

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Stanbic IBTC Towers
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Victoria Island
Lagos

hughes Inception

Bond Trustee

FBNQuest Trustees Limited

16, Keffi Street
Ikoyi
Lagos

Adekunle Awojobi

DOCUMENTS TO BE INCORPORATED BY REFERENCE

This Shelf Prospectus should be read and construed in conjunction with:

1. The Sponsor's Audited Annual Report (and notes thereto) for the financial years ended 31 December 2023, 31 December 2022, 31 December 2021, 31 December 2020 and 31 December 2019 comprising the audited annual financial statements and any interim financial statements of the Sponsor and prepared in compliance with the IFRS issued by the IASB and prescribed by the FRCN (which include standards and interpretations approved by the FRCN), together with its pronouncements thereon from time to time, and applied on a consistent basis.
2. Each Applicable Pricing Supplement or Supplementary Prospectus relating to any series or Tranche of the Instrument issued under this Prospectus

The Sponsor will, in the event of any material change in its financial position, which is not reflected in this Shelf Prospectus, prepare an amendment or supplement to this Shelf Prospectus; also, the Issuer's information given in this Shelf Prospectus and the terms and conditions of additional Bonds to be issued under the Programme may be updated in a Supplement pursuant to the SEC Rules. Any such amendment or supplement will be incorporated by reference into this Shelf Prospectus and forms an integral part hereof. Any statement contained in a document that is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Shelf Prospectus.

This Prospectus and any Supplement (as applicable) are accessible, and copies of them are available free of charge at the office of the Issuing Houses from 8: 00a.m till 5: 00p.m on Business Days, and on the website of the Issuer (www.asikoenergy.com), during the validity of the Programme.

Telephone enquiries should be directed to the Issuing Houses on:

Stanbic IBTC Capital Limited: +234 1 422 8855

FCMB Capital Markets Limited: +234 1 448 5420

Vetiva Advisory Services Limited: +234 1 270057-8

TERMS AND CONDITIONS OF THE BONDS

GENERAL TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions of the Bonds which subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are attached to the applicable Series Trust Deed, the Shelf Prospectus and the Applicable Pricing Supplement (the “**Final Terms**”) and save for the italicised text will be endorsed on a statement issued in respect of the Bonds.*

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

Introduction

The Bonds are constituted by a trust deed (the “**Programme Trust Deed**”) dated 27 December between APL Funding SPV PLC (the “**Issuer**”), Asiko Power Limited (the “**Sponsor**”), and FBNQuest Trustees Limited (“**FBNQuest Trustees**”) (referred to as the **Trustee** which expression shall include all persons for the time being appointed as trustee or trustees under the Programme Trust Deed).

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

The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. The Programme Trust Deed and any Series Trust Deed are hereinafter collectively referred to as the “**Trust Deed**”.

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

Interpretation and General Definitions

In these General Conditions unless inconsistent with the context or separately defined in the Shelf Prospectus and/or the Applicable Pricing Supplement, the following expressions shall have the following meanings:

- i. “**Calculation Amount**” means the amount specified in the Applicable Pricing Supplement;
- ii. “**Call Option**” if specified as applicable in the Applicable Pricing Supplement, means the option of the Issuer to redeem the Bonds early in that Tranche of Bonds in whole or, if so specified in the Applicable Pricing Supplement, in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 4(d) (*Redemption at the Option of the Issuer (Call Option)*);
- iii. “**Coupon Period**” means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Payment Date and each successive period beginning on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

TERMS AND CONDITIONS OF THE BONDS

- iv. **"Coupon Rate"** means the applicable rate of the Coupon;
- v. **"Coupon Termination Date"** means the date specified in the Applicable Pricing Supplement;
- vi. **"Early Redemption Amount"** means the amount at which the Bonds will be redeemed by the Issuer pursuant to the provisions of Conditions 4(d) (*Redemption at the Option of the Issuer (Call Option)*) and/or Condition 9 (*Events of Default*), or as set out in the Applicable Pricing Supplement;
- vii. **"Final Broken Amount"** mean the amount specified as such in the Applicable Pricing Supplement;
- viii. **"Fixed Rate Bonds"** mean Bonds that carry a predetermined Coupon Rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as may be indicated in the Applicable Pricing Supplement;
- ix. **"Floating Rate Bonds"** mean Bonds on which the Coupon payable in arrears changes periodically based on some pre-determined benchmark, in respect of such period or on such date(s) as may be indicated in the Applicable Pricing Supplement;
- x. **"Group"** means the Sponsor, its Subsidiaries, its holding company and the Subsidiary of its holding Company
- xi. **"Indexed Bonds"** mean Bonds on which Coupon is payable on the basis of a particular price index specified in the applicable Final Terms;
- xii. **"Initial Broken Amount"** mean the amount specified as such in the Applicable Pricing Supplement;
- xiii. **"Instalment Amount"** means the amount expressed as a percentage of the Nominal Amount of an Instalment Bond, being an instalment of principal (other than the final instalment) on an Instalment Bond;
- xiv. **"Instalment Bonds"** means Bonds redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
- xv. **"Instalment Dates"** means the date specified in the Applicable Pricing Supplement for the payment of an Instalment Amount;
- xvi. **"Material Subsidiary"** means at any time a Subsidiary of the Sponsor which has gross revenues representing 10 per cent., or more of the consolidated gross revenues of the Group or total assets representing 7.5 per cent., or more of the consolidated total assets of the Group, in each case calculated on a consolidated basis in accordance with the then most recent audited consolidated financial statements of the Sponsor.
- xvii. **"Mixed Rate Bonds"** means Bonds that carry Coupon Rates payable on any combination of Fixed Rate Bonds or Floating Rate Bonds, or Indexed Bonds for respective periods, each as specified in the Applicable Pricing Supplement
- xviii. **"Optional Redemption Amount"** means in respect of any Bond, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
- xix. **"Optional Redemption Date"** means the date(s) specified as such in the Applicable Pricing Supplement in relation to a Series or Tranche of Bonds pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 4(d) (*Redemption at the option of the Issuer (Call Option)*). If no such date(s) is/are specified in the Applicable Pricing Supplement, the Optional Redemption Date(s) shall be the Coupon Payment Date(s) (in the case of coupon-bearing Bond) or, such other date(s) (in the case of non-coupon-bearing Bond) stipulated as the date(s) for redemption of such Tranche of Bonds or the relevant portion of such Tranche of

TERMS AND CONDITIONS OF THE BONDS

Bonds, as the case may be, in the notice delivered by the Issuer pursuant to Condition 4(d) (*Redemption at the option of the Issuer (Call Option)*) ;

- xx. **“Senior Bonds”** means unsubordinated Bonds of a Series or Tranche, the terms of issue of which provide that such Bonds are senior as to rank *pari passu* with the Senior Indebtedness of the Issuer and such additional terms as may be specified in the Applicable Pricing Supplement;
- xxi. **“Senior Claims”** means the claims of all creditors of the Issuer (including, without limiting the generality of the foregoing, all claims in respect of deposits with or loans to the Issuer and all claims to interest thereon or in respect thereof, statutory preferences and other legally required payments, obligations under hedging and other financial instruments), excluding all claims in respect of Subordinated Indebtedness;
- xxii. **“Senior Creditor”** means a holder of Senior Claims;
- xxiii. **“Senior Indebtedness”** means the aggregate of all Senior Claims in respect of the Issuer;
- xxiv. **“Subordinated Bonds”** means the unsecured Bonds, the terms of which provide that they are subordinated so as to rank *pari passu* with the Subordinated Indebtedness of the Issuer; and such additional terms as may be specified in the Applicable Pricing Supplement;
- xxv. **“Subordinated Indebtedness”** means the aggregate of (i) indebtedness of the Issuer, under the Subordinated Bonds; and (ii) all other indebtedness of the Issuer, which are subordinated in the event of the Winding up of the Issuer, to the claims of Senior Creditors;
- xxvi. **“Zero Coupon Bonds”** means Bonds issued by the Issuer, at a deep discount from their face value and on which Coupon is not payable during the life of the Bond.

CONDITION 1

CURRENCY, FORM, TITLE AND DENOMINATION

a) Issue and Currency

- a. The Bonds may be issued by the Issuer in Series or Tranches pursuant to the Programme Trust Deed. A Tranche of Bonds may, together with a further Tranche or Tranches, form a Series of Bonds issued, provided that the aggregate nominal amount of all Bonds Outstanding under the Programme at any one point in time does not exceed the Programme Limit. The Applicable Pricing Supplement for each Tranche of Bonds is (to the extent relevant) incorporated herein for the purposes of those Bonds and supplements these General Conditions.
- b. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions, replace or modify these General Conditions for the purposes of those Bonds.
- c. The Bonds shall be in registered form or as may be specified in the applicable Final Terms, in a specified currency and in specified denomination(s). The Bonds issued under the Programme may be Fixed Rate Bonds, Floating Rate Bonds, Zero-coupon Bonds, or a combination of any of the foregoing, subject to the applicable Final Terms.
- d. The Bonds may also be Instalment Bonds depending upon the redemption/payment basis shown in the applicable Final Terms. The Bonds may also be Senior or Subordinated Bonds as indicated in the applicable Final Terms

b) Form and Title

TERMS AND CONDITIONS OF THE BONDS

- a. The Bonds shall be issued in dematerialised (book-entry) form which shall be registered with a separate securities identification code with the CSD and each Holder shall be issued an E-allotment Notification. Each Bondholder shall be entitled to deal in the same, in accordance with CSD procedures and guidelines.
- b. The CSD Statement of Account shall be conclusive and binding for all purposes save in the case of manifest error and such person named therein shall be treated by the Issuer, the Trustee and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

c) Listing

- a. A Tranche of Bonds may be listed on The Exchange or on such other or further financial exchange(s) as may be determined by the Issuer, subject to any applicable laws. Unlisted Bonds may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Series or Tranche of Bonds will be listed, on which financial exchange(s) they are to be listed (if applicable) and, if such Series or Tranche of Bonds are to be listed on NGX, the relevant platform or sub-market of NGX such Tranche of Bonds are to be listed.

d) Denomination

- a. The aggregate nominal amount and specified denomination of a Series or Tranche of Bonds will be specified in the Applicable Pricing Supplement.

Closed Periods

No Bondholder may require the transfer of the Bonds to be registered: (i) during the period of fifteen (15) days immediately prior to the due date for redemption of, or payment of any Coupon or Instalment Amount in respect of that Bond; (ii) after any Bond has been called for redemption by the Issuer or a Bondholder pursuant to Condition 4 (*Redemption, Purchase and Options*); or (iii) following the issuance of default notice to the Issuer by the Trustee pursuant to Condition 9 (*Events of Default*).

CONDITION 2

STATUS OF THE BONDS

(a) Status of the Senior Bonds

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

(b) Status of the Subordinated Bonds

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

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

- (a) subordinated in right of payment to the payment of all Senior Indebtedness; and
- (b) *pari passu* without any preference among themselves and with all parity Obligations.

(c) Security

TERMS AND CONDITIONS OF THE BONDS

In respect of a relevant Series, the Bonds may be secured by any Credit Enhancement arrangement as may be agreed by the Issuer, the Sponsor and the Trustee.

CONDITION 3

COVENANTS

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

(a) Negative Pledge

The Issuer and the Sponsor shall not create any mortgage, charge, pledge, lien or any encumbrance upon the whole or any part of its present or future undertaking, business, assets or revenues to secure any indebtedness for listed bonds or other listed securities, unless the Issuer's and the Sponsor's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders.

[PROVIDED THAT the restrictions in this Condition 3 will not apply to Permitted Security]

(b) Indebtedness

Save for a Permitted Indebtedness or as may be provided in the relevant Series Trust Deed, the Issuer, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), shall not incur any other Indebtedness.

(c) Restricted Payments

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

(d) No Consolidation or Merger

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

- (i) the Issuer shall be the continuing Person or the successor Person (as a result of such consolidation or merger), shall be a corporation organised and validly existing under the laws of Nigeria, and shall expressly assume by a supplemental trust deed to this Deed in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under this Deed;
- (ii) immediately before and after giving effect to such consolidation or merger, disposal of assets no Potential Event of Default or Event of Default shall have occurred and be continuing;

TERMS AND CONDITIONS OF THE BONDS

- (iii) a Rating Reaffirmation is obtained in respect of such merger or consolidation or transfer of assets, as the case may be; and
- (iv) the Issuer or such successor Person, as the case may be, shall have delivered to the Trustees, a certificate signed by two of its directors stating that the disposal of asset, consolidation or merger complies with the provisions of paragraphs (i) and (ii) above.

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

- (i) the Sponsor shall be the continuing Person or the successor Person (as a result of such consolidation or merger), shall be a corporation organised and validly existing under the laws of Nigeria, and shall expressly assume by a supplemental trust deed to this Deed in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under this Deed;
- (ii) immediately before and after giving effect to such consolidation or merger, no Potential Event of Default or Event of Default shall have occurred and be continuing;
- (iii) a Rating Reaffirmation is obtained in respect of such merger or consolidation or transfer of assets, as the case may be; and
- (iv) the Sponsor or such successor Person, as the case may be, shall have delivered to the Trustees, a certificate signed by two of its directors stating that the consolidation or merger complies with the provisions of paragraphs (i) and (ii) above.

(e) **Cessation of Business**

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

raising capital for the benefit of the Group from the capital market not permitted under its memorandum and articles of association or relevant laws applicable to its continued corporate existence.

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

(f) **Trustee Not Obligated to Monitor Compliance**

The Issuer and the Sponsor shall furnish the Trustee annually, with a certificate on which the Trustee may rely to confirm their compliance with the Conditions (including Conditions 3(c), 3(d) and 3(e)). Notwithstanding this, the Trustee is not obliged to monitor compliance by the Issuer with the Conditions (including Conditions 3(c), 3(d) and 3(e)).

CONDITION 4

REDEMPTION, PURCHASE AND OPTIONS

A Series or Tranche of Bonds will be redeemed on the Maturity Date in accordance with Condition 4(a) (*Scheduled Redemption*). If “*Redemption at the option of the Issuer (Call Option)*” and/or “*Redemption at the option of the Bondholders (Put Option)*” and/or “*Redemption for Taxation Reasons*” is specified as applicable in the Applicable Pricing Supplement, a Tranche of Bonds may, or upon the occurrence of an Event of Default as set out in Condition 9 (*Events of Default*) be redeemed prior to its Maturity Date in accordance with this Condition 4 (*Redemption, Purchase and Options*).

(a) Scheduled Redemption

Unless previously redeemed or purchased and cancelled as specified below, the Bonds will be redeemed at the Final Redemption Amount (which, in the case of Notes of Series that provide for Instalment Amount, is its final Instalment Amount) on the Maturity Date subject to the provisions contained in Condition 5 (*Payments*).

(b) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 4, Bonds of a Series or Tranche that provide for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the Instalment Amount specified in respect of such Bonds. The outstanding nominal amount of such Bonds shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Bonds, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date (hereafter defined) relating to such Instalment Amount. The Registrar shall update the Register to reflect the amount outstanding within five (5) Business Days of the Instalment Date.
- (ii) “**Instalment Amount**” means the portion of the Principal Amount payable on a date specified in the applicable Final Terms (the “**Instalment Date**”)
- (iii) “**Relevant Date**” means the date on which the payment first becomes due, but if the full amount of the money payable has not been received by the Trustee, on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Holders by the Issuer in accordance with Condition 12 (*Notices*)
- (iv) Unless previously redeemed, purchased and cancelled as provided below, the Bonds shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in respect of the Bonds, is its nominal amount) or, in the case of Bonds falling within paragraph (i) above, its final Instalment Amount.

(c) Early Redemption

The Early Redemption Amount payable in respect of Bonds of a Series (upon redemption of such Bonds, upon it becoming due and payable as provided in *Condition 9 (Events of Default)*), shall be the Final Redemption Amount unless otherwise specified in the Final Terms in respect of the Bonds.

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

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

- (i) not less than thirty (30) and not more than sixty (60) days, or such other period as specified in the Applicable Pricing Supplement, notice to the Bondholders in accordance with *Condition 12 (Notices)*; and

TERMS AND CONDITIONS OF THE BONDS

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

A list of the serial numbers of the individual Certificates will be published in accordance with Condition 12 (*Notices*) not less than ten (10) days prior to the date fixed for redemption.

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

(e) Redemption at the Option of the Bondholders (Put Option)

If a Put Option is specified in the Applicable Pricing Supplement, the Issuer shall, at the option of a Bondholder, giving not less than fifteen (15) and not more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in respect of the Bonds), redeem such Bonds on the Optional Redemption Date(s) at its Optional Redemption Amount together with Coupon (if any) accrued to the date fixed for redemption.

In order to exercise the put option, the Bondholder must deposit with the Issuer at the Office (with a copy to the Trustee), a duly completed put option exercise notice ("**Exercise Notice**") within the notice period and give the Trustee such instructions as may be necessary to give effect to the exercise of the put option. Once such option has been exercised by the deposit of an Exercise Notice, it may not be withdrawn without the prior consent of the Issuer except where after giving the notice, but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Bondholder, at its option, may elect by notice to the Issuer and the Trustee to withdraw the Exercise Notice and instead to declare such Bond forthwith due and payable pursuant to Condition 9 (*Events of Default*).

(f) Redemption for Taxation Reasons

If so specified in the Applicable Pricing Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part,

- (i) at any time (if neither the Floating Rate Bonds provisions nor the Indexed Bonds provisions are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (ii) on any Coupon Payment Date (if the Floating Rate Bonds Provisions or the Indexed Bonds provisions are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption); or
- (iii) on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable) at their Early Redemption Amount together with the Coupon accrued to the date fixed for redemption, if:

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- (a) the Issuer satisfies the Trustee and the SEC immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the SEC a certificate signed by two (2) Directors or a Director and Company Secretary stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

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

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

CONDITION 5

PAYMENTS

- (a) Only Bondholders named in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) immediately prior to the relevant due date (the “**Record Date**”) shall be entitled to payment of amounts due and payable in respect of Bonds.
- (b) Payments of an Instalment Amount (where applicable), the Principal Amount, final Instalment Amount and Coupon (where applicable) will be made in the relevant currency and by credit/electronic funds transfer to the specified bank account of the Bondholder. Provided however that the Issuer shall withhold amounts due to a Bondholder until a bank account is specified in writing by the Bondholder and the Bondholder shall not be entitled to any further Coupon, return or other payment in respect of any such delay. Coupon or returns on Bonds due will be paid to the Bondholder shown on the Register of Bonds of a Series at the close of business on the Record Date. The Bondholder shall be the only person entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Bondholder in respect of each amount so paid.
- (c) If the Issuer or the Sponsor is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, epidemic, pandemics, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer or the Sponsor), the Issuer or the Sponsor (as applicable) shall make such payment by cheque of any such amounts made payable to the relevant Bondholder. Such payments by cheque shall be sent by registered post to the address of the Bondholder of registered Bonds as set forth in the Register or, in the case of joint Bondholders of Registered Bonds, the address set forth in the Register of that one of them who

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is first named in the Register in respect of that Bond. Payment by electronic transfer to the Bondholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Bonds. Cheques may be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Bondholders for the purposes of all cheques posted in terms of this Condition 5(c) (*Payments*).

- (d) If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the following Business Day unless the day falls in the next calendar month, in which case the due date will be the immediately preceding day that is a Business Day, and the Bondholder shall not be entitled to any further Coupon, return or other payment in respect of any such delay. For the purpose of this Condition, "**Business Day**" means any day, other than a Saturday, Sunday or a Federal Government declared public holiday, on which banks are open for business in the Federal Republic of Nigeria and in the case of transfer to or from an account held by a non-resident Investor, in the place where such bank account is maintained.
- (e) All payments of all amounts (whether in respect of principal, Coupon or otherwise) due and payable in respect of any Bonds shall be made by the Trustee or the Registrars (if so instructed by the Trustee) from the Designated Accounts on behalf of the Issuer.
- (f) Interpretation of the Principal Amount:
 - (i) Any reference in the General Conditions to the Principal Amount in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to the Principal Amount under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Programme Trust Deed:
 - (a) the Final Redemption Amount of the Bonds;
 - (b) the Early Redemption Amount of the Bonds;
 - (c) the Optional Redemption Amount(s) (if any) of the Bonds;
 - (d) in relation to Bonds redeemable in instalments, the Instalment Amounts; and
 - (e) any premium and any other amounts (other than Coupon) which may be payable by the Issuer under or in respect of the Bonds.

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CONDITION 6

TRANSFER OF BONDS

(a) **Transfer of Bonds**

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

Any Person becoming entitled to registered Bonds in consequence of the death or liquidation of the holder of such Bonds may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 6 (*Transfer of Bonds*) or of his title as the Issuer shall require, be registered himself as the holder of such Bonds or, subject to any procedure/requirements the Issuer shall require and the provisions on transfer, may transfer such Bonds.

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

The Register shall reflect the number of registered Bonds issued and Outstanding, the date upon which each of the Bondholders was registered as such. The Register shall contain the name, address, and bank account details of the holders of the registered Bonds. The Register shall set out the Nominal Amount of the Bonds issued to such Bondholders and shall show the date of such issue. The Register shall be open for inspection during the normal business hours of the Registrar to any Bondholder or any person authorised in writing by any Bondholder. Each Tranche or Series shall be registered in the applicable Register. The transfer of Bonds in dematerialised (book entry) form shall be regulated by the CSD procedures and guidelines.

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

CONDITION 7

TAXATION

- (a) The FGN by the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011, (the "CIT Order") had exempted corporate bonds from taxes ordinarily imposed under the Companies Income Tax Act Chapter C21, LFN 2004 (as amended by the Finance Acts 2019, 2020 and 2021) for ten (10) years. The exemption expired on January 1, 2022, hence the Issuer will be required by law to withhold tax on Coupon payments to corporate Holders. By virtue of the Finance Act, 2020 which expressly excludes securities from the definition of goods under the Value Added Tax Act, the proceeds realized from a disposal of the Bonds will not be liable to VAT. However, commissions payable to the SEC, and the CSD for stock exchange transactions will be subject to VAT following the expiration of the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014. Furthermore, by virtue of the Personal Income Tax (Amendment) Act 2011, corporate bonds are also exempt from personal income tax. However, following the expiration of the exemption, the Honourable Minister of Finance under a notice titled the Personal Income Tax Exemption of Holders of Bonds and Short-Term Government Securities Notice (dated 2 January 2012) and further to a notice by the Lagos State Internal Revenue Service titled Payment of Personal Income Tax on Profit from Bonds and Short-Term Government Securities (dated June 28, 2022), PIT is now applicable on income derived and interest earned by individuals and non-limited liability entities resident in Lagos State from bonds and short-term securities with effect from January 2, 2022, except for bonds issued by the Federal Government of Nigeria. Notwithstanding the foregoing, the Bonds shall enjoy the benefits of the provisions of any re-enactment of the tax exemptions, and such extensions, amendments and modifications thereof.
- (b) The relevant Series Trust Deed will indicate the tax consequences of investment in the relevant Series or Tranche of Bonds.

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- (c) Condition 7(a) is not intended to be and should not be construed to be tax advice to any prospective investor of the Bonds. 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 Bonds in view of his/her own circumstances.

CONDITION 8

PRESCRIPTION

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

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

CONDITION 9

EVENTS OF DEFAULT

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

- (i) **Non-Payment:** default is made in the payment on the due date of the Principal Amount, Coupon and premium (if any) in respect of the Bonds and such default continues for a period of five (5) Business Days; or
- (ii) **Breach of Other Obligations:** the Issuer and/or the Sponsor do not perform or comply with any one or more of their other obligations in the Bonds or the Programme Trust Deed which default is incapable of remedy, or is not remedied within thirty (30) days after written notice of such default shall have been given to the Issuer and/or the Sponsor by the Trustees in accordance with this Deed; or
- (iii) **Cross-Default:** (A) any other present or future indebtedness of the Issuer or the Sponsor, for or in respect of monies borrowed or raised becoming due and payable prior to its stated maturity by reason of any default on the part of the Issuer or the Sponsor or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Sponsor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any monies borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of one or more of the events mentioned above in this paragraph (iv) have occurred and equals or exceeds [N1,000,000,000.00 (One Billion Naira)]; or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution, or other legal process is levied, enforced or commenced against the property, assets or revenues of the Issuer, or Sponsor or a Material Subsidiary, a Security or Credit Enhancement Provider (where applicable), where the value of such property, assets or revenue exceeds N15,000,000,000 (Fifteen Billion Naira), and such distress, attachment, execution or other legal process is not discharged or stayed within one hundred and eighty (180) days; or
- (v) **Release of Sponsor:** if there shall be any release of the Sponsor from its obligations under this Deed, or any of the Programme Documents, other than in accordance with this Deed,

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including any release by operation of law, or any failure by the Sponsor to make payment when demanded by the Trustee in accordance with the Programme Documents; or

- (vi) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or Sponsor or Security or Credit Enhancement Provider (where applicable) over a material part of their respective property, assets or revenues, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (vii) **Insolvency:** the Issuer, Sponsor or Security or Credit Enhancement Provider (where applicable) is or is deemed by law or a Court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or Sponsor; or
- (viii) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, Sponsor, or Security or Credit Enhancement Provider (where applicable), or the Issuer or Sponsor or Security or Credit Enhancement Provider (where applicable) shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of Directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by a Special Resolution of the Bondholders; or
- (ix) **Illegality:** It is or will become unlawful for the Issuer or the Sponsor or Security or Credit Enhancement Provider (where applicable) to perform or comply with any one or more of their obligations under the Programme Trust Deed or the relevant Series Trust Deed; or
- (x) **Failure to take action:** any action, condition or thing (including the obtaining of any consent, license, approval or authorisation) now or hereafter necessary to enable the Issuer or the Sponsor or the Security or Credit Enhancement Provider (where applicable) comply with their obligations under the Programme Trust Deed or the relevant Series Trust Deed is not taken, fulfilled or done, or any such consent, license, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer, the Sponsor or Security or Credit Enhancement Provider (where applicable) being unable to perform any of their obligations in terms of the Bonds or the Programme a period of two (2) weeks after the date on which written notice of such failure, requiring same to be remedied shall have been given to the Issuer, the Sponsor and/or the Security or Credit Enhancement Provider (where applicable) by the Trustees. Provided that the Trustees shall give such notice to the Issuer, the Sponsor and/or Security or Credit Enhancement Provider (where applicable) within 24 (twenty-four) hours of the failure to take such action(s).

Provided that if the failure is one which can be remedied but cannot be completely remedied within the two (2) weeks after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Issuer and/or the Sponsor or Security or Credit Enhancement Provider (where applicable) has taken active steps within the two (2) weeks after such written notice has been given to remedy the failure and is, in the reasonable opinion of the Trustees, diligently pursuing such remedy; Provided that the Issuer, Sponsor and/or the Security or Credit Enhancement Provider (where applicable) (as the case may be) shall notify (in writing) and keep the Trustees informed of all such steps taken to remedy such failure within the two (2) week period; or

- (xi) **Material Adverse Effect:** Upon the occurrence of an event with a Material Adverse Effect; or
- (xii) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part in the opinion of the Trustee of the assets of the Issuer or Sponsor; or
- (xiii) **Change in Law:** If by reason of the introduction of, or any change in, any applicable law or regulation or regulatory requirement, or any change in the interpretation or application thereof,

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otherwise than by the act of a Security or Credit Enhancement Provider (where applicable),) it becomes unlawful or it is prohibited for any of the Issuer, the Sponsor, and or Security or Credit Enhancement Provider (where applicable) to maintain or give effect to its material obligation; or

- (xiv) Security/ Credit Enhancement in the event of a revocation of, or modification to the terms of any Security or Credit Enhancement without the prior written consent of the Trustee in accordance with the Programme Trust Deed and the relevant Series Trust Deed; or
- (xv) Analogous Events: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

CONDITION 10

ENFORCEMENT

- (a) The Trustee may, at any time, at its discretion and without notice institute such proceedings as the Trustee thinks fit to enforce its rights under the Trust Deed in respect of the Bonds of a relevant Series including the repayment of the Bonds at any time after the Bonds shall have become repayable under the terms of issue (including pursuant to Condition 9 (Events of Default), but shall not be bound to do so unless:
 - (i) the Trustee has been so requested in writing by the Bondholders of not less than one-tenth in principal amount of the outstanding Bonds of a relevant Series or has been so directed by a Special Resolution passed at a meeting of the Bondholders convened in accordance with clause 1.2 of Schedule 1 of this Deed; and
 - (ii) the Trustee has been indemnified, prefunded and/or secured to its satisfaction.
- (b) No Bondholder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Trust Deed unless the Trustee having become bound so to proceed, fail so to do within fourteen (14) Business Days and the failure shall be continuing, in which case the Bondholder, shall have only such rights against the Issuer as those which the Trustee is entitled to exercise.
- (c) The Trustee or the Bondholders shall be entitled to all remedies available under the law for the recovery of amounts owing in respect of the Bonds or under the Trust Deed.
- (d) The Trustee shall also file a notice of any default and remedies being pursued with the SEC within ten (10) days of becoming aware of the occurrence of an Event of Default.
- (e) If the Floating Rate Bonds or Indexed Bonds of any Series become immediately due and repayable under Condition 9 (*Events of Default*) the rate and/or amount of coupon payable in respect of them will be calculated by a calculation agent (where so specified in the Applicable Pricing Supplement) (the “**Calculation Agent**”) at the same intervals as if such Bonds had not become due and repayable, the first of which will commence on the expiry of the Coupon Period during which the Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of *Condition 11 (Coupon and Other Calculations)* except that the rates of Coupon need not be published.
- (f) Upon the occurrence of an Event of Default, the Trustee shall at its discretion be entitled to liquidate the Designated Accounts and or Permitted Investments for the payment of the amounts outstanding on the Bonds, provided however that the Trustee shall only be obliged to distribute to the Bondholders up to the extent of such amounts as it realises from the Designated Accounts or disposal of the Permitted Investments and such amounts shall be applied to meet the obligations of the Issuer in accordance with the Programme Trust Deed and the applicable Series Trust Deed.
- (g) Upon the occurrence of an Event of Default, with respect to any series backed by a Security or Credit Enhancement, the Trustee shall at its discretion be entitled to demand for the payment of the amounts outstanding on the Bonds from the Security or Credit

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Enhancement Provider, provided however that the Trustees shall only be obliged to distribute to the Holders up to the extent of such amounts as received or realized.

CONDITION 11

COUPON AND OTHER CALCULATIONS

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

(a) Coupon on Fixed Rate Bonds

Coupon on Fixed Rate Bonds will be paid on the Coupon Payment Dates specified in the Applicable Pricing Supplement.

Accrual of Coupon

The Bonds shall bear Coupon from the Coupon Commencement Date at the Coupon Rate payable in arrears on each Coupon Payment Date, subject as provided in Condition 5 (*Payments*). Each Bond will cease to bear Coupon from the relevant Coupon Termination Date.

Fixed Coupon Amount

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

Calculation of Coupon Amount

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

- (i) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Coupon Amount shall equal the initial broken amount specified in the Applicable Pricing Supplement; and
- (ii) if a final broken amount is specified in the Applicable Pricing Supplement, then the final Coupon Amount shall equal the final broken amount specified in the Applicable Pricing Supplement.

(b) Coupon on Floating Rate Bonds and Indexed Coupon Bonds

Accrual of Coupon

The Bonds shall bear Coupon from the Coupon Commencement Date on the outstanding nominal amount at the Coupon Rate payable in arrears on each Coupon

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Payment Day, subject as provided in Condition 5 (*Payments*). Each Bond will cease to bear Coupon from the Coupon Termination Date.

Floating Coupon Rate

The Floating Coupon Rate which is applicable to a Series or Tranche of Floating Rate Bonds for a Coupon Period will be determined in the manner specified in the Applicable Pricing Supplement

Indexed Coupon

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

Maximum and/or Minimum Coupon Rate

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

Determination of Floating Coupon Rate and Calculation of Coupon Amount

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

Calculation of Other Amounts

If the Applicable Pricing Supplement specifies that any other amount is to be calculated (by the Calculation Agent, if any), the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Applicable Pricing Supplement

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The Calculation Agent, if any, will cause each Coupon Rate determined by it, together with the relevant Coupon Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Trustee, any Exchange on which the relevant Floating Rate Bonds are for the time being listed, as soon as possible after their determination and in any event not later than the later of the day that is three (3) Business Days before the relevant Coupon Payment Date and the relevant Coupon Determination Date for that Coupon Period. Notice thereof shall also promptly be given to the Bondholders in accordance with Condition 12 (*Notices*).

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

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The Calculation Agent will be entitled to recalculate any Coupon Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Coupon Period. Any such amendment will be promptly notified to the Issuer, the Trustee and to the Bondholders in accordance with Condition 12 (*Notices*) and, the relevant Exchange where the Tranche of Bonds is listed. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Coupon Amount but instead may publish only the Calculation Amount and Coupon Amount in respect of a Bond having the minimum Specified Denomination.

(c) **Coupon on Mixed Rate Bonds**

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

(d) **Coupon on Partly Paid Bonds**

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

(e) **Coupon on Instalment Bonds**

In the case of Instalment Bonds, Coupon will accrue on the amount outstanding on the relevant Bonds from time to time and otherwise as specified in the Applicable Pricing Supplement from the Coupon Commencement Date to the Coupon Termination Date.

(f) **Coupon on Unpaid Amounts**

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

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

(h) **Margin, Maximum/Minimum Rates of Coupon, Instalment Amounts and Redemption Amounts Rate Multipliers and Rounding**

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- (i) If any Margin or Rate Multiplier is specified in respect of the Bonds (either (i) generally, or (ii) in relation to one or more Coupon Accrual Periods), an adjustment shall be made to all Rates of Coupon, in the case of (i), or the Rates of Coupon for the specified Coupon Accrual Periods, in the case of (ii), calculated in accordance with Condition 11(d) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Coupon, Instalment Amount or Redemption Amount is specified in respect of the Bonds, then any Rate of Coupon, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified): (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up); (ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender, in the country of such currency.

(i) Calculations

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

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

- (i) if “**Actual/365**” or “**Actual/Actual-ICMA**” is specified in respect of the Bonds, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in respect of Bonds of a Series, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bonds Basis**” is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which

TERMS AND CONDITIONS OF THE BONDS

case the month of February shall not be considered to be lengthened to a 30-day month);

- (v) if “**30E/360**” is specified in respect of the Bonds, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

and

- (vi) if “**Actual/Actual**” is specified in respect of the Bonds:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

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

“**Coupon Amount**” means

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

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

“**Coupon Period Date**” means each Coupon Payment Date unless otherwise specified in the Applicable Pricing Supplement

“**Coupon Rate**” or “**Rate of Coupon**” means the rate of interest payable from time to time in respect of Coupon bearing Bonds of a Series or Tranche and that is either specified or calculated in accordance with the provisions in respect of such Bonds.

“**Determination Date**” means the date specified in respect of the Coupon of a Series or, if none is so specified, the Coupon Payment Date.

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

TERMS AND CONDITIONS OF THE BONDS

CONDITION 12

NOTICES

(a) Notices to the Bondholders

All notices to the Bondholders will be valid if mailed to them at their respective addresses of record in the relevant register of Bonds of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the SEC Rules and the rules and regulations of any securities exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given in the case of a notice of meeting at the expiration of seven (7) days after the mail containing same is posted and in any other case at the expiration of five (5) days following the date on which the notice was posted or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication. Where a notice is served personally or sent by courier, it shall be deemed to have been duly given or made at the time of actual receipt. Where a notice is sent by electronic mail transmission, it shall be deemed to be duly given or made upon receipt of an electronic mail from the recipient, confirming that the said notice has been duly received or upon receipt of an electronic mail confirming that the said electronic mail has been read by the recipient provided that in the case of any electronic mail transmission sent after 4.30 pm, it shall be deemed to have been duly received on the next Business Day.

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

(b) Notices from the Bondholders

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

CONDITION 13

MEETINGS OF BONDHOLDERS

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

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

CONDITION 14

ENTITLEMENT AND INDEMNIFICATION OF THE TRUSTEE

In connection with the exercise of its functions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

The Programme Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibilities. The Programme Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and to act as trustee for the Bondholders of any other securities issued or guaranteed by, or relating to, the Issuer, (ii) to exercise and enforce their rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interest of, or consequence for, the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

TERMS AND CONDITIONS OF THE BONDS

CONDITION 15

TRUST PROVISIONS

(a) Declaration of Trust

All monies or Assets received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Trustee in trust to apply them in accordance with the provisions of the Trust Deed.

(b) Representative of Bondholders

The Trustee is the representative of the Bondholders and is authorised to act on behalf of the Bondholders in accordance with the General Conditions and the Trust Deed and is hereby further authorised to contact the Registrar and/or the CSD for the purposes of obtaining information: (i) as to the aggregate nominal amount outstanding of any Series of Bonds; (ii) relating to the identity of Bondholders; and (iii) for the purposes of giving notices to Bondholders under Condition 12 (*Notices*).

(c) Binding Effect of the Conditions and the Trust Deed

The Bondholders are deemed to have accepted and will be bound by the General Conditions and the terms of the Trust Deed.

CONDITION 16

MODIFICATION OF THE TRUST DEED

The Trustee may agree with the Issuer and the Sponsor, without the consent of the Bondholders but subject to the prior review and approval of the SEC, to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. **PROVIDED THAT** such consolidation, modification, alteration or addition does not prejudice the interests of the Bondholders and that such consolidation, modification, alteration or addition does not operate to release the Trustee, the Sponsor, any Credit Enhancement or Security Provider or the Issuer from any responsibility to the Bondholders.

The Issuer will not, without the prior written consent of the Trustee or a Special Resolution of the Holders, agree to any amendments to or any modification of, or waiver of, or authorise any breach or proposed breach of, the terms of any outstanding Bonds and will act at all times in accordance with any instructions of the Trustee from time to time with respect to any outstanding Bonds. Any such amendment, modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so require, such modification shall be notified to the Holders, as soon as practicable in accordance with Condition 12 (*Notices*).

No such consolidation, modification, alteration or addition shall impose any further payment on the Bondholders in respect of the Bonds held by them or any liability in respect thereof.

CONDITION 17

FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further Bonds, subject to the Programme Limit (the “**Additional Bonds**”), having terms and conditions which are identical to any of the other Bonds already issued under the Programme (the “**Existing Bonds**”) or the same in all respects save for their respective Issue Prices, Coupon, Issue Dates and aggregate nominal amounts, so that the Additional Bonds shall be consolidated by the Issuer to form a single Series with the Existing Bonds as may be applicable.

TERMS AND CONDITIONS OF THE BONDS

CONDITION 18

GOVERNING LAW

The provisions of these General Conditions and the Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

RISK FACTORS

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

An investment in certain Bonds may entail a risk of loss of all or a portion of the principal amount of the Bonds which is directly caused by fluctuation of interest rates; devaluation of the currency of issue; value of the Bonds at a securities market; or other indices or by a change in the condition of business or assets of the party selling the Bonds to other parties. Also, an exercise of an option or other right associated with certain Bonds or cancellation of a contract for sale of certain Bonds may be subject to certain time limitations. The Issuer and Sponsor disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisers about the risks associated with an investment in the Bonds. An investment in the Bonds involves certain risks, most of which may or may not occur and neither the Issuer nor any of the Issuing Houses is 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 Shelf Prospectus and any applicable Supplement before purchasing the Bonds.

IN RELATION TO NIGERIA

Economic risk

Lack of economic diversification exposes the country to downside risks in oil price and production

The Nigerian economy remains heavily dependent on the oil sector, which provided around 80% of export earnings and about 50% of government revenue in April 2024. Nigeria's fintech sector has shown significant growth over the past 5 years, attracting over \$3 billion in FDI and contributing an estimated 1-2% to GDP., while both the agriculture and services sectors continue to thrive.

The country is dependent on oil for economic activities, fiscal revenues, and foreign exchange. Oil accounts for majority of exports and foreign exchange earnings while the manufacturing sector accounts for a minority of total exports. Dominance of oil as the major source of export receipts, coupled with import dependence heightens Nigeria's vulnerability to external shocks. The impact of the steady decline in oil prices from mid-2015 to early 2020 was evident in the depreciation of the currency, foreign exchange illiquidity, decline in foreign reserves, and a slowdown in the economy, costs amongst others.

Despite Nigeria's recent move up 14 places from 146 in 2019 to rank 131 out of 190 countries in the World Bank's 2020 Doing Business Index, the country continues to struggle with generating revenue via taxes, enforcing contracts, and cross-border trade. In addition to the stifling regulatory environment, bureaucracy, bribery, and corruption remain major impediments to doing business in Nigeria, dampening economic growth and social development with continued impact on tax income, investor confidence, and mobility of goods for trade.

Since the inception of the current administration in 2023, several economic reforms aimed at tackling long-standing challenges have been implemented, such as the announcement of petrol subsidy removal in mid-2023 with the aim to increase liquidity in government funds for investment in other various initiatives including social programs and infrastructure. The unification of the FX market to increase transparency and attract investment and the focus on non-oil revenue by establishing initiatives to support agriculture and boost yields and potentially reduce reliance on food exports as well as increasing tax collection.

Although the FGN has reaffirmed its commitment to diversify the Nigerian economy and enable the growth of a multi sectoral Nigerian economy, the impacts of these policies on the economy have been mixed, such as increased revenue for the government thereby reducing the fiscal deficit in the economy. However, the naira has steadily been devalued, petrol prices have increased significantly fuelling inflation and thereby reducing the people's purchasing power, etc. The FGN has in the same vein dedicated a significant amount of resources and policy statements to the promotion of AutoGas as an alternative to Petrol for vehicle transport. This is likely to have a significant pull effect on gas demand in the country.

RISK FACTORS

Large infrastructure deficit poses a hindrance to the development of the economy

Nigeria lacks stable power supply and adequate infrastructure such as roads, rail, ports, broadband networks, pipeline transportation networks etc., which has led to challenges in the development of many sectors of the economy. The power sector still faces challenges which relate to governance, funding, legal, regulatory, and pricing issues across the value chain. Given the huge capital investment required to address this infrastructure deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to challenge the viability of private sector investment. Failure to significantly improve Nigeria's infrastructure could adversely affect Nigeria's economy and growth prospects, including its ability to meet GDP growth targets which may, in turn, have an adverse effect on the Company's business, results of operations and/or financial condition.

Political risks

Political, economic and social stability in Nigeria have historically been affected by political and religious conflicts, terrorism, and social and religious tensions. The sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in Northeastern Nigeria; and the Fulani herdsmen crisis as well as the agitations for separation in the eastern region contribute to the country's security challenges. Failure of the Federal Government to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order, these risks will persist and will likely adversely affect Nigeria's political and economic stability which may, in turn, further affect the Company's business, results of operation, and/or financial condition.

Inflation Risk

Inflationary impacts can reduce an investor's cash flow and purchasing power. Investors may be exposed to the prospect of diminished purchasing power if the inflation rate increases. The Nigerian economy real GDP growth rate was 2.9% in 2023, on the back of the continuous Russia's invasion of Ukraine, the devaluation of the Nigerian naira that further led to the increasing import costs that's further dampened the economy. The inflationary pressures due to increase in transportation costs, food and petrol prices also affected consumer spending and overall economic activities. The increased security challenges in parts of the country like banditry and insurgencies, continue to disrupt economic activity and investment, particularly in affected regions. However, owing to higher global food and energy prices as well as currency weakness, similarly, inflation has also increased. In June 2024, the inflation rate was 34.19%.

The CBN has increased the Monetary Policy Rate eleven times since May 2022, most recently in May 2024 with a 150-basis-point rise to 26.25%. The CBN in its effort to curb inflation in the country has continued to engage in tightening its monetary policy and has said that it plans further modest increases. The resulting sharp rise in borrowing costs will affect both consumers and businesses, dampening retail sales volumes and corporate investment in real terms in 2024 (although nominal growth will be buoyed by higher prices).

IN RELATION TO THE GAS AND POWER SECTOR

Operational & Market Risk

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Sponsor's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Sponsor operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, including the trading market for Bonds issued by or on behalf of Nigeria as a sovereign borrower.

The activities that occur in the gas and power sector involve a wide range of operational risks, such as explosions, fires, accidents, equipment failures, leakage of toxic products, emissions or discharges into the air that can potentially cause death or injury, or impact natural resources and ecosystems. The workforce and the public are exposed to risks inherent to the industry's operations, which could lead to legal proceedings against companies in this sector and their legal representatives, notably in cases of death, injury and property and environmental damage. Such proceedings could also damage companies' reputations. If any of these were to occur, it could impact the Company's result of operations.

RISK FACTORS

RISKS RELATED TO THE ISSUER

Issuer is a special purpose vehicle with no business operations or significant assets.

The Issuer is a special purpose vehicle with no business other than issuing Bonds. The right of Bondholders to receive payments in respect of the Bonds is therefore limited to payments actually received by the Issuer from the Sponsor and Co-obligors. Investors are thus relying on the creditworthiness of the Obligors, as applicable, for each Series of Bonds issued under the Programme, unless otherwise set out in the Applicable Pricing Supplement.

Change in Governing Law

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

IN RELATION TO THE BONDS

Structural Risks

a. The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Obligor's operating results, adverse business developments, changes in the regulatory environment in which the Obligors operates, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of Instruments. Each investor needs to assess the market prior to trading their Bonds.

b. Bonds may be subject to optional redemption by the Issuer

An optional redemption feature in the Bonds may negatively affect their market value. During any period when the Issuer may elect to redeem the Bonds, the market value of those Bonds generally will not rise substantially above the price at which it can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a lower rate.

c. Referencing to an index may subject the Bonds to additional risk

The Issuer may issue Bonds with principal repayment or interest payments determined by reference to an index (or formula), to changes in the prices of the securities or commodities or other relevant factors.

Potential investors should be aware that:

- they may receive no interest;
- they may lose all or a substantial portion of their principal;
- a relevant factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices; and
- timing of changes in a relevant factor may affect the actual yield to investors, even if the actual level is consistent with their expectations; i.e., in general, the earlier the change in the relevant factor, the greater the effect on yield.

d. Credit ratings may not reflect all risks

The Bonds will be assigned a rating by at least one Rating Agency. The ratings are not a recommendation to prospective investors to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time; the rating may also not reflect all the risks that a potential investor may be seeking clarity on. A credit rating is not a recommendation.

e. Credit Risk

Bonds issued under the Programme will be general obligation Bonds backed by the full faith and credit of the Issuer, Sponsor and, if applicable, the Co-Obligors. If a prospective investor purchases Bonds, it is relying solely on the creditworthiness of the Issuer, Sponsor and, if applicable, the Co-Obligors. In addition, an investment in the Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Instruments.

f. Legal Investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Instruments are a legal investment for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

Market Risks

a. Liquidity risk for the Bonds

There may not be very active two-way quote trading in the Bonds once issued, although the listing of the Bonds on the FMDQ increases the possibility of trading activity. The liquidity of the Bonds may be somewhat limited, and investors may not be able to trade the Bonds actively; although there are a number of initiatives aimed at developing and deepening the debt capital market and creating liquidity and a vibrant, tradable bond market, the impact of these initiatives on the trading of the Bonds cannot be assessed immediately.

b. Currency (Exchange Rate) Risk

A number of the projects that will be undertaken by the Sponsor may involve a foreign currency component either in terms of the cost of manpower and equipment or other foreign denominated elements required for the execution of such projects. Fluctuations in the value of the Naira can make the costs of projects more expensive than initially projected, thus impacting negatively on the Sponsor's ability to complete the projects within the existing financing structure or servicing of the projects' funding scheme. Consequently, the Sponsor or, if applicable, Co-Obligors may not generate the revenues anticipated from the projects.

c. Changes in interest rates may affect the price of the Instruments

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

OVERVIEW OF THE NIGERIAN ECONOMY

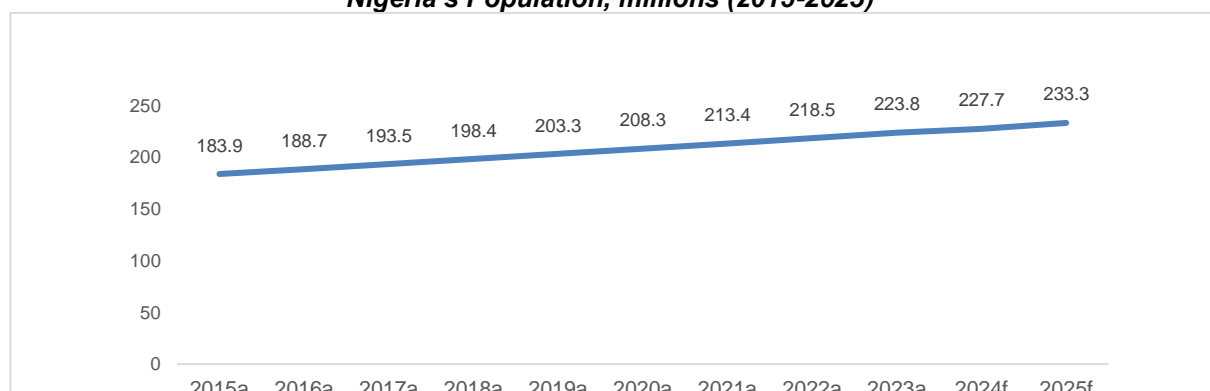
Economic Overview

The Federal Republic of Nigeria is located in West Africa and has a total area of 923,768 km² and is bordered by the Republic of Benin to the west, Niger and Chad to the north, Cameroon to the east and the Gulf of Guinea to the south.

Nigeria consists of 36 states (the “States”) and the Federal Capital Territory, Abuja, which is located in North-Central geo-political region of Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: Northwest, North Central, Northeast, Southeast, South-South and South-West. There are currently 774 constitutional local government areas and area councils in Nigeria. Nigeria has experienced considerable economic growth since its return to democratic rule in 1999 and subsequent adoption of market friendly economic policies.

Nigeria is currently the most populous country in Africa, with a population of 223 million as of 2023 according to the World Bank and is forecasted to grow to 263 million by 2030 by the Economic Intelligence Unit (“EIU”). The country is also Africa’s biggest crude oil exporter, with the largest natural gas reserves on the continent and is also blessed with an abundance of natural resources such as tin, iron ore and coal.

Nigeria’s Population, millions (2015-2025)



a-actual, f-forecast
Source: [World Bank](#)

Economic indicators	2019	2020	2021	2022	2023
Population (m)	203.3	208.3	213.4	218.5	223.8
Nominal GDP (USDbn)	474.5	432.2	440.8	472.6	362.8
Real GDP growth (%)	2.3	(1.9)	3.2	3.3	2.9
GDP per capita (USD)	2,334	2,074.6	2,065.8	2,162.6	1,621.1
Inflation (%)	12.0%	15.8%	16.9	18.3	24.7
Exchange rate (NGN/USD)	362.0	381.5	400.00	422.6	899.3
FX reserves (USDbn)	38.1	36.5	40.5	36.9	32.9

Source: National Bureau of Statistics, Central Bank of Nigeria, World Bank, Economic Intelligence Unit, BMI

Nigeria’s Gross Domestic Product (GDP) declined to 2.9% (year-on-year) in real terms in 2023, following a growth of 3.3% in 2022 and 3.2% in 2021. Economic growth is further expected to slow in 2024 as a new bout of inflationary pressure, a significant currency devaluation and monetary tightening lead to a contraction in domestic demand. The GDP performance in 2023 was driven mainly by the services sector, which recorded a growth of 5.69% and contributed 56.27% to the aggregate GDP. Although the agriculture sector grew by 2.05% in the reference period, its performance was significantly hampered by severe incidences of flood experienced across the country, accounting for less growth

relative to the fourth quarter of 2021 which was 3.2%. Moreover, the industry sector was yet challenged recording -0.94% growth and contributing less to the aggregate GDP relative to the third quarter of 2022 and the fourth quarter of 2021.

Government policy by the newly elected President Bola Ahmed Tinubu aims to build on the existing economic framework of the past administration, despite facing deep rooted challenges including domestic insecurity, misaligned fiscal and monetary policies, foreign exchange market challenges, poor infrastructure, and rising debt amid suboptimal revenue. Key reforms are expected were implemented in the second half of 2023 after announcement of the new administration's cabinet members.

The new administration's expectation to drive market-oriented, market led reforms to tackle the myriads of socio-political challenges however haven't achieved its targeted goals. Within the initial few weeks, the new government implemented key policy initiatives including discontinuance of subsidies for petroleum product, merging the foreign exchange market and reforming CBN operations and enactment of the 2023 Electricity Act with the goal of de-monopolising the central government control over electricity generation, transmission and distribution

The Federal Government also established the "Access to Higher Education" Act to provide interest-free loans for tertiary institutions students, the Presidential Fiscal Policy and Tax Reform Committee among others. While the economic reforms are expected to yield positive impact in the medium term, inflationary pressure from global headwinds, and the current currency volatility amongst others have relatively constrained the government's financial position to finance large scale social security programmes and key infrastructure programs.

In August 2021, under the past government administration, President Muhammadu Buhari signed the Petroleum Industry Act ("PIA") into law, following its passage by the National Assembly in July 2021. The PIA seeks to provide legal, governance, regulatory and fiscal framework for the Nigerian Petroleum Industry and development of Host Communities. Following the passage of the PIA into law, it is the principal legislation governing the entire value chain of the Nigerian oil and gas industry.

Amongst others, the PIA has overhauled the governance and regulatory institutions in the petroleum industry and has dimensioned the management and regulatory oversight over the entire value chain of the oil and gas industry. The main objectives of the new governance structure introduced by the PIA, as stated therein, include to: create efficient and effective governing institutions with clear and separate roles for the petroleum industry; establish a framework for the creation of a commercially oriented and profit-driven national petroleum company; promote transparency, good governance and accountability in the administration of the petroleum resources of Nigeria; foster a business environment conducive for petroleum operations; and deepen local content practice in the Nigerian oil and gas industry.

The Energy Transition Plan ("ETP") was launched in August 2022, under the past government administration. The ETP was established with the commitment to achieve net zero emissions by 2060 by leveraging the energy transition to address energy poverty and drive economic development and diversification. The strategies to bring this to life includes expanding renewable energy by investing in solar, wind and hydropower to foster clean energy generation whilst utilizing natural gas as a cleaner alternative to coal and fuel.

According to EIU forecasts, global energy demand and the PIA will support higher investment in hydrocarbons in Nigeria better than in recent years. The national oil company, NNPC, indicated in February 2023 that a new approach to security in the Niger Delta was yielding results that had enabled oil production to increase.

The newly inaugurated Dangote Refinery is also expected to impact Nigeria's economy positively and enable the country generate increased megawatts of electricity. Over 135,000 permanent jobs will be available to Nigerians as operations get underway. The facility is also expected to save Nigeria between USD25 and USD30 billion in foreign exchange annually.

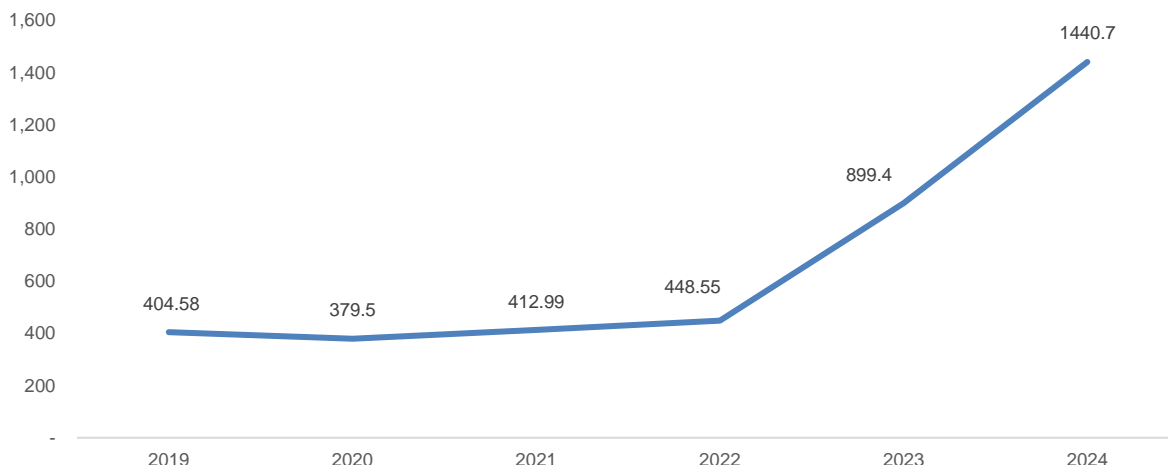
Exchange Rates

On 14 June 2023 the new administration unified all the segments of the foreign exchange market, replacing the old regime of multiple exchange rates for different purposes. The naira immediately depreciated by 36% against the dollar on the official market with the rates moving from NGN477/USD at the CBN and I&E rate to around NGN750/USD. In 2024, the naira has continued to depreciate

GENERAL OVERVIEW

against the dollar with the rates moving from an average of NGN899/USD as at the end of December 2023 to NGN1470/USD at the end of June 2024.

Exchange rate: Evolution of the Naira vs. US Dollar



Sources: CBN

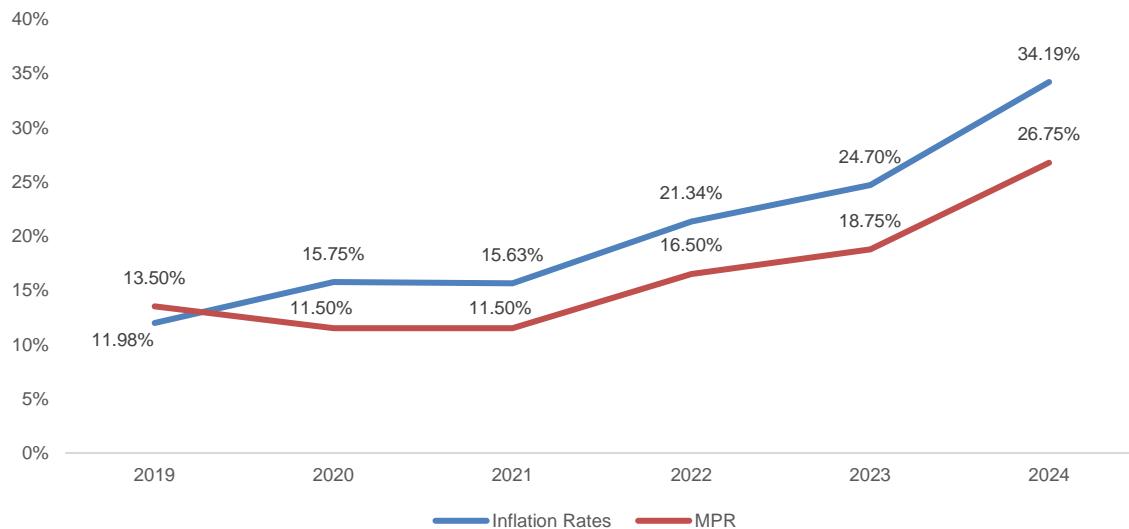
Monetary Policy Rate (“MPR”) vs. Inflation

According to the NBS, Nigeria’s headline inflation rate was 34.19% as of June 2024. The pace of increasing inflation slowed for a third consecutive month in May. The current inflation rate is the highest since 2009 when the consumer price index was adopted in Nigeria. In past years, a combination of tight monetary policies along with modest wage growth contributed to reduced inflationary pressure on the economy, in more recent years however, inflation in Nigeria has continued to trend higher and to record levels, this is mostly on account of foreign exchange volatility and instability affecting the major basket of goods comprising headline inflation in Nigeria.

The MPR started 2024 at 18.75% which was relatively high when compared to previous years. As part of the consistent tightening of monetary policy to control inflation in Nigeria, in February, the CBN significantly increased the MPR by 200 basis points to 22.75% to combat the rising inflation rate which had reached 31.70% for headline inflation and 37.92% for food inflation. In May, the CBN further increased the MPR by 150 basis points to 26.25% which is the current rate. The hike reflects the continued need to control inflation and stabilize the exchange rate. Due to the increased inflation rate in June, the monetary policy committee increased the MPR by 50 basis points to 26.75% in the July meeting.

Source: National Bureau of Statistics

GENERAL OVERVIEW



Source: CBN

Political Overview

Nigeria returned to democratic governance in 1999 with the election of Chief Olusegun Obasanjo, a member of the People's Democratic Party ("PDP"), as President and Commander in Chief of the Armed Forces, following many years of military rule. The Obasanjo administration commenced the implementation of policies aimed at diversifying the economy to reduce reliance on the oil and gas sector, improving macroeconomic stability and developing the nation's infrastructure.

In 2007, Nigeria witnessed its first ever transition from one democratically elected government to another with the election of Alhaji Umaru Musa Yar'Adua, also a member of the PDP. Following the death of Alhaji Umaru Yar'Adua almost three years into his first term in 2010, vice president, Dr. Goodluck Jonathan, took office for the remainder of the late president's term before being elected to a full presidential term in 2011.

In 2015, President Muhammadu Buhari, who was the candidate of the All-Progressives Congress ("APC"), became the first Nigerian presidential candidate to defeat an incumbent president after defeating Dr. Goodluck Jonathan in what many considered a peaceful election.

In May 2023, the Muhammadu Buhari administration came to an end with the 7th democratic presidential transition taking place. The candidate of the ruling APC, His Excellency President Bola Tinubu, won the February 25th presidential election and was inaugurated on May 29th 2023.

Nigeria has, from time to time, experienced attacks, and kidnappings in parts of the country, particularly in the northern and southern states. It is believed that the attacks in the northern states have been carried out by Islamist militia groups based in the north, such as Ansaru and Boko Haram. In the Southeastern part of the country, secessionist sentiment has lingered in the region since the Biafra separatist rebellion tipped Africa's most populous country into a civil war between 1967 and 1970 that killed an estimated one million people. The new administration acknowledges the insecurity challenges within the country and during the election campaign indicated it will tackle these challenges with a multi-faceted approach including addressing capacity building of law enforcement agencies, exploring State and Local Governments community policing and push for more support in the security and economic stability of the Economic Community of West African States (ECOWAS) sub-region and Africa as a whole.

Post-Election Macroeconomic Reform Expectation from The Incumbent Administration

Building on the existing framework of the current government, the newly inaugurated president has aimed for transformation across three economic parameters;

1. Fiscal Policy and Economic Growth

Gradual phase-out of the petrol subsidy to avoid push back by labour unions, revenue growth through targeted increase in oil production. Target is to reach 2.6mbpd by 2027 and 4mbpd by 2030. Strengthen countrywide pipeline surveillance through better technology to reduce oil theft.

2. Monetary Policy

The Central Bank of Nigeria is to refine its monetary policy framework by stabilising the exchange rate and attract foreign investment by safeguarding the banking system and protecting depositors. The Government aims to scale up intervention schemes for farmers to boost agricultural productivity through low interest lending. Ultimately expand credit to the private sector via retail lending, student loans, real estate, industries and mortgages at lower interest rates.

3. Foreign Exchange Market reforms

On 14 June 2023 the new President regime unified all the segments of the foreign exchange market, replacing the old regime of multiple exchange rates window for different purposes. The naira immediately depreciated by 36% against the dollar on the official market, the rate declined from NGN477/USD to NGN750/USD. As at June 2024, the unified rate was an average of NGN1440/USD.

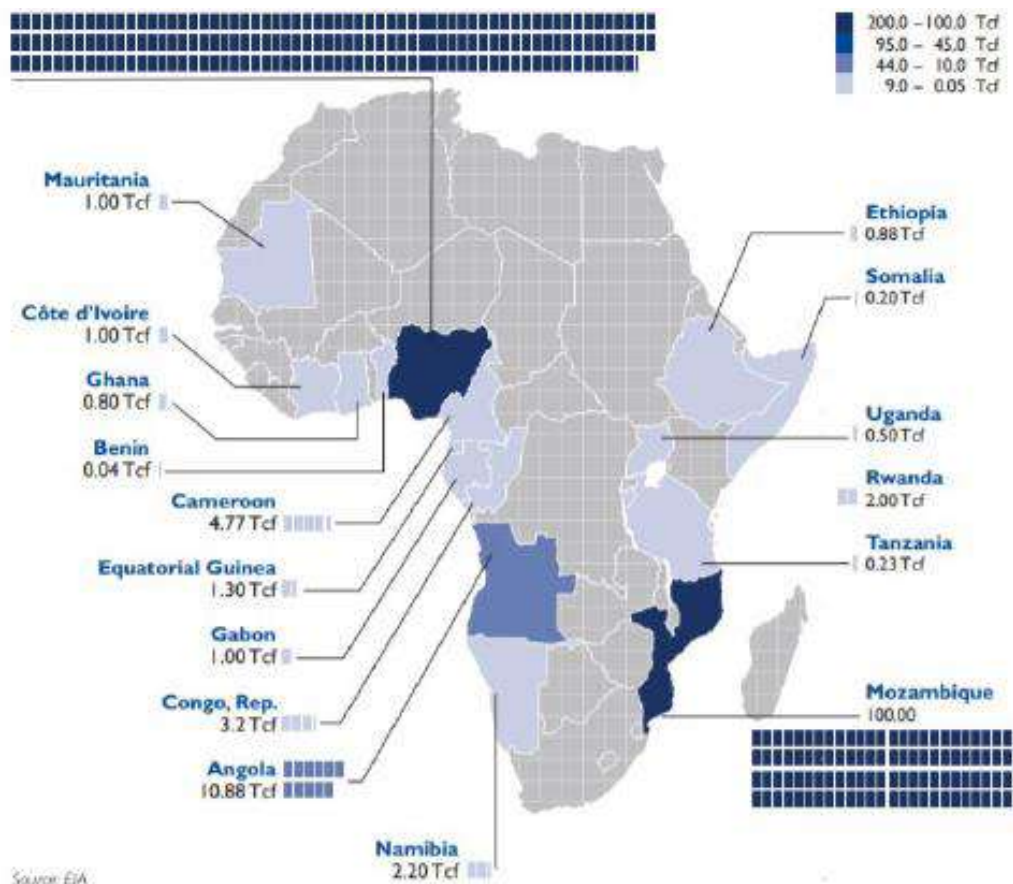
OVERVIEW OF THE ENERGY INDUSTRY

The information in this section has been extracted from documents and other publications released by various officials and other public and private sources, such as the CBN, IMF, NBS, as indicated herein. There is not necessarily any uniformity of views among such sources as to such information provided. We have not independently verified the information included in this section. The information in this section has been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government, or regional agencies or other third-party sources as indicated in the text.

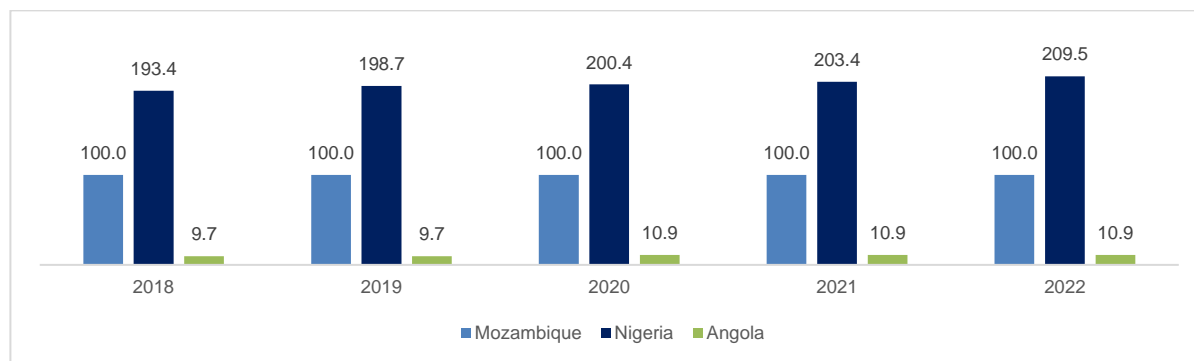
NATURAL GAS OVERVIEW

The global natural gas market is a vital component of the energy landscape characterized by steady growth and widespread adoption. Natural gas has gained prominence because has been the primary energy source for global industry and manufacturing. Its cleaner profile has positioned it as a transitional fuel, bridging the gap between carbon-intensive fossil fuels and renewable energy sources. This is particularly relevant in Africa, where it offers a cleaner alternative to traditional fuels like diesel and kerosene.. Over the last decade, the global natural gas market has experienced consistent year on year growth, driven by increased energy demand, especially in emerging economies. In the last five years also, the top 10 major natural gas discoveries in Africa were made in West Africa, with Nigeria having the largest proven natural gas resources in the region.

Proved Natural Gas Reserves in sub-Saharan Africa



Proved Natural Gas Reserves in sub-Saharan Africa (tcf)



Various forms of natural gas are used to produce energy or generate power for domestic, commercial and industrial applications and for various modes of transport, examples include:

1. Natural gas is a versatile form of energy that is generally used for heating and power generation. Natural gas is also an industrial feedstock for liquid fuels and other chemical products. Natural gas is formed through the decomposition of organic material trapped beneath the earth's surface. Methane, ethane, propane and butane in around 85%, 7%, 5% and 3% respectively of the extracted gas. Unlike other fossil fuels, natural gas is relatively clean-burning and produces less sulphur and nitrogen than oil and coal.
2. Compressed natural gas (CNG) is increasingly used as a fuel source for vehicles as its emissions are significantly lower than petrol and diesel in. In addition, CNG is also known to be more a cost-effective energy solution.
3. Liquefied natural gas (LNG) is natural gas that has been cooled to -162°C (-260°F), changing it from a gas into a liquid that is $1/600^{\text{th}}$ of its original volume. This process allows it to be transported great distances across oceans by LNG tankers. Upon arrival at its destination, LNG is warmed to return it to its gaseous state before being delivered to consumers via local pipelines.
4. Liquefied petroleum gas (LPG), also known as LP gas or auto-gas, is a mixture of hydrocarbon gases typically comprising propane and butane and is primarily used as a thermal fuel and petrochemical feedstock. The gas is produced during the crude oil refining process and also via gas processing plants. LPG is mainly supplied to domestic, commercial and industrial consumers.

Broad drivers for the natural gas industry include:

1. **Environmental Concerns:** The shift towards cleaner energy sources to combat climate change has led to increased natural gas usage.
2. **Industrial and Residential Demand:** Natural gas is a versatile energy source used in electricity generation, industrial processes, heating, and as a transportation fuel.
3. **Geopolitical Factors:** Geopolitical tensions, energy security concerns, and the need for diversification of energy sources have influenced market dynamics.
4. **Technological Advancements:** Advances in exploration, production, and transportation technologies have expanded the market's reach.

NIGERIA NATURAL GAS OVERVIEW

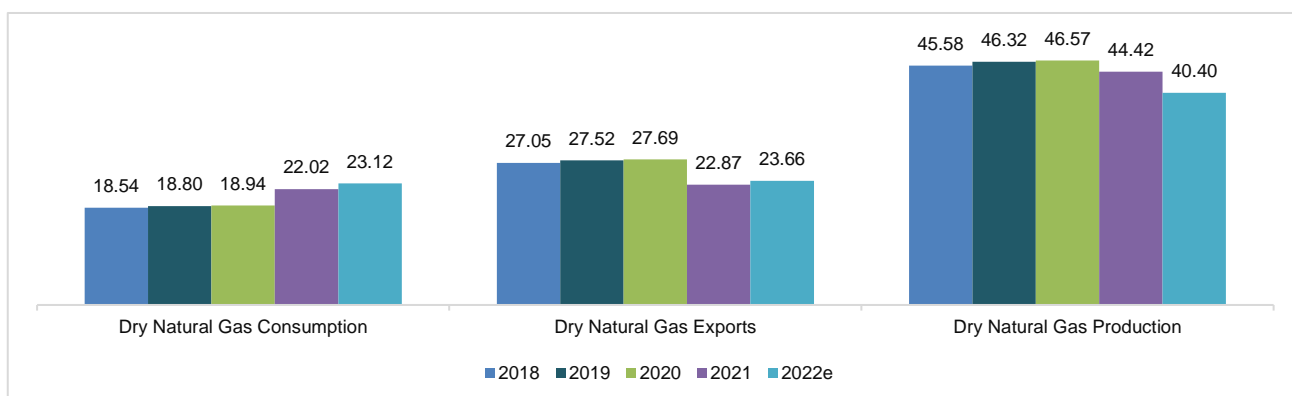
Nigeria has estimated proven gas reserves of 209.5tcf, according to the Energy Information Administration, making the country one of the largest gas reserve holders in the world. Most of natural gas produced in Nigeria is associated gas which is emitted alongside oil and is not effectively captured.

The natural gas sector involves upstream and downstream activities, and various forms of gas are used to produce energy or generate power for domestic, commercial and industrial applications and for various modes of transport in Nigeria. Increasing gas production and the development of gas infrastructure remains central to the Nigerian government's plans to support the power sector and to develop a larger, more reliable source of power for the economy. International oil companies operating in Nigeria have increasingly turned their focus to gas developments, partly due to improving

OVERVIEW OF THE ENERGY INDUSTRY

infrastructure and tougher regulations against gas flaring as well as rising domestic demand and export opportunities. The expansion of infrastructure to process and deliver gas will be essential to driving Nigeria's gas sector.

Nigeria Natural Gas consumption, production, and exports (bcm)



Commercial natural gas production in Nigeria has been somewhat consistent but well below the desired government targets, with production hovering around the 40bcm per year average over the last five years. There is however room for growth in this sector, and the increased uptime of oil production, resultant increased associated gas output as well the expansion of gas infrastructure will lead to growth in natural gas production.

Incremental associated gas capture projects will grow production and flaring reduction at existing and new projects is expected to yield continuous but not burgeoning growth in production. Nigeria remains one of the top nine countries in gas flaring. The World Bank's 2023 Global Gas Flaring Tracker Report revealed that despite reducing gas flaring by 20 percent between 2021 and 2022, Nigeria flared between 5500bcm and 7,550bcm between 2018 and 2022. A sustained reduction in Nigeria's gas flaring profile will increase the potential of collecting significant amounts of gas from existing resources

Natural Gas Production Forecast	2021e	2022e	2023f	2024f	2025f	2026f
Dry Natural Gas Production, bcm	44.42	40.4	42.9	43.8	45.5	47.8
Dry Natural Gas Production, bcm, y-o-y%	(4.70)	(9.10)	6.20	2.10	3.90	5.10
Dry Natural Gas Production, % of domestic consumption	201.6	210.7	214.8	208.7	206.7	212.8

Source: Fitch BMI

There are three primary components of the Natural Gas extractive process:

1. **Production and Processing:** Natural gas is sourced from domestic natural gas wells, processed and then transported across local and regional markets via major continental and intercontinental pipelines. Most natural gas that is consumed in Nigeria is produced in the Niger Delta. In 2022, Nigeria produced 40.4bcm. Approximately 15% of gas sales are into the domestic market to large end-users such as power generators (for conversion into other uses), natural gas local distribution companies and others (for direct consumption). The balance is sent to the Nigeria LNG ("NLNG") terminal at Bonny Island where it is liquefied and subsequently exported to West Africa, Europe, Asia and the United States. NLNG is Nigeria's most significant natural gas project to date. The plant, which currently has six processing trains, has an annual production capacity of 22MT per annum.

Source: Nigerian National Petroleum Commission Monthly Report

2. **Transportation and Storage:** Natural gas is shipped through national and local pipeline systems and continental pipelines to downstream markets across Nigeria and West Africa. Most of the transportation pipelines are managed by the NNPC Gas Infrastructure Company Limited. Major gas infrastructure in Nigeria includes:
 - The western system, which includes the 700km Escravos-Lagos Pipeline System ("ELPS") that has a capacity of 1,100 mmscf;
 - The export system, consisting of an onshore Gas Transmission System and an Offshore Gas Gathering System, both of which transport gas to NLNG for export;

- The eastern system, which supplies gas to domestic industrial and power users in eastern Nigeria; and
- The West African Gas Pipeline (“WAGP”), a 678km pipeline designed to transport natural gas from Itoki in Nigeria to Ghana via Togo and Benin Republic. The pipeline has an initial capacity of 170 mmscf/day, and there are plans to expand, in a second phase, to 450 mmscf/day and extend the pipeline westwards to Ivory Coast and Senegal.

Energy wholesalers and supply aggregators also play a wholesale market role between producers and end users by providing natural gas storage services, backstopping services and operational services.

3. **Distribution and Delivery:** Most natural gas utilities do not own their own natural gas wells, and typically operate as distribution-only entities, buying natural gas from multiple suppliers over multiple pipelines to service their customers. Natural gas local distribution companies (“LDCs”), commonly known as natural gas utilities, sell and distribute natural gas in their franchise areas through their own distribution networks pursuant to a variety of upstream and downstream transmission pipeline, storage and distribution agreements. LDCs manage natural gas flows and are responsible for operational considerations and system expansions under their regulated mandate to deliver natural gas.

The Retail Domestic Natural Gas Market Overview

The retail natural gas market can be categorised into two main customer segments: (i) small-to-medium size commercial and (ii) large commercial and industrial. LDCs operate in the retail natural gas market by providing a variety of fixed and variable rate natural gas contracts to customers for varying periods of time (usually up to 20 years). The tariffs charged by LDCs for the transportation of natural gas through their pipeline systems incorporate a number of factors – the wholesale cost of natural gas, processing and transport costs, distribution and maintenance costs plus a margin of the LDCs.

Gas Supply Challenges

1. **Gas Policy development:** Nigeria’s hydrocarbon sector was developed predominantly for oil, resulting in gas being largely overlooked. Natural gas is sold into the domestic power and industrial sectors at a floor price of around USD0.40/MMBtu (at USD40/bbl oil) and a cap of around USD2.50/MMBtu, offering unattractive margins for producers.
2. **Limited Gas Infrastructure:** Other than the LNG terminal and the gas-to-liquids facility, there are few major gas demand centres in Nigeria. The cost of linking processing facilities with power plants and other gas users adds to development costs and prices. Support for the build out of such infrastructure will be critical to gas expansion. The Obiafu-Obrikom-Oben (“OB3”) pipeline and continuing expansion of thermal gas power plants would further incentivise commercial production as this would bring in additional gas reserves currently not included in the gas market.
3. **Insecurity:** Natural gas production is affected by the same security problems experienced by the oil industry, given that much of the production is associated gas and the fields are located in the high-risk area of the Niger Delta. When oil pipelines are impacted, the fields are shut in, stopping gas output. Additionally, gas gathering and processing plants have been targets for attacks.
4. **Regulatory Uncertainty:** Similar to oil production, several development projects were stalled owing to regulatory uncertainty regarding the passage of the 2021 Petroleum Industry Act (PIA) and specifically the fiscal regime for development of gas fields. Investors remain reluctant to invest due to the uncertainty about the return on investment. These factors have led to chronic underinvestment in the country’s gas sector. Consequently, only around 60% of the gas Nigeria produces is commercialised and less than 30% of that commercial gas is consumed in the domestic market.

Boosting gas production will be key to addressing Nigeria’s chronic power deficit; the power sector is plagued by recurrent outages, and around half of the country’s population lacks access to electricity. The bulk of Nigeria’s electricity generation comes from thermal power plants, largely fed by natural gas. Plans to increase gas-powered electricity generation should see increasing domestic demand for gas. To some extent, the promising domestic demand from the power sector should help stimulate private investment in infrastructure to increase gas production levels.

The National Gas Policy is geared towards creating a framework for domestic gas pricing, introducing a domestic gas supply obligation for oil companies, and providing a blueprint for the development of gas infrastructure in Nigeria. It is expected that these initiatives would significantly enhance domestic gas-to-power materialisation alongside its application in the production of by-products such as fertilisers, urea and methanol. NNPC Gas Infrastructure Company Limited estimates that there is over US\$51 billion worth of investment opportunities in Nigeria's gas sector. This investment could be spread to Free Trade Zones (FTZ), central gas processing fertiliser plants, gas exploration & production, pipe milling & local fabrication yards. Other available investment areas are virtual pipelines, gas transmission, power plant projects, flare gas initiatives and liquefied petroleum gas plants.

Unlocking Nigeria's natural gas potential will require partnerships between the Nigerian government and private companies that could innovate, capacity to deliver major projects, and willingness to take on long-term commitments.

National Gas Policy

The Energy sector looks to the budding Gas sector for sustainable growth considering the Nigerian Government's aggressive pursuance of growth in the sector. The Federal Government adoption of the National Gas Policy in 2017, along with the Pan-African drive towards transformation of the trans-Saharan pipeline has birthed a plethora of gas-based opportunities such as gas flare commercialization which translates to major returns for current and future investors. Despite having the largest gas reserves in Africa, only about 25% of those reserves are being produced or are under development today. Minimal efforts have been made by the Federal Government to give priority consideration to the development of critical gas infrastructure.

The National Gas Policy articulates the policy goals, strategies, and implementation plan of the Federal Government of Nigeria to reposition Nigeria as an attractive gas based industrialised nation through transformation of local gas demand requirements. Access to infrastructure, a clearly articulated pricing path and institutional capacity strengthening are key aspects of any effective gas policy. The policy clearly defines the direction for gas infrastructure ownership by prescribing full legal separation of gas infrastructure ownership and operations and trading. With regards to pricing, the Policy stipulates that the transitional pricing framework will be retained until sufficient gas supply volumes are built up and a mature gas market is established. There is a strong focus on strengthening the capacity of the Ministry of Petroleum Resources to provide leadership to the gas industry in terms of policy making and surveillance capabilities. It also recommends the establishment of a single independent petroleum regulatory agency.

Flare Gas (Prevention of waste and pollution) Regulations, 2018

The National Gas Policy encapsulates a recurrent theme showcasing an unwavering drive and high priority objective to position Nigeria as a formidable gas-based industrial nation by the adoption of gas flare out strategies using flare capture and utilization technologies, amongst other strategies. Despite Nigeria's prolific gas reserves; gas centric legislation, investment and development within the Nigerian gas sector have historically been minimal, significantly lagging its more profitable fossil fuel counterpart- crude oil. The result of this inertia has been high levels of gas flaring across oil and gas producing fields in the country.

Gas flaring constitutes an egregious energy waste practice in the Nigerian petroleum industry and has significant detrimental effects on the environment and the Nigerian economy. Prior legislations such as the Associated Gas Re-injection Act of 1979 and its subsidiary legislation, the Associated Gas Re-injection (Continued Flaring of Gas) Regulations of 1985 prohibited gas flaring without the permission of the Minister of Petroleum Resources. The Minister's permission is granted in the form of a certificate for the continued flaring of gas ("AGRA Certificate"), which contains specific terms and conditions including the payment of gas flare fees.

OVERVIEW OF THE ISSUER – APL FUNDING SPV PLC

Introduction

The Issuer was incorporated in Nigeria on 30 July 2024 with RC number 7780420 as a public limited liability company under the name of APL Funding SPV PLC. The registered office of the Issuer is at 224 Moshood Abiola way, Ijora, Lagos. The Issuer has no subsidiaries or affiliates. The Issuer is a special purpose funding vehicle of Asiko Power Limited with no business operations of its own, other than borrowing, advancing / passing through funds to, and receiving funds from the Sponsor.

The share capital of the Issuer is ₦10,000,000.00 (Ten Million Naira) divided into 10,000,000 (Ten Million) ordinary shares of ₦1 (One Naira) each, all of which have been issued at par, and are held as follows:

Name	Shareholding	Percentage (%)
Asiko Power Limited	9,999,999	99.99
Asiko Energy Holdings Limited	1	0.01

The principal objects of the Issuer are set out in clause 3 of its Memorandum and Articles of Association and, amongst other things, is to borrow or raise money as the company shall deem fit and in particular, by the issue of corporate bonds whether backed by rights in and relating to loans or not.

Principal Activities

The principal activities of the Issuer will be to raise and borrow money for the Sponsor through the issue of bonds, debenture, debenture stock, other securities, or perpetual annuities. This will be done in accordance with the terms of the relevant transaction. Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified office of the issuer. The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public company, the authorisation and issue of the securities and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Issuer's activities are restricted by its Memorandum and Articles of Association and the terms of the Bond Programme Trust Deed and other related Transaction documents.

Directors and Company Secretary

Name	Residential Address
Alexander Oneoritse Ogedegbe	26, Itumo Ogbonna Street, Lekki Phase 1, Lagos
Felix Oluwagbemiga Ekundayo	224 Moshood Abiola way, Ijora, Lagos
Mustapha Olusegun Fasinro	224 Moshood Abiola way, Ijora, Lagos
Abubakar Oladotun Folami	224 Moshood Abiola way, Ijora, Lagos
Kamar Oladipo Bakrin	6, Mobolaji Johnson Avenue, Ikoyi, Lagos
Babatunde Olakunle Edun	224 Moshood Abiola way, Ijora, Lagos
Martin Olayinka Ekundayo	3, Daws Lea High, Wycombe Buckinghamshire, United Kingdom
Company Secretary: Hawkes Legal	Registered Address: 1st Floor, Mamman Kontagora House, 23A Marina, Lagos

Directors Interests

No director has any interest in the promotion of the Sponsor and/or the securities to be purchased or proposed to be purchased by the Issuer.

Employees

The Issuer has no employees

Indebtedness

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

Material Contracts

Based on information provided by the Issuer to the Transaction Counsel, the Transaction Counsel confirms that as at August 29, 2024, save for the Programme Trust Deed which the Issuer will enter into, in respect of the Transaction, the Issuer has not entered into any contracts outside the ordinary course of business.

No Material Adverse Change

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

Financial Information

The Issuer's statement of affairs for the period ended 31 August 2024 are disclosed on page 89 to 91 of this Shelf Prospectus.

Litigation

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

OVERVIEW OF THE SPONSOR/OBLIGORS

For the purpose of the contemplated transaction, Asiko Power Limited, Gas Terminalling and Distribution Limited, Gas Terminalling Storage Company Limited, Gas Terminalling Global Operations Limited and other prospective SPVs are herein referred to as “Asiko Energy Holdings Limited”, “the Asiko Group” or “the Group”

a. ASIKO POWER LIMITED COMPANY PROFILE

Asiko Power Limited (“APL” or “the Sponsor”) was incorporated on 06 November 2008 as a private company. The Sponsor is involved with the provision of gas-to-power products and solutions to residential, commercial, and industrial establishments.

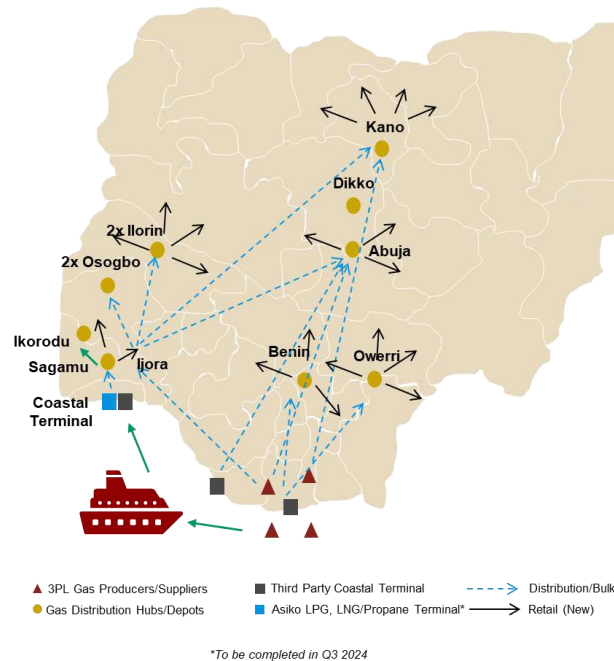
APL’s business operations are segmented into three verticals which aim to deliver power solutions to various areas of the economy:

- **Power generation:** as an Independent Power Producer, APL provides captive power solutions for industrial and commercial business complexes. APL’s key clients within this segment are well known corporate brands such as Cadbury Nigeria PLC, Alvaro Power Solutions Limited, Union Bank of Nigeria, Paelon Hospital and Hyde Energy Limited.
- **Industrial and retail gas distribution:** as a leading provider of clean energy solutions, APL, through depots such as the Utesi depot, stores and distributes LPG and Compressed Natural Gas, improving gas availability in the region.
- **Autogas:** APL has developed two Autogas stations (Kano) which are at the core of accelerating fuel transition and deepening gas penetration in Nigeria by providing clean energy solutions to vehicles that have been converted from petrol-powered engines to dual fuel (LPG and petrol) engines.

Asiko Power Limited is a part of NLNG’s Domestic LPG, Propane and LNG Schemes which provides an avenue for the Company to procure LPG, LNG and Propane for distribution to clients across the country and run seamless operations, as detailed below:

- The operations of the Sponsor include procuring LPG and propane from third party producers and suppliers which is then transported to terminals via an LPG vessel. APL suppliers include Nigeria LNG Limited, Kwale Hydrocarbon Nigeria Limited, PNG gas Limited, Greenville LNG Limited, and Pan Ocean Oil Corporation (Nigeria) Limited
- Once procurement is complete, LPG and propane is deposited in one of three third-party terminals located in Rivers and Lagos State for onward distribution to gas distribution hubs and terminals across the country
- LPG and propane can also be stored in APL’s 400MT terminal for onward distribution to gas distribution hubs and terminals across the country
- For LPG/Propane not converted to power, APL, via one of 12 distribution centers, sells to industrial and retail clients, as well as to clients via 2 Autogas locations.

Upon completion of the construction of the LNG phase of the gas terminal project, the Sponsor will procure and distribute LNG in the same manner as LPG and propane as outlined above.



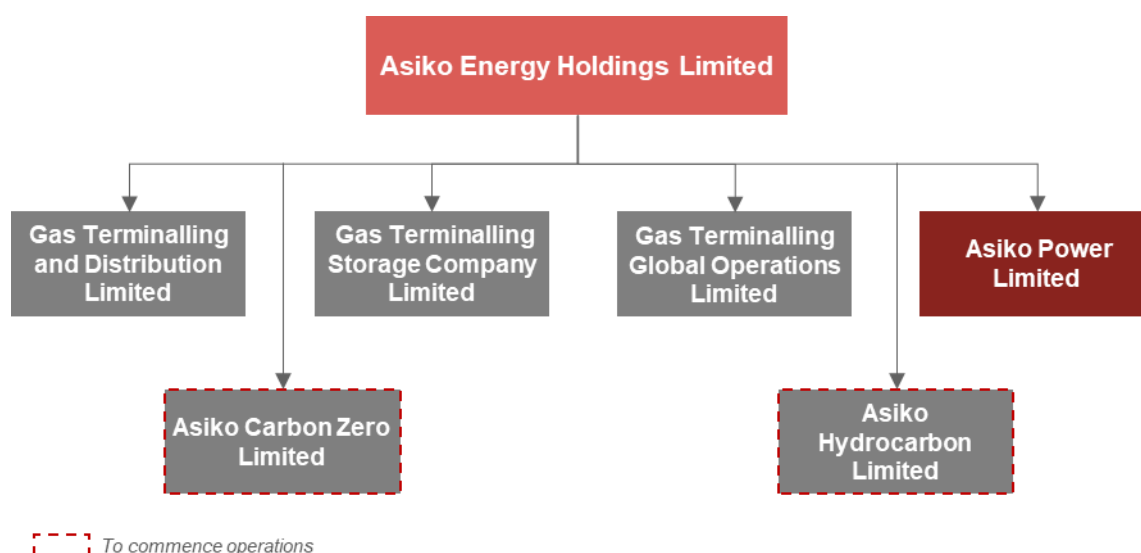
b. GROUP STRUCTURE OF ASIKO ENERGY HOLDINGS LIMITED

APL is a subsidiary of Asiko Energy Holdings Limited (“AEHL” or “the Group”). AEHL became the pioneer off taker from Nigeria LNG Limited (“NLNG”) on the Domestic LPG programme in 2007, Domestic Propane programme and in 2021, the Company was successful in becoming a pioneer offtaker (as Linetrade Gas Limited) of LNG under the Domestic LNG programme, making APL the only company in all three programmes, thereby demonstrating the Group’s capacity and commitment to the clean energy drive.

AEHL was established to manufacture all kinds of products and derivatives of petroleum, gas and other hydrocarbons, as well as related products, while building, operating and maintaining power transmission stations and facilities that ensures the smooth process of trading clean power and energy solutions. This process involves, storing, trading, importing, and exporting manufactured power products.

Other subsidiaries of AEHL include:

- Gas Terminalling and Distribution Limited (GTDL) – distribution of LNG, LPG, and Propane across Nigeria
- Gas Terminalling Storage Company Limited (GTSL) – owner and operator of the combined 5,000MT LPG and approximately 13,000MT LNG storage facility currently under construction at Ijora, Lagos.
- Gas Terminalling Global Operations Limited (GTGOL) – supply of LPG, Propane and soon to commence LNG across Nigeria



C. OVERVIEW OF OTHER GROUP SUBSIDIARIES

Gas Terminalling and Distribution Limited (“GTDL”)

GTDL was incorporated on 23 October 2008 with the principal objective of retail distribution LPG under the company’s Lite Gas® brand. GTDL also engages in the provision of distribution support for the Group’s other entities across the country i.e. the transportation of LPG.

GTDL purchases its LPG from various sources including Nigeria LNG Limited, related entities such as Gas Terminalling Global Operations Limited (“GTGOL”) and Asiko Power Limited as well as other inland producers and suppliers.

GTDL’s business is segmented into retail and corporate, with the retail segment account for approximately 16% of its volumes. Major customers include Dangara Oil & Gas Limited, Nasareen Gas Limited, North Gas Limited and Tewa Gas Limited. As at December 31, 2023, an average of 7,000 MT of LPG is distributed to GTDL customers on a monthly basis.

GTDL operates a fleet of 80 trucks, inclusive of bobtails & bridgers which have a storage capacity ranging from 20MT – 28MT and are able to deliver to customers nationwide.

For end users within the retail segment, walk-in customers are able to purchase LPG directly from one of nine GTDL depots across the country or have home deliveries completed within 6km of each depot. GTDL has five distribution hubs in Lagos, Abuja, Kano, Ilorin and Benin with the capability of storing up to 100MT – 300MT of products each. GTDL also operates 9 mini-gas outlets under their dealer owned, dealer operated network.

Gas Terminalling Storage Company Limited (“GTSL”)

GTSL was incorporated on 20 November 2013 and will be the gas throughput terminal within the Asiko Group.

As part of the Group’s strategic long-term plan to drive the distribution of gas in Nigeria and remain competitive in the oil & gas industry, GTSL is in the final stages of the construction and development of a gas storage terminal at Ijora, Lagos with capacity to store 5,000MT LPG and 13,150MT of LNG once completed. The terminal is strategically located near Lagos marina jetty with access for vessels discharge LPG via a 2km pipeline directly to the tanks.

GTSL is expected to provide throughput services other entities within the Asiko Group.

Gas Terminalling Global Operations Limited (“GTGOL”)

GTGOL, which was incorporated on 7 April 2006 is the bulk distribution entity within the Asiko Group, transporting the gas to the company owned and/or operated depots across Nigeria via a fleet of 28 company-owned and operated specialized trucks along with 40 leased trucks from third parties.

OVERVIEW OF THE SPONSOR/OBLIGORS

As at 31 December 2023, 69% of GTGOL's volumes (96% inclusive of GTDL joint ventures) were to sold to GTDL. Other customers include Tewa Gas, Nart Gas, Lydiben and Geosara Int'l Ltd, Royal Adiola Ventures, Gomsaf Integrated Services Nig Ltd, Smaq-O Oil and Gas Ltd and Mercipoint Energy Services Limited with 2023 sales volumes of 11,074MT.

d. AEHL SHAREHOLDERS

1. Asiko International Energy Holdings (Nigeria) Limited (33.78%)
2. Osemele Energy Holdings Limited (26.30%)
3. Asiko Marine Services Limited (1.52%)
4. Retail Investment Integrated Limited (24.04%)
5. Straightrun Services Limited (0.24%)
6. Strategic Energy Limited (0.92%)
7. Individual Minority Shareholders (13.20%)

e. BOARD OF DIRECTORS

The Sponsor has a Board comprised of 7 member directors that formulates the broad policies and takes decisions for the management and operations of the Sponsor with a view to attaining the organization's objectives.

Engr. Alexander Ogedegbe – Chairman

Engr. Alex Ogedegbe has over 45 years of engineering and business management experience in the oil and gas industry.

Over his career he has served in various positions, he was the Managing Director of the Port Harcourt Refining Company Limited from 1990 – 1992, Managing Director of the Kaduna Refining & Petrochemical Company Ltd from 1992 – 1995 and the Group General Manager, NNPC's Group Managing Director's Office from 1995-1996. He was also the Managing Director for National Engineering and Technology Company (NETCO, the Joint Venture Company of NNPC and Bechtel Inc.) from 1996 – 1998, Director General, NNPC – Nigerian College of Petroleum Studies, Kaduna between 1998 and 1999, Group Executive Director (Eng. & Technology) and member of NNPC Board of Directors between 1999 and 2003.

Engr. Ogedegbe holds both a B.Sc. and an M.Sc. in Chemical Engineering from the University of Iowa, USA. He is also a registered engineer with Council for the Regulation of Engineering in Nigeria ("COREN") and a Fellow of the Nigerian Society of Chemical Engineers.

Mr. Felix Ekundayo – Managing Director

Mr. Ekundayo is a seasoned Chemical Engineer with over 35 years of experience in engineering and business management in the Oil and Gas Industry. Mr. Ekundayo, alongside associates, founded and meticulously piloted the affairs of Gas Terminalling Limited (nee Linetrade Gas) in 2006, turning it into a foremost LPG supply, logistics and distribution company and this in turn led to him being appointed at the helm of affairs of Asiko Energy Limited, thereby cascading down to Asiko Power Limited.

He commenced his career working for Foster Wheeler and later ICI and BP. His engineering career spanned 11 years and covered design, commissioning and operation of midstream and downstream oil and facilities. He then spent 5 years as a Senior Consultant with Nexant Limited, consultants to the energy industry. During his time with Nexant, he consulted on various refining, gas, infrastructure, and petrochemical projects around the world.

Mr. Ekundayo holds a B.Eng. (Hons) in Chemical Engineering from the University College, London (1988) as well as an MBA from Exeter University (1990). He is the President of the Nigeria Liquefied Petroleum Gas Association (NLPGA).

Mr. Abubakar Folami – Executive Director, Finance & Chief Commercial Officer

Mr. Abubakar Folami is an astute professional with over 35 years of experience of financial management and commercial experience in the oil and gas industry.

OVERVIEW OF THE SPONSOR/OBLIGORS

Prior to his appointment in October 2009, he was Executive Director Finance of Oando Marketing Limited. Before this, he was the Chief Finance Officer of Oando Plc, a position he was promoted to in July 2005. In that period, he was a key member in the internal efficiency and structural changes that took place at Oando Plc. Before joining Oando, he was Divisional Finance Controller and Assistant Head Internal Audit of John Holt Plc, a company that has operations spread over the whole of Nigeria. And before joining John Holt in 2001, Mr. Abubakar managed a firm of Chartered Accountants for seven years. He has also held management positions at Sabitu Folami & Co. in Nigeria, Javed & Co. Chartered Accountants and Trustee Savings Bank Plc in the United Kingdom.

Mr. Folami holds a B.Sc. degree in Accounting, Finance and Economics from the University of Essex, UK (1987). He is also a member of the Association of Certified Chartered Accountants (AACA) as well as an associate member of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr. Kamar Bakrin – Independent, Non-Executive Director

He has over 30 years of experience in business management experience in the FMCG, energy and oil and gas sectors.

Mr. Kamar Bakrin was until recently Operating Partner at Helios Investment Partners, the World's largest Africa-focused private equity firm, where he headed the Nigeria office. Prior to this, he was a Director at the Corporate office of the Nigerian conglomerate, the Honeywell Group; responsible for the Natural Resources and Power Infrastructure businesses. He previously served as MD/CEO of Oando Energy Services during which he led the transition to a full oilfield services company. He was, before that, the Chief Executive of Oando Marketing after having been the Head of Corporate Development of Oando's Holding company. Before returning to Nigeria, Kamar was a Consultant with the Boston Consulting Group in the USA and has also worked with Colgate Palmolive, South Africa, and Arthur Andersen (now KPMG). Mr. Bakrin also Chairs the Boards of Scidar, Arnergy Solar Ltd. and Truck Transit Parks Ltd and serves on the Boards of Polysmart Ltd. and Gas Terminalling Global Operations Ltd.

He holds a BA in Agriculture Economics from the University of Ilorin and an MBA from the Columbia Business School in the United States. He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a member of the Institute of Directors, Nigeria.

Mr. Mustapha Fasinro – Non-Executive Director

Mr. Fasinro has acted as a senior production engineer, lead reservoir engineer, production platform superintendent, crude oil sales and marketing operations engineer and as an independent petroleum products trader, advisor, and consultant for the past five years. During this period, he gained extensive experience in the oil and gas industry, from Geology to sales/marketing, project financing and development.

In the more recent past, he has concentrated on the West African and International oil trading markets for crude oil and petroleum products, risk management strategies, the organization of trading companies and the development of indigenous trading entities in Nigeria.

He began his career in the early 1990's with Abacan Resource Corporation in Calgary, Canada and was involved in the development of the field production and well data reporting software, pipeline design and construction, well completion, pre-commissioning, and commissioning of a 28,000 barrels per day production facility. Thereafter he was Senior Production Engineer on the IMA field offshore Port-Harcourt, Nigeria.

Mr. Fasinro is a member of the Institute of Petroleum, UK and holds a Bachelor of Engineering, Chemical Engineering from South Bank University (UK)

Mr. Martin Ekundayo – Non-Executive Director

Mr. Martin Ekundayo is a qualified lawyer, with over 18 years of experience in the oil and gas industry. He is presently Regional Director for BJ Services covering the Middle East, Africa, and the Former Soviet Union. Prior to this, he was Senior Legal Counsel for Gazprom in the UK. Before joining Gazprom.

He spent 5 years with Koch Supply & Trading Co Ltd (an affiliate of Koch Industries Inc.), where he established and managed the company's contracts department, as well as work on petroleum origination business for the West African region.

Mr. Martin attended the University of Buckingham for his LLB.

Mr. Babatunde Edun – Non-Executive Director

Mr. Babatunde is a seasoned businessman with demonstrated expertise in Telecommunications, Logistics, Distributed Power, and Oil & Gas Industries. His knack for start-up businesses has earned him a reputation for building several businesses of scale. He is presently applying his vast business experience for Tranos Contracting Ltd in a bid to increase the in-country value creation in the Oil & Gas service Industry and to expand the light manufacturing base in Nigeria.

Mr. Edun is a member of the Institute of Directors (IoD), the Lagos Polo and Ikoyi clubs and serves on the Boards of ACCAT (Nigeria) Ltd, COMENERGY Ltd, Exchange Telecommunications Ltd, Tranos Contracting Ltd, C & I Leasing PLC and Ilubirin Foreshore Development Company.

He has a B.Sc. in Business Administration from the University of Lagos (1986 – 1992) and MBA from Lagos Business School (2011).

USE OF PROCEEDS

The applicable Supplement for each Tranche or Series will specify details of the use of proceeds of the particular Tranche or Series.

1. Clearing system and settlement

Each Series issued under the Programme shall be registered with a separate securities identification code with the respective CSD. All transactions in such Bonds shall be cleared and settled electronically in accordance with the rules and operating procedures of the respective CSD. Transactions will normally be effected for settlement not earlier than 3 (three) Business Days after the date the securities are traded. Subject as aforesaid, each Series of such Bonds will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the relevant depository. The CSD authorised participants include banks, securities brokers and dealers and other professional financial intermediaries.

The Issuer has no responsibility for the proper performance by the relevant depository or the depository's authorised participants of their obligations under their respective rules and operating procedures.

2. Cash settlement

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

3. Transfer of Bonds

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

TAX CONSIDERATIONS

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Bonds issued under this Programme. In particular, it does not constitute a representation by the Issuer or its advisers the tax consequences attaching to a subscription or purchase of Bonds issued under the Programme or applicable to all categories of investors.

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

Previously, the Federal Government of Nigeria approved a waiver of taxes on all categories of bonds and short term Federal Government securities; including taxes prescribed pursuant to the CITA, PITA and VAT Act, with the aim of eliminating respective taxes payable on such investments; by virtue of the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011 ("CIT Order"), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("VAT Order") and the Personal Income Tax (Amendment) Act 2011 respectively. The CIT Order and VAT Order became effective on 2 January 2012 and were valid for a period of ten (10) years from that date. The exemption under the Personal Income Tax (Amendment) Act 2011 is indefinite.

However, given that the CIT Order expired on 02 January 2022 and has not been renewed or re-enacted, payments made to Bondholders that are corporate entities will be subject to tax at the rate of 10%. In this regard, the Issuer will be required to withhold interest payment to corporate Bondholders (unless otherwise exempted by law) in accordance with the CITA and no additional amounts shall be paid to corporate Bondholders as a result thereof.

All investment in the Bonds is exempted from VAT in accordance with the Finance Act 2020 which specifically exempts "securities" from the definition of goods and services upon which VAT may be charged under the Value Added Tax Act, Chapter V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No.12 2007 and the Finance Act). Based on this, the proceeds from the disposals of the Bonds will be exempt from VAT. Bonds issued under the Programme are not exempt from VAT payable on commissions on stock exchange transactions. Accordingly, commissions payable to the SEC, FMDQ Exchange, NGX and the CSD shall be subject to VAT.

PITA exempts from taxation any income earned by an individual from Bonds issued by corporate bodies such as the Issuer. However, the Honourable Minister of Finance under a notice titled the Personal Income Tax Exemption of Holders of Bonds and Short-Term Government Securities Notice (dated 2 January 2012) sought to further amend the PITA by stating the exemption from PIT was only for a period of ten years. Although the further amendment has not been enacted into law, a notice was issued by the Lagos State Internal Revenue Service ("LIRS") titled Payment of Personal Income Tax on Profit from Bonds and Short-Term Government Securities (dated June 28, 2022), wherein the LIRS stated that PIT is now applicable on income derived and interest earned by individuals and non-limited liability entities resident in Lagos State from bonds and short-term securities with effect from January 2, 2022, except for bonds issued by the Federal Government of Nigeria. Notwithstanding the foregoing, the Bonds shall enjoy the benefits of the provisions of any re-enactment of the tax exemptions, and such extension, amendments and modifications thereof.

Additionally, gains derived from the disposal of the Bonds will be liable to capital gains tax under the Capital Gains Tax Act, Chapter C1 LFN 2004 ("CGT Act") at the rate of 10%. The CGT Act provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. However, by virtue of the Finance Act 2021, there is no capital gains tax payable upon the disposal of any Nigerian government securities.

ASIKO POWER LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A1

Rating Outlook: Stable

Trend: Up

Currency: Naira

Date Issued: 20th Mar., 2024Valid Till: 19th Mar., 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 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Gross Earnings	4,697,020	4,277,124	2,270,494	700,820	583,212
Profit Before Tax	303,087	477,283	294,762	74,118	57,024
Shareholders' Funds	842,868	983,114	809,894	594,309	531,794
Total Liabilities	7,199,586	3,463,875	477,053	315,743	174,671
Non-Current Assets	3,079,366	1,742,570	284,418	260,629	163,262
Total Assets	8,042,454	4,446,989	1,286,947	910,052	706,466

*Represents unaudited account for the year ended 31st December, 2023

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 an ability to meet their current 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

- Good Liquidity
- Experienced Management Team
- Product Demand Potentials
- Good Asset Base

Negative Rating Factors

- Declined Profit Margin
- Low Asset Utility

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.

Asiko Power Limited

Issuer Rating

Bbb-

This refers to a company with satisfactory financial condition and adequate capacity to meet obligations as and when they fall due relative to all other issuers in the same country.

Outlook: Stable

Issue Date: 20 August 2024

Expiry Date: 30 June 2025

Previous Rating: Bbb-

Industry: LPG Trading and Power Generation

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Analysts:

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Agusto & Co. Limited

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Lagos
Nigeria

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RATING RATIONALE

- Agusto & Co. hereby affirms the "Bbb-" rating assigned to Asiko Power Limited ("Asiko Power", "APL" or "the Company"). The rating reflects APL's adequate capacity to meet maturing obligations supported by its good cash flow due to favourable trade terms with customers and related parties, and its moderate leverage. The rating also considers APL's expanding Liquefied Petroleum Gas (LPG) storage and distribution capacities, which should continue to drive revenue growth, and the prospect of its emerging power business with slightly better profit margins. However, the rating is constrained by rising direct and operating costs, which have adversely affected the Company's overall profitability, persistent funding mismatch in its working capital, as well as the susceptibility of its operations to foreign currency risks.
- Asiko Power Limited is primarily engaged in the whole and retail sales of liquefied petroleum gas (LPG). The Company has a gas storage capacity of 970 metric tons (MT) and operates nine distribution depots. These depots, supported by a mobile fleet with a capacity of 2,033 MT, enable efficient product distribution across the country. APL also has interests in electricity generation. Currently, the Company is transitioning from the power-as-a-service model under which its power generation business has been operating, to a more disaggregated structure under an operational lease arrangement. APL is a member of Asiko Energy Holdings Limited ("the Group") - a holding company focused on providing clean energy and renewable solutions to its clients.
- Asiko Power Limited's revenue grew by 10% to ₦4.6 billion in the financial year ended 31 December 2023 (FYE 2023). This was effectively a negative growth after adjusting for inflation. This growth was driven primarily by upward price adjustments, as sales volume declined during the year on the back of product shortages occasioned by foreign exchange (forex) scarcity. In FYE 2023, APL's cost-of-sales to revenue ratio moderated slightly to 83.1% (2022: 84%). Nonetheless, the Company's operating profit margin declined to 7.1% in the same year (2022: 10.9%) due to the impact of higher depreciation charges. Upon the completion of its 400MT gas depot located at Utesi, APL began charging depreciation on the asset. This charge, alongside depreciation on its newly acquired CNG-powered trucks, increased the Company's depreciation expense by 724% year-on-year. Consequently, the Company's profit before tax (PBT) margin declined to 6.7% in FYE 2023 (2022: 11.3%), thus resulting in a lower pre-tax return on equity (ROE) of 40% compared to the previous year's ratio of 49%. APL's return on asset (ROA) also

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AUDITORS CONFIRMATION OF THE SPONSOR'S GOING CONCERN STATUS



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info@crowe.ng
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23rd August 2024

The Directors
Asiko Power Limited
Plot 224 Moshood Abiola Way
Ijora,
Lagos.

Dear Sirs,

ASIKO POWER LIMITED – CONFIRMATION OF GOING CONCERN STATUS

We have audited the financial statements of Asiko Power Limited for the year ended 31st December 2023, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) in the manner required by the Financial Reporting Council of Nigeria Act (Amendment) 2023 and the relevant requirements of the Companies and Allied Matters Act 2020.

Based on our audit of the financial statements of the bank for the year ended 31 December 2023 on which we expressed our opinion on 28th March 2024 and the representation received from the Directors of the company in connection with the audit, we confirm that nothing has come to our attention as of date of issuance of our audit opinion that causes us to believe that the company will not continue in operations as a going concern for 12 months from 31st December 2023.

The letter is issued solely for compliance with the rules and regulations for regulatory filing purposes.

Yours faithfully,

Oluwatosin Dare-Abel
FRC/2020/PRO/ICAN/004/00000021583
For Crowe Dafinone

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Chief Executive
Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island, Lagos

23 August 2024

Dear Sir,

SUBJECT: CONFIRMATION OF GOING CONCERN STATUS OF ASIKO POWER LIMITED (THE "SPONSOR")

Asiko Power Limited is in the process of acting as Sponsor for the establishment of a ₦50,000,000,000 Bond Issuance Programme (the "Programme") registered with the Securities and Exchange Commission (the "Commission") and for the issuance of Series 1 Bonds of ₦8,500,000,000 under the Programme.

Based on the review of our audited financial statements for the year ended 31 December 2023, we have reasonable expectation that Asiko Power Limited has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared solely for compliance with the rules and regulations of the Commission.

Yours faithfully,

Signed for and on behalf of Asiko Power Limited


Felix Ekundayo
Director


Abubakar Folami
Director

Asiko Power Limited
Plot 224, Moshood Abiola Way,
Ikora, Lagos
Laguna
Tel: +234 (1) 293 2292
www.asikoenergy.com

Registration Number: RC 784301

EXTRACT OF SPONSOR'S MANAGEMENT ACCOUNTS AS AT 30 SEPTEMBER 2024

IN THE ~~FEDERAL~~ HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS

VERIFYING AFFIDAVIT

I, **Abubakar Oladotun Folami**, Male, Nigerian, Chief Financial Officer of Asiko Power Limited, do hereby make oath and state as follows that:

1. I am the Chief Financial Officer of Asiko Power Limited (the "**Company**"), a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 784301.
2. By virtue of my position aforesaid, I am duly conversant and well acquainted with the affairs of the Company.
3. The facts deposed in this affidavit are derived from information within my knowledge acquired by virtue of my position and role in the Company.
4. I confirm that the Company's Management Account for the period of January to September 2024 which is to be filed with the Securities and Exchange Commission, is complete and accurate in all material respects.
5. I depose to this affidavit in good faith conscientiously believing its contents to be true and in accordance with the Oaths Act.

DEPONENT

SWORN at the ~~Federal~~ High Court Registry Lagos,
this 11th day of Oct 2024

BEFORE ME

COMMISSIONER FOR OATHS



EXTRACT OF SPONSOR'S MANAGEMENT ACCOUNTS AS AT 30 SEPTEMBER 2024**Asiko Power Limited****January - September 2024****Income Statement**


Turnover	9,685,990,880
Costs of Sales	(8,581,189,164)
Gross Profit	1,104,801,716
Other Income	12,274,577
Total Operating Expenses	(139,691,999)
EBITDA	977,384,295
Depreciation and Amortization	(265,018,199)
EBIT	712,366,096
Interest expenses and finance charges	(221,016,332)
Profit Before Tax (PBT)	491,349,764
Taxation	-
Profit After Tax (PAT)	491,349,764


Statement of Financial Position**Non-Current Assets**

Non-Current Assets	3,480,074,921
Accumulated Dep	(798,923,038)
Carrying Value	2,681,151,884
Assets Under Construction	109,720,910
Intangible Assets - Cost	11,808,368
Intangible Assets - Amortization	(11,808,368)
Carrying Value- Intangible Assets	(0)
Investments	-
Total Non-Current Assets	2,790,872,793

Current Assets

Cash and Cash Equivalents	369,912,864
Investments - Short Term	-
Approved by:	


Felix Okundayo
Managing Director


Abubakar Folami
Chief Financial Officer

EXTRACT OF SPONSOR'S MANAGEMENT ACCOUNTS AS AT 30 SEPTEMBER 2024**Asiko Power Limited**

Trade Receivables	1,811,022,275
Other Receivables	1,085,394,954
Inter-Company Receivables	6,463,934,171
Total Receivables	9,360,351,399

Prepayments	67,156,332
Inventories - LPG	113,201,622
Inventories - Tank and Others	15,460,802
Inventories - Power	10,910,172
Total Current Assets	9,936,993,192

Total Assets	12,727,865,985
---------------------	-----------------------

Current Liabilities

Trade Payables	1,278,526,973
Other Payables	520,890,629
Inter-Company Payables	7,572,418,711
Total Payables	9,371,836,313

Accruals and Provisions	22,546,606
Loans and Borrowings - Current	660,182,688
Tax Liabilities	240,396,425
Directors Current Accounts	-
Total Current Liabilities	10,294,962,033

Non-Current Liabilities



Loans and Borrowings - Non - Current	1,146,165,474
--------------------------------------	---------------

Equity

Ordinary Shares	6,000,000
Share Premium	484,385,624
Retained Earnings	259,623,627
Current Year Profit or (Loss)	491,349,764
Revaluation surplus/Deficit	45,379,463
Fair Value Gains/(Loss)	-
Total Equity	1,286,738,479

Total Equity and Liability	12,727,865,985
-----------------------------------	-----------------------

Approved by:



Felix E. Egunyayo
Managing Director
Abubakar Folami
Chief Financial Officer


Asiko Power Limited

Statement of Cashflow

Net Profit	491,349,764
Depreciation	265,018,199
Cashflow from Operations before Working Capital Changes	756,367,963
Decrease (increase) in Accounts Receivable	(4,264,318,839)
Decrease (increase) in Prepayments & Other Current Assets	(177,487,525)
Decrease (increase) in inventory	
Decrease (increase) in Payables	3,109,867,046
Decrease (increase) in Other Current Liabilities	7,860,947
Changes in Working Capital	(1,324,078,370)
Income Tax Paid	(20,000,000)
Cashflow from Operating Activities	(587,710,407)
Decrease (increase) in Fixed Asset	3,022,587
Decrease (increase) Long Assets/Liabilities	-
Cashflow from Investing Activities	3,022,587
Free Cash Flow	(584,687,820)
Change in Equity	-
Changes in Short-Term Debt	660,182,688
Changes in Long-Term Debt	(113,301,164)
Cashflow from Financing Activities	546,881,524
Net Cash Movement for Period	(37,806,296)
Opening Cash Balance	407,719,160
Closing Cash	369,912,864

Approved by:


Felix E. Sundayo
Managing Director


Abubakar Polami
Chief Financial Officer

EXTRACT OF SPONSOR'S FINANCIAL STATEMENTS

Asiko Power Limited

Statement of financial position as at 31 December

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant & equipment	3,058,914	1,742,570	284,025	257,874	158,146
Intangible Assets	-	-	394	2,755	5,117
Non-Current Assets	3,058,914	1,742,570	284,419	260,629	163,263
Inventories	25,939	825,564	33,878	53,445	136,239
Amount Due from customers under construction contracts	-	33,622	33,622	33,622	33,622
Trade and Other Receivables	1,404,135	1,504,532	917,229	573,699	368,810
Prepayments	-	193	-	3,461	203
Cash and Cash Equivalents	407,719	340,508	17,800	5,196	4,329
Current Assets	1,837,793	2,704,419	1,002,529	669,423	543,203
Total Assets	4,896,707	4,446,989	1,286,948	930,052	706,466
Equity					
Minimum issued Share Capital	6,000	6,000	6,000	6,000	6,000
Share premium	484,386	484,386	484,386	484,386	484,386
Accumulated revenue/(deficit)	259,625	447,349	274,129	58,545	(3,970)
Revaluation Reserve	45,379	45,379	45,379	45,379	45,379
Total Equity	795,390	983,114	809,894	594,310	531,795
Liabilities					
Provision for liabilities and charges	106,256	134,113	5,042	5,042	5,042
Financial liabilities at amortised cost	1,259,467	1,445,000	-	-	-
Non-Current Liabilities	1,365,723	1,579,113	5,042	5,042	5,042
Trade and Other Payables	2,601,546	1,815,290	381,396	311,591	159,454
Taxation	134,048	69,472	90,614	19,110	10,175
Current Liabilities	2,735,594	1,884,762	472,010	330,701	169,629
Total Liabilities	4,101,317	3,463,875	477,052	335,743	174,671
Total Equity and Liabilities	4,896,707	4,446,989	1,286,946	930,053	706,466

EXTRACT OF SPONSOR'S FINANCIAL STATEMENTS

Asiko Power Limited

Statement of profit and loss and other comprehensive income for the year ended 31 December

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	4,697,020	4,277,124	2,270,494	700,820	583,213
Cost of Sales	(3,904,186)	(3,594,564)	(1,825,491)	(537,742)	(422,837)
Gross Profit	792,834	682,560	445,003	163,078	160,376
Other Operating Income	-	3,438	3,008	244	324
Administrative expenses:					
Directors' remuneration	(34,422)	(40,010)	(18,544)	(14,027)	-
Staff Training	(425)	(3,632)	(186)	(431)	(5,380)
Salaries and wages	(31,028)	(58,076)	(51,765)	(14,115)	(34,012)
Medical expenses	(118)	(1,414)	(1,434)	(1,414)	(1,414)
Electricity, water and power	(2,399)	(3,716)	(4,212)	(2,213)	(2,384)
Printing and stationery	(2,304)	(943)	(1,323)	(955)	(1,040)
Legal and other professional charges	(28,141)	(7,118)	(4,942)	(950)	(6,169)
Auditor's remuneration	(2,000)	(2,000)	(2,000)	(1,500)	(1,500)
Depreciation of property, plant and equipment	(272,922)	(33,120)	(14,170)	(13,213)	(11,202)
Amortization of intangible assets	-	(394)	(2,362)	(2,362)	(2,361)
Business promotion and advertisement	(20,294)	(15,392)	(6,690)	(2,142)	(2,026)
Subscription and donation	(450)	(750)	(1,050)	(673)	-
Pension contribution	(6,471)	(6,550)	(4,702)	(2,814)	(2,817)
Insurance	(193)	(2,001)	(2,885)	(2,013)	(2,378)
Rent, rates and levies	(813)	(2,170)	-	(6,400)	(9,749)
Repairs and maintenance	(28,085)	(18,302)	(21,038)	(8,327)	(6,034)
Communication expenses	(5,854)	(5,870)	(7,874)	(7,650)	(7,961)
Bank charges	(9,275)	(5,692)	(2,931)	(819)	(1,610)
Industrial training fund	(647)	(655)	(475)	(281)	(2,167)
Entertainment	(1,197)	(614)	-	-	-
Postage	(360)	(1,235)	-	-	-
Office expenses	(10,282)	(6,092)	(4,666)	(5,114)	(4,583)
Impairment charge	(1,525)	(175)	-	-	-
Operating profit	333,629	470,077	294,762	75,909	55,913
Finance Income	45,263	9,790	-	68	1,111
Finance cost	(63,217)	(2,584)	-	(1,859)	-
Profit before taxation	315,675	477,283	294,762	74,118	57,024
Taxation	(60,066)	(197,397)	(79,178)	(11,603)	(8,550)
Profit for the year from continuing Operations	255,609	279,886	215,584	62,515	48,474
Other comprehensive income for the year	-	-	-	-	45,379
Total comprehensive income for the year	255,609	279,886	215,584	62,515	93,853

EXTRACT OF SPONSOR'S FINANCIAL STATEMENTS

Asiko Power Limited

Statement of cash flows

for the year ended 31 December

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Operating Profit	333,629	470,077	294,762	75,909	55,913
Adjustment for those items not involving the movement of funds:					
Depreciation of Property, plant and equipment	342,705	52,184	36,097	18,500	11,202
Ammortization	-	394	2,362	2,362	2,362
Adjustment of Property, plant and equipment	10,393	-	(2,625)	6,429	9,887
Cashflow before changes in working capital	686,727	522,655	330,596	103,200	79,364
Changes in Inventories	799,625	(791,686)	19,567	82,794	277,928
Changes in trade and other receivables	134,019	(587,303)	(343,529)	(184,889)	(95,271)
Changes in Prepayments	193	(193)	3,461	(3,258)	11,008
Changes in trade and other payables	786,256	1,433,893	69,805	132,137	(239,674)
Cash inflow from operating activities	2,406,820	577,366	79,900	129,984	33,355
Tax paid	(23,347)	(89,468)	(7,673)	(2,668)	(1,803)
Net Cash inflow from operating activities	2,383,473	487,898	72,227	127,316	31,552
Purchase of Property, plant and equipment	(1,669,442)	(1,510,730)	(62,247)	(124,658)	(32,941)
Proceeds from Disposal			2,625		
Finance Cost	45,263	9,790		(1,859)	-
Finance Income	(63,217)	(2,584)		68	1,110
Cash Flow from Investing Activities	(1,687,396)	(1,503,524)	(59,622)	(126,449)	(31,831)
Dividend paid	(443,333)	(106,666)	-	-	-
Movement in Borrowings	(185,533)	1,445,000	-	-	-
Cash Flow from Financing Activities	(628,866)	1,338,334	-	-	-
Net increase in cash and cash equivalents	67,211	322,708	12,605	867	(279)
Cash and cash equivalents at the beginning of the year	340,508	17,800	5,195	4,328	4,607
Cash and cash equivalents at the end of the year	407,719	340,508	17,800	5,195	4,328

APL FUNDING SPV PLC

Statement of profit or loss and other comprehensive income for the period ended 31st August, 2024

	Notes	Period ended 31 st August 2024 N '000
Interest income		-
		-
Net interest income		
Operating expenses	7	(1,188)
Loss before taxation		(1,188)
Taxation	8	-
Loss after taxation		(1,188)
Other comprehensive income		-
Total comprehensive income for the period		(1,188)
Basic loss per share (naira)	9	(0.12)

EXTRACT OF THE ISSUER'S STATEMENT OF AFFAIRS

APL FUNDING SPV PLC

Statement of financial position as at 31st August, 2024

	Notes	Period ended 31 st August 2024 N '000
Current assets		
Cash and cash equivalents	10	10,000
		<u>10,000</u>
Current liabilities		
Other payables	11	(1,188)
Income tax liability	8	-
		<u>(1,188)</u>
Net assets		<u>8,812</u>
Equity		
Share capital	12	10,000
Loss for the period		(1,188)
		<u>8,812</u>
Total equity		<u>8,812</u>

The financial statements were approved by the Board of Directors on 2nd September, 2024 and signed on its behalf by:


Mr. Folu Akundayo
Director
FRC/2015/IODN/0000003440


Mr. Abubakar Folami
Director
FRC/2015/ICAN/0000003438

The accompanying notes on pages 11 to 24 which include the material accounting policies set out on pages 13 to 19 form an integral part of these financial statements.

EXTRACT OF THE ISSUER'S STATEMENT OF AFFAIRS

APL FUNDING SPV PLC

Statement of cash flows for the period ended 31st August 2024

	Notes	Period ended 31 st August 2024 N '000
Operating activities:		
Loss before taxation		(1,188)
		<hr/> (1,188)
Increase in other receivables		-
Increase in other payables	11	1,188
		<hr/> -
Tax paid		-
		<hr/> -
Net cash outflow from operating activities		<hr/> -
Cash flows from financing activities		
Issue of share capital		10,000
		<hr/> 10,000
Net cash inflow from financing activities		<hr/> 10,000
Net increase in cash and cash equivalents		<hr/> 10,000
Cash and cash equivalents as at the beginning of the period		-
		<hr/>
Cash and cash equivalents as at the end of the period	10	10,000
		<hr/> *****



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Reporting Accountant's Review Report on the Five Year Financial Statements of Asiko Power Limited for the years Ended 31 December 2019, 2020, 2021, 2022 and 2023 in Connection with its Proposed N50 Billion Bond Issuance programme, with a Series 1 issuance of N8.5 billion

To the Board of Directors of Asiko Power Limited

We have reviewed the accompanying financial statements of Asiko Power Limited, which comprise:

- the statements of financial position as at 31 December 2019, 2020, 2021, 2022 and 2023;
- the statements of profit and loss and other comprehensive income;
- the statements of changes in equity for the years then ended;
- the statements of cash flows for the years then ended;
- a summary of material accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Asiko Power Limited as at 31 December 2019, 2020, 2021, 2022 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Signed:

A handwritten signature in blue ink, appearing to read 'Ayodele H. Othihiwa'.

Ayodele H. Othihiwa, FCA
FRC/2013/ICAN/00000000425
For: KPMG Professional Services
Chartered Accountants
2 September 2024
Lagos, Nigeria

Statement of financial position

As at 31 December

	Notes	2023	2022	2021	2020	2019
		N'000	N'000	N'000	N'000	N'000
Assets						
Property, plant and equipment	11(a)	2,974,772	2,446,731	284,025	257,874	158,144
Intangible assets	12	-	-	393	2,755	5,117
Deferred tax asset	10(d)	-	-	-	-	-
Trade and other receivables	16(a)	364,197	273,000	-	-	-
Non-current assets		3,338,969	2,719,731	284,418	260,629	163,261
Inventories	13(a)	25,940	64,285	33,879	53,446	136,240
Withholding tax receivables	15	3,798	3,798	2,601	2,601	714
Trade and other receivables	16(a)	131,844	553,616	690,540	439,803	267,294
Prepayment and advances	14(a)	921,169	849,285	117,084	6,643	16,977
Cash and cash equivalents	17	88,019	67,509	17,800	5,197	4,329
Current assets		1,170,770	1,538,493	861,904	507,690	425,554
Total assets		4,509,739	4,258,224	1,146,322	768,319	588,815
Equity						
Share capital	18(a)	6,000	6,000	6,000	6,000	6,000
Share premium	18(c)	484,386	484,386	484,386	484,386	484,386
Revaluation reserve	18(d)	45,379	45,379	45,379	45,379	45,379
Retained earnings		115,505	418,464	213,526	19,846	(33,079)
Total equity		651,270	954,229	749,291	555,611	502,686
Liabilities						
Loans and borrowings	19	1,063,390	1,256,567	-	-	-
Deferred tax liabilities	10(d)	180,295	107,460	44,466	14,746	4,903
Non current liabilities		1,243,685	1,364,027	44,466	14,746	4,903
Loans and borrowings	19	193,177	166,207	-	-	-
Current tax liabilities	10(c)	116,284	56,494	78,172	14,482	5,801
Trade and other payables	20(a)	2,305,323	1,717,266	274,393	183,480	75,425
Current liabilities		2,614,784	1,939,967	352,565	197,962	81,226
Total liabilities		3,858,469	3,303,995	397,031	212,708	86,130
Total equity and liabilities		4,509,739	4,258,224	1,146,322	768,319	588,815

The accompanying notes and material accounting policies form an integral part of these financial statements.

Asiko Power Limited
Reporting accountants' report and accompanying financial information
For the years ended 31 December 2019 to 2023

Statement of profit or loss and other comprehensive income for the year ended 31 December

	Notes	2023	2022	2021	2020	2019
		₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	5	4,697,021	4,277,123	2,270,494	700,822	583,214
Cost of sales	6(a)	(3,904,186)	(3,594,566)	(1,825,492)	(537,743)	(422,837)
Gross profit		792,835	682,557	445,002	163,079	160,377
Other income	7	-	3,437	2,625	937	-
Operating expenses	6(b)	(457,682)	(250,636)	(153,247)	(88,350)	(138,411)
(Allowance for)/reversal of impairment on financial assets	6(d)	(1,525)	(174)	383	244	325
Results from operating activities		333,628	435,184	294,763	75,910	22,291
Finance income	8	45,263	9,790	-	68	1,111
Finance costs	8	(82,543)	(2,583)	-	(1,860)	-
Net finance (cost)/income		(37,280)	7,207	-	(1,792)	1,111
Profit before taxation		296,348	442,391	294,763	74,118	23,402
Income tax expense	10(a)	(155,973)	(130,785)	(101,083)	(21,193)	(4,036)
Profit for the year		140,375	311,606	193,680	52,925	19,366
<i>Other comprehensive income, net of tax</i>						
Revaluation gain on property	18(d)	-	-	-	-	45,379
Total comprehensive income		140,375	311,606	193,680	52,925	64,745

The accompanying notes and material accounting policies form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December

	Share capital N'000	Share premium N'000	Revaluation reserve N'000	Retained earnings N'000	Total equity N'000
Balance as at 1 January 2019	6,000	484,386	-	(51,624)	438,762
Effects of adoption of IFRS 9(Note 17(c))	-	-	-	(821)	(821)
Profit for the year	-	-	-	19,366	19,366
Other comprehensive income	-	-	45,379	-	45,379
Total comprehensive income	-	-	45,379	18,545	63,924
Balance as at 31 December 2019	6,000	484,386	45,379	(33,079)	502,686
Balance as at 1 January 2020	6,000	484,386	45,379	(33,079)	502,686
Profit for the year	-	-	-	52,925	52,925
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	52,925	52,925
Balance as at 31 December 2020	6,000	484,386	45,379	19,846	555,611
Balance as at 1 January 2021	6,000	484,386	45,379	19,846	555,611
Profit for the year	-	-	-	193,680	193,680
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	193,680	193,680
Balance as at 31 December 2021	6,000	484,386	45,379	213,526	749,291
Balance as at 1 January 2022	6,000	484,386	45,379	213,526	749,291
Profit for the year	-	-	-	311,606	311,606
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	311,606	311,606
Transaction with owners of the Company					
Dividend declared	-	-	-	(106,668)	(106,668)
Total transaction with owners of the Company	-	-	-	(106,668)	(106,668)
Balance as at 31 December 2022	6,000	484,386	45,379	418,464	954,229
Balance as at 1 January 2023	6,000	484,386	45,379	418,464	954,229
Profit for the year	-	-	-	140,375	140,375
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	140,375	140,375
Transaction with owners of the Company					
Dividend declared	-	-	-	(443,334)	(443,334)
Total transaction with owners of the Company	-	-	-	(443,334)	(443,334)
Balance as at 31 December 2023	6,000	484,386	45,379	115,505	651,270

The accompanying notes and material accounting policies form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December

	Notes	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Cash flows from operating activities						
Profit for the year		140,375	311,606	193,680	52,925	19,366
Adjustments for:						
Site inspection cost	6	-	-	-	-	33,622
Depreciation (PPE)	11(b)	342,706	87,076	36,098	18,500	11,202
Gain on sale of PPE	7	-	-	(2,625)	-	-
Amortisation	12	-	393	2,362	2,362	2,362
Impairment allowance/reversal on financial asset	6(d)	1,525	174	(383)	(244)	(325)
Net finance cost/(income)	8	37,281	(7,207)	-	1,792	(1,111)
Tax expense	10(a)	155,973	130,785	101,083	21,193	4,036
		677,860	522,827	330,215	96,528	69,152
Changes in:						
Inventories	13(b)	38,345	(30,406)	19,567	82,794	277,929
Withholding tax receivables	15	-	(1,197)	-	(1,887)	-
Prepayment and advances	14(b)	(71,884)	(732,201)	(110,441)	10,334	(5,765)
Trade and other receivables	16(b)	336,082	(138,833)	(250,354)	(174,125)	280,028
Trade and other payables	20(b)	588,057	1,442,873	90,913	108,055	(596,765)
Cash generated from operating activities		1,568,458	1,063,063	79,899	121,699	24,578
Tax paid	10(c)	(23,347)	(89,468)	(7,673)	(2,669)	(1,804)
Net cash generated from operating activities		1,545,111	973,595	72,226	119,030	22,774
Cash flows from investing activities						
Additions to PPE	11(c)	(870,747)	(2,249,782)	(62,248)	(118,230)	(23,053)
Proceeds of sale of PPE		-	-	2,625	-	-
Interest received	8	38,231	9,790	-	68	-
Net cash used in investing activities		(832,516)	(2,239,992)	(59,623)	(118,162)	(23,053)
Cash flows from financing activities						
Additions to loans and borrowings	19	-	1,500,000	-	-	-
Transaction cost	19	-	(66,575)	-	-	-
Principal repayment of loan and borrowings	19	(165,677)	-	-	-	-
Interest paid on loans and borrowings	19	(83,074)	(10,651)	-	-	-
Dividend paid		(443,334)	(106,668)	-	-	-
Net cash (used in)/generated from financing activities		(692,085)	1,316,106	-	-	-
Net increase/(decrease) in cash and cash equivalents		20,510	49,709	12,603	868	(279)
Cash and cash equivalents at 1 January		67,509	17,800	5,197	4,329	4,608
Cash and cash equivalents, end of year	17	88,019	67,509	17,800	5,197	4,329

The accompanying notes and material accounting policies form an integral part of these financial statements.

Notes to the financial statements

1 Reporting entity

Asiko Power Limited, a private limited liability company domiciled in Nigeria, was incorporated on 6 November 2008 and commenced business operations on 1 November 2010. The Company's registered office is Plot 224, Moshood Abiola Way, Ijora, Lagos.

The Company's principal activity is to carry out the sale of Liquified Petroleum Gas, supply of power as well as provide equipment servicing and logistics to domestic and public establishments.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement

These financial statements have been prepared under the going concern assumption and historical cost convention except when otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial statements presented in Naira has been rounded to the nearest thousand (₦'000) except where otherwise indicated.

(d) Use of judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i). Judgment

There are no critical judgments in applying accounting policies that could have a significant effect on the amounts reported in the financial statements.

(ii). Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Measurement of ECL allowance for trade and other receivables, contract assets; key
23(a)(i)	assumptions in determining the weighted-average loss rate.

3 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Some of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Notes to the financial statements

3 Measurement of fair values (continued)

- * Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- * Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. as derived from prices).
- * Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the input used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 Material accounting policies

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

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates of exchange prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to the financial statements

(b) Financial instruments (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(iii) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessing whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Notes to the financial statements

(b) Financial instruments (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(iv) Subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Notes to the financial statements

(b) Financial instruments (continued)

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vi) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(c) Share capital

The Company has one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

The use of the share premium account is governed by Section 120(3) of the Companies and Allied Matters Act (CAMA), 2020. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land is measured at fair value less accumulated depreciation and accumulated impairment losses, while other items of property, plant and equipment are measured at cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, until such time as the assets are substantially ready for their intended use or sale.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Notes to the financial statements

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated percentage used for the depreciation of the assets are as follows:

Computer Equipment & Software	–	20%
Furniture & Fittings	–	10%
Buildings	–	5%
Motor Vehicles	–	25%
Office Equipment	–	50%
Plant and Machinery	–	10%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(iv) Revaluation

Effective 31 December 2019, the Company's undeveloped land was stated at its revalued amount, being its fair value at the date of revaluation. When measurement of property, plant and equipment changes to revaluation model, any gain arising on the remeasurement is recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity. Upon disposal of a revalued asset, any remaining revaluation surplus is transferred directly to retained earnings.

The Company revalues its assets every three (3) years.

(e) Intangible assets

(i) Recognition and measurement

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Notes to the financial statements

(e) Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for such intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

(f) Impairment

(i) Financial instruments

The Company's financial assets consist of cash and cash equivalent, trade receivables and other financial assets, the Company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company applies a general approach in calculating ECLs of trade receivables and other financial assets. Therefore, the Company tracks changes in credit risk and recognises a loss allowance based on 12-months ECLs at each reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

(ii) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Notes to the financial statements

(f) Impairment (continued)

(iii) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

(iv) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(v) Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. However, such written off financial assets could still be subject to enforcement activities in line with the Company's policy for recovery of receivables.

(g) Employee benefits

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, the Company has instituted a defined contribution pension scheme for its management and non-management employees. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss as services are rendered by the employees. The Company contributes 10% while employees contribute 8% of employees' insurable earnings (basic salary, housing and transport allowances) to the fund.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Short-term employee benefit includes salaries, bonuses etc.. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Notes to the financial statements

(h) Provisions, contingent liabilities and contingent assets

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(ii) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

A contingent asset is a possible asset whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs incurred in bringing them to their existing location and condition. Cost incurred on work-in-progress include purchase cost, labour and overhead incurred on products to date.

(j) Revenue

The Company generates revenue primarily from the sale of Liquefied Petroleum Gas, supply of power as well as the provision of equipment servicing and logistics to domestic and public establishments. Revenue is measured as the fair value of the consideration received or receivable as consideration for goods sold and services rendered. It represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes.

Revenue is recognised when products and services are delivered and have been accepted by customer at their premises. Control is deemed to be transferred to the customer on delivery of the goods and once performance obligation has been satisfied, at which time, all the following conditions are

- the Company has transferred the significant risks and rewards of the ownership of the goods and service provided;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the service and goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements

(k) Finance income and finance costs

Finance income comprises interest income on funds invested in bank deposits and is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(l) Income and deferred tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- Capital Gains Tax is computed on the sales proceeds or revaluation surplus of an asset.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is not recognised on temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the financial statements**(m) Contract assets and liabilities**

The contract assets primarily relates to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the Company issues an invoice to the Customer.

The contract liabilities primarily relate to the advance consideration received from customers. The contract liabilities are transferred to revenue once the contract has been completed and performance obligation has been met.

(n) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

Cash and cash equivalents comprise cash on hand, cash balances with banks and call deposits with original maturities of three months or less.

(o) Prepayment

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset.

The Company uses the effective interest rate method to determine the amount of borrowing costs to be capitalized. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the borrowing to the net carrying amount of the qualifying asset. Interest payable on loans directly attributable to the acquisition, construction, or production of a qualifying capital project is capitalized as part of the cost of that capital project.

The Company capitalizes interest payable on loans obtained to finance capital projects. Any temporary investment, such as interest earned on temporary investments related to the acquisition, construction, or production of the qualifying asset, is netted against the capitalized expenses.

Notes to the financial statements

5 Revenue

Revenue for the year comprise:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Sale of Liquefied Petroleum Gas	4,538,686	4,207,223	2,163,473	643,388	569,479
Sale of power	57,285	34,094	99,307	44,968	7,320
Rendering of services	-	206	550	6,561	3,760
Equipment rental (tank)	101,050	35,600	7,164	5,905	2,655
	4,697,021	4,277,123	2,270,494	700,822	583,214

6 Analysis of expenses by nature

(a) Cost of sales

Cost of sales for the year comprise:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Direct cost - Liquefied Petroleum Gas	3,766,558	3,361,650	1,639,930	486,077	417,996
Direct cost - Power	47,426	59,980	158,566	41,059	1,221
Tank and technical services	-	-	5,249	5,255	2,248
Sales commission*	-	153,622	-	-	-
Plant repairs and maintenance	17,116	-	-	-	-
Depreciation (Note 11(b))	69,784	19,064	21,928	5,287	-
Transport of Liquefied Petroleum Gas	-	250	-	65	432
Inventory variance	3,302	-	-181	-	940
	3,904,186	3,594,566	1,825,492	537,743	422,837

*This represents compensation paid to employees based on the sales they generate in achieving the overall sales target and revenue growth of the Company. This is directly tied to gross margin.

(b) Administrative expenses

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Directors' remuneration (Note 21(b))	25,991	24,139	20,819	10,660	10,660
Personnel expenses (Note 6(c))	46,695	82,566	56,202	22,285	28,667
Depreciation of PPE (Note 11(b))	272,922	68,012	14,170	13,213	11,202
Amortisation (Note 12)	-	393	2,362	2,362	2,362
Connectivity and IT expenses	5,854	5,870	6,249	6,422	6,730
Insurance	192	2,001	2,885	2,013	2,378
Sales, advertising and publicity	20,144	27,475	6,690	2,142	2,026
Consultancy and professional fees	28,142	6,788	2,738	672	5,392
Rent *	-	-	-	6,400	9,500
Site inspection cost	-	-	-	-	33,622
Auditor's remuneration	2,250	2,360	3,990	1,800	1,650
Office expenses	25,500	3,802	14,554	10,347	9,810
Repairs and maintenance	17,683	14,041	18,051	8,289	6,352
Rates, fines and penalties	813	2,502	359	-	876
Gifts and donation	600	750	1,050	673	-
Bank charges	9,275	5,692	2,931	819	1,610
Trainings	425	3,632	166	214	4,338
Entertainment	1,196	613	31	39	1,236
	457,682	250,636	153,247	88,350	138,411

* Rent expense relates to office rental expense of short term nature.

(c) Personnel expenses

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Salaries and wages	38,715	41,509	26,201	17,482	23,351
Staff medical and other allowances*	1,509	34,507	25,299	1,989	2,499
Contribution to pension fund scheme	6,471	6,550	4,702	2,814	2,817
	46,695	82,566	56,202	22,285	28,667

*Included in other allowances is incentives paid to all employees during the 2021 and 2022 financial year.

Notes to the financial statements

6 Analysis of expenses by nature (continued)

(d) Impairment loss on financial assets

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Allowance for/(reversal of) impairment	1,525	174	-383	-244	-325
	1,525	174	-383	-244	-325

7 Other income

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Profit on sale of PPE	-	-	2,625	-	-
Other income	-	3,437	-	937	-
	-	3,437	2,625	937	-

8 Finance income and finance costs

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Finance income					
Interest income	38,231	9,790	-	68	-
Unrealised foreign exchange gain	7,032	-	-	-	1,111
	45,263	9,790	-	68	1,111
Finance cost					
Interest expense on loan and borrowings	(82,543)	-	-	-	-
Unrealised foreign exchange loss	-	(2,583)	-	(1,860)	-
	(82,543)	(2,583)	-	(1,860)	-
Net finance (cost)/income	(37,281)	7,207	-	(1,792)	1,111

9 Profit before income tax

Profit before income tax is stated after charging:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Auditor's remuneration	2,250	2,360	3,990	1,800	1,650
Directors' remuneration	25,991	24,139	20,819	10,660	10,660
Depreciation of PPE (Note 11(b))	342,706	87,076	36,098	18,500	11,202
Amortisation (Note 12)	-	393	2,362	2,362	2,362
Net finance (cost)/income (Note 8)	(37,281)	7,207	-	(1,792)	1,111

10 Taxation

(a) Income taxes

The tax charge recognised in the statement of profit or loss for the year has been computed in accordance with the provision of the Company Income Tax (CAP C21 LFN) as amended to date and the Tertiary Education Tax Act (CAP E4 LFN). The Company Income Tax is 30% of total profit, while Tertiary Education Tax is 2.5% on assessable profit.

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Current tax expense					
Company income tax	63,370	53,388	62,114	9,455	3,382
Tertiary education tax	19,011	13,347	8,498	1,890	676
National Agency for Science and Engineering Infrastructure (NASENI) levy	741	1,035	736	-	-
Nigeria Police Trust Fund Levy	15	20	15	5	117
Charge for the year	83,137	67,790	71,363	11,350	4,175
Deferred tax credit					
Origination/(reversal) of temporary differences	72,836	62,995	29,720	9,843	(139)
Total income tax expense	155,973	130,785	101,083	21,193	4,036

Notes to the financial statements

10 Taxation (continued)

(b) Reconciliation of effective tax rate

	2023		2022		2021		2020		2019	
	%	N'000	%	N'000	%	N'000	%	N'000	%	N'000
(Loss) / Profit before taxation		296,348		442,391		294,763		74,118		23,402
Income tax using the statutory tax rate of 30%	30.00	88,904	30.00	132,717	30.00	88,429	30.00	22,235	30.00	7,021
Adjusted for:										
Tertiary education tax	3.00	8,890	2.50	11,060	2.50	7,369	2.00	1,482	2.00	468
Tax incentives	(13.04)	(38,632)	(5.35)	(23,685)	(0.04)	(127)	(4.93)	(3,652)	-	(73)
National Agency for Science and Engineering Infrastructure (NASENI) levy	0.25	741	0.23	1,034	0.25	736	-	-	-	-
Changes in tax rate relating to prior year	0.16	469	(0.04)	(197)	0.02	49	-	-	-	-
Impact of Police Trust Fund Levy	0.01	15	0.00	21	0.01	15	0.01	4	-	117
Non-deductible expense	20.17	59,781	2.39	10,557	1.59	4,698	1.52	1,126	(14.94)	(3,496)
Others	-	-	(0.00)	(8)	(0.03)	(86)	(0.00)	(3)	-	-
Total income tax expense in profit or loss	40.55	120,169	29.73	131,499	34.32	101,083	28.60	21,193	17.06	4,036

(c) Movement in current tax liability

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January	56,494	78,172	14,482	5,801	3,430
Charge for the year (Note 10 (a))	83,137	67,790	71,363	11,350	4,175
Payments made during the year	(23,347)	(89,468)	(7,673)	(2,669)	(1,804)
Balance at 31 December	116,284	56,494	78,172	14,482	5,801

(d) Recognised deferred tax liabilities/(asset)

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	178,490	106,690	44,466	14,151	4,444
Impairment	(447)	-	-	-	-
Unrealised exchange gain	2,309	827	-	595	355
Leases	(57)	(57)	-	-	104
	180,295	107,460	44,466	14,746	4,903

Notes to the financial statements

10 Taxation (continued)

(e) Movement in origination/(reversal) of temporary differences

	Balance as at 1 January 2019	Recognised in profit or loss	Balance as at 31 December 2019	Recognised in profit or loss	Balance as at 31 December 2020	Recognised in profit or loss	Balance as at 31 December 2021	Recognised in profit or loss	Balance as at 31 December 2022	Recognised in profit or loss	Balance as at 31 December 2023
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	-	(598)	(598)	9,707	14,151	30,315	44,466	62,224	106,690	71,800	178,490
Revaluation surplus	-	5,042	5,042	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	(447)	(447)
Unrealised exchange gain/(loss)-net	-	355	355	240	595	(595)	-	827	827	1,482	2,309
Leases	-	104	104	(104)	-	-	-	(57)	(57)	-	(57)
	-	4,903	4,903	9,843	14,746	29,720	44,466	62,994	107,460	72,835	180,295

Notes to the financial statements

11 Property, plant and equipment

(a) The movement on these accounts during the year was as follows:

	Land	Buildings	Plant and machinery	Furniture and Fittings	Computer and office Equipment	Motor Vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Costs								
Balance at 1 January 2019	-	-	75,859	-	2,997	4,778	33,321	116,955
Additions	-	-	2,183	-	256	10,075	10,539	23,053
Reclassifications	27,579	-	-	-	-	9,887	(37,466)	-
Revaluations	50,421	-	-	-	-	-	-	50,421
Balance at 31 December 2019	78,000	-	78,042	-	3,253	24,740	6,394	190,429
Balance at 1 January 2020	78,000	-	78,042	-	3,253	24,740	6,394	190,429
Additions	-	-	118,230	-	-	-	-	118,230
Reclassification	-	-	3,515	-	-	-	(3,515)	-
Balance at 31 December 2020	78,000	-	199,787	-	3,253	24,740	2,879	308,659
Balance at 1 January 2021	78,000	-	199,787	-	3,253	24,740	2,879	308,659
Additions	-	-	30,483	-	-	4,702	27,063	62,248
Disposals	-	-	-	-	-	(4,778)	-	(4,778)
Balance at 31 December 2021	78,000	-	230,270	-	3,253	24,664	29,942	366,129
Balance at 1 January 2022	78,000	-	230,270	-	3,253	24,664	29,942	366,129
Additions	-	-	785,062	1,500	4,437	816,034	642,749	2,249,782
Disposals	-	-	-	-	(185)	-	-	(185)
Balance at 31 December 2022	78,000	-	1,015,332	1,500	7,505	840,698	672,691	2,615,726
Balance at 1 January 2023	78,000	-	1,015,332	1,500	7,505	840,698	672,691	2,615,726
Additions	-	-	-	-	-	60,854	1,581,566	1,642,420
Transfers	13,229	63,193	2,022,101	650	-	1,247	(2,100,420)	-
Reclassifications	-	-	132,708	-	-	(132,708)	-	-
Adjustments (26(ii))	-	-	(761,280)	-	-	-	(10,393)	(771,673)
Balance at 31 December 2023	91,229	63,193	2,408,861	2,150	7,505	770,091	143,444	3,486,473

Notes to the financial statements

11 Property, plant and equipment

	Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and Fittings N'000	and office Equipment N'000	Motor Vehicles N'000	in progress N'000	Total N'000
Accumulated depreciation								
Balance at 1 January 2019	-	-	14,546	-	1,759	4,778	-	21,083
Charge for the year	-	-	7,751	-	540	2,911	-	11,202
Balance at 31 December 2019	-	-	22,297	-	2,299	7,689	-	32,285
Balance at 1 January 2020	-	-	22,297	-	2,299	7,689	-	32,285
Charge for the year	-	-	13,145	-	364	4,991	-	18,500
Balance at 31 December 2020	-	-	35,442	-	2,663	12,680	-	50,785
Balance at 1 January 2021	-	-	35,442	-	2,663	12,680	-	50,785
Charge for the year	-	-	30,802	-	305	4,991	-	36,098
Disposals	-	-	-	-	-	(4,779)	-	(4,779)
Balance at 31 December 2021	-	-	66,244	-	2,968	12,892	-	82,104
Balance at 1 January 2022	-	-	66,244	-	2,968	12,892	-	82,104
Charge for the year	-	-	66,228	63	767	20,018	-	87,076
Disposals	-	-	-	-	(185)	-	-	(185)
Balance at 31 December 2022	-	-	132,472	63	3,550	32,910	-	168,995
Balance at 1 January 2023	-	-	132,472	63	3,550	32,910	-	168,995
Charge for the year	-	365	149,887	172	2,270	190,012	-	342,706
Balance at 31 December 2023	-	365	282,359	235	5,820	222,922	-	511,701

Notes to the financial statements

11 Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture and Fittings	and office Equipment	Motor Vehicles	in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Carrying amounts								
At 31 December 2018	-	-	61,313	-	1,238	-	33,321	95,872
At 31 December 2019	78,000	-	55,745	-	954	17,051	6,394	158,144
At 31 December 2020	78,000	-	164,345	-	590	12,060	2,879	257,874
At 31 December 2021	78,000	-	164,026	-	285	11,772	29,942	284,025
At 31 December 2022	78,000	-	882,860	1,437	3,955	807,788	672,691	2,446,731
At 31 December 2023	91,229	62,828	2,126,502	1,915	1,685	547,169	143,444	2,974,772

(b) Depreciation comprise of:

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Cost of sales (Note 6(a))	69,784	19,064	21,928	5,287	-
Administrative expenses (Note 6(b))	272,922	68,012	14,170	13,213	11,202
	342,706	87,076	36,098	18,500	11,202

(c) Reconciliation of additions to PPE in statement of cash flows:

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Total acquisition of PPE (Note 11(a))	1,642,420	2,249,782	62,248	118,230	23,053
Adjustments during the year	(771,673)	-	-	-	-
	870,747	2,249,782	62,248	118,230	23,053

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11 Property, plant and equipment

(d) Revaluation

On the instructions of the management, Messrs Osas & Oseji, Estate Surveyors and Valuers (FRC/2012/000000000522) on 31 December 2019 inspected the undeveloped land along Uwasan - Utesi road, off Benin by-pass Utesi quarters, Benin city, Edo State. The firm arrived at the value of ₦78,000,000 using the open market basis. This basis does not take account of any bid by a special purchaser or the expenses of realisation.

(e) Asset pledged

On 28 December 2022, UTL Management Services Limited was changed as Security Trustee to the group debenture agreement of Asiko Energy Holdings Limited (AEHL) Group of companies. They were replaced by ARM Trustees Limited. Asiko Power Limited (APL) is a subsidiary of AEHL, therefore all its property, plant and equipment are included in the debenture agreement. During the year ended 31 December 2022, the Group secured a bank guarantee of ₦1.2 billion from Stanbic IBTC Plc which resulted in a security charge against the assets.

Notes to the financial statements

12 Intangible asset

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Cost					
Balance at 1 January	11,809	11,809	11,809	11,809	11,809
Additions	-	-	-	-	-
Balance at 31 December	11,809	11,809	11,809	11,809	11,809
Accumulated amortization					
Balance at 1 January	11,809	11,416	9,054	6,692	4,330
Charge for the year	-	393	2,362	2,362	2,362
Balance at 31 December	11,809	11,809	11,416	9,054	6,692
Carrying amount					
At 31 December	-	-	393	2,755	5,117

13 Inventories

(a) Inventories comprises:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Liquified Petroleum Gas	2,870	36,197	-	8,514	-
Fan coils, chillers and accessories	10,132	15,150	15,873	18,375	16,436
Generator	10,910	10,910	15,978	19,972	115,088
Tanks	2,028	2,028	2,028	6,585	4,716
	25,940	64,285	33,879	53,446	136,240

(b) Reconciliation of changes in inventories included in statement of cash flows

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Movement in inventories	38,345	(30,406)	19,567	82,794	277,929
Changes in inventories per statement of cash flow	38,345	(30,406)	19,567	82,794	277,929

14 Prepayments and advances

(a) Prepayments and advances comprise:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Advance payment to suppliers	921,169	849,092	117,084	3,182	16,774
Prepaid expenses	-	193	-	3,461	203
	921,169	849,285	117,084	6,643	16,977

Analysed as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Non-current asset	-	-	-	-	-
Current asset	921,169	849,285	117,084	6,643	16,977
	921,169	849,285	117,084	6,643	16,977

(b) Reconciliation of changes in prepayment and advances included in statement of cash flows

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Movement in prepayment and advances	(71,884)	(732,201)	(110,441)	10,334	(5,765)
Changes in prepayment and advances per statement of cash flow	(71,884)	(732,201)	(110,441)	10,334	(5,765)

15 Withholding tax receivables

Movement on this account is as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January	3,798	2,601	2,601	714	714
Additions during the year	-	1,197	-	1,887	-
Balance as at 31 December	3,798	3,798	2,601	2,601	714

Notes to the financial statements

16 Trade and other receivables

(a) Trade and other receivables comprise:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Trade receivables	9,642	100,543	17,071	40,803	5,272
Amounts due from related parties (Note 21c)	170,099	449,324	644,725	364,244	227,815
Employee receivable	4,273	3,308	8,968	7,719	27,680
Other receivables	313,853	273,742	19,903	27,547	7,281
Gross Amount	497,867	826,917	690,667	440,313	268,048
Impairment allowance- trade receivables	(1,826)	(301)	(127)	(510)	(754)
Net trade receivables	496,041	826,616	690,540	439,803	267,294

(b) Reconciliation to Statement of financial position

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Non-current*	364,197	273,000	-	-	-
Current	131,844	553,616	690,540	439,803	267,294
	496,041	826,616	690,540	439,803	267,294

* Amount relates to balance invested in Debt Service Reserve Account (DSRA) funds which serves as security reserves to meet debt obligation in the event of illiquidity as cash and cash.

(c) Reconciliation of changes in trade and other receivables included in statement of cash flows

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Movement in trade and other receivables	330,575	(136,076)	(250,737)	(172,509)	279,413
Effect of adoption of IFRS 9	-	-	-	-	(821)
Movement in impairment allowance on trade and other receivables (Note 6(d))	(1,525)	(174)	383	244	325
Foreign exchange difference	7,032	(2,583)	-	(1,860)	1,111
Changes in trade and other receivables per statement of cash flows	336,082	(138,833)	(250,354)	(174,125)	280,028

(d) Movement in impairment loss allowance account during the year is as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January	301	127	510	754	258
Effect of adoption of IFRS 9	-	-	-	-	821
(Reversal of)/impairment charge during the year	1,525	174	(383)	(244)	(325)
Balance at 31 December	1,826	301	127	510	754

The Company's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 22.

17 Cash and cash equivalents

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Cash in hand	-	-	6	42	21
Bank balance	44,190	23,014	17,794	5,155	4,308
Short term investments	43,829	44,495	-	-	-
Cash and cash equivalents	88,019	67,509	17,800	5,197	4,329

The Company's exposure to credit and currency risks for cash and cash equivalents is disclosed in Note 22.

18 Capital and reserves

(a) Authorised share capital

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
6,000,000 ordinary shares of N 1 each	6,000	6,000	6,000	6,000	6,000

(b) Issued, allotted and fully paid-up:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
6,000,000 ordinary shares of N 1 each	6,000	6,000	6,000	6,000	6,000

All shares rank equally. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the financial statements

(c) Share premium

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
At 1 January	484,386	484,386	484,386	484,386	484,386
At 31 December	484,386	484,386	484,386	484,386	484,386

This represents the excess funds received over the par value of the additional 5,250,000 units of ordinary shares issued to Asiko International Energy Limited by an ordinary resolution on 27 June, 2014. The holding was transferred to Asiko Energy Holdings Limited in 2021.

(d) Revaluation reserve

The movement in revaluation reserve is as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January	45,379	45,379	45,379	45,379	-
Revaluation gain during the year	-	-	-	-	45,379
Balance at 31 December	45,379	45,379	45,379	45,379	45,379

The valuation of the undeveloped land situated along Uwasan - Utesi road, off Benin by-pass, Utesi quarters, Benin city, Edo state was carried out by Osas & Oseji Estate Surveyors and Valuers on 31 December, 2019. The open market value of the property at that location was ₦78,000,000. The revaluation gain which arose from the revaluation was calculated as follows:

	2019
	N'000
Valuation of the property	78,000
Cost of the asset	(27,578)
	50,421
Capital gains tax in respect of the sale of asset @10%	(5,042)
Revaluation surplus	45,379

19 Loans and borrowings

Loans and borrowings relates to the ₦1.5 billion private corporate infrastructure bond obtained to finance the purchase of dual fuel engines, propane logistics equipment, storage tanks and accessories as well as construct a gas plant in Utesi, Benin city, Edo State. The facility is for a period of 7 years with a par value of ₦1,000 per annum at a coupon rate of 12.5% per annum payable semi-annually commencing on 31 October, 2022. The moratorium on the principal is 1 year.

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Infrafund SPV loan	1,256,566	1,422,774	-	-	-
	1,256,566	1,422,774	-	-	-

Analysed as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Non-current liabilities	1,063,390	1,256,567	-	-	-
Current liabilities	193,177	166,207	-	-	-
	1,256,566	1,422,774	-	-	-

The movement in the loan during the year is as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
At 1 January	1,422,774	-	-	-	-
Additions during the year	-	1,500,000	-	-	-
Transaction cost	-	(66,575)	-	-	-
Principal repayment	(165,677)	-	-	-	-
Interest expense*	239,469	169,349	-	-	-
Interest repayment	(240,000)	(180,000)	-	-	-
At 31 December	1,256,566	1,422,774	-	-	-

* Interest expense consists of ₦148.3 million in the financial year 2023, (2022: ₦169.3million) which was capitalized as borrowing costs for the acquisition and construction of the Utesi plant. Capitalization ceased at the end of August 2023, when the plant became substantially complete and ready for its intended use. The portion of interest incurred henceforth amounting to ₦91.1 million in 2023 has been expensed to profit and loss.

Notes to the financial statements

19 Loans and borrowings (continued)

Reconciliation of interest expense included in statement of cash flows

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Total interest expense	239,469	169,349	-	-	-
Interest expended to profit or loss	(82,543)	-	-	-	-
Interest repayment	(240,000)	(180,000)	-	-	-
Interest payment recognized in cash flow	(83,074)	(10,651)	-	-	-

20 Trade and other payables

(a) Trade and other payables comprise:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Trade payables	114,549	46,112	30,494	82,169	23,197
Due to related parties (Note 21(c))	2,034,815	1,548,041	110,833	33,529	-
Accruals	16,604	19,500	52,626	45,471	20,902
Other payables	31,062	34,682	52,233	16,738	27,010
Financial guarantee	-	-	-	-	-
Cautionary deposit (Note 20(i))	30,400	38,000	20,000	-	-
2,227,430	1,686,335	266,186	177,907	71,109	
Statutory deductions (Note 20(ii))	77,893	30,931	8,207	5,573	4,316
2,305,323	1,717,266	274,393	183,480	75,425	

(i) This represent an initial deposit/commitment fee by Goshen Beach Estate Resident Association (GBERA) prior to the commencement of the power purchase agreement. This shall be refunded to GBERA in the event that the agreement lapses or is terminated three years after the commencement date. This shall be retained to enable Asiko Power Limited (APL) cover its cost in the event of termination of this agreement by GBERA before its stipulated date.

(ii) This represents statutory deductions which are mandated by law of statute. They include Value Added Tax (VAT), Withholding Tax (WHT) liabilities and Pay-As-You-Earn (PAYE) liabilities which are to be remitted to the relevant tax authorities.

(b) Reconciliation of changes in trade and other payables included in statement of cash flows

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Movement in trade and other payables	588,057	1,442,873	90,913	108,055	(596,765)
Changes in trade and other payables per statement of cash flows	588,057	1,442,873	90,913	108,055	(596,765)

Information about the Company's exposure to liquidity risks is included in Note 22(b).

21 Related party transactions

(a) Parent and ultimate controlling party

The parent company of Asiko Power Limited is Asiko Energy Holdings Limited (AEHL), incorporated in Nigeria. Asiko Energy Holding Limited(AEHL) owns 99.9% controlling interest in Asiko Power Limited.

The ultimate holding company is Asiko International Energy Limited, incorporated in Nigeria.

(b) Transactions with key management personnel

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Directors' remuneration (Note 6(b))	25,991	24,139	20,819	10,660	10,660
25,991	24,139	20,819	10,660	10,660	

(c) Other related party transactions

The transactions with related entities relate to expenses settled by the Company on behalf of the below related entities and its settlement. These entities are related to the Company by virtue of having a similar shareholder.

Amount due from related parties

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Gas Terminalling and Distribution Limited	-	419,694	232,755	117,869	67,414
Gas Terminalling Global Operations Limited*	138,150	-	-	-	34,084
Asiko Energy Holdings Limited	-	-	-	-	1,593
Asiko International Energy Limited	29,130	29,130	-	246,375	124,724
Gas Terminalling and Storage Company Ltd	-	-	2,828	-	-
Osembele Energy Holdings Limited	-	-	409,142	-	-
Asiko GT Property Company Limited	2,819	500	-	-	-
170,099	449,324	644,725	364,244	227,815	

Notes to the financial statements

Amount due to related parties

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Gas Terminalling and Distribution Limited	144,136	-	-	-	-
Gas Terminalling Global Operations Limited	-	582,126	94,737	13,433	-
Asiko Energy Holdings Limited	1,623,315	579,605	16,096	20,096	-
Gas Terminalling and Storage Company Ltd	179,726	172,172	-	-	-
Osembele Energy Holdings Limited	87,638	214,138	-	-	-
	2,034,815	1,548,041	110,833	33,529	-

*Included in amount due from related party is loan receivable from Gas Terminalling Global Operations Limited (GTGOL). GTGOL bears some of the Company's administrative expense relating to Office stationeries, security, electricity bills and office manager. This expense amounts to N10million per year and the expense incurred is used to reduce receivable. This was fully repaid at year ended 31 December 2023.

The table below shows the balance at the end of each year

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Loan receivables	-	80,000	90,000	100,000	110,000
	-	80,000	90,000	100,000	110,000

The Company transacted with other related parties during the year. These are all affiliates, with the Asiko Energy International Ltd Group as the ultimate holding company. The major transactions during the year are as follows;

Name of related party	Nature of relationship	Transaction value for the year				
		2023	2022	2021	2020	2019
		N'000	N'000	N'000	N'000	N'000
GTDL	Provision of funding, Sale of propane,	(563,830)	186,939	114,886	50,455	56,851
GTGOL	Provision of funding Payroll recharges	756,962	(506,436)	(132,025)	(13,801)	85,397
AEHL	Funding for Utesi plant project	(1,043,710)	(563,509)	4,000	(21,689)	280,877
AIEL	Supply of generators	-	29,130	(246,375)	121,651	83,745
GTSL	Provision of funding	(7,554)	(175,000)	2,828	-	-
OEHL	Supply of generators	126,500	(623,280)	409,142	-	-
AGTPCL	Incorporation expense	2,319	500	-	-	-

22 Financial Instruments - financial risk management and fair values

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework including implementation and monitoring of the related policies. The Board is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, contract assets and cash and cash equivalents.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Trade and other receivables (Note 16)	496,041	826,616	690,540	439,803	267,294
Cash and cash equivalents* (Note 17)	88,019	67,509	17,794	5,155	4,308
	584,060	894,125	708,334	444,958	271,602

*Cash in hand has been excluded from the Company's cash and cash equivalents as there is no credit risk associated with cash in hand.

Notes to the financial statements

(i) Trade receivables

Trade receivables represent amounts due from customers as at year end.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has credit policies in place and exposure to credit risk is monitored on an ongoing basis the Chief Financial Officer. Management also considers the factors that may influence the credit risk of its customer base.

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the CFO. Under the credit policies, all customers requiring credit over a certain amount are reviewed and new customers analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for qualifying customers and these limits are reviewed regularly.

In monitoring customers credit risk, customers are grouped according to their credit characteristics, industry and existence of previous financial difficulties'.

Expected credit loss assessment for customers

The Company uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from members. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics such as age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

31 December 2023

<i>in thousands of Naira</i>	Gross carrying amount	Weighted average loss rate (%)	Impairmen t loss allowance	Credit impaired
Current	9,642		(1,826)	No
1-30 days				No
31-60 days				No
61-90 days				No
91-180 days				No
181-360 days				No
Above 365 days				Yes
	9,642		(1,826)	

31 December 2022

<i>in thousands of Naira</i>	Gross carrying amount	Weighted average loss rate (%)	Impairmen t loss allowance	Credit impaired
Current	100,543		(301)	No
1-30 days				No
31-60 days				No
61-90 days				No
91-180 days				No
181-360 days				No
Above 365 days				Yes
	100,543		(301)	

Cash and cash equivalents

The Company held cash and cash equivalents of ₦88 million as at 31 December 2023 (2022: ₦68 million), which represents its maximum credit exposure on these assets. The Company mitigates its credit risk exposure in respect of bank balances by selecting reputable banks with good credit risk grading for its banking services. Based on Management's assessment, the ECL on bank balance is not material. Thus, no ECL has been recognised.

Notes to the financial statements

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has various credit arrangements with its shareholders which can be utilized to meet its liquidity requirements.

The following are the contractual maturities of financial liabilities:

		Contractual Cash flows						
Note	Carrying amount	Total	1-3 months	3-12 months	1-2 years	2-5 year	More than 5 years	
	N'000	N'000	N'000	N'000	N'000			
Non-derivative financial liabilities								
31 December 2023								
Loans and borrowings	19	1,256,566	1,790,823	84,862	255,081	335,768	660,877	454,235
Trade and other payables*	20	192,615	198,290	-	198,290	-	-	-
Related party payable	21	2,034,815	6,113,142	-	6,113,142	-	-	-
		3,483,996	8,102,255	84,862	6,566,513	335,768	660,877	454,235

		Contractual Cash flows						
Note	Carrying amount	Total	1-3 months	3-12 months	1-2 years	2-5 year	More than 5 years	
	N'000	N'000	N'000	N'000	N'000			
31 December 2022								
Loans and borrowings	19	1,422,774	2,081,604	44,370	246,411	339,943	667,186	783,694
Trade and other payables*	20	138,294	125,309	-	125,309	-	-	-
Related party payables	21	1,548,041	3,149,524	-	3,149,524	-	-	-
		3,109,109	4,163,208	2,081,604	2,037,234	1,790,823	1,450,880	783,694

31 December 2021								
Loans and borrowings	19	-	-	-	-	-	-	-
Trade and other payables*	20	155,353	160,395	-	160,395	-	-	-
Related party payables	21	110,833	549,966	-	549,966	-	-	-
		266,186	710,361	-	710,361	-	-	-

31 December 2020								
Loans and borrowings	19	-	-	-	-	-	-	-
Trade and other payables*	20	144,378	183,136	-	183,136	-	-	-
Related party payables	21	33,529	409,268	-	409,268	-	-	-
		177,907	592,404	-	592,404	-	-	-

31 December 2019								
Loans and borrowings	19	-	-	-	-	-	-	-
Trade and other payables*	20	71,109	76,151	-	76,151	-	-	-
Related party payables	21	-	367,167	-	367,167	-	-	-
		71,109	443,318	-	443,318	-	-	-

* Trade and other payables excludes statutory deductions as they are not financial instruments.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

The Company manages market risks by keeping cost low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Currency risk

The Company is exposed to currency risk on its cash and cash equivalents, trade and other receivables, loans and borrowings as well as trade and other payables that are denominated in a currency other than the functional currency, the Nigerian Naira. The currency giving rise to this risk is the US Dollar (USD) which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The summary of quantitative data about the Company's exposure to currency risk is as follows:

	2023	2022	2021	2020	2019
Cash and cash equivalents	5,613	30,192	792	387	1,047
Net exposure	5,613	30,192	792	387	1,047

Notes to the financial statements

The following significant exchange rates were applied:

	2023	2022	2021	2020	2019
	USD	USD	USD	USD	USD
Average rate	649.63	426.88	409.49	382.06	362.33
Reporting date spot rate	951.79	461.10	424.11	400.33	364.70

The average and reporting date exchange rates applied by the Company represent the Nigerian Autonomous Foreign Exchange Rate Fixing Methodology (NAFEX) exchange rates. They represent the rates at which the entity will be able to access foreign exchange through its related parties for the purpose of its foreign currency transactions.

Sensitivity analysis on foreign currency rates

A reasonably possible strengthening of the Naira against US Dollar at 31 December would have affected the measurement of financial instruments denominated in these currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Strengthening					
USD (5% movement)	267,105	696,084	16,802	7,756	19,100
Weakening					
USD (5% movement)	(267,105)	(696,084)	(16,802)	(7,756)	(19,100)

Interest rate risk

Interest rate risk comprises interest price risk that results from borrowing at fixed rates and the interest cash flow risk that results from borrowings at variable rates. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

At the reporting date, the interest rate profile of the Company's interest-bearing fixed rate financial instruments were:

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Loans and borrowings	1,256,566	1,422,774	-	-	-

(d) Capital risk management

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Total liabilities	3,858,469	3,303,995	397,031	212,708	86,130
Less: Cash and cash equivalents	(88,019)	(67,509)	(17,800)	(5,197)	(4,329)
Net debt	3,770,450	3,236,486	379,231	207,511	81,801
Total equity	651,270	954,229	749,291	555,611	502,686
Net debt to equity ratio	5.79	3.39	0.51	0.37	0.16

23 Contingencies

The Company had no contingent liabilities arising from liabilities and claims.

24 Capital commitments

The capital commitments are as follows, as at year ended 31 December;

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Capital commitments	378,451	548,917	1,243,834	1,273,776	1,276,654

25 Dividends

During the year, the Company declared a dividend of N433 million. On 8th March 2024, the Board of Directors approved and resolved to set off this Dividends due to Asiko Energy Holdings Limited, against its intercompany receivables amount due from Asiko Energy Holdings Limited as at 31st December 2023. The withholding tax payable arising from the dividends has been recognized accordingly in the financial statement.

26 Events after reporting period

There were no events after the reporting date which could have had a material effect on the state of affairs of the Company as at 31 December 2023 which has not been adequately provided for.

Notes to the financial statements

27 Accounting adjustment and reclassification

The Company noted the following with respect to the financial statements for the years ended 31 December 2019 to 31 December 2023:

i Site visit expense

Cost relating research, inspection and prefeasibility study to move and restart the LNG Peak Shaving plant was capitalised as contract asset from 2019 to 2022 and capitalised as work in progress in 2023. In line with the requirements of IAS 38, this amount does not meet the criteria for capitalisation. This has been corrected by adjusting the affected financial statement line item accordingly.

	2019
	N'000
Contract Asset	33,622
	33,622

ii Related party transactions

Over the years the company had carried balances due to and from related parties as trade receivables or trade payables as applicable. In line with the requirements of IAS 24 (Related parties disclosure), if an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These balances have been reclassified to properly present related party transactions.

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Reclass from trade receivables	264,380	49,637	45,516	123,475	67,685
Reclass from trade payables	(31,846)	-	-	(33,716)	(17,653)
	232,534	49,637	45,516	89,759	50,032

iii Property plant and equipment

In 2022, the company had erroneously classified two 750KVA generators leased to VIK Limited and Superfine Limited for electricity generation as inventories. These generators were purchased in March 2022 from Osemele Energy Holdings Limited for N761 million and thereafter leased to VIK and Superfine Limited. This was correctly classified and accounted for in the year ended 31 December 2023. Therefore did not depreciate the generators in line with the requirements of IAS 16 (Property, Plant and Equipment).The cost of the assets have been reclassified to Property, Plant and Equipment and depreciated accordingly:

	2023	2022
	N'000	N'000
Reclass from Inventory	-	761,280
Depreciation expense	(34,892)	(34,892)
Derecognition of research cost	(33,622)	-
Capitalisation of borrowing cost	4,722	-
	(63,792)	726,388

27 Accounting adjustment and reclassification (cont'd)

iv Cash and cash equivalents

The company classified funds invested in Debt Service Reserve Account (DSRA) funds which serves as security reserves to meet debt obligation in the event of illiquidity as cash and cash equivalents. These funds in the DSRA are maintained in accordance with all applicable loan covenants and agreements. These funds have been reclassified to other receivables as they do not meet the criteria for cash and cash equivalents. This has been reclassified to align presentation:

	2023	2022
	N'000	N'000
Reclass from cash and cash equivalents	319,700	273,000
Reclass of interest on DSRA	44,497	-
	364,197	273,000

v Other Creditors

The company had a receivable of ₦110million from its related party Gas Terminating Global Operations Limited (GTGOL) in the year ended 31 December 2019. GTGOL pays some of the company's administrative expenses relating to office stationeries, security, electricity bills and office manager for which a refund is expected. This expense amounts to ₦10million per year, the expense incurred is used to offset the 2019 receivable yearly. This has been reclassified from other creditors to related party payable to align presentation:

	2022	2021	2020	2019
	N'000	N'000	N'000	N'000
Reclass from other creditors	80,000	90,000	100,000	110,000
	80,000	90,000	100,000	110,000

vi Loan

In 2022, the company recognised the interest on its loans using the contractual rate. This treatment did not account for the effect of time value of money on the loan in line with the requirements of IFRS 9 (Financial instrument). This has been corrected by recomputing the interest expense using the effective interest rate according to the principles of IFRS 9 and adjusting the affected financial statement line items for the respective years accordingly

	2023	2022
	N'000	N'000
Recognition of interest expense	239,469	169,349
	241,492	171,371

vii Recognition of deferred Tax

The company had taxable temporary differences in the years ended 2019 to 2021 but did not recognise the corresponding deferred tax liability. Also, we noted differences in the 2022 and 2023 computation. This has been corrected by adjusting the affected financial statement line items for the respective years accordingly

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Recognition of deferred tax liability	180,295	107,460	44,466	14,746	4,903
	180,295	107,460	44,466	14,746	4,903

27 Accounting adjustment and reclassification (cont'd)
Statements of financial position

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2023</i>			
Assets			
Property, plant and equipment	3,058,914	(84,142)	2,974,772
Intangible assets	-	-	-
Trade and other receivables	-	364,197	364,197
Non-current assets	3,058,914	280,055	3,338,969
Inventories	25,938	2	25,940
Withholding tax receivables	-	3,798	3,798
Trade and other receivables	1,404,136	(1,272,292)	131,844
Prepayment and advances	-	921,169	921,169
Cash and cash equivalents	407,719	(319,700)	88,019
Current assets	1,837,793	(667,023)	1,170,770
Total assets	4,896,707	(386,968)	4,509,739
Equity			-
Share capital	6,000	-	6,000
Share premium	484,386	-	484,386
Revaluation reserve	45,379	-	45,379
Retained earnings	259,625	(144,120)	115,505
Total equity	795,390	(144,120)	651,270
Liabilities			
Loans and borrowings	1,259,467	(196,077)	1,063,390
Deferred tax liabilities	106,256	74,039	180,295
Non current liabilities	1,365,723	(122,038)	1,243,685
Loans and borrowings	-	193,177	193,177
Current tax liabilities	134,048	(17,764)	116,284
Trade and other payables	2,601,546	(296,223)	2,305,323
Current liabilities	2,735,594	(120,810)	2,614,784
Total liabilities	4,101,317	(242,848)	3,858,469
Total equity and liabilities	4,896,707	(386,968)	4,509,739

27 Accounting adjustment and reclassification (cont'd)

Statements of financial position

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
31 December 2022			
Assets			
Property, plant and equipment	1,742,570	704,161	2,446,731
Intangible assets	-	-	-
Trade and other receivables	-	273,000	273,000
Non-current assets	1,742,570	977,161	2,719,731
Inventories	825,564	(761,279)	64,285
Withholding tax receivables	-	3,798	3,798
Amount due from customers under construction contract	33,622	(33,622)	-
Trade and other receivables	1,504,532	(950,916)	553,616
Prepayment and advances	193	849,092	849,285
Cash and cash equivalents	340,508	(272,999)	67,509
Current assets	2,704,419	(1,165,926)	1,538,493
Total assets	4,446,989	(188,765)	4,258,224
Equity			
Share capital	6,000	-	6,000
Share premium	484,386	-	484,386
Revaluation reserve	45,379	-	45,379
Retained earnings	447,349	(28,885)	418,464
Total equity	983,114	(28,885)	954,229
Liabilities			
Loans and borrowings	1,445,000	(188,433)	1,256,567
Deferred tax liabilities	134,113	(26,653)	107,460
Non current liabilities	1,579,113	(215,086)	1,364,027
Loans and borrowings	-	166,207	166,207
Current tax liabilities	69,472	(12,978)	56,494
Trade and other payables	1,815,290	(98,024)	1,717,266
Current liabilities	1,884,762	55,205	1,939,967
Total liabilities	3,463,875	(159,880)	3,303,995
Total equity and liabilities	4,446,989	(188,765)	4,258,224

27 Accounting adjustment and reclassification (cont'd)

Statements of financial position

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2021</i>			
Assets			
Property, plant and equipment	284,025	-	284,025
Intangible assets	393	-	393
Prepayment and advances	-	-	-
Non-current assets	284,418	-	284,418
Inventories	33,878	1	33,879
Withholding tax receivables	-	2,601	2,601
Amount due from customers under construction contract	33,622	(33,622)	-
Trade and other receivables	917,229	(226,689)	690,540
Prepayment and advances	-	117,084	117,084
Cash and cash equivalents	17,800	-	17,800
Current assets	1,002,529	(140,625)	861,904
Total assets	1,286,947	(140,625)	1,146,322
Equity			
Share capital	6,000	-	6,000
Share premium	484,386	-	484,386
Revaluation reserve	45,379	-	45,379
Retained earnings	274,129	(60,603)	213,526
Total equity	809,894	(60,603)	749,291
Liabilities			
Loans and borrowings	-	-	-
Deferred tax liabilities	-	44,466	44,466
Provision for liabilities and charges	5,042	(5,042)	-
Non current liabilities	5,042	39,424	44,466
Loans and borrowings	-	-	-
Current tax liabilities	90,615	(12,443)	78,172
Trade and other payables	381,396	(107,003)	274,393
Current liabilities	472,011	(119,446)	352,565
Total liabilities	477,053	(80,022)	397,031
Total equity and liabilities	1,286,947	(140,625)	1,146,322

27 Accounting adjustment and reclassification (cont'd)

Statements of financial position

	As per audited	Accounting adjustments/ reclassification	As restated
	N'000	N'000	N'000
<i>31 December 2020</i>			
Assets			
Property, plant and equipment	257,874	-	257,874
Intangible assets	2,755	-	2,755
Prepayment and advances	-	-	-
Non-current assets	260,629	-	260,629
Inventories	53,445	1	53,446
Withholding tax receivables	-	2,601	2,601
Amount due from customers under construction contract	33,622	(33,622)	-
Trade and other receivables	573,699	(133,896)	439,803
Prepayment and advances	3,461	3,182	6,643
Cash and cash equivalents	5,197	-	5,197
Current assets	669,424	(161,734)	507,690
Total assets	930,053	(161,734)	768,319
Equity			
Share capital	6,000	-	6,000
Share premium	484,386	-	484,386
Revaluation reserve	45,379	-	45,379
Retained earnings	58,545	(38,699)	19,846
Total equity	594,310	(38,699)	555,611
Liabilities			
Loans and borrowings	-	-	-
Deferred tax liabilities	-	14,746	14,746
Provision for liabilities and charges	5,042	(5,042)	-
Non current liabilities	5,042	9,704	14,746
Loans and borrowings	-	-	-
Current tax liabilities	19,110	(4,628)	14,482
Trade and other payables	311,591	(128,111)	183,480
Current liabilities	330,701	(132,739)	197,962
Total liabilities	335,743	(123,035)	212,708
Total equity and liabilities	930,053	(161,734)	768,319

27 Accounting adjustment and reclassification (cont'd)
Statements of financial position

	As per audited	Accounting adjustments/ reclassification	As restated
31 December 2019	₦'000	₦'000	₦'000
Assets			
Property, plant and equipment	158,145	(1)	158,144
Intangible assets	5,117	-	5,117
Prepayment and advances	-	-	-
Non-current assets	163,262	(1)	163,261
Inventories	136,240	-	136,240
Withholding tax receivables	-	714	714
Amount due from customers under construction contract	33,622	(33,622)	-
Trade and other receivables	368,810	(101,516)	267,294
Prepayment and advances	203	16,774	16,977
Cash and cash equivalents	4,329	-	4,329
Current assets	543,204	(117,650)	425,554
Total assets	706,466	(117,651)	588,815
Equity			
Share capital	6,000	-	6,000
Share premium	484,386	-	484,386
Revaluation reserve	45,379	-	45,379
Accumulated deficit	(3,970)	(29,109)	(33,079)
Total equity	531,795	(29,109)	502,686
Liabilities			
Loans and borrowings	-	-	-
Deferred tax liabilities	-	4,903	4,903
Provision for liabilities and charges	5,042	(5,042)	-
Non current liabilities	5,042	(139)	4,903
Loans and borrowings	-	-	-
Current tax liabilities	10,175	(4,374)	5,801
Trade and other payables	159,454	(84,029)	75,425
Current liabilities	169,629	(88,403)	81,226
Total liabilities	174,671	(88,541)	86,130
Total equity and liabilities	706,466	(117,651)	588,815

Asiko Power Limited
Reporting accountants' report and accompanying financial information
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27 Accounting adjustment and reclassification (cont'd)

Statements of profit or loss and other comprehensive income

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2023</i>			
Revenue	4,697,020	1	4,697,021
Cost of sales	(3,904,186)	-	(3,904,186)
Gross profit	792,834	1	792,835
Other income	-	-	-
Operating expenses	(459,205)	1,523	(457,682)
(Allowance for)/reversal of impairment on financial assets	-	(1,525)	(1,525)
Results from operating activities	333,629	(1)	333,628
Finance income	45,263	-	45,263
Finance costs	(63,217)	(19,326)	(82,543)
Net finance (cost)/income	(17,954)	(19,326)	(37,280)
Profit before taxation	315,675	(19,327)	296,348
Income tax expense	(60,066)	(95,907)	(155,973)
Profit for the year	255,609	(115,234)	140,375
<i>Other comprehensive income, net of tax</i>			
Revaluation gain on property	-	-	-
Total comprehensive income	255,609	(115,234)	140,375

Asiko Power Limited
Reporting accountants' report and accompanying financial information
For the years ended 31 December 2019 to 2023

27 Accounting adjustment and reclassification (cont'd)

Statements of profit or loss and other comprehensive income

	As per audited	Accounting adjustments/ reclassification	As restated
	N'000	N'000	N'000
<i>31 December 2022</i>			
Revenue	4,277,124	(1)	4,277,123
Cost of sales	(3,594,564)	(2)	(3,594,566)
Gross profit	682,560	(3)	682,557
Other income	3,438	(1)	3,437
Operating expenses	(215,921)	(34,715)	(250,636)
(Allowance for)/reversal of impairment on financial assets	-	(174)	(174)
Results from operating activities	470,077	(34,893)	435,184
Finance income	9,790	-	9,790
Finance costs	(2,584)	1	(2,583)
Net finance (cost)/income	7,206	1	7,207
Profit before taxation	477,283	(34,892)	442,391
Income tax expense	(197,397)	66,612	(130,785)
Profit for the year	279,886	31,720	311,606
<i>Other comprehensive income, net of tax</i>			
Revaluation gain on property	-	-	-
Total comprehensive income	279,886	31,720	311,606

Asiko Power Limited
Reporting accountants' report and accompanying financial information
For the years ended 31 December 2019 to 2023

27 Accounting adjustment and reclassification (cont'd)

Statements of profit or loss and other comprehensive income

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2021</i>			
Revenue	2,270,494	-	2,270,494
Cost of sales	(1,825,491)	(1)	(1,825,492)
Gross profit	445,003	(1)	445,002
Other income	3,008	(383)	2,625
Operating expenses	(153,249)	2	(153,247)
(Allowance for)/reversal of impairment on financial assets	-	383	383
Results from operating activities	294,762	1	294,763
Finance income	-	-	-
Finance costs	-	-	-
Net finance (cost)/income	-	-	-
Profit before taxation	294,762	1	294,763
Income tax expense	(79,178)	(21,905)	(101,083)
Profit for the year	215,584	(21,904)	193,680
<i>Other comprehensive income, net of tax</i>			
Revaluation gain on property	-	-	-
Total comprehensive income	215,584	(21,904)	193,680

Asiko Power Limited
Reporting accountants' report and accompanying financial information
For the years ended 31 December 2019 to 2023

27 Accounting adjustment and reclassification (cont'd)

Statements of profit or loss and other comprehensive income

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2020</i>			
Revenue	700,821	1	700,822
Cost of sales	(537,742)	(1)	(537,743)
Gross profit	163,079	-	163,079
Other income	244,768	(243,831)	937
Operating expenses	(87,414)	(936)	(88,350)
(Allowance for)/reversal of impairment on financial assets	-	244	244
Results from operating activities	320,433	(244,523)	75,910
Finance income	68	-	68
Finance costs	(1,860)	-	(1,860)
Net finance (cost)/income	(1,792)	-	(1,792)
Profit before taxation	318,641	(244,523)	74,118
Income tax expense	(11,603)	(9,590)	(21,193)
Profit for the year	307,038	(254,113)	52,925
<i>Other comprehensive income, net of tax</i>			
Revaluation gain on property	-	-	-
Total comprehensive income	307,038	(254,113)	52,925

Asiko Power Limited
Reporting accountants' report and accompanying financial information
For the years ended 31 December 2019 to 2023

27 Accounting adjustment and reclassification (cont'd)

Statements of profit or loss and other comprehensive income

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2019</i>			
Revenue	583,213	1	583,214
Cost of sales	(422,837)	-	(422,837)
Gross profit	160,376	1	160,377
Other income	324	(324)	-
Operating expenses	(104,787)	(33,624)	(138,411)
(Allowance for)/reversal of impairment on financial assets	-	325	325
Results from operating activities	55,913	(33,622)	22,291
Finance income	1,111	-	1,111
Finance costs	-	-	-
Net finance (cost)/income	1,111	-	1,111
Profit before taxation	57,024	(33,622)	23,402
Income tax expense	(8,550)	4,514	(4,036)
Profit for the year	48,474	(29,108)	19,366
<i>Other comprehensive income, net of tax</i>			
Revaluation gain on property	45,379	-	45,379
Total comprehensive income	93,853	(29,108)	64,745

27 Accounting adjustment and reclassification (cont'd)
Statements of cash flows

	As per audited	Accounting adjustments/ reclassification	As restated
	N'000	N'000	N'000
<i>31 December 2023</i>			
Cash flows from operating activities			
Profit for the year	333,629	(193,254)	140,375
Adjustments for:		-	
Depreciation (PPE)	342,705	1	342,706
Adjustment to property plant and equipment	10,393	(10,393)	-
Impairment allowance/reversal on financial asset	-	1,525	1,525
Net finance cost/(income)	-	37,281	37,281
Tax expense	-	155,973	155,973
	686,727	(8,868)	677,860
Changes in:			
Inventories	799,625	(761,280)	38,345
Prepayment and advances	193	(72,077)	(71,884)
Trade and other receivables	134,019	202,063	336,082
Trade and other payables	786,256	(198,199)	588,057
Cash generated from operating activities	2,406,820	(838,362)	1,568,458
Tax paid	(23,347)	-	(23,347)
Net cash generated from operating activities	2,383,473	(838,362)	1,545,111
Cash flows from investing activities			
Additions to PPE	(1,669,442)	798,695	(870,747)
Interest received	45,263	(7,032)	38,231
Finance cost	(63,217)	63,217	-
Net cash used in investing activities	(1,687,396)	854,880	(832,516)
Cash flows from financing activities			
Principal repayment of loan and borrowings	-	(165,677)	(165,677)
Interest paid on loans and borrowings	(185,533)	102,459	(83,074)
Dividend paid	(443,333)	(1)	(443,334)
Net cash (used in)/generated from financing activities	(628,866)	(63,219)	(692,085)
Net increase/(decrease) in cash and cash equivalents	67,211	(46,701)	20,510
Cash and cash equivalents at 1 January	340,508	(272,999)	67,509
Cash and cash equivalents, end of year	407,719	(319,700)	88,019

27 Accounting adjustment and reclassification (cont'd)

Statements of cash flows

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2022</i>			
Cash flows from operating activities			
Profit for the year	470,077	(158,471)	311,606
<i>Adjustments for:</i>			
Depreciation (PPE)	52,184	34,892	87,076
Amortisation	394	(1)	393
Impairment allowance/reversal on financial asset	-	174	174
Net finance cost/(income)	-	(7,207)	(7,207)
Tax expense	-	130,785	130,785
	522,655	172	522,827
Changes in:			
Inventories	(791,689)	761,283	(30,406)
Withholding tax receivables	-	(1,197)	(1,197)
Prepayment and advances	(193)	(732,008)	(732,201)
Trade and other receivables	(587,303)	448,470	(138,833)
Trade and other payables	1,433,893	8,980	1,442,873
Cash generated from operating activities	577,363	485,700	1,063,063
Tax paid	(89,468)	-	(89,468)
Net cash generated from operating activities	487,895	485,700	973,595
Cash flows from investing activities			
Additions to PPE	(1,510,730)	(739,052)	(2,249,782)
Interest received	9,790	-	9,790
Finance Cost	(2,584)	2,584	-
Net cash used in investing activities	(1,503,524)	(736,468)	(2,239,992)
Cash flows from financing activities			
Additions to loans and borrowings	1,445,000	55,000	1,500,000
Transaction cost	-	(66,575)	(66,575)
Interest paid on loans and borrowings	-	(10,651)	(10,651)
Dividend paid	(106,667)	(1)	(106,668)
Net cash (used in)/generated from financing activities	1,338,333	(22,227)	1,316,106
Net increase/(decrease) in cash and cash equivalents	322,704	(272,995)	49,709
Cash and cash equivalents at 1 January	17,800	-	17,800
Cash and cash equivalents, end of year	340,504	(272,995)	67,509

27 Accounting adjustment and reclassification (cont'd)

Statements of cash flows

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2021</i>			
Cash flows from operating activities			
Profit for the year	294,763	(101,083)	193,680
Adjustments for:		-	
Depreciation (PPE)	36,097	1	36,098
Gain on sale of PPE	(2,625)	-	(2,625)
Amortisation	2,362	-	2,362
Impairment allowance/reversal on financial asset	-	(383)	(383)
Tax expense	-	101,083	101,083
	330,597	(382)	330,215
Changes in:			
Inventories	19,567	-	19,567
Prepayment and advances	3,461	(113,902)	(110,441)
Trade and other receivables	(343,530)	93,176	(250,354)
Trade and other payables	69,806	21,107	90,913
Cash generated from operating activities	79,901	(1)	79,899
Tax paid	(7,673)	-	(7,673)
Net cash generated from operating activities	72,228	(1)	72,226
Cash flows from investing activities			
	(62,248)	-	(62,248)
Proceeds of sale of PPE	2,625	-	2,625
Net cash used in investing activities	(59,623)	-	(59,623)
Net increase/(decrease) in cash and cash equivalents	12,605	(2)	12,603
Cash and cash equivalents at 1 January	5,197	-	5,197
Cash and cash equivalents, end of year	17,802	(2)	17,800

27 Accounting adjustment and reclassification (cont'd)
Statements of cash flows

	As per audited	Accounting adjustments/ reclassification	As restated
	N'000	N'000	N'000
<i>31 December 2020</i>			
Cash flows from operating activities			
Profit for the year	75,909	(22,984)	52,925
<i>Adjustments for:</i>		-	
Depreciation (PPE)	18,500	-	18,500
Reclassification of capital work in progress	6,429	(6,429)	-
Amortisation	2,362	-	2,362
Impairment allowance/reversal on financial asset	-	(244)	(244)
Net finance cost/(income)	-	1,792	1,792
Tax expense	-	21,193	21,193
	103,200	(6,672)	96,528
Changes in:			
Inventories	82,794	-	82,794
Withholding tax receivables	-	(1,887)	(1,887)
Prepayment and advances	(3,258)	13,592	10,334
Trade and other receivables	(184,889)	10,764	(174,125)
Trade and other payables	132,137	(24,082)	108,055
Cash generated from operating activities	129,984	(8,285)	121,699
Tax paid	(2,669)	-	(2,669)
Net cash generated from operating activities	127,315	(8,285)	119,030
Cash flows from investing activities			
Additions to PPE	(124,658)	6,428	(118,230)
Interest received	68	-	68
Finance cost	(1,860)	1,860	-
Net cash used in investing activities	(126,450)	8,288	(118,162)
Net increase/(decrease) in cash and cash equivalents	865	3	868
Cash and cash equivalents at 1 January	4,329	-	4,329
Cash and cash equivalents, end of year	5,194	3	5,197

27 Accounting adjustment and reclassification (cont'd)

Statements of cash flows

	As per audited	Accounting adjustments/ reclassification	As restated
	₦'000	₦'000	₦'000
<i>31 December 2019</i>			
Cash flows from operating activities			
Profit for the year	55,913	(36,547)	19,366
Adjustments for:		-	
Site Inspection	-	33,622	33,622
Depreciation property, plant and equipment	11,202	-	11,202
Disposal of capital work in progress	9,888	(9,888)	-
Amortisation	2,362	-	2,362
Impairment allowance/reversal on financial asset	-	(325)	(325)
Net finance cost/(income)	-	(1,111)	(1,111)
Tax expense	-	4,036	4,036
	79,365	(10,213)	69,152
Changes in:			
Inventories	277,929	-	277,929
Prepayment and advances	11,009	(16,774)	(5,765)
Trade and other receivables	(95,271)	375,299	280,028
Trade and other payables	(239,675)	(357,090)	(596,765)
Cash generated from operating activities	33,357	(8,779)	24,578
Tax paid	(1,804)	-	(1,804)
Net cash generated from operating activities	31,553	(8,779)	22,774
Cash flows from investing activities			
Additions to property, plant and equipment	(32,942)	9,889	(23,053)
Interest received	1,111	(1,111)	-
Net cash used in investing activities	(31,831)	8,778	(23,053)
Net increase/(decrease) in cash and cash equivalents	(278)	(1)	(279)
Cash and cash equivalents at 1 January	4,608	-	4,608
Cash and cash equivalents, end of year	4,330	(1)	4,329

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INCORPORATION AND SHARE CAPITAL HISTORY OF THE ISSUER

As of 30 July 2024, the Issuer's share capital is ₦10,000,000 comprising 10,000,000 ordinary shares of ₦1 each.

The shareholding structure as of 30 July 2024, is as follows:

Name	Shareholding	Percentage (%)
Asiko Power Limited	9,999,999	99.99
Asiko Energy Holdings Limited	1	0.01

1. SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE SPONSOR

As of 31 December 2023, the Sponsor issued share capital of 6,000,000.00 Ordinary Shares of 1 Naira each was beneficially held as follows:

Name	Shareholding	Percentage (%)
Asiko Energy Holdings Limited	5,999,999	99.99
Asiko International Energy (Nigeria) Limited	1	0.01

2. DIRECTORS' BENEFICIAL INTERESTS

No single individual owns above 5% of the Sponsor, Asiko Power Limited.

3. OVERVIEW OF CORPORATE GOVERNANCE STRUCTURE

The Board of Directors of APL, who act on behalf of its shareholders, provides guidance and direction for the day-to-day management/administration of the Company. The Board of Directors has a blend of experience and knowledge cutting across the various business lines of the Company. The Board of APL has three (3) committees as detailed below:

Name of Committee	Board Member	Meetings per Year
Audit Committee	Kamar Bakrin, Babatunde Edun, Tayo Odetunde, Mustapha Fasinro, John Sylvester, Simon Jones and Ik Okoli.	Two (2)
Corporate Governance & Compliance Committee	Martin Ekundayo, Mustapha Fasinro, Lekan Felix Adekeye, Omotunde Hassan and Tayo Ojeleke.	Two (2)
Health Safety Environment and Quality & Operations Committee	Babatunde Edun, Kamar Bakrin, Mustapha Fasinro, Omotunde Hassan, Modupe Ayeni and Olayinka Rabi.	Two (2)

4. CORPORATE DIRECTORY

Contact address of Issuer and Sponsor:

224 Moshood Abiola way

Ijora

Lagos

Telephone: +234 1 293 2292

Email: info@asikoenergy.com

Website: asikoenergy.com

Contact address of Registrar:

First Registrar and Investor Services Limited

2, Abebe Village Road

Iganmu

Lagos

Telephone: +234 279 9880

Email: info@firstregistrarsnigeria.com

Website: firstregistrarsnigeria.com

The debt securities of the Issuer and Sponsor are to be listed or quoted on FMDQ Exchange with contact details below:

FMDQ Securities Exchange Limited

Exchange Place

35 Idowu Taylor Street

Victoria Island

Lagos

Telephone: +234 1 277 1719/8771

Email: info@fmdqgroup.comWebsite: <https://fmdqgroup.com/>**6. INDEBTEDNESS**

- a. As of 31 December 2023, the Issuer had no financial indebtedness
- b. As of 31 December 2023, the Sponsor had financial indebtedness amounting to ₦1,259,467,000 (One billion, two hundred and fifty-nine million, four hundred and sixty-seven thousand naira)

Series	Description	Amount	Tenor	Maturity Dare
1	Private corporate infrastructure bond to finance the purchase and construction of Utesi gas plant in Edo state.	₦1,259,467,000	7-years	2029
Total		₦1,259,467,000		

Details of all indebtedness of the Issuer at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Supplement relating to the Series of Bonds to be issued.

7. SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

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

Associated Companies

Asiko Power Limited

Asiko Energy Holdings Limited

Asiko International Energy (Nigeria Limited)

Gas Terminalling and Distribution Limited

Gas Terminalling Storage Company Limited

Gas Terminalling Global Operations Limited

Asiko Carbon Zero Limited

Asiko Hydrocarbon Company Limited

As of the date of this Shelf Prospectus, the Issuer has no subsidiary:

8. DECLARATIONS

Except as otherwise disclosed in this Shelf Prospectus:

- a. No shares of the Issuer or Sponsor is under option or agreed conditionally or unconditionally to be put under option;
- b. No commissions, brokerages or other special terms have been granted by the Issuer or Sponsor to any person in connection with the Programme or sale of any securities of the Issuer;
- c. Save as disclosed herein, the directors of the Issuer or Sponsor have not been informed of any holding representing 5% or more of the issued share capital of the Issuer or Sponsor;
- d. There are no founders', management or deferred shares or any options outstanding in the Issuer or Sponsor;
- e. There are no material service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;

- f. There are no long-term service agreements between the Issuer or Sponsor or any of its directors and employees other than in the ordinary course of business;
- g. No director of the Issuer or Sponsor has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer or Sponsor in the five (5) years prior to the date of this Shelf Prospectus;
- h. None of the Directors of the Issuer or Sponsor is under any bankruptcy or insolvency proceedings in any court of;
- i. None of the Directors of the Issuer or Sponsor has been convicted in any criminal proceedings
- j. None of the Directors of the Issuer or Sponsor is subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty;
- k. No prosecution or legal proceedings has commenced against the Issuer or Sponsor or any of its subsidiaries in respect of any breach of any securities or banking laws or CAMA; and
- l. No action has been taken against the Issuer or Sponsor by NGX Exchange, FMDQ Exchange or any other recognised Exchange in respect of any breach of the listing requirements of The Exchange.

9. CLAIMS AND LITIGATION

Based on information provided by the Issuer to the Transaction Counsel, the Transaction Counsel hereby confirms that as at August 29 2024, they are not aware of any claims and litigations involving the Issuer or Sponsor which may adversely affect the Transaction.

10. MATERIAL CONTRACTS

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

Based on information provided by the Issuer to the Transaction Counsel, the Transaction Counsel confirms that as at August 29, 2024, save for the Programme Trust Deed which the Issuer will enter into, in respect of the Transaction, the Issuer has not entered into any contracts outside the ordinary course of business

11. COSTS AND EXPENSES

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

12. RELATIONSHIP BETWEEN THE ISSUER, ISSUING HOUSES AND OTHER ADVISERS

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

13. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are relevant extracts from the Issuer's Memorandum and Articles of Association:

MEMORANDUM OF ASSOCIATION

- 1. The Name of the Company is APL Funding SPV PLC
- 2. The Registered Office of the Company is situated in Nigeria
- 3. The objects for which the Company is established are:
 - a) to invest in securities of companies or bodies and acquire, hold, sell, buy, or otherwise deal in shares, debentures, debentures stocks, bonds, units, and securities issued or guaranteed by a company, corporation, firm or person incorporated or established in nigeria or elsewhere
 - b) to secure the repayment of the money borrowed or raised by mortgage, charge or lien upon whole or any part of the company's property or assets and undertake investments

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- c) to borrow or raise money in such manner as the company may deem fit and guarantee the performance by the company of any obligation or liability it may undertake
 - d) to do all such other things as may be considered incidental to the attainment of the above objects.
- 4. The Company is a Private Company
 - 5. The liability of the members is limited by shares
 - 6. The Share Capital of the Company is N10,000,000 (Ten Million Naira) divided into 10,000,000 (Ten Million) Ordinary Share of N1 (one Naira) each

Below are relevant extracts from the Sponsor's Memorandum and Articles of Association:

MEMORANDUM OF ASSOCIATION

- 1. The Name of the Company is Asiko Power Limited
- 2. The Registered Office of the Company is situated in Nigeria
- 3. The objects for which the Company is established are:
 - a) to engage in and carry on the business of power generation, transmission and distribution, and to supply and provide same to domestic and public establishments
 - b) to build, operate and maintain power transmission stations and facilities and to enter into contractual agreements and obtain licenses for the operation and or management of power transmission, generation and distribution stations within and outside Nigeria
 - c) to apply for, acquire and hold licenses, leases and other rights of any of the objects of the company and to do such acts and things and carry on such operations as shall be convenient or proper in connection therewith
 - d) to buy and sell, to transport and store, to import and export, and all of the aforesaid substances, products in any way associated with the said substances, products and derivatives
 - e) to manufacture all kinds of products and derivatives of petroleum, gas and other hydrocarbons, as well as related products
 - f) to establish and maintain offices and agencies, to carry on all or any of its operations and business, in any part of the world either alone or in conjunction with others
 - g) to purchase, lease, rent, hire or otherwise acquire real and personal property of every kind and description or any interest therein, and to sell, lease, let or hire, or otherwise dispose of the same or any interest therein (including the business of the company or any part thereof) for such considerations as may be considered appropriate
 - h) to purchase or otherwise acquire and take over all or any of the assets, business, property, privilege, contracts, rights obligations and liabilities of any other company, corporation, firm or person carrying on any business which the company is authorised to carry on or possess any property suitable for the purposes of the company
 - i) to build, construct, maintain, alter, enlarge, pull down, and remove or place any buildings, offices, factories, mills, roads, drainages, harbours, piers, wharves, canals, reservoirs, embarkments, railways, tramways, machinery, engines, walls, fences, banks, dams, sluices or watercourses, and to clear sites for the same or to join with any person, firm, corporation or company in doing any of the things aforesaid, and to work, manage and control the same or join with others in so doing
 - j) to invest and deal with monies of the company in such manner as may from time to time be determined
- 4. The Company is a Private Company

5. The liability of the members is limited by shares
6. The Share Capital of the Company is N6,000,000 (Six Million Naira) divided into 6,000,000 (Six Million) Ordinary Share of N1 (one Naira) each

14. EXTRACTS FROM THE PROGRAMME TRUST DEED

1. Appointment of Trustee

- a. The Issuer hereby appoints the Trustee, and the Trustee hereby accepts its appointment, as the representative of the Bondholders in accordance with the provisions of this Deed, any Series Trust Deed and the SEC Rules, and the Trustee will hold the benefit of the covenants, rights and other obligations of the Issuer or any Obligor herein contained, for the benefit of the Bondholders in accordance with this Deed.
- b. The Parties agree that the appointment of the Trustee shall be specific to the one or more Series of Bonds under the Programme in respect of which the Trustee is specifically named as trustee, and that the Trustee shall be bound by this Deed and the relevant Series Trust Deed.
- c. By execution hereof, the Trustee has accepted and agreed to be bound by and to enforce the powers, and perform the duties and obligations of the Trustee specifically set forth herein and hereby declare itself Trustee for the Bondholders to hold the benefit of the covenants, rights and other obligations on the part of the Issuer or any Obligor herein contained in trust for the benefit of the Bondholders subject to the terms of this Deed and/or any Series Trust Deed.
- d. By execution hereof, the Issuer and the Sponsor accept to be bound by the terms of this Deed and perform their duties and obligations under this Deed.
- e. Any sums received by the Trustee whether of principal, interest or otherwise from the Issuer, shall be received by the Trustee on trust to apply same towards the repayment of Principal Amount and Coupon, fees, indemnities, costs and charges in accordance with this Deed; provided that the rights of each Bondholder as set out in this Deed and the relevant Series Trust Deed is preserved and preferred.
- f. The trust created herein shall be a continuing obligation of the Trustee and shall be of full force and effect until terminated in accordance with this Deed.

15. CONSENTS

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

Directors of the Issuer:

Engr. Alexander Oneoritse Ogedegbe
Mr. Felix Oluwagbemiga Ekundayo
Mr. Fasinro Olusegun Mustapha
Mr. Abubakar Oladotun Folami
Mr. Kamar Oladipo Bakrin
Mr. Babatunde Olakunle Edun
Mr. Martin Olayinka Ekundayo

Directors of the Sponsor:

Engr. Alexander Oneoritse Ogedegbe
Mr. Felix Oluwagbemiga Ekundayo
Mr. Abubakar Oladotun Folami
Mr. Kamar Oladipo Bakrin
Mr. Mustapha Olusegun Fasinro
Mr. Martin Olayinka Ekundayo
Mr. Babatunde Olakunle Edun

Company Secretary:

Hawkes Legal

Lead Issuing House:

Stanbic IBTC Capital Limited

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Joint Issuing Houses:	FCMB Capital Markets Limited Vetiva Advisory Services Limited
Solicitor to the Issuer:	Udo Udoma & Belo Osagie
Solicitors to the Transaction:	Banwo & Ighodalo
Reporting Accountant:	KPMG Professional Services
Registrar:	First Registrars & Investor Services Limited
Bond Trustee:	FBNQuest Trustees Limited
Auditors:	Crowe Dafinone
Rating Agencies:	Agusto & Co. Limited DataPro Limited
Receiving Bank:	Stanbic IBTC Bank Limited

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at the offices of Stanbic IBTC Capital Limited at Stanbic IBTC Towers, Walter Carrington Crescent, Victoria Island, Lagos, between 8:00am and 5:00pm on Business Days, during the validity period of the Programme:

- i. The Certificate of Incorporation of the Sponsor and Issuer;
- ii. The Memorandum and Articles of Association of the Sponsor and Issuer;
- iii. A copy of the resolution dated 31 July 2024 passed at the meeting of the Board of Directors of the Sponsor, recommending of for the approval of the shareholders, the establishment of a Debt Issuance Programme;
- iv. This Prospectus issued in respect of the ₦50,000,000,000 Bond Issuance Programme;
- v. The Sponsor's audited financial statements for the five years ended, 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023;
- vi. The schedule of the claims and litigation referred to above and the Solicitors' opinion thereon;
- vii. The material contracts referred to on page 144 of this Prospectus;
- viii. The written consents referred to on pages 146 to 147 of this Prospectus;
- ix. The Sponsor's Ratings Report;
- x. Letter from the SEC dated 27 November 2024 confirming the registration of the Prospectus.

17. MERGERS AND TAKEOVERS

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

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



July 22, 2024

The Managing Director
Asiko Power Limited
Plot 224, Moshood Abiola Way
Ijora
Lagos

Dear *Sir*,

ESTABLISHMENT OF A ₦50,000,000,000 (FIFTY BILLION NAIRA) BOND ISSUANCE PROGRAMME BY APL FUNDING PLC AND THE ISSUANCE OF SERIES 1 BONDS UNDER THE PROGRAMME UP TO ₦8,500,000,000 (EIGHT BILLION FIVE HUNDRED MILLION NAIRA) (THE "TRANSACTION")

We write further to the Nil Litigation Letter (the "**Letter**") issued by Asiko Power Limited (the "**Sponsor**") in respect of the establishment of a ₦50,000,000,000 (Fifty Billion Naira) bond issuance programme by APL Funding SPV Plc (the "**Issuer**") and the issuance of Series 1 Bonds up to ₦8,500,000,000 (Eight Billion Five Hundred Million Naira) thereunder (the "**Programme**") confirming that as at July 15, 2024 being the ("**Relevant Date**"):

- a) the Sponsor is not involved in any legal action or claim either as claimant or defendant, appellant, respondent or in any other capacity;
- b) the Sponsor is not involved in any third-party claim or any administrative or regulatory proceedings, arbitration, or any other alternative dispute resolution proceedings; and
- c) there is no claim or dispute resolution contemplated against the Sponsor.

Premised on the confirmations provided in the Letter, we hereby confirm that as at the Relevant Date, we are not aware of any claims and litigations involving the Company which may adversely affect the Transaction.

In issuing this Opinion:

- (i) we do not affirm the completeness and/or accuracy of the information provided to us by the Sponsor, which were relied upon in preparing this Opinion;
- (ii) we assume that the Sponsor will confirm the accuracy of the information provided to us as at the date of the Transaction Documents;
- (iii) we therefore abjure any liability that may be attributable to the incompleteness or inaccuracy of the information provided to us or the Sponsor's omission to provide any material information or documentation relating to its claims or liability.

Attorneys list at www.banwo-ighodalo.com

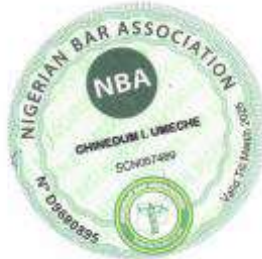
48, Awolowo Road, South-West Ikoyi, Lagos, Nigeria
Ati-Investment House, 30, Aguiyi-Ironsi Street, Maitama, Abuja, Nigeria
3, Woke-Koro Street, Old GRA, Port-Harcourt, Nigeria
T +234 8139841360; 8139841361; 8139841362; 8139841363
E banwo@banwo-ighodalo.com W www.banwo-ighodalo.com



We advise accordingly and are able to provide any clarification you may require with regards to the foregoing.

Yours faithfully,
For: **BANWO & IGHODALO**


CHINEDUM UMECHE FCIarb
PARTNER



Attorney list at www.banwo-ighodalo.com

48, Awolawa Road, South-West Ikoyi, Lagos, Nigeria
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**THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT 2020 (AS AMENDED)
PUBLIC COMPANY LIMITED BY SHARES
RESOLUTION OF THE BOARD OF DIRECTORS
OF
APL FUNDING SPV PLC - RC: 7780420**

At the meeting of the Board of Directors (the “**Board**”) of APL FUNDING SPV PLC (the “**Company**”) duly convened and held at 3pm on the 31st of July, 2024 at Plot 224, Moshood Abiola way, Ijora, Lagos the following were proposed and duly passed as resolutions of the Board of the Company:

1. **THAT** the Company be and is hereby authorised to establish a ₦50,000,000,000.00 (fifty billion Naira) bond issuance programme by way of an offer for subscription, book building process or such other method, in such series and/or tranches, and in such proportions, on such dates and time and on such terms and conditions as may be determined by the Board subject to the approval of the relevant regulatory authorities (“**Programme**”);
2. **THAT** the Company be and is hereby authorised to issue up to ₦8,500,000,000.00 (eight billion five hundred million Naira) fixed rate senior guaranteed bonds as Series 1 under the Programme in such tranches and on such other terms and conditions as the Board may deem fit or determine, subject to obtaining the approval of the relevant regulatory authorities (“**Series 1 Bonds**”);
3. **THAT** the Company be and is hereby authorised to absorb excess monies that may arise from the Series 1 Bond issuance in the event of an over-subscription up to the maximum limit prescribed under applicable regulations and subject to the approval of the relevant regulatory authority.
4. **THAT** any 2 (two) Directors of the Company or a Director and the Company Secretary be and are hereby authorised to execute relevant documents and/or agreements to be entered into by the Company in connection with the Programme and Series 1 Bonds.

APL Funding SPV PLC
Plot 224, Moshood Abiola Way,
Ijora, Lagos
Nigeria
Tel: +234 (1) 293 2262
www.asikoenergy.com

Registration Number: RC 7780420

5. **THAT** the management of the Company be and is hereby authorised to take all necessary steps, including appointing professional parties and advisers, perform such further action and do such further things as may be required to give effect to the above resolutions, including, without limitation, complying with directives of any regulatory authority

Dated this 31st day of July 2024



FELIX OLUWAGBEMIGA EKUNDAYO
DIRECTOR

ABUBAKAR OLADOTUN FOLAMI
DIRECTOR



THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT 2020 (AS AMENDED)
PRIVATE COMPANY LIMITED BY SHARES
RESOLUTION OF THE BOARD OF DIRECTORS
OF
ASIKO POWER LIMITED – RC 784301

At the meeting of the Board of Directors (the “**Board**”) of Asiko Power Limited (the “**Company**”) duly convened and held at 2:00pm on the 31st of July, 2024 at Plot 224, Moshood Abiola Way, Ijora, Lagos, the following were proposed and duly passed as resolutions of the Board of the Company:


1. **THAT** the Company be and is hereby authorised to Sponsor the establishment of a ₦50,000,000,000.00 (fifty billion Naira) Bond Issuance Programme through a wholly-owned Special Purpose subsidiary known as APL Funding SPV PLC (“the **Issuer**”) for the issuance of bonds or any other debt instruments by way of an offer for subscription, book building process or such other method, in such series and/or tranches, and in such proportions, on such dates and time and on such terms and conditions as may be determined by the Board subject to the approval of the relevant regulatory authorities (the “**Programme**”)
2. **THAT** the Company be and is hereby authorised to issue up to ₦8,500,000,000.00 (eight billion five hundred million Naira) through the Issuer (the “**Series 1 Bond**”) under the Programme in such tranches and on such other terms and conditions as the Board may deem fit or determine, subject to obtaining the approval of the relevant regulatory authorities.
3. **THAT** the Company be and is hereby authorised to absorb any excess monies that may arise from the Series 1 Bond issuance in the event of an over-subscription up to the maximum limit prescribed under applicable regulations and subject to the approval of the relevant regulatory authority.
4. **THAT** any 2 (two) Directors of the Company or a Director and the Company Secretary be and are hereby authorised to execute relevant documents and/or agreements to be entered into by the Company in connection with these resolutions.

Asiko Power Limited
Plot 224, Moshood Abiola Way,
Ijora, Lagos
Nigeria
Tel: +234 (1) 293 2292
www.asikoenergy.com

Registration Number: RC 784301

5. **THAT** the management be and is hereby authorised to do all acts and take necessary steps and consent to approve, sign or execute any agreements, deeds or any documents, appoint such professional parties and advisers, perform all such acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with directives of any regulatory authority.

Dated this 31st day of July 2024


FELIX OLUWAGBEMIGA EKUNDAYO
DIRECTOR
ABUBAKAR OLADOTUN FOLAMI
DIRECTOR

FORM OF PRICING SUPPLEMENT

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



APL FUNDING SPV PLC
RC 7780420

**OFFER FOR SUBSCRIPTION OF ₦ [•%] SERIES 1 BONDS DUE [•]
UNDER THE ₦50,000,000,000 (FIFTY BILLION NAIRA) BOND ISSUANCE PROGRAMME**

**BOOKBUILDING OPENS: [•]
BOOKBUILDING CLOSES: [•]**

This Supplement is prepared for the purpose of Rule 279(3)(b) of the Rules and Regulations of the Securities and Exchange Commission (the "Commission" or "SEC"), 2013 (as amended) in connection with the ₦50,000,000,000 (Fifty Billion Naira) Bond Issuance Programme established by APL Funding SPV PLC (the "Issuer"). This Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus, dated 27 December as amended and/or supplemented from time to time. Terms as defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

This document constitutes the Supplement relating to the issue of ₦8,000,000,000 (the "Issue") described herein. The Bonds described herein are issued on and are subject to the General Terms and Conditions of the Bonds as amended and/or supplemented by the Final Terms contained in this Supplement. To the extent that there is any conflict or inconsistency between the contents of this Supplement and the Shelf Prospectus, the provisions of this Supplement shall prevail.

This Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. Any capitalised terms not defined in this Supplement shall have the meanings ascribed to them in the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing Houses.

The registration of the Shelf Prospectus and this Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which forms the subject matter hereof or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Supplement later than three years from the date of the Shelf Prospectus. This Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the "Series 1 Bonds (as applicable)"). Application has been made to the [FMDQ Securities Exchange Limited for the admission of the Bonds to the Daily Official List of NGX]. [The Bonds also qualify as a security in which Trustee may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria 2004].

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

Investors may confirm the clearance of this Prospectus and registration of the Bonds issued thereunder with the Commission by contacting the Commission on sec@sec.gov.ng or +234 (0) 9462 1100 or +234 (0) 9462 1168.

This Supplement is dated [•] 2024

DESCRIPTION OF THE BONDS/ SUMMARY OF FINAL TERMS

FINAL TERMS OF THE SERIES [●] BONDS		
1.	Issuer	APL Funding SPV PLC
2.	Sponsor	Asiko Power Limited
3.	Co-Obligors	[●]
4.	Description of the Bonds:	[●]
5.	Series Number:	1
6.	Aggregate Principal Amount of Bonds:	[●]
7.	Issue Price:	At par at ₦1,000 per Unit of the Bond
8.	Gross Proceeds:	[●]
9.	Net Issue Proceeds	[●]
10.	Tenor:	10 years
11.	Denomination(s):	Minimum of ₦10,000,000 (i.e. 10,000 units at ₦1,000/unit) and multiples of ₦1,000 thereafter
12.	Issue Date:	[●]
13.	Maturity Date:	[●]
14.	Principal Moratorium:	[●]
15.	Interest Basis:	Fixed Rate
16.	Redemption/Payment Basis:	[●]
17.	Undertaking to Pay	The Bonds are backed up by the full faith and credit by the Sponsor (Asiko Power Limited)
18.	Status:	[●]
19.	Security:	Not Applicable
20.	Listing(s):	Application for listing of the Bonds will be made to the FMDQ Securities Exchange and/
21.	Method of Distribution:	Offer for Subscription via Book Building to Qualified Institutional Investors and High Net Worth Individuals
22.	Offer Period	See Timetable on Page [●]
Provisions Relating to Interest (If Any) Payable		
23.	Fixed Rate Note Provisions	[●]
24.	Coupon:	[●]
25.	Coupon Payment Date(s) /Payment Dates:	[●]
26.	Interest Amount(s):	See 'Coupon Payment Schedule' in Appendix [●]
27.	Business Day:	[●]

28.	Other terms relating to method of calculating interest for Fixed Rate Bonds:	[•]
29.	Day Count Fraction	Actual/Actual (Actual number of days in a month / actual number of days in a year)
Provisions Relating to Redemption		
30.	Optional Early Redemption (Call Option):	[•]
31.	Optional Early Redemption (Put Option):	[•]
32.	Scheduled Redemption/Amortization:	[•]
33.	Redemption Amount(s):	In full at final maturity
34.	Scheduled Redemption Dates:	[•]
35.	Final Redemption Amount:	[•]
36.	Event of Default	[•]
Distribution, Clearing and Settlement Provisions		
37.	Lead Issuing House	[•]
38.	Joint Issuing House	[•]
39.	Form of Bonds	[•]
40.	Form of Dematerialised Bonds	[•]
41.	Depository	[FMDQ Depository Limited and/or Central Securities Clearing System Plc]
42.	Registrar	[•]
43.	Trustee	[•]
44.	Record Date	[•]
45.	Other terms or special conditions:	Not Applicable
46.	Underwritten/Book-building:	Book-building
47.	If Underwritten, names of Underwriters	Not Applicable
48.	Rating: (i) Sponsor (ii) Issue	“BBB+” by DataPro “Bbb-“ by Augusto & Co [•]
49.	Taxation:	See “Tax Considerations” on page [•] of the Shelf Prospectus
50.	Risk Factors	See “Risk Factors” on page [•] of the Shelf Prospectus
51.	Governing Law	The Bonds will be governed by, and constructed in accordance with the Laws of the Federal Republic of Nigeria