

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

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 36 HEREOF.



**PRESCO PLC**  
RC 174370

## **₦150,000,000,000 BOND ISSUANCE PROGRAMME SHELF PROSPECTUS**

UNDER THIS ₦150,000,000,000 BOND ISSUANCE PROGRAMME (THE "PROGRAMME"), PRESCO PLC (THE "COMPANY" OR THE "ISSUER") MAY FROM TIME-TO-TIME ISSUE BONDS OR ANY OTHER TYPE OF DEBT SECURITIES, IN SEPARATE SERIES OR TRANCHES (AS DEFINED HEREIN), IN AMOUNTS, AT PRICES, AND ON TERMS TO BE SET OUT IN ANY ACCOMPANYING PRICING SUPPLEMENT (AS DEFINED HEREIN). THE MAXIMUM AGGREGATE NOMINAL AMOUNT OF ALL BONDS (AS DEFINED BELOW) OR ANY OTHER TYPE OF DEBT SECURITIES ISSUED FROM TIME TO TIME AND OUTSTANDING UNDER THIS PROGRAMME SHALL NOT EXCEED ₦150,000,000,000 OVER THE THREE (3) YEAR PERIOD THAT THIS SHELF PROSPECTUS, INCLUDING ANY AMENDMENTS THERETO, REMAINS VALID. 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 TRANCHE OF THE PROGRAMME, TOGETHER WITH THE RELEVANT PRICING SUPPLEMENT.








THIS SHELF PROSPECTUS AND THE SECURITIES THAT IT OFFERS HAVE BEEN APPROVED AND REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"). IT IS A CIVIL WRONG AND CRIMINAL OFFENCE UNDER THE INVESTMENTS & SECURITIES ACT NO. 29 OF 2007 AS AMENDED ("ISA" OR THE "ACT") TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE CLEARANCE AND REGISTRATION OF THIS SHELF PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES FROM ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED HEREIN OR FOR ANY OMISSION OF A MATERIAL FACT. 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 ACT.

THIS SHELF PROSPECTUS HAS BEEN ISSUED IN COMPLIANCE WITH PART IX OF THE ACT, PART F RULE 279 OF THE 2013 RULES AND REGULATIONS OF THE COMMISSION AND THE LISTING REQUIREMENTS OF THE FMDQ SECURITIES EXCHANGE LIMITED ("FMDQ" OR "THE FMDQ EXCHANGE") AND THE LISTING REQUIREMENTS OF THE NIGERIAN EXCHANGE LIMITED ("NGX" OR "THE EXCHANGE") AND CONTAINS PARTICULARS WHICH ARE COMPLIANT WITH THE REQUIREMENTS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE PROGRAMME.

THE REGISTRATION OF THE SHELF PROSPECTUS AND ANY PRICING SUPPLEMENT THEREAFTER DOES NOT IN ANY WAY WHATSOEVER SUGGEST THAT THE COMMISSION ENDORSES OR RECOMMENDS THE SECURITIES IT OFFERS OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED THEREIN. NO SECURITIES WILL BE ALLOTTED OR ISSUED ON THE BASIS OF THIS SHELF PROSPECTUS READ TOGETHER WITH SUPPLEMENTARY SHELF PROSPECTUS OR PRICING SUPPLEMENT LATER THAN THREE (3) YEARS FROM THE DATE OF THIS SHELF PROSPECTUS.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS SHELF PROSPECTUS. TO THE BEST OF ITS KNOWLEDGE AND BELIEF (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF ANY SECURITIES ISSUED UNDER THE PROGRAMME BY CONTACTING THE COMMISSION BY EMAIL ON [SEC@SEC.GOV.NG](mailto:SEC@SEC.GOV.NG) OR BY PHONE ON +234 (0)9 462 1100 OR +234 (0)9 462 1168.

Lead Issuing House/Bookrunner		Joint Issuing Houses/Bookrunners		
<div><b>Stanbic IBTC</b> Capital</div> <div>STANBIC IBTC CAPITAL LIMITED RC: 1031358</div>		<div><b>RMB</b></div> <div>RAND MERCHANT BANK NIGERIA LIMITED RC: 1031371</div>	<div><b>Afrinvest</b> CAPITAL AFRINVEST CAPITAL LIMITED RC: 1706693</div>	
Joint Issuing Houses/Bookrunners				
<div><b>CARDINALSTONE</b></div> <div>CARDINALSTONE PARTNERS LIMITED RC: 739441</div>	<div><b>CORONATION</b></div> <div>CORONATION MERCHANT BANK LIMITED RC: 207138</div>	<div><b>FBNQuest</b> Merchant Bank</div> <div>FBNQUEST MERCHANT BANK LIMITED RC: 264978</div>	<div><b>FCMB</b> CAPITAL MARKETS</div> <div>FCMB CAPITAL MARKETS LIMITED RC: 446561</div>	<div><b>GREENWICH</b> MERCHANT BANK</div> <div>GREENWICH MERCHANT BANK LIMITED RC: 189502</div>

**This Shelf Prospectus is dated 31 January 2025**

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

[www.presco-plc.com](http://www.presco-plc.com); [www.sec.gov.ng](http://www.sec.gov.ng)

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## IMPORTANT NOTICES

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This Shelf Prospectus has been prepared on behalf of Presco PLC in connection with the Programme, pursuant to which the Issuer proposes to issue Bonds in such Series or Tranches, with varying maturity date, terms and conditions, and is issued for the purpose of giving information to prospective investors in respect of the Bonds described herein. The Commission has cleared and registered this Shelf Prospectus and will register the Bonds as they are issued under each Series.

The Board of Directors of the Issuer accepts full responsibility for the accuracy of all information contained in this Shelf Prospectus. The Board of Directors confirms (having taken all reasonable care to ensure that is the case) that the information contained in this Shelf Prospectus is correct and does not omit anything likely to affect the import of such information and is in accordance with facts and the relevant SEC Rules.

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

Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, any of the Professional Parties that any recipient of this Shelf Prospectus or any other information supplied in connection with the Bonds should purchase the Bonds.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from any of the Professional Parties to any prospective investor. 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. Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds constitutes an offer or invitation by or on behalf of the Issuer, any of the Professional Parties to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer 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 Professional Parties expressly do not undertake to review the financial condition or affairs of the Issuer throughout the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Professional Parties have not separately verified the information contained in this Shelf Prospectus and accordingly, no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Professional Parties as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on Professional Parties, or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision.

The distribution of this Shelf Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States of America, the United Kingdom, the European Economic Area, Canada, Japan, Australia, the Republic of South Africa and certain other jurisdictions. None of the Issuer, the Issuing Houses or the other Professional Parties, 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 thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Issuing Houses or the other Professional Parties, which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required.

## IMPORTANT NOTICES

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The Issuer and the Issuing Houses do not represent that this Shelf Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

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 arithmetic aggregation of the figures, which precede them.

***The Bonds have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulations under the Securities Act.***

## KEY TERMS AND ABBREVIATIONS

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

<b>“AfCFTA”</b>	Africa Continental Free Trade Area
<b>“Allotment”</b>	The issue of Bonds to successful investors pursuant to the applicable Pricing Supplement
<b>“Allotment Date”</b>	The date on which bonds are allotted to successful investors
<b>“Applicable Pricing Supplement”, “Pricing Supplement” or “Supplement”</b>	The document(s) to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series issued under the Programme and read in conjunction with the Shelf Prospectus
<b>“Auditor”</b>	Deloitte and Touche, or any successor auditor which may be appointed in future from time to time by the Issuer
<b>“Board” or “Directors” or “Board of Directors”</b>	The members of the board of directors of the Issuer
<b>“Bonds”</b>	The registered bonds issued by the Issuer from time to time under the Programme with the aggregate value not exceeding ₦150,000,000,000, in accordance with the terms of this Shelf Prospectus and any Applicable Pricing Supplement
<b>“Bondholder” or “Holder”</b>	Any registered owner of the Bonds to be issued under any series and tranche under this Programme and shall include the legal and personal representatives or successors of the Bondholders
<b>“Bond Issuance Programme” or the “Programme”</b>	The ₦150,000,000,000 bond issuance programme being established by the Issuer as described in this Shelf Prospectus, pursuant to which the Issuer may issue Series or Tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦150,000,000,000
<b>“Book”</b>	The collation of all bids received from Qualified Institutional Investors and High Net Worth Investors in respect of Bonds issued under the Programme which are being sold by way of Book Building indicating the value of the bids and the respective allocations
<b>“Book Building”</b>	As defined in Rule 321 of SEC Rules, 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 Investors and High Net Worth Investors
<b>“Bookrunner(s)”</b>	The Issuing House(s) duly appointed by the Issuer to manage the Book in respect of the Bonds being sold by way of Book Building
<b>“Business Day”</b>	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for general banking business in Lagos, Nigeria
<b>“CAC”</b>	Corporate Affairs Commission
<b>“CAMA”</b>	Companies and Allied Matters Act No.3 of 2020 (as amended from time to time)
<b>“CBN”</b>	Central Bank of Nigeria
<b>“CGT Act”</b>	Capital Gains Tax Act, Chapter C1, LFN 2004 (as amended by the Finance Acts)
<b>“CIRAD”</b>	Centre for International Cooperation in Agricultural Research for Development
<b>“CIT”</b>	Companies Income Tax

## KEY TERMS AND ABBREVIATIONS

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<b>“CITA”</b>	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)
<b>“Conditions” or “Terms and Conditions”</b>	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the Bonds” in this Prospectus, in the Pricing Supplement and Trust Deeds
<b>“Coupon”</b>	The interest payable on any Bond (other than a Zero-Coupon Bond) periodically to Bondholders as specified in the Applicable Pricing Supplement
<b>“Coupon Commencement Date”</b>	In relation to the Bonds of any Series or Tranche, the date specified in the applicable Pricing Supplement from (and including) 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)
<b>“Coupon Payment Date”</b>	The date on which Coupon is to be paid to Bondholders as specified in the applicable Pricing Supplement
<b>“Coupon Period”</b>	Coupon Period as defined in the Programme Trust Deed
<b>“Coupon Rate”</b>	The rate or rates (expressed as a percentage per annum) of interest payable in respect of the Bonds specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions of the Applicable Pricing Supplement
<b>“CSCS”</b>	Central Securities Clearing System Plc
<b>“Daily Official List”</b>	The publication of NGX, published daily, detailing price movements and information on all securities quoted on the Exchange
<b>“Daily Quotations List”</b>	The publication of the FMDQ, published daily, providing information on all securities quoted on the FMDQ
<b>“Depository” or “CSD”</b>	Central Securities Clearing Systems, operated by Central Securities Clearing Systems PLC, FMDQ Depository Limited or any successor depository licensed by SEC which may be appointed in the future
<b>“Details of Indebtedness”</b>	As of 30 June 2024, the total indebtedness of the Issuer was ₦59.31 billion.
<b>“ETLS”</b>	ECOWAS Trade Liberalisation Scheme
<b>“Event of Default”</b>	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
<b>“Exchange” or “Exchanges”</b>	FMDQ Securities Exchange Limited and/or The Nigerian Exchange Limited
<b>“Extraordinary Resolution”</b>	A resolution that is passed by a majority consisting of not less than 3/4th (three-fourths) of the persons present and voting thereat upon a show of hands, or if a poll is demanded, by Bondholders holding not less than 3/4th (three-fourths) in value of the Bonds held by the Bondholders present or represented by proxies at the meeting
<b>“Face Value” or “Par Value”</b>	The value the Bondholder will get per Bond on the Maturity Date
<b>“Federal Government” or “FGN” or “Government”</b>	Federal Government of Nigeria
<b>“Finance Acts”</b>	Finance Act, 2019, 2020, 2021 and 2023
<b>“FIRS”</b>	Federal Inland Revenue Service

## KEY TERMS AND ABBREVIATIONS

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<b>“Fixed Rate Bonds”</b>	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis as prescribed in the applicable Pricing Supplement and will not change during the life of the Bonds
<b>“Floating Rate Bonds”</b>	Bonds in respect of which Coupon is to be calculated and paid on a floating rate basis in accordance with a variable benchmark rate as prescribed in the Applicable Pricing Supplement
<b>“FMDQ” or “FMDQ Exchange”</b>	FMDQ Securities Exchange Limited
<b>“FRCoN”</b>	Financial Reporting Council of Nigeria
<b>“GCR”</b>	Global Credit Rating Company Limited
<b>“GDP”</b>	Gross Domestic Product
<b>“High Net Worth Investor” or “HNI”</b>	As defined in Rule 321 of SEC Rules
<b>“IASB”</b>	The International Accounting Standards Board
<b>“IFRS”</b>	International Financial Reporting Standards (formerly International Accounting Standards) issued by IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time)
<b>“Instruments”</b>	Any registered Bond issued by the Issuer under the Bond Issuance Programme
<b>“ISA”</b>	Investments and Securities Act (No. 29 of 2007) (as amended)
<b>“Issue Date”</b>	The date on which a Bond is issued as specified in the applicable Pricing Supplement
<b>“Issue Price”</b>	The price at which a Bond is issued as specified in the Applicable Pricing Supplement
<b>“Issuer” or the “Company”</b>	Presco PLC
<b>“Issuing Houses”</b>	The Lead Issuing House and the Joint Issuing Houses
<b>“Joint Issuing Houses”</b>	Rand Merchant Bank Nigeria Limited, Afrinvest Capital Limited, CardinalStone Partners Limited, Coronation Merchant Bank Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited and Greenwich Merchant Bank Limited, and any other person that may be appointed as a Joint Issuing House
<b>“Lead Issuing House”</b>	Stanbic IBTC Capital Limited
<b>“LFN”</b>	Laws of the Federation of Nigeria 2004
<b>“Majority Bondholders”</b>	Means at any time after the issue of the Bond, Bondholders representing sixty-seven percent (67%) or more of the Principal Amount Outstanding at any particular time
<b>“Material Adverse Change”</b>	Any event or circumstances which gives rise to a Material Adverse Effect
<b>“Material Adverse Effect”</b>	Means any event or circumstance which, based on the certified opinion of an Independent Expert, when taken alone or together with any previous event or circumstance, has or could be expected to have, an adverse effect on all or any of: <ul style="list-style-type: none"><li>a) the assets, business or financial condition of the Issuer;</li><li>b) the ability of the Issuer to perform its obligations under the programme Trust Deed; or</li></ul>

	c) the rights of the Bondholders under the Programme Deed
<b>“Maturity Date”</b>	The final redemption date as specified in the relevant Pricing Supplement on which the Redemption Amount is due to be paid
<b>“Naira”, “NGN” or “₦”</b>	The Nigerian Naira
<b>“NBS”</b>	National Bureau of Statistics
<b>“Nigeria”</b>	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
<b>“NGX”</b>	Nigerian Exchange Limited
<b>“NIBSS”</b>	Nigerian Inter-Bank Settlement System
<b>“Offer Documents”</b>	Documents prepared in relation to the Programme and each Series including this Shelf Prospectus, each applicable Pricing Supplement, the Programme Trust Deed, Series Trust Deeds, Vending Agreement and any other documents as may be required by the Commission
<b>“PFA”</b>	Pension Fund Administrator
<b>“PIT”</b>	Personal Income Tax
<b>“PITA”</b>	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
<b>“Principal Amount”</b>	The nominal amount of each Bond, as specified in the applicable Pricing Supplement
<b>“Principal Amount Outstanding”</b>	The principal amount outstanding and remaining unredeemed on the Bonds at any particular time
<b>“Professional Parties”</b>	Professionals engaged by the Issuer to advise on the establishment of the Bond Issuance Programme and the issuance of Bonds thereunder as listed out on Pages 16 to 17 of this Shelf Prospectus
<b>“Programme Trust Deed”</b>	The programme trust deed on or about the date of this Shelf Prospectus between the Issuer and the Trustees in connection with, and by which, the Bond Issuance Programme is constituted
<b>“Qualified Institutional Investor”</b>	As defined in the Rule 321 of SEC Rules
<b>“Rating Agency(ies)”</b>	Global Credit Rating Company Limited or any other rating agency that may be appointed by the Issuer
<b>“Record Date”</b>	The date on which the list of holders of the Bonds is extracted from the Register for the purposes of making Principal Amount and Coupon payments
<b>“Receiving Bank”</b>	Access Bank PLC, Stanbic IBTC Bank Limited and any other person that may be appointed to the role of receiving bank
<b>“Recognised Securities Exchange”</b>	NGX or FMDQ or any other securities exchange so licensed by SEC on which the Bonds will be listed
<b>“Redemption Amount”</b>	The aggregate Principal Amount and any applicable Coupon outstanding in respect of a Series on the Maturity Date as specified in the applicable Pricing Supplement
<b>“Register”</b>	The Bond register kept at the specified office of the Registrar into which shall be entered the names and addresses of each



	Bondholder and the particulars, transfers and redemption of the Bonds held by each Bondholder for the relevant Series
<b>“Registrar”</b>	First Registrar and Investor Services Limited or any other person so appointed by the Issuer
<b>“Related Party”</b>	Any corporate entity, which is the Issuer’s subsidiary or holding company or a subsidiary of the Issuer’s holding company
<b>“Reporting Accountants”</b>	KPMG Professional Services or any other person that may be appointed as Reporting Accountants by the Issuer
<b>“Reverse Floating Bonds”</b>	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
<b>“SEC Rules”</b>	The Rules and Regulations of SEC, 2013 (as amended from time to time), issued by the SEC pursuant to the ISA
<b>“SEC” or “The Commission”</b>	Securities and Exchange Commission
<b>“Series”</b>	Tranche together with any further Tranche or Tranches which are: <ul style="list-style-type: none"><li>- expressed to be consolidated and form a single series; and</li><li>- are identical in all respects (including as to listing) except for their respective Issue Dates, Maturity Dates, Coupon Payment Dates and/or Issue Prices (as applicable)</li></ul>
<b>“Series Trust Deed”</b>	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees with regards to a specific Series or Tranche
<b>“Shelf Prospectus” or “Prospectus”</b>	This prospectus that the Issuer has filed in accordance with SEC Rules, which contains details of the Bond Issuance Programme
<b>“Tranche”</b>	Bonds which are identical in all respects except for their respective Issue Dates, Bond Maturity Dates, Coupon Commencement Dates and/or Issue Prices (as applicable)
<b>“Trust Deeds”</b>	The Programme Trust Deed and the Series Trust Deed(s)
<b>“Trustees” or “Joint Trustees” or “Bond Trustees”</b>	Stanbic IBTC Trustees Limited, Coronation Trustees Limited and Leadway Capital and Trusts Limited which are granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme and such other Trustees that may be appointed from time to time by the Issuer
<b>“USD” or “\$”</b>	United States Dollars
<b>“Validity Period”</b>	A period expiring three years from the date of SEC approval of this Shelf Prospectus, during which, bonds may be issued under the Programme
<b>“VAT”</b>	Value Added Tax
<b>“VAT Act”</b>	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)
<b>“WHT”</b>	Withholding Tax as provided for in section 78(2) of CITA, and as amended therefrom.
<b>“Zero-Coupon Bond”</b>	A non-interest-bearing Bond or similar securities

## FORWARD LOOKING STATEMENTS

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Certain statements included herein and in any Applicable Pricing Supplement may constitute forward-looking statements that involve a number of risks and uncertainties. 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”, “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. All statements other than statements of historical facts included in this Shelf Prospectus are forward-looking statements. 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 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 Issuer’s actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized. In the event that the Issuer’s actual results of operations, financial condition, liquidity and the development of the industry in which the Issuer operates are consistent with the forward-looking statements contained in this Shelf Prospectus, it is not guaranteed that those results or developments would be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Issuer’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 Issuer’s 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 Issuer’s products and services;
- Interest rate fluctuations and other capital market conditions;
- Exchange rate fluctuations;
- The timing, impact and other uncertainties of future actions; and
- Other national emergencies.

The list above is not exhaustive. The sections of this Shelf Prospectus entitled “**Risk Factors**”, “**Industry Overview**”, “**Overview of Presco PLC**”, “**Reporting Accountants’ Report**” and “**Statutory and General Information**” contain more detailed discussions of the factors that could affect the Issuer’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.

Nevertheless, when evaluating forward-looking statements, prospective investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Shelf Prospectus.

The Issuer does 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 securities should not place undue reliance on these forward-looking statements.

Additional information on the Issuer or the Programme may be obtained through the offices of the Issuing Houses on any Business Day during the period of the respective opening and closing dates of the issuance of the Bonds under the Bond Issuance Programme, provided the Issuing Houses possess such information or can acquire it without unreasonable effort or expense.

## **OTHER INFORMATION**

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This Shelf Prospectus should be read and construed in conjunction with the Issuer's audited annual reports for the financial years ended 2019 to 2023, comprising the audited annual financial statements of the Issuer and prepared in compliance with the IFRS (which include standards and interpretations approved by the FRCoN), together with its pronouncements thereon from time to time, and applied on a consistent basis.

### **THIRD PARTY INFORMATION**

The Issuer has 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 has accurately reproduced such information and, so far as the Issuer is aware and is 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 Issuer's estimates are based on such third-party information. Neither the Issuer, nor the Professional Parties have 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, the International Monetary Fund (the "IMF") and the NBS.

### **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.

### **AMENDMENTS TO THE SHELF PROSPECTUS**

In the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus, which can affect the assessment of the Bonds, the Issuer shall prepare an addendum to this Shelf Prospectus. The addendum shall also be subject to the clearance and approval of the Commission.

Following the registration of this Shelf Prospectus, a Supplementary Prospectus or Pricing Supplement (in relation to a Series or Tranche) may be prepared by the Issuer for the approval of SEC, as the case may be, in accordance with Rule 279(3)(6)(b) of 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 declares that, to the best of its 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 Supplementary Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Bonds.



## Presco Plc

July 2, 2024

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

Dear Sir

### Establishment of Presco PLC's NGN150,000,000,000 Bond Issuance Programme and up to NGN100,000,000,000 Series 1 bond issuance under the Programme (the "Transaction") – Issuer's Sworn Declaration

This Shelf Prospectus have been prepared by the Issuing Houses on behalf of Presco Plc (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer in connection with the Transaction (the "Shelf Prospectus").

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

1. We confirm that the information contained in the Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.
2. There has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the audited financial statements for the period ended 31 December 2023.
3. The Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Shelf Prospectus; and
4. No prosecution has been commenced against the Issuer during the 12 (twelve) calendar months immediately preceding in respect of any breach or contravention of any securities of the Companies and Allied Matters Act, 2020 or the listing requirements of a recognized securities exchange.

SIGNED for and on behalf of  
Presco Plc

By its duly authorised representatives:

  
M/D CEO  
Reji George

  
Chief Financial Officer  
Johnson Amandor

  
ABDUL TAIWO & CO  
COMPANY SECRETARIES  
Company Secretary  
Alayo Ogunbiyi

PRESKO PLC

HEAD OFFICE - OBARETIN ESTATE

Km 22 Benin-Sapele Road | P.O. Box 7061 | Benin City | Edo State | Nigeria  
T +234 803 413 4444 | E: presco@siat-group.com | Rc 174370 | www.presco.com

Olakanmi Rasheed Sarumi (Chairman) | Reji George (MD/CEO) | Felix O. Nwabuko | Osa Osunde | Chief (Dr.) Bassey E.O. Edem, MFR |  
HRH (Prince) Aigubasimwin O. Akenzua | Amb. Nonye Udo | Mrs. Ingrid Gabrielle J. Vandewiele (Belgian) |  
Jan Van Eykeren (Dutch) | Abdul Akhor Bello | Mrs Grace Titilayo Osuntoki



July 2, 2024

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

Dear Sir

**Establishment of Presco PLC's NGN150,000,000,000 Bond Issuance Programme and up to NGN100,000,000,000 Series 1 bond issuance under the Programme (the "Transaction") - Confirmation of Going Concern**

Presco Plc (the "Issuer") is in the process of establishing a ₦150,000,000,000 Bond Issuance Programme registered with the Securities and Exchange Commission (the "Commission").

Based on the review of our audited financial statements for the year ended 31 December 2023, we have reasonable expectation that Presco Plc 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 Presco Plc**

By its duly Authorised Representatives:

  
Felix Onwuchekwa Nwabuko  
Director

  
Reji George  
Director



BEFORE ME  
  
NOTARY PUBLIC

**PRESKO PLC**

**HEAD OFFICE - OBARETIN ESTATE**

Km 22 Benin-Sapele Road | P.O. Box 7061 | Benin City | Edo State | Nigeria  
T +234 803 413 4444 | E: presco@siat-group.com | Rc 174370 | www.presco.com

Olakanmi Rasheed Sarumi (Chairman) | Reji George (MD/CEO) | Felix O. Nwabuko | Osa Osunde | Chief (Dr.) Bassey E.O. Edem, MFR |  
HRH (Prince) Aigubasimwin O. Akenzua | Amb. Nonye Udo | Mrs. Ingrid Gabrielle J. Vandewiele (Belgian) |  
Jan Van Eykeren (Dutch) | Abdul Akhor Bello | Mrs Grace Titilayo Osuntoki



P.O. Box 965  
Marina  
Lagos  
Nigeria

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe Avenue  
Victoria Island  
Lagos  
Nigeria

Tel: +234 (1) 904 1700  
[www.deloitte.com.ng](http://www.deloitte.com.ng)

10 July 2024

The Directors  
**Presco Plc**  
Obaretin Estate  
KM 22 Benin-Sapele Road  
Benin city, Edo, Nigeria.

The Directors  
**Stanbic IBTC Capital Limited**  
Stanbic IBTC Towers  
Walter Carrington Crescent  
Victoria Island, Lagos.

Dear Sirs,

**CONFIRMATION OF GOING CONCERN STATUS OF PRESKO PLC.**

Presco Plc is in the process of establishing a N150 billion bond issuance programme registered by the Securities and Exchange Commission (SEC) and issuance of Series 1 bond under the programme.

We have carried out the audit of the financial statements of Presco Plc for the year ended 31 December 2023, which were prepared in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2013.

We confirm that the audited financial statements of Presco Plc for the year ended 31 December 2023 were on a going concern basis that Presco Plc would continue as a going concern in the next 12 (Twelve) months from the date of our report (30 April 2024). Therefore, we considered it appropriate that the Directors of Presco Plc have prepared the financial statements for the year ended 31 December 2023 on a going concern basis.

This letter has been prepared only for the purposes of compliance with the rules and regulations of SEC regarding the issuance of the bond.

Yours faithfully,

Folorunso Hunga  
For: Deloitte & Touche  
Lagos, Nigeria.



The list of Partners and Partner equivalents is available in our office.

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



## Directors and Company Secretary of the Issuer

Olakanmi Rasheed Sarumi (Chairman)  
Obaretin Estate  
Km 22 Benin Sapele Road  
Benin City  
Edo State

Jan Van Eykeren (Non-Executive Director)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Reji George  
(Managing Director / Chief Executive Officer)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Abdul Akhor Bello (Non-Executive Director)  
(Audit Committee Member)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Felix Onwuchekwa Nwabuko (Executive Director)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Nonye Udo Esther (Independent Non-Executive Director)  
(Audit Committee Member)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Ingrid Gabrielle Vandewiele (Non-Executive Director)  
(Audit Committee Member)  
Obaretin Estate  
Km 22 Benin Sapele Road.  
Benin City  
Edo State

Abdulai, Taiwo & Co (Company Secretaries)  
Goodwill House  
278 Ikorodu Road.  
Lagos State

**Abdulai, Taiwo & Co**  
Alayo Ogunbiyi  
Company Secretaries

## Issuing Houses

Stanbic IBTC Capital Limited (Lead)  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

Rand Merchant Bank Nigeria Limited  
3rd Floor, Wings East Tower  
17A Ozumba Mbadiwe Street  
Victoria Island  
Lagos

Afrinvest Capital Limited  
27 Gerrard Road  
Ikoyi  
Lagos

CardinalStone Partners Limited  
5 Okotie Eboh Street  
Off Awolowo Road  
Ikoyi  
Lagos

Coronation Merchant Bank Limited  
10 Amodu Ojikutu Street  
Victoria Island  
Lagos

FBNQuest Merchant Bank Limited  
2 Broad Street  
Lagos Island  
Lagos

FCMB Capital Markets Limited  
First City Plaza  
44 Marina  
Lagos

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

## Solicitor to the Transaction

Udo Udoma & Belo-Osagie  
St. Nicholas House (10th & 13th Floors)  
Catholic Mission Street  
Lagos

## Solicitor to the Issuer

Abdulai, Taiwo & Co  
Goodwill House  
278 Ikorodu Road  
Lagos

Alayo Ogunbiyi

## Trustees

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

Coronation Trustees Limited  
10 Amodu Ojikutu Street  
Victoria Island  
Lagos

OPEYEMI SASIK



**PARTIES TO THE PROGRAMME**

**Leadway Capital and Trusts Limited**  
Leadway House  
121/123 Funso Williams Avenue  
Iponri  
Lagos

*Enile*  
**SOLA SEWEE**

Reporting Accountant	Auditor
<b>KPMG Professional Services</b> KMPG Tower Bishop Aboyade Cole Street Victoria Island Lagos	<b>Deloitte and Touche</b> Civic Towers Plot GA1, Ozumba Mbadiwe Road Victoria Island Lagos

*A. A. Oyelom*  
*Adegoke Oyelom*

*FORUNSO*  
*HUSA*

*my*

**Rating Agency**

**Global Credit Rating Company Limited**  
New Africa House (11th Floor)  
31 Marina  
Lagos

*Shelly*  
**Sulal Byola**

**Registrar**

**First Registrars & Investor Services Limited**  
No 2, Abebe Village Road  
Iganmu  
Lagos

*Shelly*  
*Shelly*  
*Shelly*

**Contact Information:**

Website: [www.firstregistrarsnigeria.com](http://www.firstregistrarsnigeria.com)  
Email: [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com)  
Telephone: 02012701078, 09154123719








## DOCUMENTS TO BE INCORPORATED BY REFERENCE

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

1. Each Applicable Pricing Supplement or Supplementary Prospectus relating to any Series or Tranche issued under this Prospectus.
2. The audited accounts (and notes thereto) and any audited interim financial statements published subsequent to such audited accounts of the Issuer for the five financial years prior to each issue of Bonds under this Programme, which shall be deemed to be incorporated in, and to form part of this Shelf Prospectus and which shall be deemed to modify and supersede the contents of this Shelf Prospectus as appropriate.

The Issuer 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 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 Shelf Prospectus and any Supplementary Prospectus (as applicable) are accessible, and copies of them are available free of charge at the offices of the Issuing Houses (as set out below) from 8:00 am till 5:00 pm on Business Days, and on the website of the Issuer ([www.presco-plc.com](http://www.presco-plc.com)), during the Validity Period. Requests for additional documents and telephone enquiries shall be directed to the Issuing Houses at the addresses stated below (except as otherwise stated in the relevant Pricing Supplement):








Lead Issuing House/Bookrunner		Joint Issuing Houses/Bookrunners		
<div><b>Stanbic IBTC</b> Capital</div> <div>STANBIC IBTC CAPITAL LIMITED RC: 1031358</div>		<div><b>RMB</b></div> <div>RAND MERCHANT BANK NIGERIA LIMITED RC: 1031371</div>	<div><b>Afrinvest</b> CAPITAL</div> <div>AFRINVEST CAPITAL LIMITED RC: 1706693</div>	
Joint Issuing Houses/Bookrunners				
<div><b>CARDINALSTONE</b></div> <div>CARDINALSTONE PARTNERS LIMITED RC: 739441</div>	<div><b>CORONATION</b></div> <div>CORONATION MERCHANT BANK LIMITED RC: 207138</div>	<div><b>FBNQuest</b> Merchant Bank</div> <div>FBNQUEST MERCHANT BANK LIMITED RC: 264978</div>	<div><b>FCMB</b> CAPITAL MARKETS</div> <div>FCMB CAPITAL MARKETS LIMITED RC: 446561</div>	<div><b>GREENWICH</b> MERCHANT BANK</div> <div>GREENWICH MERCHANT BANK LIMITED RC: 189502</div>

## THE PROGRAMME

This Shelf Prospectus is issued pursuant to the ISA, SEC Rules, listing and quotation requirements of the Recognised Securities Exchange and contains particulars in compliance with the requirements of SEC for the purpose of giving information to the public with regard to the Programme. 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 Pricing Supplement and shall include the specific designation, aggregate principal amount, the currency or 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 the NGX and/or the FMDQ for the admission of such Bonds to the relevant exchange. The Bonds also qualify as a security in which Trustees may invest under the Trustee Investments Act Chapter T22, LFN 2004.

Each Director of the Issuer represents that he/she has taken reasonable care to ensure that the information concerning the Issuer contained in this Shelf Prospectus is true and accurate in all material respects as at the date of this Shelf 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. Investors are advised to note that the liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided Sections 85 and 86 of the ISA.

Sections 65 and 66 of the ISA.

Lead Issuing House/Bookrunner		Joint Issuing Houses/Bookrunners		
<div><b>Stanbic IBTC</b> Capital</div> <div>STANBIC IBTC CAPITAL LIMITED RC: 1031358</div>		<div><b>RMB</b></div> <div>RAND MERCHANT BANK NIGERIA LIMITED RC: 1031371</div>	<div><b>Afrinvest</b> CAPITAL</div> <div>AFRINVEST CAPITAL LIMITED RC: 1706693</div>	
Joint Issuing Houses/Bookrunners				
<div><b>CARDINALSTONE</b></div> <div>CARDINALSTONE PARTNERS LIMITED RC: 739441</div>	<div><b>CORONATION</b></div> <div>CORONATION MERCHANT BANK LIMITED RC: 207138</div>	<div><b>FBNQuest</b> Merchant Bank</div> <div>FBNQUEST MERCHANT BANK LIMITED RC: 264978</div>	<div><b>FCMB</b> CAPITAL MARKETS</div> <div>FCMB CAPITAL MARKETS LIMITED RC: 446561</div>	<div><b>GREENWICH</b> MERCHANT BANK</div> <div>GREENWICH MERCHANT BANK LIMITED RC: 189502</div>

### ON BEHALF OF



**PRESCO PLC**  
RC 174370

are authorised to issue this Shelf Prospectus in respect of the  
**₦150,000,000,000 Bond Issuance Programme**

This Shelf Prospectus has been registered with SEC. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that SEC endorses or recommends the Bonds described herein or assumes responsibility for the correctness of any statements made or opinions or reports included herein.

This Shelf Prospectus must be read in conjunction with the relevant Pricing Supplement to be issued by the Company from time to time within the Validity Period. No Bonds will be issued on the basis of this Shelf Prospectus read together with any Pricing Supplement later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus **unless the Validity Period is renewed by SEC.**

This Shelf Prospectus contains:

1. on page 13, a declaration dated 02 July 2024 to the effect that the Issuer and its subsidiaries 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 pages 26 to 35, the Terms and Conditions of the Notes;
3. on pages 71 to 72 the Reporting Accountants' Report on the Issuer's historical financial information, prepared by KPMG Professional Services for incorporation in this Shelf Prospectus;
4. on page 50, an extract of the rating report prepared by Global Credit Rating Company Limited; and
5. on page 80, the details and summary of the claims and litigation against the Issuer prepared by the Solicitors to the Transaction, Udo Udoma & Belo-Osagie

## DESCRIPTION OF THE PROGRAMME

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*The information contained in this section is a summary of certain aspects of the Programme and the principal features of the 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, in relation to any particular Series, 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 documentation framework**

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

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 relevant Pricing Supplement containing specific terms relating to that particular issue of a Series of Tranche of Bonds;
- iii. a Programme Trust Deed between the Issuer and the Trustees setting out inter alia, the powers, rights, obligations/duties of the Trustees in relation to the Bonds issued under the Programme;
- iv. Series Trust Deed will be entered into constituting each Series issued by the Issuer, and will contain specific terms relating to that particular issue of Bonds; and
- v. Vending Agreement between the Issuer and the Issuing Houses in connection with the roles of management and marketing of the offer amongst others. These will be prepared on a series by series basis.

The documentation of each Series will specify which Bonds are being issued. Documentation relating specifically to the issuance of Bonds will be filed and reviewed by FMDQ and/or SEC, as applicable.

### **Validity period of the shelf prospectus and delivery of documents**

This Shelf Prospectus is valid from its date until 31 January 2028 (“**Validity Period**”). No Bonds shall be issued or allotted on the basis of this Shelf Prospectus read together with the Applicable Pricing Supplement(s) later than the Validity Period or any other validity period as enforced by SEC from time to time unless the Validity Period is renewed by the Commission.

This Shelf Prospectus can be obtained free of charge from the offices of the Issuer and any of the Issuing Houses and can also be downloaded from the respective websites of the Commission and the Issuer, throughout its Validity Period.

## 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 and, in relation to any particular Series, the applicable Pricing Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus. Words and expressions defined in “Form of the Bonds” and “Terms and Conditions of the Bonds” shall have the same meanings in this summary:*

TERMS	DESCRIPTION
<b>Issuer</b>	Presco PLC
<b>Guarantor</b>	Where a particular Series of Bonds may be guaranteed, refers to the guarantor specified in the applicable Pricing Supplement
<b>Programme Description</b>	<p>A bond issuance programme undertaken by the Issuer of convertible and non-convertible, debt instruments to be issued in Series, and or Tranches with varying Maturity Dates may be issued, the maximum aggregate Principal Amount outstanding of which, shall not exceed the Programme Limit. The Programme covers Fixed Rate Bonds, Floating Rate Bonds, Zero Coupon Bonds and any combinations thereof and in any other format recognised by SEC, all of which shall be denominated in Naira, as may be agreed between the Issuing Houses and the Issuer and specified in the applicable Supplement</p> <p>No Bonds shall be offered on the basis of this Shelf Prospectus or any Pricing Supplement after the expiration of the Validity Period or any other validity period as enforced by SEC from time to time unless the Validity Period is renewed by SEC</p> <p>The Bonds shall be constituted by the Programme Trust Deed. A Series Trust Deed will be issued in respect of each Series, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Series Trust Deed</p>
<b>Programme Limit</b>	₦150,000,000,000 (One Hundred and Fifty Billion Naira) aggregate principal amount of Bonds outstanding at any one time
<b>Issue Price</b>	At par. ₦1,000 per unit of the Bond
<b>Lead Issuing House</b>	Stanbic IBTC Capital Limited or such other issuing house as may be specified in the Applicable Pricing Supplement
<b>Joint Issuing House(s)</b>	Rand Merchant Bank Nigeria Limited, Afrinvest Capital Limited, CardinalStone Partners Limited, Coronation Merchant Bank Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited and Greenwich Merchant Bank Limited and any other issuing house(s) appointed from time to time either in relation to the Programme or for a specific Series issued under the Programme
<b>Trustees</b>	Stanbic IBTC Trustees Limited, Coronation Trustees Limited and Leadway Capital and Trusts Limited which are granted fiduciary power by the Issuer to enforce the terms and conditions under the Trust Deeds and such other Trustees that may be appointed from time to time by the Issuer as disclosed in the relevant Pricing Supplement
<b>Registrar / Paying Agent</b>	First Registrar and Investor Services Limited and/or such other registrar/paying agent as may be specified in the Applicable Pricing Supplement
<b>Method of Issue</b>	The Bonds under this Programme may be issued via an offer for subscription, auction or private placement, through a Book Building process and/or any other methods as specified in the Applicable Pricing Supplement approved by SEC
<b>Issuance in Series</b>	The Bonds will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Bonds in each Series will have identical terms (except that the Issue Date, Maturity Date, Issue Price, Coupon Commencement Date and related matters may be different). Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement

<b>Issuance in Tranches</b>	Each Series may be issued in Tranches and the Bonds in each Tranche will have identical terms (except that the Issue Date, Maturity Date, Issue Price, Coupon Commencement Dates and related matters may be different)
<b>Denominations</b>	The Bonds will be issued in such denominations as specified in the Applicable Pricing Supplement
<b>Currency</b>	The Bonds shall be denominated in Naira (₦) and specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements.
<b>Use of Proceeds</b>	The net proceeds from each Series or Tranche under the Programme will be used solely for the purposes for which the Bonds were issued and shall be disbursed in the manner disclosed in the Applicable Pricing Supplement
<b>Maturity Date</b>	As specified in the Applicable Pricing Supplement
<b>Tenor</b>	The tenor of a particular Series or Tranche shall be determined by the Issuer in consultation with the Issuing Houses and specified accordingly in the Applicable Pricing Supplement for the Bonds being issued
<b>Tax Status of the Bonds</b>	<p>Following the expiration of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the “CITA Order”), interest payments on corporate bonds due to corporate holders are now subject to the withholding of tax at the applicable rate. As a result, subject to the limited exemption outlined below, the Issuer will be required to deduct withholding tax on interest or Coupon payments to corporate Bondholders at the applicable rate and remit same to the relevant tax authorities.</p>

In accordance with the provisions of PITA, income and interest earned by an individual from corporate bonds are exempted from taxation, and the exemption granted under the PITA is indefinite. However, notwithstanding that PITA has not been amended, by a notice 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. This is however subject to the final determination and assessment by the tax regulators.

Furthermore, the proceeds from the disposal of the Bonds were exempt from tax imposed under the VAT Act by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (“VAT Order”), which commenced from January 2, 2012. This exemption was also for a period of ten (10) years from the commencement date of the VAT Order and expired in January 2022, however the Finance Act 2020 now excludes securities from the definition of “goods and services” under the VAT, thereby excluding securities from the payment of VAT. Thus, the Bonds are not liable to the payment of VAT even with the expiration of the VAT Order.

In addition, the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014 exempted (a) commissions earned on traded value of the shares, and (b) commissions payable to the SEC, the Nigerian Stock Exchange (now Nigerian Exchange Limited) and the Central Securities Clearing System from VAT for a period of five (5) years from the commencement date of the order i.e. 25th July, 2014. In light of the fact that this Order expired in 2019 and was not extended, the Issuer will be required to pay VAT on commissions payable to the SEC, NGX and Depository, in respect of the Bonds.

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**SUMMARY OF THE PROGRAMME**

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<b>Issue Price</b>	Bonds may be issued at Par Value or at a discount to Par Value. The Issue Price of a specific Series or Tranche shall be specified in the applicable Supplement
<b>Closing Date</b>	The Closing Date of a specific Series or Tranche shall be stated in the Applicable Pricing Supplement
<b>Coupon</b>	Bonds may be interest-bearing or non-interest bearing. The Coupon, if any, payable on the Bonds shall be determined by the Issuer and Issuing Houses and stated accordingly in the Applicable Pricing Supplement
<b>Frequency</b>	The frequency of payment of interest and any other monies due on the Bonds shall be specified in the Applicable Pricing Supplement
<b>Repayment</b>	Repayment terms in respect of the Bonds issued under the Programme shall be specified in the Applicable Pricing Supplement
<b>Day Count Convention</b>	Different day count conventions may be stipulated in the Applicable Pricing Supplement
<b>Principal Redemption</b>	Bonds will be redeemed on the dates specified in the Applicable Pricing Supplement
<b>Early Redemption</b>	Early redemption will be permitted only to the extent specified in the Applicable Supplement, Programme Trust Deed and/or Series Trust Deed, and subject to any applicable legal and regulatory limitations
<b>Redemption Amount</b>	The Applicable Pricing Supplement will specify the redemption amount or, if applicable, the basis for calculating the redemption amounts payable
<b>Form of Bonds/ Transferability</b>	The Bonds will be issued in un-certificated (dematerialised or book entry) form and registered with a separate identification code with the Depository as specified in the applicable Supplement. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Bonds being entered in the Register by the Registrar. Where Bonds are represented by a certificate(s), such certificate will be numbered serially with an identifying number recorded in the relevant certificate and in the Register. The Bonds will be freely transferable in accordance with the provisions of the Trust Deed
<b>Interest Rate</b>	If the Applicable Pricing Supplement so specifies, the Bonds of any Series will bear interest from the Coupon Commencement Date at the Coupon Rate specified in, or determined in accordance with the applicable Supplement and such interest will be payable in respect of each Coupon Period on the Interest Payment Date(s) specified in the Applicable Pricing 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
<b>Pricing Supplement / Supplementary Shelf Prospectus</b>	The final terms of each Series issued under the Programme will be set forth in a Pricing Supplement
<b>Interest Period(s) or Interest Payment Dates for Bonds</b>	Such period(s) or date(s) as shall be specified in the Applicable Pricing Supplement
<b>Status of Bonds</b>	The Bonds are direct and unconditional obligations of the Issuer, and the status of the Bonds shall be as set out under the relevant Pricing Supplement and Series Trust Deed
<b>Subscription of Bonds</b>	The Bonds may be subscribed to in accordance with the form of application set out in the applicable Pricing Supplement relating to the particular Series being issued
<b>Listing</b>	Each Series or Tranche may be listed on the NGX and/or FMDQ platform, and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as specified in the relevant Supplement

## SUMMARY OF THE PROGRAMME

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<b>Underwriting</b>	Where applicable, the Bonds may be partially or fully underwritten at the instance of the Issuer, on a standby or firm basis as stated in the relevant Pricing Supplement
<b>Issuer's Rating</b>	The Issuer was assigned a rating of A- by Global Credit Ratings Co.
<b>Issue Ratings</b>	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 the rating exercise, following which the rating will be reviewed in accordance with SEC Rules
<b>Negative Pledge</b>	The negative pledge applicable to the Bonds shall be as specified in the relevant Series Trust Deed
<b>Event of Default</b>	The events of default under this Programme are as specified in the Programme Trust Deed and relevant Series Trust Deed(s)
<b>Governing Law</b>	The Bond Issuance Programme, the Trust Deeds and Offer Documents will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
<b>Offer Documents</b>	Include: (a) Shelf Prospectus; (b) Series Pricing Supplement; (c) Programme Trust Deed; (d) Series Trust Deed; (e) Reporting Accountants' Report; (f) Solicitors' Opinion on Claims and Litigation & Material Contracts; (g) Rating Reports; and (h) Vending Agreement.



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 House 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 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 17 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 possess 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 Holder 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 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 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 Shelf 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.

## TERMS AND CONDITIONS OF THE NOTES

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*The following is the text of the general terms and conditions which, (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed and/or supplementary Shelf Prospectus (the “Final Terms”) and save for the italicised text), will apply to the Bonds.*

*The provisions of these terms and conditions set out below (the “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 may 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 Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these 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 Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

The Bonds are constituted by and under a Programme Trust Deed (the “**Trust Deed**”) dated 31 January 2025 between Presco Plc (the “**Issuer**”) and Stanbic IBTC Trustees Limited and Coronation Trustees Limited (the “**Trustees**”) as supplemented by the relevant Series Trust Deed between the Issuer and 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 Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Trust Deed are available for inspection at the offices of the Trustee set out in Clause 34 of the Programme Trust Deed and at the offices of the Registrar as specified in the Pricing Supplement.

Any Series and/or Tranche 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 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 Series of Bonds to be so constituted thereby.

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the relevant Series Trust Deed. 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.

Words and expressions defined in the Trust Deed (as same may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated into and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

### 1. FORM AND DENOMINATION

Bonds issued under the Programme may be fixed rate bonds, floating rate bonds, zero-coupon bonds or a combination thereof in denominations as may be specified in the relevant Pricing Supplement.

The Bonds shall be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the CSD. The Bondholders may deal in the Bonds in accordance with the CSD procedures and guidelines.

A Series of Bonds may be listed on the relevant Exchange, subject to any Applicable Laws. The Pricing Supplement will specify whether or not a Series or Tranche of Bonds will be listed and on which Exchange(s) they are to be listed (if applicable).

The title to the Bonds which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

### 2. REPAYMENT

The principal on the Bonds will be repaid on the relevant Maturity Date or on an amortising basis in accordance with the terms of the relevant Series or such date as the Trustee in accordance

with the Trust Deed declares the Bonds to have become immediately repayable, together with such premium (if any) agreed in the relevant Series Trust Deed, on such Bonds.

### **3. REDEMPTION**

#### **3.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds at their Principal Amount on such dates as specified in the Series Trust Deed.

#### **3.2 Redemption prior to Maturity**

3.2.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Bonds upon giving the holders of the Bonds to be redeemed a minimum of 30 (thirty) days and a maximum of 60 (sixty) days' notice in writing of the date fixed for redemption, which shall be a Coupon Repayment Date, of its intention to do so, and at the expiration of such notice, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given.

3.2.2 Subject to the terms of the relevant Series Trust Deed, in the event that the Issuer at any time determines to redeem part only of the Bonds for the time being outstanding, the particular Bond to be redeemed shall be pro rata to holdings or at the option of the Issuer selected by drawing to be made as provided in Condition 10.

3.2.3 Early redemption shall take place at 11:00a.m on the date set for redemption at a market determined price or rate or on such terms as shall be agreed in the relevant Series Trust Deed.

3.2.4 Any amendments to the process set out in this Condition 3.2, shall be with the consent of the Bondholders.

#### **3.3 Redemption for Taxation Reasons**

If so specified in the Pricing Supplement, the Bonds may be redeemed at the option of the Issuer in whole, or in part, if on giving not less than 30 (thirty) and not more than 60 (sixty) 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:

- (i) the Issuer satisfies the Trustee and the Commission 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 Nigeria or any political subdivision or any authority thereof or therein having the power to impose tax (other than the expiry of the exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 made pursuant to the Companies Income Tax Act (Chapter C21) LFN 2004 and the Value Added Tax (Exemption of Proceeds of Disposal of Government and Corporate Securities) Order 2011 in relation to Bonds with a maturity date later than January 2, 2022), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Series or Tranche of the Bonds; and
- (ii) 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 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts where 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 Commission a certificate signed by two Directors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

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

- (i) where the Bonds may be redeemed at any time, 90 (ninety) 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, 60 (sixty) 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.

#### **4. PURCHASE OF BOND BY THE ISSUER**

The Issuer may at any time and from time to time purchase any part of the Bonds through the market or by tender (available to all Bondholders alike) but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

#### **5. STATUS OF THE BONDS**

The Bonds are direct and unconditional obligations of the Issuer and the status of the Bonds shall be as set out under the relevant Pricing Supplement and Series Trust Deed.

#### **6. COVENANTS BY THE ISSUER**

##### **6.1 Negative Pledge**

6.1.1 For as long as any of the Bonds remain outstanding, the Issuer shall not, without the prior consent of the Trustee in writing, create or permit to subsist any Security Interest to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders. Provided that the restrictions in this Condition 6.1 will not apply to Permitted Security.

6.1.2 The Issuer shall forthwith give notice in writing to the Trustee of the coming into existence of any Security Interest which would require any additional security to be given to the Bondholders or which will trigger an Event of Default or any Potential Event of Default.

##### **6.2 Further Indebtedness**

For as long as the Bonds remain outstanding and save as provided in this Trust Deed, the Issuer may incur any other indebtedness for borrowed moneys provided that such further indebtedness shall not be in breach of Condition 6.1 above.

##### **6.3 Restricted Payments**

The Issuer shall not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if an Event of Default has occurred and is continuing.

#### **7. COUPON**

If a Pricing Supplement so specifies, the Bonds of that Series will bear Coupon from the Coupon Commencement Date at the Coupon Rate(s) specified in, or determined in accordance with, the Pricing Supplement. Such coupon will be payable in arrears on its Principal Amount Outstanding in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Pricing Supplement. Each Bond will cease to bear interest from and including the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event Coupon will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in this Condition until the date on which all amounts due in respect of such Bonds have been paid and notice to that effect has been given to the Bondholders. The Coupon payable on the Bonds of any Series for a period other than a full Coupon Period shall be determined in accordance with the Pricing Supplement.

**7.1 Coupon on Fixed Rate Bonds**

- (a) The Fixed Rate Bonds (being those Bonds that specify that the coupon is payable at a fixed rate) shall bear coupon on the Principal Amount Outstanding at the Coupon Rate specified in the applicable Pricing Supplement from (and including) the Coupon Commencement Date specified in the applicable Pricing Supplement to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year. The first payment of coupon will be made on the Coupon Payment Date following the Coupon Commencement Date (specified in the applicable Pricing Supplement) and, if the first anniversary of that Coupon Commencement Date is not a Coupon Payment Date, the first payment of coupon shall be as specified in the applicable Pricing Supplement.
- (b) If the Maturity Date is not a Coupon Payment Date, coupon from (and including) the preceding Coupon Payment Date (or the Coupon Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. Where an applicable coupon is required to be calculated for a period other than a full year, such coupon shall be calculated on the basis of the actual number of days elapsed divided by 365 or such other method as described in the applicable Pricing Supplement.

**7.2 Coupon on Floating Rate Bonds**

(a) General

The Floating Rate Bonds (being those Bonds that specify that the coupon is payable at a floating rate) shall bear interest on its Principal Amount by reference to a specified floating rate benchmark plus a margin as may be described in the applicable Pricing Supplement and/or Series Trust Deed.

(b) Coupon Payment Dates

The Floating Rate Bonds shall bear coupon on its Principal Amount from (and including) the Coupon Commencement Date at the rate equal to the Coupon Rate payable in arrears on the Coupon Payment Date(s).

(c) Coupon Rate

The Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the applicable Pricing Supplement.

(d) Calculation of Coupon

The Coupon amount payable in respect of the Bonds shall be calculated by applying the Coupon Rate to the specified denomination and multiplying such sum by the applicable Day Count Fraction.

For the Purposes of Condition 7.2 (d):

*“Day Count Fraction”* means, in respect of the calculation of an amount of Coupon for any Coupon Period (specified in the applicable Pricing Supplement):

- (i) if “Actual/365” is specified, the actual number of days elapsed in the Coupon Period divided by 365; or
- (ii) such other specified calculation method.

**7.3 Zero-Coupon Bonds**

The Zero-Coupon Bonds (being those Bonds that are issued at a discount to their face value) will be issued at an issue price such that the yield to maturity is reflected in the difference between the discounted issue price and the final redemption amount of such Zero-Coupon Bond as specified in the applicable Pricing Supplement and/or Series Trust Deed. Zero-Coupon Bonds will not bear Coupon other than in the case of late payment, which will be calculated as specified in the applicable supplementary Shelf Prospectus and/or Series Trust Deed.

#### 7.4 Coupon Calculations

- (a) The Coupon payable in respect of each Bond (save for Zero-Coupon Bonds) for a Coupon Period shall be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms. The amount of interest payable in respect of any Bond for any period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount Outstanding of such Bond by the Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Naira.
- (b) For the Purposes of Condition 7.4.(a): "Day Count Fraction" means in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these conditions or the relevant Final Terms and:
  - (i) if "Actual/365" or "Actual/Actual" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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 so specified, means the actual number of days in the Calculation Period divided by 365; and
  - (iii) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360.
- (c) 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.

#### 8. SINKING FUND/DEBT SERVICE RESERVE ACCOUNT

- 8.1 The provisions of this Condition 8 will only apply where provision is made for a sinking fund or debt service reserve account in the relevant Series Trust Deed. Where no such provision is made, this Condition 8 shall not apply to the Bonds.
- 8.2 The Issuer shall, not later than the date specified in a Series Trust Deed for any Series, cause payments to be made into a bank account which shall be called a "Sinking Fund Account" or "Debt Service Reserve Account" ("**DSRA**") which shall be managed by the Trustee and shall form part of the trust property. The Issuer shall irrevocably authorise the Chief Finance Officer or any officer for the time being in charge of the finance of the Issuer to deduct, as a first charge on the Issuer's cashflows and to place to the credit of the Sinking Fund Account or the DSRA (in accordance with the Series Trust Deed setting up a particular Series and referenced in the applicable Pricing Supplement), such sum or sums from the finance of the Issuer, at the Issuer's discretion not below the sum as stipulated in the Series Trust Deed on a monthly basis which sum shall be applied by the Trustee towards the payment of Coupon and the redemption, at par, of the Bond PROVIDED THAT the Trustee at its discretion may ask the Issuer to increase the amount being credited to the account if in its opinion the amount being credited to the account may not be sufficient to meet Coupon and principal repayment due on the Bonds at any time.

##### 8.3 Authorised Investment

Any monies standing to the credit of the Sinking Fund Account or the DSRA may, at the discretion of the Trustee, be invested by the Trustee in its name or under its legal control in

any investments for the time being authorised by the Trustees Investment Act for the investment of trust monies or in any other investments which may be approved by the Commission. **PROVIDED HOWSOEVER** that the Trustee shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer.

8.4 If at any time prior to the date specified in the Series Trust Deed, the Issuer redeems any Bond under the provisions of Condition 3 hereof or purchases any Bond under the provisions of Condition 4 above, the Trustee shall remit to the Issuer such monies received from the Issuer for the credit of the DSRA which are over and above the amount necessary to meet all future coupon payments and principal redemptions, at par, **PROVIDED THAT**, subject to Clause 14 of the Deed, the Trustee in its absolute discretion may withhold such sums as deemed necessary to maintain a cushion against coupon fluctuations.

## **9. CANCELLATION OF BONDS**

All the Bonds which are redeemed or purchased shall be cancelled and the Issuer shall not keep such Bond valid for the purpose of re-issue. For so long as the Bond is admitted to listing and or trading on the Exchange and the rules of the Exchange require, the Registrar shall promptly inform the Exchange of the cancellation of any Bonds under this Condition 8.

## **10. DELIVERY OF DOCUMENT**

If required by the Issuer every Bondholder whose Bond is due to be redeemed under these Conditions shall not later than the due date for such redemption deliver up any such document(s) as may be required by the Issuer.

## **11 TRUSTS**

11.1 Except as required by law, or as ordered by a court of competent jurisdiction, the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

11.2 The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) of the principal of such Bond or of any other money payable in respect of such Bond shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, coupon or claim of any other person to or in such principal, dividend or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

## **12 FREEDOM FROM EQUITIES**

Every Bondholder will be recognised by the Issuer as entitled to his Bond free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

## **13 TRANSFERS**

13.1 The Bond is transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.

13.2 Transfers of the Bond shall be by an instrument in writing in any form the Issuer and the Trustee may approve.

13.3 If the Bonds are listed, the Bonds shall be transferred on the Exchange in accordance with the rules and regulations of the Exchange.

13.4 Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

**13.5** Every instrument of transfer must be left for registration at the place where the Register shall for the time being, be kept accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do.

**13.6** Closed Periods: No Bondholder may require the transfer of a Bond to be registered during the period of 15 (fifteen) days ending on the due date for any payment of principal or Coupon on that Bond.

**14 TRANSMISSION**

**14.1** In the case of the death of a Bondholder the survivor or survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person recognised by the Issuer as having any title to such Bond.

**14.2** Any person becoming entitled to any Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Bond by operation of law may upon producing such evidence of his title as the Registrars shall think sufficient, be registered as the holder of such Bond himself or, subject to Condition 13, may transfer such Bond without himself being registered as the holder of such Bond.

**15 METHOD OF PAYMENT OF PRINCIPAL MONEY, COUPON AND PREMIUM**

Payment of the Principal, Coupon and premium (if any) for the time being owing or due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder or in the case of joint registered Bondholders by the joint Bondholders or any other method as the Trustee may determine.

Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

The Registrar shall give to the Bondholders not less than one (1) month's notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Registrar evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Trustee acting through the Registrars shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.

If, on the Maturity Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the moneys payable to such Bondholder shall be paid to the Trustee and the Trustee shall hold the moneys in trust for such Bondholder and Coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Trustee places the moneys so paid to it on deposit at a commercial bank or invests the same in the purchase of securities for the time being authorized by law for the investment of trust funds, the Trustee shall not be responsible for the safe custody of such moneys or for interest on the same, except such interest (if any) as the said money may earn whilst on deposit or investment, less any expenses incurred by the Trustee

**16 RECEIPTS FOR MONEY PAID**

If several persons are entered in the register as joint holders of any Bond, then the receipt by any of such persons of any Coupon or principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.



**17 TITLE**

Transfer of title to Bonds issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by CSD. In these Conditions Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

**18 EVENTS OF DEFAULT**

If any of the following events stated in this Condition 19 ("Events of Default") have occurred and are continuing in accordance with the time frame set out below, the Trustee may at its discretion or shall,

- i. if so, requested in writing by the Majority Bondholders; or
- ii. if so, directed by an Extraordinary Resolution of the Bondholders, give written notice to the Issuer at its specified office that an Event of Default has occurred and that the Bonds are immediately repayable whereupon the Principal Amount Outstanding on the Bonds together with accrued Coupon shall become immediately due and repayable:

**18.1 Non-Payment:** if the Issuer fails to pay any sums representing principal, coupon and premium (if any) on the Bond or any fees or other sums as they fall due in accordance with this Deed unless its failure to pay is caused by an administrative or technical error, and payment is made within 10 (ten) Business Days of its due date. Provided however that where such non-payment is due to a Force Majeure event, the Trustee may in its discretion (after consultation with the Issuer) determine that such Force Majeure event can be remedied within a reasonable period after the grace period referred to above in this Condition and extend the grace period; or

**18.2 Cross Default:** if any Financial Indebtedness of the Issuer of a value exceeding ₦10,000,000,000 (ten billion Naira) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within any applicable grace period, or the Financial Indebtedness of the Issuer of a value exceeding ₦10,000,000,000 (ten billion Naira) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an Event of Default (however described) and such event shall be certified in writing by the Trustee to be in its opinion materially prejudicial to the interest of the Bondholders;

**18.3 Insolvency: If**

18.3.1 the Issuer is unable, for the purposes of CAMA, to pay its debts, or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;

18.3.2 A Moratorium is declared in respect of any Financial Indebtedness of the Issuer, and such Moratorium is not discharged within 45 (forty-five) Business Days after it was declared. Provided that the Issuer is able to show to the satisfaction of the Trustee within 10 (ten) Business days after such Moratorium is declared that it is in good faith negotiating for the lifting of the Moratorium;

18.3.3 Any corporate action or legal proceedings is concluded and judgment given against the Issuer in relation to:

18.3.3.1 a Moratorium of any Financial Indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer other than a solvent liquidation or any reorganisation of the Issuer;

18.3.3.2 the appointment of a liquidator (other than in respect of a solvent liquidation of the Issuer) receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or any of its assets; or

- 18.3.3.3 any analogous procedure or step is taken in any jurisdiction, and such proceeding is not dismissed or terminated on or before the 30<sup>th</sup> (thirtieth) Business Day (which would exclude days on which Nigerian courts are on vacation) after the order is made or if any such dismissal or stay ceases to be in effect (or such longer period as the Trustee may permit) PROVIDED THAT the Issuer has within 10 (ten) Business Days filed good faith legal proceedings in the relevant court for the order to be set aside, dismissed or stayed;
- 18.4 Cessation of Business:** if the Issuer ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Trustee pursuant to Clause 7.7 of the Trust Deed; or
- 18.5 Material Adverse Effect:** If a Material Adverse Effect has occurred; or
- 18.6 Enforcement Proceedings:** if any distress, execution or other process shall be levied or enforced or sued upon or against any asset(s) of the Issuer having an aggregate value of 50% (fifty percent) of the outstanding principal and Coupon at the relevant time, ("Assets") and such action or process is not be discharged, or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process or if an encumbrancer shall take possession or a Receiver shall be appointed over the Assets of the Issuer and such event shall be certified in writing by the Trustee to be in its opinion materially prejudicial to the interests of the Bondholders PROVIDED THAT if the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal or stay within 10 (ten) Business Days of becoming aware of the order or action, then such shall not be regarded as an Event of Default; or
- 18.7 Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer over a material part of the Issuer's property, assets or revenues, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and same is not legally challenged by the Issuer within 7 (seven) Business Days of issuance of the order thereof; or
- 18.8 Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer 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 threaten 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 an Extraordinary Resolution of the Bondholders;
- 18.9 Nationalisation:** the seizure, compulsory acquisition, expropriation or nationalisation, by any person or authority, of all or a material part of the assets of the Issuer having an aggregate value of no less than 25% of the assets of the Issuer (as determined in relation to the latest audited financial statements of the Issuer at the relevant time). Provided that the Issuer shall have a grace period of 30 (thirty) days from the date of occurrence of the relevant event to successfully challenge the action.
- 18.10 Analogous Events:** any event that occurs under the laws of Nigeria which based on the opinion of an Independent Expert has or will have an analogous effect to any of the events referred to in any of the foregoing paragraphs;
- 18.11 Breach of Other Obligations:** Other than Non-Payment as in Condition 19.1, if default shall be made by the Issuer in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties which default will affect the capacity of the Issuer to perform its payment obligations under this Trust Deed, and the Issuer shall fail to perform fully or make good the breach of such covenant, condition, provision or agreement within 30 (thirty) days from receipt of notice in writing by the Trustee (or in its opinion such longer period as the Trustee may reasonably determine is not materially prejudicial to the interests of the Bondholders).
- 19. NOTICES**

- 19.1 Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail, by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for the giving of notice to him.
- 19.2 In the case of joint registered holders of any Bond a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders.
- 19.3 Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.
- 19.4 Any notice shall be deemed to have been served on the fifth (5<sup>th</sup>) day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

## **20. TAXATION**

All payments of principal, coupon and any other sum due in respect of the bonds shall be subject to withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority having power to tax. In that event, no additional amounts shall be paid to the bondholders as a result of such deduction or withholding. Provided however that the bonds shall enjoy the benefits of the provisions of the tax exemptions, and such extension, amendments and modifications the same. The relevant Series Trust Deed will indicate the tax consequences of investment in the relevant Series or Tranche of the Bonds.

## **21. MEETINGS OF BOND HOLDERS**

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Second Schedule of the Trust Deed (Provisions for Meetings of Bondholders). Decisions taken at Bondholders meetings may only be exercised by the Trustee in accordance with the Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended in accordance with Clause 29 of the Trust Deed.

## **22. GOVERNING LAW**

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

## **23. PRESCRIPTION**

Claims against the Issuer in respect of the Bonds shall be void unless presented for payment within six (6) years (in the case of principal and interest), from the due date for payment of any amount due on such Bonds.

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

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

*An investment in the Bonds involves certain risks, most of which may or may not occur and neither the Issuer nor any of the Issuing Houses are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all the other information included in this Shelf Prospectus and any Applicable Pricing Supplement before purchasing the Bonds.*

### **1. IN RELATION TO NIGERIA**

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

The Nigerian economy remains largely undiversified, import dependent and consumption driven. 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. The Russia-Ukraine crises also impacted global crude-oil supply. Although an opportunity for Nigeria to shore up its Foreign Exchange reserves, inability to meet up with OPEC production targets and increased subsidy funding cost has further impacted Nigeria's FX reserves and liquidity.

#### ***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 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 Federal Government of Nigeria. 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.

#### ***Insecurity***

The country witnessed insurgency attacks in its northern states and battled militant attacks on oil pipelines and kidnapping episodes in the southern states. Amidst the setback caused by the global shock in oil prices which saw a considerable reduction in oil revenues to the economy, pipeline vandalism had further worsened the country's predicament by not only a decline in production but also a reduction in operations by major international companies in the region. The combined effect of these security challenges is the increased political instability and reduced confidence of foreign investors in the local economy. The negative effects of such incidences on the nation's economy portend a negative impact on the Company and the industry in which it operates.

**2. IN RELATION TO THE ISSUER****I. Business Risks –** These are the risks that the Issuer faces in its operations and include the following:**a) *Regulatory and Environment Risks***

The company is subject to laws and regulations in various locations in Nigeria where it operates.

**b) *Supply and Demand Risks***

The company is exposed to risks arising primarily from fluctuations in the price of palm oil, and very seldom in volume. As highlighted under Snapshot of the Palm Oil Sub-sector, pages 40 to 43, Nigeria is the largest consumer of palm oil in Africa and a net importer of the commodity because of its high demand and inadequacy of local production to meet the nation's demand.

**c) *Climate Risks***

The company's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces.

**d) *Competition risk – the Issuer market share could be lost to other players***

The oil palm industry is very fragmented and dominated by smallholder farmers accounting for 80% of local production in Nigeria. The remaining 20% are from the two major players namely Presco and Okomu Oil. The Issuer could lose market share to other competitors which would lead to a loss in Issuer's profitability.

**e) *Health / Medical risk***

The Issuer may be susceptible to operational challenges as a result of outbreaks of infectious diseases or pandemics in its chosen markets of operation. In West Africa, incidences of such diseases have included Ebola haemorrhagic fever, Cholera, Lassa fever, COVID 19 and other health epidemics.

**f) *Legal Risk***

There is a risk that the Issuer's counterparties in agreements it has entered into may fail to fulfil their obligations. The Issuer is involved in litigation or claims from time to time, arising from the conduct of its business. Where proceedings lead to a substantial legal liability, this could have a detrimental effect on the Issuer's business, results, operations, reputation and financial position.

**g) *Business Continuity Risk***

There is a risk that the business operations of the Issuer may be interrupted or threatened due to unforeseen events such as natural disaster, fire, flood, lockdowns and curfews imposed by the government and social unrest. The COVID-19 pandemic for instance, resulted in the imposition of lockdowns in major cities in Nigeria.

**h) *Liquidity Risk***

This is the risk of loss on account of insufficient liquid assets to meet cash flow requirements or fulfil our financial obligation. This could be broken down into the following:

**Asset liquidity:** The risk that the Issuer is unable to execute a transaction at the prevailing market price because there is, temporarily, no appetite for the deal on the other side of the market.

**Funding liquidity:** This relates to Issuer's inability to raise the necessary cash to service its debt; meet working capital requirements; cash, margin, and collateral requirements of counterparties.

**II. Market Risk -** This is the risk that the value of financial instruments changes due to movements in market factors. Such movements may be occasioned by market factors (including volatility) that are directly related to an individual investment and/or systemic. The Company's risk exposure within the market risk spectrum are:

- a) ***Interest Risk***  
The potential for investment losses by the Company that result from a change in interest rates
  - b) ***Foreign Exchange Risk***  
The risk of conversion of Naira to foreign currencies for the purchase of raw materials. The risk therefore applies to the Company as the Naira may depreciate against other currencies.
- III. **Credit Risk** - Credit risk refers to the risk that a counterparty will default on its contractual obligations or will be downgraded by a rating agency resulting in financial loss to the Issuer. The Issuer enters various contracts with its customers and distributors. A default by a counterparty poses the risk of the Issuer incurring higher costs in debt recovery. Where the debts are recovered or obligations enforced late, there are financial losses as a result of the time value of money for the period the debt was unrecovered or delays in production due to delays in performance. If the debt cannot be recovered, financial loss is incurred.

### **3. IN RELATION TO THE BOND ISSUANCE PROGRAMME**

#### **I. Limited active trading market for the Bonds**

Any Series or Tranche issued under the Programme will be new securities for which there may be no active two-way quote trading market, thus, the liquidity of the Bonds may be limited. Although an application will be made for Bonds issued under the Programme to be admitted to the NGX, FMDQ or any other SEC registered stock exchange (subject to the provisions of the applicable Pricing Supplement), there is no assurance that an active trading market will develop or any listing or admission to trading of the Bonds will be maintained. Accordingly, there is no assurance of the development or liquidity of any trading market for any particular Series or Tranche.

#### **II. Credit ratings may not reflect the full impact of the Bonds' risks**

The Bonds will be assigned a rating by Global Credit Ratings Co. The ratings may not reflect all the risks related to structure, market, additional factors discussed above and any other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### **III. Modifications, waivers and substitution**

The conditions of the Bonds contain provisions for calling general meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders including Bondholders who did not attend or vote at the relevant general meeting and Bondholders who voted in a manner contrary to the majority.

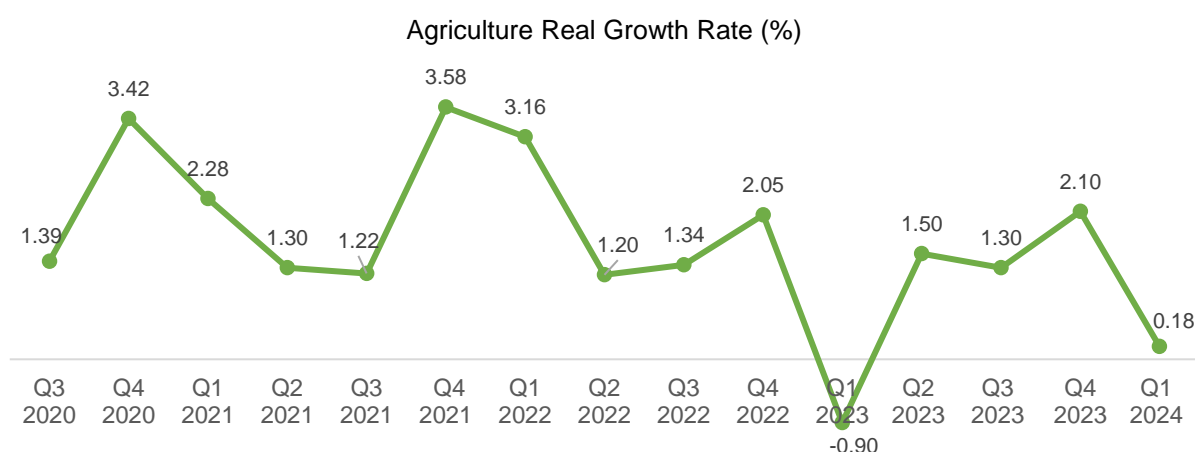
#### **IV. Early Redemption**

The Bonds may be subject to early redemption. Therefore, Bondholders may face the risk that the Bonds will be redeemed before maturity in a falling interest rate environment, forcing the Bondholders to reinvest the proceeds at a lower rate of return.

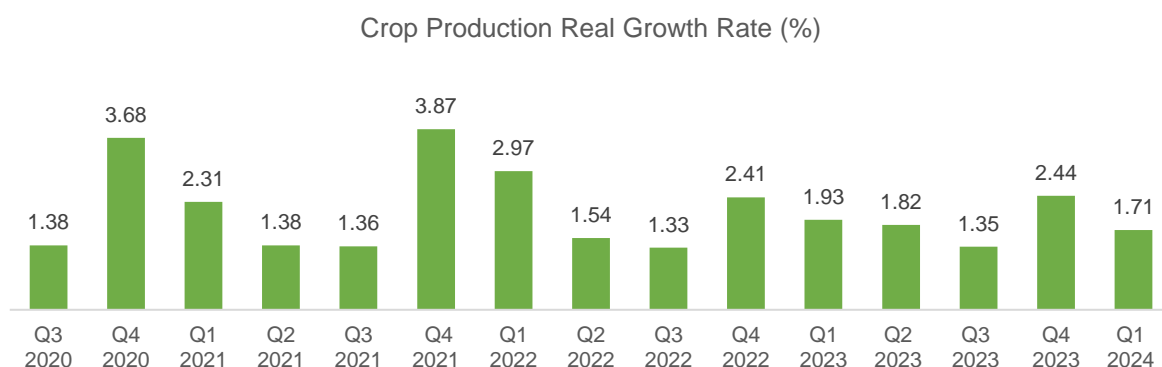
## Overview of Agriculture Industry

The rising awareness of the importance of food security and production sustainability has made agriculture a key growing industry at both local and international level. Bringing it home to Nigeria, there is a continuous effort by the Government to diversify the economy with emphasis on the non-oil sector of the economy. Government policies and initiatives are geared towards increasing the contribution of the sector to the nation's GDP by encouraging investors and farmers with various incentives.

Agriculture represents c.17% of Nigeria's GDP with agriculture and agribusiness activities providing employment for 70% of the population. The sector is made up of four subsectors: Crop Production, Livestock, Forestry and Fishing with Crop Production accounting for c.88% of the sector. The sector grew by 0.18% year-on-year in real terms in Q1 2024, an increase of 1.08% points from the corresponding period of 2023, and a decrease of 1.92% points from the preceding quarter which recorded a growth rate of 2.10%. It grew on a quarter-on-quarter basis at -32.25%.



Source: Nigeria Bureau of Statistics



Source: Nigeria Bureau of Statistics

Nigeria continues to experience widened agricultural trade deficits amid the push for a self-sufficiency in the sector. The value of total trade in agricultural goods in Q3, 2023 stood at ₦863.67 billion of which exports were valued at ₦219.99 billion in Q3, 2023, exports of agricultural goods decreased by 21.68% over the value recorded in Q2, 2023 (₦280.87 billion). On the other hand, total imports of agricultural goods in Q3, 2023 stood at ₦643.68 billion or 7.61% of total imports. This is an increase of 41.51% when compared to the value recorded in Q2, 2023 (₦454.85 billion) and by 25.50% when compared to the value recorded in Q3, 2022 (₦512.91 billion).

Government has introduced some policies and programmes aimed at developing local trade and exports, these include the following:

- **Nigeria-Africa Trade and Investment Promotion Programme (NATIPP):** NATIPP is a programme jointly launched by the African Export-Import Bank, Nigerian Export-Import Bank and the Nigerian Export Promotion Council. The aim of NATIPP is to facilitate the expansion of Nigeria's trade and investment into Africa.

- **Zero Reject Initiative:** The Zero Reject Initiative was launched to enhance the acceptability of Nigerian products internationally. It is aimed at improving Agricultural exports through the institution of global quality standards and product standardisation.
- **Economic and Export Promotion Incentives:** The Government has placed trade barriers on select Agric. goods to protect local producers and stimulate growth of the industry. In addition, several economic incentives are offered to Agric. Investors in Nigeria including income tax relief, zero import duty on equipment, VAT exemptions, etc

In addition to the above, the government has enacted various import substitution measures to improve local production. as well as developing the required infrastructure stock to boost agricultural produce.

- **Establishment of Special Agro-Industrial Processing Zones (SAPZs):** The Federal government is establishing Special Agro-Industrial Processing Zones to concentrate agro-processing activities. The SAPZs are aimed at boosting productivity, integrating production and enhancing the processing and exporting of select commodities
- **Development of Railway Infrastructure:** As part of its plans to aid the free flow of goods, the Government is in constructing rail lines across the country. Once complete, these would serve as an alternative to road transport and enhance the distribution of goods and commodities within the country.
- **Enhancement of Ports Infrastructure:** In addition to the six existing seaports, the government has commenced the development of additional ports in Akwa Ibom and Lagos to enhance its maritime capabilities. The Nigerian Ports Authority has also signed a MOU with the Royal Port of Antwerp to enhance.

The regulatory landscape of the industry is monitored, control and regulated by the entities below.

- **National Agricultural Quarantine Service (NAQS):** Harmonises plants, veterinary and aquatic resources to promote and regulate sanitary measures in connection with the import and export of agricultural products.
- **National Agency for Food and Drug Administration and Control (NAFDAC):** Responsible for regulating and controlling the manufacture, importation, exportation, distribution, advertisement, sale and use of regulated products.
- **Standards of Organization (SON):** SON's mandate includes the preparation of standards related to products, measurements, materials, processes and services, amongst others; their promotion at national, regional and international levels.
- **Nigerian Export Promotion Council:** Ensures the promotion, development and diversification of exports from the country. It coordinates all export promotion and administration activities and trade capacity building.
- **National Export Processing Zones Authority:** Responsible for promoting the economic development and diversification in Nigeria through establishing and regulating free zone areas within the country.

The sector is still embattled with major issues including Insecurity, lack of access to finance, resource shortages, insufficient supply to meet the growing population demand, inadequate and outdated system of farming, absence of value addition and supply-chain linkages.

With the implementation of the Agreement on Africa Continental Free Trade Area in January 2021, the agriculture business in Africa is expected to experience a new trend. This includes creation of new regional markets, strengthening of the agro-value chains and significant reduction of agricultural imports from outside the continent. The aim of the agreement is to foster agricultural transformation and advancement in Africa in order to promote food security and competitiveness through the improvement of regional agricultural value chains and investments in production. The agreement is projected to bring greater market access to neighbouring countries. Although, whole implementation of the Agreement may take some time as countries would have to negotiate aspects of the agreement such as trade, dispute settlement processes, tariffs, and intellectual property rights.

### Snapshot of the Palm Oil Sub-Sector

Palm is a product of high importance as it is used as a raw material in the production of several products globally. With a population of 223 million people, Nigeria is the largest consumer of palm oil in Africa.



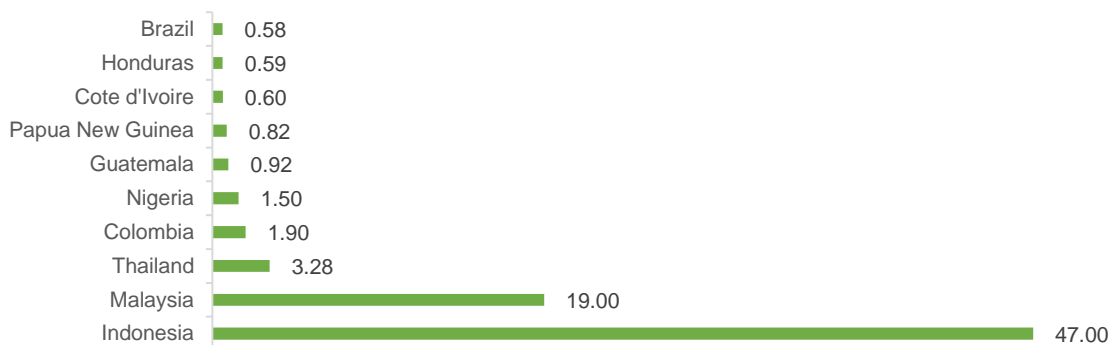
## INDUSTRY OVERVIEW

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Nigeria consumes approximately 1.71 million MT of palm oil annually. Nigeria is a net importer of palm oil because of its high demand and inadequacy of local production to meet the nations demand.

Nigeria was the world's largest palm oil producer in the 1960s accounting for 43% of the global market share. Today, Nigeria is ranked as the fifth largest producer with 2% of the total global market productions of 79.28 million MT. The two major players in the palm oil market international are Malaysia and Indonesia, they both account for over 80% of the total global output. Major producers of both palm oil and palm kernel oil in West Africa are Benin, Cameroon, Cote d'Ivoire, Ghana, Nigeria and Sierra Leone. Palm oil production in Nigeria increased from 1.4 million MT in 2021 to the current 1.5 million MT in 2023. Unlike, Malaysia and Indonesia, Nigeria does not have a palm oil council, which is a body that provides oversight, research and development in the palm industry.

2023 / 2024 Top Palm-Oil Producing Countries, millions (MT)

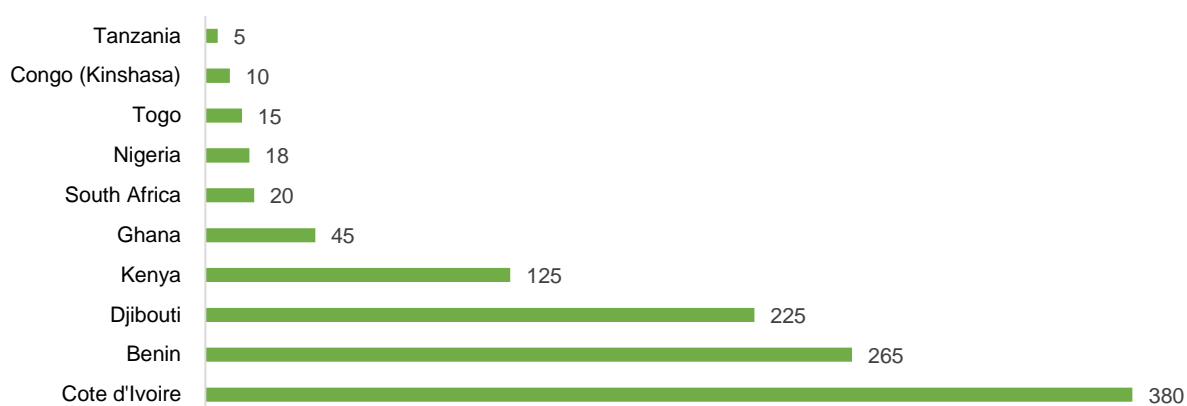


**Source: United States Department of Agriculture**

In 2015, The Federal government In a bid to deter importation of palm oil and protect local manufacturers included Refined Palm Oil (RPO) as one of the items restricted from accessing foreign exchange in the official market, this lead to additional demand pressures on the parallel market thereby widening the gap with the official rate and permanently segmenting the market, this policy was however reversed in October 2023 to enable local producers benefit from cheaper imported inputs and lessen inflationary pressures. The CBN also launched a series of intervention schemes which includes the Anchor Borrowers programme, which is aimed at providing single-digit interest rate loans to farmers through Deposits Money Banks and other participating institutions. The Oil Palm development initiative which aims to meet local demand of palm oil, improve local processing quality standard, develop 350,000Ha of oil palm by 2025 and facilitate easy access to funding for oil majors, SMEs and smallholder farmers. The government has also commenced the distribution of automated oil palm mills, oil palm cargo tricycles, and oil palm motorized harvesters for small scale farmers.

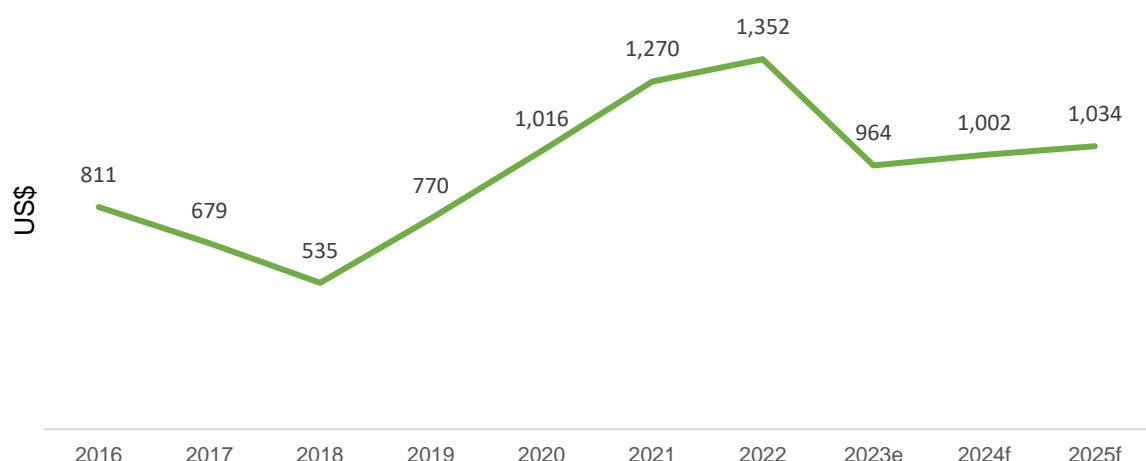
Nigeria is ranked the 7<sup>th</sup> largest exporter of palm oil in Sub-Saharan Africa after countries like Cote d'Ivoire, Benin, Kenya, Ghana, Djibouti and South Africa. Cote d'Ivoire, the largest exporter in Africa, exported 380,000 MT while Nigeria was 18,000 MT. Palm oil prices are retreating from the high levels recorded in March 2024. Physical and futures prices fell in April and May, reflecting the unsustainable price premiums compared with other oils. As a result of recent falls, prices are now trading at a discount to other oils. Market fundamentals point to rising prices, but palm oil sales will continue to face strong competition from other seed oils, especially rapeseed and soybean. palm oil prices are expected to show small but persistent gains during the remainder of the 2023/24 season and during 2024/25. Prices are expected to exceed US\$1,050/tonne at the start of 2026.

2024 Top Exporters of Palm Oil in Sub-Saharan Africa (K.MT)



Source: United States Department of Agriculture

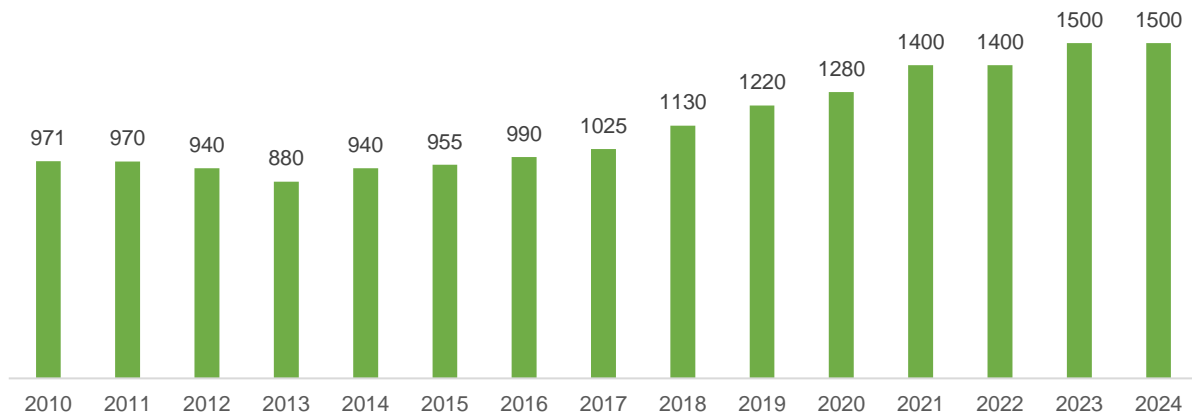
Palm Oil Price per MT



Source: Oil World; EIU.

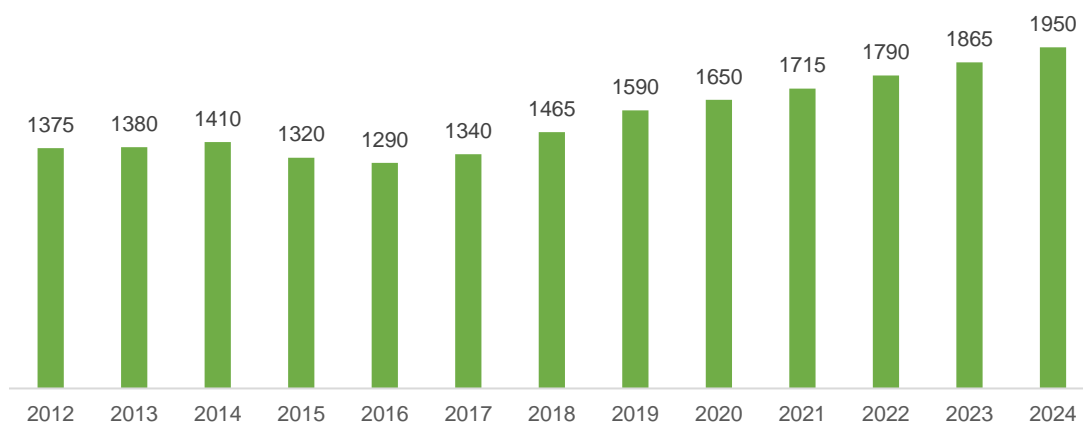
The Nigerian palm industry is not structured and is significantly dominated by small-scale farmers producing 80% of the total market out while the remaining 20% is shared between the two largest players: Presco and Okomu Oil Palm Company. These farmers rely on traditional facilities and approaches in cultivation and harvesting which result in inefficiencies and wastages in the production process. The lack of adequate technology, technical incompetence and trainings resulted in poor management causing them to cease operations. However, there has been going number of backward integrations of major food manufacturer entering the upstream and midstream segments of the industry. In 2022, the Edo State Government disclosed plans to bridge, at least, 20% of the supply gap in Nigeria's oil palm market through the Edo State Oil Palm Programme (ESOPP) which will massively increase oil palm cultivation. In 2018, PZ Wilmar, via a joint venture between PZ Cussons International UK and Wilmar International Ltd Singapore invested over \$650 million in palm oil plantations and processing facilities. The company also planted almost 26,500 hectares of palm oil in Cross river state and installed a 65-ton per hour palm oil mill, which translates to estimated annual capacity of c.40,000 tons. In 2019, Dufil Prima, manufacturers of Indomie noodles and Power oil, finalized acquisition of 17,954 hectares of land in Edo State and a 1,040-hectare palm oil farm in Abia State. Despite recent investments by established and fringe players in the sector, the gap between local supply and consumption bodes well for all players.

Palm Oil Production in Nigeria (MT'000)



Source: United States Department of Agriculture

Palm Oil consumption in Nigeria (MT'000)



Source: United States Department of Agriculture

### Federal and State Governments Initiatives aimed at boosting Oil Palm Production in Nigeria

In 2020, the Federal Government of Nigeria, through the Federal Ministry of Industry Trade and Investment shared a draft policy which aims at providing a framework to revitalise the oil palm industry in Nigeria. To encourage local production and reduce importation of oil palm, the Federal government imposed a 35% import duty on oil palm importation.

The Edo State Oil Palm Programme (ESOPP), in partnership with other private sector stakeholders, including the Central Bank of Nigeria committed funds to the tune of ₦100 billion for the rejuvenation oil palm production in the state for global competitiveness. Included in the programme also is 45,000 hectares of land allocated to seven companies for the cultivation of oil palm.

In 2023, The Akwa Ibom State Government took over the management of Dakkada Global Oil Palm Limited (previously known as Akwa Palm Estate) in order to increase palm oil production and strengthen the state's economy. which cut across three local governments.

Both ECOWAS Trade Liberalisation Scheme (ETLS) and AfCFTA provide larger markets for Nigeria's producers to access over one billion people in Africa.

### 1. HISTORICAL OVERVIEW

Presco is a public limited liability company incorporated on September 24, 1991 under Nigerian law as a private limited liability company. It went public in 2002 with an Initial Public Offering (IPO). It is a subsidiary of Siat SA, a Belgian agro-industrial company specialized in industrial as well as smallholder plantations of tree crops, mainly oil palm and rubber, and allied processing industries such as palm oil mills, palm oil refining / fractionation, soap making and crumb rubber factories. The Company holds the Obaretin Estate, the Ologbo Estate, the Sakponba Estate, located in Edo State, and the Cowan Estate in Delta State. The company's operations are fully integrated with plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining plant. It is the only fully integrated operation in Nigeria.

In the 1970s, the Government of former Bendel State of Nigeria initiated a programme for the development of oil palm cultivation with the financial support of the World Bank. The state-owned Oil Palm Company Limited (OPC) established Obaretin Estate and planted 1,150 hectares between 1975 and 1980. Siat SA became involved in Presco in 1991, at which time there were 2,700 hectares planted at Obaretin Estate. Under Siat's management, a new expansion programme commenced from 1993 and an additional 3,000 hectares was planted at Obaretin Estate. The total planted area as of 30 June 2024 is 5,312 hectares.

In 1996 Presco acquired the 2,769-hectare Cowan Estate at Ajagbodudu, Delta State, from the Delta State Government-owned Oil Palm Company Limited. The total planted area at 30 June 2024 is 2,368 hectares.

In 2002, Presco acquired 6,000 hectares from the Edo State Government and another 1,500 hectares from other parties making a total of 7,500 hectares in the Ologbo Estate. Other subsequent acquisitions in Ologbo bring the estate to a concession of 13,552 hectares, of which 8,614 hectares have been planted. Presco also became a public company in 2002.

Recently, the Sakponba estate was acquired, 16,704 hectares concession of which 10,916 hectares have been planted. The Presco total planted area amounts to 27,211 hectares as of 30 June 2024. The company's operations are fully integrated with plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining plant. It is the only fully integrated operation in Nigeria.

In a bid to improve capacity and efficiency, Presco recently expanded its palm oil mill capacity from 60MT FFB / hour to 90 MT FFB / hour and a new 350 MT / day palm kernel crushing plant also replaced the prior 60MT / day plant with a new 500MT vegetable oil refining plant added to the existing 100MT / day refining and fractionation plant. Presco is also diversifying into rubber, a move which is at a very early stage. The Company continues to invest in research and development to become a known leader in research and development in the oil palm industry and has invested over ₦1.05 billion over the past three years.

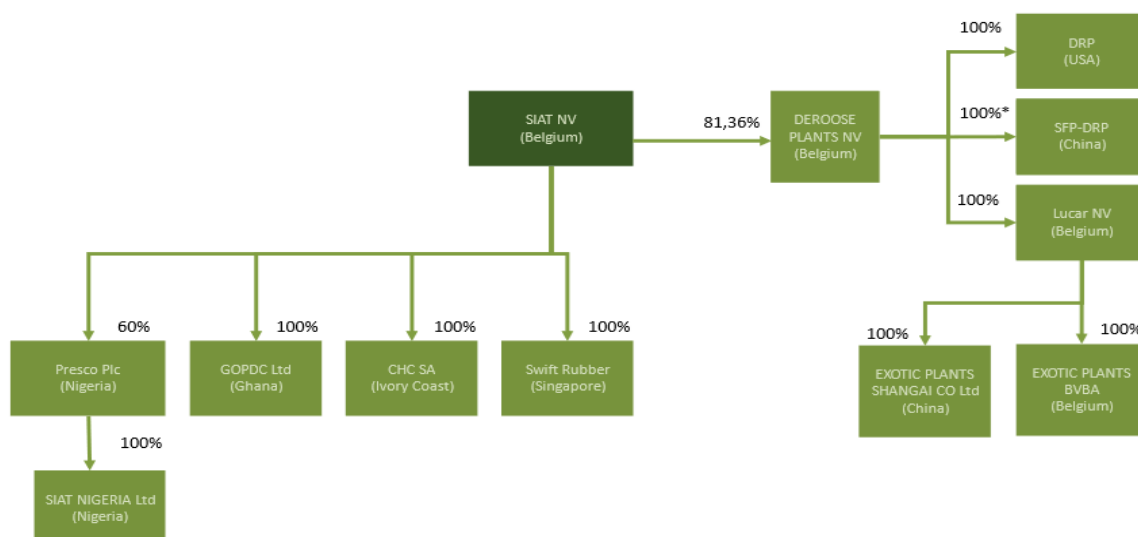
### 2. BUSINESS OVERVIEW

Presco Plc specializes in the cultivation of oil palms and in the extraction, refining and fractioning of crude palm oil into vegetable oil and palm stearin. The Company is a major producer and supplier of specialty oils and fats of outstanding quality and to customers' specifications for industrial use and domestic consumption and guarantees reliable supply all year round due to the fully integrated nature of operations. Produce include Crude Palm Oil (CPO), Special Palm Oil (SPO), Crude Palm Kernel Oil (CPKO), Refined Bleached Deodorized Palm Oil (RBDPO), Olein, Stearin, Palm Fatty Acid Distillate (PFAD), Palm Kernel Cake (PKC).

The company today consists of:

- Oil palm plantations of 27,211 hectares of which 22,622 are mature but with an overall average age of 10 years (4-8 years: 10,202Ha; 9-18 years: 8,204Ha; 19-25 years: 2,883Ha; 26-30 years: 1,334Ha)
- A palm oil mill with a capacity of 90 tonnes fresh fruit bunches/hour
- A refinery plant with a capacity of 500 tonnes/day
- A refinery fractionation plant with a capacity of 105 tonnes/day
- A palm kernel crushing plant with a capacity of 350 tonnes/day

### 3. GROUP STRUCTURE



### 4. DESCRIPTION OF PRODUCTS

#### Crude Palm Oil

This is crude palm oil, extracted from the mesocarp of palm fruits used for cooking, frying soap, detergent and nutritious supplement.

#### Special Palm Oil

This is a premium grade palm oil with less than 3% free fatty acid (FFA) content, extracted from the mesocarp of palm fruits used for cooking, frying soap, detergent and nutritious supplement.

#### Palm Fatty Acid Distillate (PFAD)

PFAD contains a very high free fatty acid level. It is used for soap, detergents, cooking, frying, salad oil, creams, spreads and mayonnaise.

#### Olein

A light-yellow edible oil obtained from the fractionation of Refined Bleached and Deodorized Palm Oil, which is separated in two fractions by partial crystallization.

#### Crude Palm Kernel Oil (CPKO)

CPKO is a light-yellow crude oil, extracted from the palm kernels, containing mainly lauric acid. It is used in ice cream, margarine, soap, detergent, chocolate and confectionary products.

#### Refined Palm Kernel Oil (RPKO)

It is known as palpita and used in ice cream, margarine, soap, detergent, chocolate and confectionery products.

#### Stearin

Stearin is the solid fraction obtained from the fractionation of Refined Bleached and Deodorized Palm Oil used by the food industry for biscuits, snacks, crisps, chocolate and confectionery products. Its premium grade is known as palma.

#### Refined Bleached and Deodorised Palm Oil (RBDPO)

It contains between 0.05% and 0.15% free fatty acid used for cooking, frying, soap, detergent, nutritious supplement and in dairy products.

**5. PROFILE OF THE DIRECTORS****Olakanmi Rasheed Sarumi**

Mr Olakanmi Rasheed Sarumi is the Group Managing Director of Soroafrica Limited, an Agro-industrial and Consumer Goods Group with various subsidiaries. He is the Chairman of the Board of Trustees of Large- Scale Cassava and derivatives Processors in Nigeria, Chairman of Oil Palm Investors Group, Edo State, and a Member of the Presidential Economic Coordination Council amongst others. Mr. Rasheed is a Co-founder of the Youth Advocacy for Social Change foundation. Mr Sarumi holds a B.Sc. in Agricultural Engineering from Obafemi Awolowo University (1989). He is an alumnus of the Advanced Management Program from Lagos Business School (1998) and the Owner President Program from Harvard Business School (2012).

**Reji George**

Mr. Reji George joined SIAT Group as Chief Executive Officer of Presko Plc on August 1, 2023 and recently confirmed as MD/CEO of Presko Plc effective June 7, 2024. Mr George has been into Plantations / farms management and has over 3 decades of experience in managing large plantations (Rubber & Tea) in India, and fully integrated commercial farms and value chain farming initiatives across East and West Africa. In his last role, he was with Olam International in Nigeria for the past 18 years as the Vice President of the farming division. He established Olam's fully integrated and mechanized commercial rice farming project in Nasarawa State which is, currently, the largest commercial Rice farm in Africa. He was also a member of the global leadership team of Olam on Regenerative agriculture and Sustainability. Reji holds a master's in business administration, with a focus on marketing and finance from T.K.M college of Engineering and Management, Kerala University, India, and a B.Sc. in Chemistry from Mar Ivanios college Trivandrum, under Kerala University, India.

**Felix Onwuchekwa Nwabuko**

Mr. Felix Onwuchekwa Nwabuko is the Group Chief Executive Officer of SIAT Group. He is a chartered accountant and previously worked as a consultant with extensive multi-industry, international, and business management experience within a big four audit firm, international industrial group and world class university environments including twenty five years in expert management of leading large scale industrial oil palm plantation and processing enterprises in the Nigerian and Ghanaian oil palm and vegetable oil industry. He is a Fellow of the Institute of Chartered Accountants of Nigeria, Associate of Chartered Institute of Taxation Nigeria, Alumni of Manchester Business School (2008), United Kingdom and University of Benin, Nigeria (1991). He was Managing Director of Presko PLC and Siat Nigeria Limited from 1st February 2015 and was appointed Group Chief Executive Officer of SIAT Group with effect from 4<sup>th</sup> March 2024.

**Ingrid Gabrielle Vandewiele**

Mrs. Ingrid Vandewiele was appointed as non-executive director (NED) of Presko PLC on May 22, 2020. For 16 years, she worked in Financial Management within the Siat Group, Belgium. She has contributed to more consistent and drill down accounting by standardization and automatization. Her core skills include; commercial finance in an international environment, cash management, operational efficiency and analyst. Prior to her appointment as non-executive director of Presko PLC; She acquired professional experience in (1), SIAT N.V., Brussels, Belgium; a Belgium agro-industrial company, operational in Western Africa, China, USA and Cambodia in the Palm oil, rubber and ornamental sector as Group Chief Financial Officer; (2) IMPERBEL N.V., Lot, Belgium; Producer of Bituminous, water proofing products mainly for flat roofs; such as membranes ("DERBIGUM") and cold adhesives as an Assistant-Cost controller as CEO Assistant – Cost Controller; (3) SKF International S.A. (Brussels) – Headquarters of Middle East and Africa area as Credit Controller, Overall Accountant Finance Department, and as Assistant Logistic Manager. Her education includes High School at Ten Doorinstituut in Eeklo – majoring in Classic language (Latin) and Mathematics; Masters in Savonic Philology Rijksuniversiteit Gent – Belgium (1988) and Post University Diploma in Business Management VUB (1990) – Belgium.

**Jan Van Eykeren**

Mr. Jan Van Eykeren was appointed as non-executive director (NED) of Presko PLC on September 26th, 2022. He holds a Master's degree in Tropical and Subtropical Agriculture (Engineer), and an Executive Master in Interim Management. He has a long experience in

managing international agricultural companies in Africa and Europe. He has been active in large scale palm oil and rubber plantations and processing in many countries in Africa for over eighteen (18) years. Earlier in Cameroon, in livestock feed mill industry, poultry parent stock farms and hatchery and fruit production, international fruit trade and fruit grower cooperatives Europe. He worked for own companies and for third parties. Company experience include in Finance (P&L and Balance Sheet), budget, and cost control; land developments, agricultural department, road and bridge constructions; technical factories, industrial and vehicle workshops; procurement and warehouse management; human resources management, health, safety and environment (HSE), hospitals, schools, residences, and worker housing.

### **Abdul Akhor Bello**

Mr Abdul Akhor Bello is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) and attended Yaba College of Technology, Lagos (HND). He is an alumnus of Oxford University's Advance Management & Leadership Program and he has attended international development programs at Harvard Business School, IMD and Wharton amongst others. Mr. Bello has an extensive record of board service and leadership experience in various sectors of the economy. During his 30-year career with the UACN Group, Abdul held senior leadership positions such as Managing Director of CAP Plc, Managing Director of UPDC Plc, Group ED/Chief Financial Officer of UACN Plc and Group Chief Executive Officer of UAC of Nigeria Plc. Abdul is an independent Non-Executive Director of Vitafoam Nigeria Plc and Chairman of Saro Lifecare Limited.

### **Nonye Udo Esther**

Ambassador Nonye Udo is an accomplished career diplomat who represented Nigeria admirably both at home and abroad. Her distinguished service to Nigeria in the Ministry of Foreign Affairs earned her the 2017 Presidential Civil Service Merit Award. At the United Nations Headquarters she was a well-respected expert member of the United Nations revered Advisory Committee on Administrative and Budgetary Questions, the ACABQ. As a female officer in a mostly male dominated field of diplomacy, Ambassador Udo was very sensitive to women empowerment, gender mainstreaming and mentoring of the underprivileged. This was a continuation of her work on Sustainable Development Goals (SDGs) at the United Nations as well as Nigeria's expert to the Committee on Responsibility to Protect (R2P). As a further recognition of her expertise and dedication to service both to humanity in general and Nigeria in particular, she was nominated and served as the first Nigeria female Ambassador to the Kingdom of Belgium, Luxembourg and to the European Union headquarters. Ambassador Udo holds a B.A. degree (CumLaude) from the University of California, Los Angeles, and a Masters in Public Administration from Harvard University.

## **6. KEY PILLARS OF THE BUSINESS**

### **Employment Generation**

Presco is one of the largest employers of labour in Edo and Delta states, with a total of about 8,778 employees. Indirectly, operations positively impact on the livelihoods of many more people through transport contracts, construction contracts, fresh fruit bunches and kernel purchases from farmers, as well as by the company being a large consumer of goods and services.

### **Plantation Development**

Presco aspires to maintain a leading position in the oil palm sub-sector of the agro-industry in Nigeria. The company plans to continue its forward-looking vision of plantation expansion through its continuous planting of additional hectares of oil palm plantations and further expansion of its processing facilities. As of 30 June 2024, the total planted area is 27,211 hectares of oil palm plantations.

### **Industrial Facilities**

Presco continually invests in facilities to boost production. The palm oil mill capacity was increased from 60 to 90 tonnes fresh fruit bunches (FFB) / hour. The palm kernel crushing plant operates at 350 tonnes/day. The refinery has been increased to 500 metric tonnes per day and fractionation plant capacity of 105 tonnes/day. The company plans to construct a second palm oil mill with a capacity of 80 tonnes fresh fruit bunches per hour in its Sakponba estate to be commissioned in 2025 to cope with its increasing harvest of fresh fruit bunches.

**Community Relations**

Presco aims to create healthy operations and ensure that its presence has positive impact on the lives and social well-being of host communities. More specifically, the company focuses on employment, educational infrastructure provision, road maintenance, scholarship for students, provision of electricity, potable water supply and other essential facilities.

**Environmentally Friendly**

Presco believes in environmentally friendly and sustainable operation. All waste oil from the mill is recycled into the plantation or used as fuel to generate green process steam and electricity. The company is involved in a joint research programme with CIRAD. This research programme focuses on developing criteria for sustainable and environmentally responsible plantation development and management.

**7. CAPITAL STRUCTURE**

The capital structure of the Company as at 30 June 2024 is as follows:

S/N	Line Item	Company NGN'000
A)	Cash and cash equivalent	14,198,262
B)	Short term debt	682,217
C)	Long term debt	42,519,125
D)	Total shareholders' equity	84,692,651
E)	Guarantees	Nil



## **USE OF PROCEEDS**

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The net proceeds from each issue of the Bonds will be stated in the Applicable Pricing Supplement, and may include, amongst other uses, refinancing of existing debt obligations of the Issuer, completion of designated capital projects, working capital and general corporate purposes.

The Applicable Pricing Supplement for each Series will specify details of the exact use of proceeds of the



## CREDIT RATING ANNOUNCEMENT

GCR revises the Outlook to Stable on Presco Plc's National Scale Long-term Issuer rating of A<sub>(NG)</sub>.

## Rating action

Lagos, 13 August 2024 - GCR Ratings (GCR) has affirmed the national scale long-term and short-term Issuer ratings of Presco Plc (Presco) at A<sub>(NG)</sub> and A2<sub>(NG)</sub>, respectively. The outlook has been revised to Stable, from Evolving. Concurrently, GCR has affirmed the national scale long-term Issue rating of A<sub>(NG)</sub> assigned to Presco Plc's NGN34.5Bn Series 1 Senior Unsecured Bonds, with the Outlook also revised to Stable.

Rated entity / issue	Rating class	Rating scale	Rating	Outlook
Presco Plc	Long-term issuer	National	A <sub>(NG)</sub>	Stable
	Short-term issuer	National	A2 <sub>(NG)</sub>	--
NGN34.5Bn Series 1 Senior Unsecured Bonds	Long-term issue	National	A <sub>(NG)</sub>	Stable

## Rating rationale

In March 2024, Oak and Saffron Limited, a wholly owned investment vehicle of SaroAfrica Limited UK (SaroAfrica group), completed the acquisition of 86.7% shareholding of SIAT N.V (Belgium), which holds majority shareholding in Presco. Subsequently, GCR accorded an 'Evolving' outlook to Presco in May 2024, as we were unable to assess the credit implications of the acquisition on the Issuer, due to uncertainties regarding the corporate structure and the consequent financial performance of the enlarged SaroAfrica group.

The current rating action, revising the outlook to Stable from Evolving, is underpinned by Presco management's confirmations that 1) there are no operational or funding linkages between the SIAT N.V subgroup and the ultimate parent, SaroAfrica Limited UK 2) SIAT N.V is not an obligor to any debt of SaroAfrica, 3) is a non-operating holding company, with no intention to consolidate SIAT N.V and no risk transfers between the entities. The ratings affirmations reflect the strong financial profile of the SIAT N.V group, given the sustained reduction in debt and improvement in earnings.

We have maintained the analytical approach as group credit analysis using the consolidated financial statements of SIAT N.V, which owns 60% of Presco's shares and wholly owns other subsidiaries. Presco remains the largest contributor to SIAT N.V group earnings, with over 60% of revenue in financial year 2023. While the new ultimate parent is SaroAfrica Limited (UK), via an acquisition through Oak and Saffron Limited, management has indicated the entities remain as separate operational and legal entities without consolidation. Furthermore, we do not expect a change in the analytical approach to result from the recent corporate reorganisation within the SIAT N.V group, with the acquisition of a sister company, Ghana Palm Oil Development Company Limited (GOPDC) by Presco in May 2024. However, subsequent analytical approach would be dependent on the evolution of corporate structuring over the medium term.

We affirm the financial profile as positive to the ratings, on the back of sound earnings progression and the material reduction in debt over the review period. We expect the group to maintain revenue growth over the outlook period, but at a more modest rate. We also maintain expectations for a strong leverage position, given the review period low debt level reported as of 30 June 2024, following consecutive reductions over the past five years. Although, Presco is in the process of raising NGN100Bn (USD63.2M), we expect this to be eliminated upon consolidation, given that the

Nigeria | Corporate | Public Rating

## TAX CONSIDERATIONS

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*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.

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 percent. Effective 1 July 2022, withholding tax on interest payments to a foreign company or foreign resident from a country with which Nigeria has a double taxation treaty will generally be payable at the rate of 7.5 - 10 percent pursuant to the FIRS Circular of 11 May 2022. In view of this, the Company would be required to withhold tax on such payments and remit same to the appropriate tax authorities. Furthermore, in accordance with the provisions of the Finance Act 2019, any expense incurred in deriving tax-exempt income would not be deductible for the purpose of arriving at taxable profit.

Further to the expiration of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 on 2 January 2022, investments in Bonds are no longer eligible to benefit from CIT exemption. Thus, bondholders shall be subject to withholding tax, except where the Issuer intends to gross-up each bondholder under the applicable Pricing Supplement for withholding tax statutorily required to be deducted.

Based on the provisions of the Finance Act 2020 and the Personal Income Tax (Amendment) Act 2011, interest derived from an investment in the Bonds under the Programme is generally exempt from VAT and PIT.

Notwithstanding, following the expiration of the exemption granted by the 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, Personal Income Taxes are now applicable to income derived and interest earned by individuals and non-limited liability entities resident in Lagos State from bonds and short-term securities in accordance with the Personal Income Tax (Amendment) Act 2004 with effect from January 2, 2022, except for bonds issued by the Federal Government of Nigeria.

The Capital Gains Tax Act, Chapter C1 LFN 2004 ("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.

*The foregoing summary is not a comprehensive summary, and does not constitute advice, on tax to any actual or potential purchaser of Bonds issued under the Programme. In addition, it does not constitute a representation by the Issuer or its advisers on the tax consequences of a subscription or purchase of Bonds issued under the Programme. Any tax consideration that may be relevant to a decision of a person to acquire, hold or dispose of Bonds issued under the Programme and to each actual or potential purchaser of the Bonds may vary. Therefore, any actual or potential purchaser of the Bonds who intends to ascertain its/his/her tax position should seek professional advice from its/his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of the above summary.*

**1. AUTHORISATION OF THE PROGRAMME**

At the meeting of the Board of Directors held on 06 June 2024, the Board approved the establishment of a ₦150,000,000,000 Bond Issuance Programme by the Issuer and the issuance of Bonds thereunder.

**2. INCORPORATION AND SHARE CAPITAL HISTORY OF THE ISSUER**

Presco PLC was incorporated in Nigeria on 24 September 1991 (registered number 174370) as a public limited company. The Issuer's registered address is Obaretin Estate, Km 22 Benin-sapele road, Benin-City, Edo State.

Date issued	Issued Share Capital			Paid-up Share Capital			Consideration
	Number of Shares'000	Increase N'000	Cumulative N'000	Number of Shares'000	Increase N'000	Cumulative N'000	
1991	50,000	50,000	50,000	50,000	50,000	50,000	Cash
1994	50,000	50,000	100,000	50,000	50,000	100,000	Cash
1996	130,000	30,000	130,000	100,000	-	100,000	
1998	130,000	-	130,000	130,000	30,000	130,000	Conversion of Debt to Equity
1999	260,000	-	130,000	260,000	-	130,000	Conversion of share ₦1 to 50K
2001	500,000	120,000	250,000	300,000	20,000	150,000	Conversion of Debt to Equity
2002	500,000	-	250,000	500,000	100,000	250,000	Initial Public Offering
2008	1,000,000	250,000	500,000	1,000,000	250,000	500,000	Bonus (1 for 1)
2014	1,100,000	50,000	550,000	1,000,000	-	500,000	
2022	1,000,000	(50,000)	500,000	1,000,000	-	500,000	Cancellation of unissued share capital
2023	1,000,000	-	500,000	1,000,000	-	500,000	

From 1991 – 2022, the share capital was Authorised Share Capital until the unissued share capital was cancelled pursuant to the provisions of the Companies and Allied Matters Act 2020.

**3. SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE ISSUER**

The issued share capital of the Issuer evidenced by the Status report from CAC is N500,000,000 (Five hundred million Naira) made up of 1,000,000,000 (One billion) ordinary shares of ₦0.50 each.

As of 30 September 2024, the ordinary shares in the issued share capital of Presco were held as follows:

S/N	Name of Shareholders	Holdings	% of holdings
1	Siat SA	600,000,000	60.00%
2	ZPC / SIPML RSA Fund II-Main A/C	51,234,022	5.12%
3	Others	348,765,978	34.88%
	<b>TOTAL</b>	<b>1,000,000,000</b>	<b>100.00%</b>

Except as stated above, no other shareholder holds more than 5% of the issued share capital of the Company.

**4. DIRECTORS' BENEFICIAL INTERESTS**

The interests of the Directors in the issued share capital of the Issuer as recorded in the register of directors' interests or as notified by them for the purpose of section 301(1) of CAMA as at 30 June 2024 are as follows:

S/N	Name of Director	Units (Direct)	Units (Indirect)
1	Felix Nwabuko	304,482	450
2	Olakanmi Rasheed Sarumi	-	-
4	Reji George	-	-
5	Ingrid Gabrielle Vandewiele	-	-
6	Jan Johanna Lucien Van Eykeren	-	-
7	Abdul Akhor Bello	90,000	-
8	Nonye Udo	-	-

**5. INDEBTEDNESS OF THE ISSUER**

As at 30 September 2024, total indebtedness of the Company was ₦58.31 billion. Details of the indebtedness and others at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement to that particular series of Bonds.

**6. SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS**

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

S/N	Names	Classification	%Shareholding
1	SIAT Nigeria Limited	Sister Company	Nil
2	Ghana Oil Palm Development Company (GOPDC) Limited	Sister Company	Nil
3	Compagnie Heveicole de Cavally	Sister Company	Nil

**7. CLAIMS AND LITIGATION**

The opinion of the Solicitors to the Transaction, in connection with the Bond Issuance Programme is set out below:

*“Based on the Litigation Schedule, the Issuer is currently involved in twenty-four (24) civil cases. The Issuer is the claimant in one (1) of the civil cases and a defendant in twenty-two (22) of the civil cases. The Issuer has a pending application for joinder as a co-defendant in one (1) of the cases.*

*The total sum claimed by the Issuer in the sole case in which it is the claimant is the sum of ₦2,059,832,182 (two billion and fifty-nine million, eight hundred and thirty-two thousand, one hundred and eighty-two Naira).*

*The total sum claimed against the Issuer in twenty (20) civil cases is the sum of ₦8,029,920,821.37 (eight billion, twenty-nine million, nine hundred and twenty thousand, eight hundred and twenty-one Naira, thirty-seven Kobo).*

*The total sum claimed against the Issuer in the one (1) pending application for joinder is ₦300,000,000 (three hundred million Naira). There are no monetary claims against the Issuer in the remaining two (2) cases.*

*Based on the above, we are of the opinion that the above-mentioned cases will not have any material impact on the proposed Transaction”.*

**8. OFF BALANCE SHEET ITEMS**

As of 30 September 2024, the Issuer had no off-balance sheet items other than in the ordinary course of business.

**9. 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.

**10. MATERIAL CONTRACTS**

The following agreement has been entered into by the Issuer and are considered material to the Programme:

A Programme Trust Deed dated 31 January 2025 between the Issuer and Stanbic IBTC Trustee Limited (as Trustee) in connection with the establishment of the Programme;

Other than as stated above, the Issuer has not entered any material contract except in the ordinary course of business.

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

## 11. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

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

### **Memorandum of Association**

(xii) To borrow or raise money for the purpose of the Company and for that purpose to mortgage otherwise charge the whole or any part of the Company's undertaking, property and assets including the uncalled capital of the Company.

(xiv) To borrow and raise money and secure or discharge any debt or obligations or bound the Company in such manner as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the real and personal property (present and future) and the uncalled capital of the Company and by the creation and issue of debentures, debenture stock or other obligation or securities of any description.

### **Articles of Association**

94. The Directors may exercise all the powers of the Company any time to borrow or raise for the purpose of the Company such sums of money and at such rates of interest, in any form or manner for any amount, as the Directors may think proper and may secure the repayment of such moneys or any other money which the Company may be liable to pay, by mortgage or by charge of Debentures of Debenture Stock, perpetual or otherwise, forming a charge upon the whole or any part of the property, assets or undertaking of the Company, both present and future including its unpaid or uncalled capital for the time being, in such manner and upon such terms and conditions and with such security as the Directors shall determine.

## 12. EXTRACTS FROM THE PROGRAMME TRUST DEED

The following are extracts from the Programme Trust Deed dated 31 January 2025

### **2. APPOINTMENT OF TRUSTEE**

- 2.1 The Issuer hereby appoints the Trustee, and the Trustee hereby agrees and accepts to act as Trustee for the benefit of Bondholders, to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on behalf of the Bondholders and itself (in accordance with the terms of this Deed). The Trustee hereby agree to act as trustees for the benefit of the Bondholders on the terms and conditions in this Trust Deed.
- 2.2 All sums received by the Trustee in respect of the Bonds or amounts payable under this Deed shall be received by the Trustee on trust to apply same in accordance with the rights of each Bondholder as set out in this Deed and the relevant Series Trust Deed.

### **3. DECLARATION OF TRUST**

#### **3.1 The Trustee**

The Trustee hereby declares itself as trustee for the Bondholders with effect from the date of this Deed to hold the benefit of the covenants, rights and other obligations on the part of the Issuer herein contained on trust for the Bondholders and itself according to theirs' and the respective interests of the Bondholders, subject to the terms and conditions of this Deed.

#### **3.2 Duration of Trust**

The Trust created by this Deed shall remain in full force and effect until the date on which, following the redemption of all Bonds issued pursuant to the Programme and receipt by the Trustee of unconditional confirmation in writing from the Registrar that the Bondholders have been paid all outstanding obligations, the Issuer receives an unconditional release in writing from the Trustee from all of its obligations under this Deed. For the avoidance of doubt, the Parties to this Deed agree that the common law rules against perpetuities will apply to this Deed.

### **4. THE TRUST DEED BINDING ON ALL PARTIES**

The provisions of this Deed shall be binding on the Issuer, the Trustee and the Bondholders and

all persons claiming through them respectively as if such Bondholders and persons are Parties to this Deed. Subject to clause 18 of this Trust Deed, a bondholder who feels dissatisfied can personally initiate a legal action to enforce his rights under this Deed irrespective of the legal duty of the Trustees to take such legal action.

## **7. COVENANTS OF THE ISSUER**

### **7.1 Covenant of Compliance**

The Issuer hereby covenants with the Trustees that it shall comply with and perform all the provisions of this Deed which are binding on it. The Conditions shall be binding on the Issuer, Trustee and Bondholders. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in the Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant upon trust for themselves and the Bondholders according to their respective interests.

### **7.2 Covenant to Repay and to Pay Coupon on the Bonds**

7.2.1 The size of the Bonds under the Programme is limited to the Aggregate Principal Amount and the aggregate principal amount of the Bonds of each Series is limited to the amount specified in the Series Trust Deed(s) in respect of such Series.

7.2.2 The Issuer hereby acknowledges that, to the extent that any such Bonds are constituted under the relevant Series Trust Deed and are issued, it will be indebted to the Bondholders in an aggregate Principal Amount specified in the Series Trust Deed(s) in respect of such Series. The Issuer covenants with and undertakes to the Trustee that the Bonds, to the extent constituted and issued, shall be redeemed together with any outstanding Coupon and other moneys on the Redemption Date (or earlier on an amortised basis) provided for in the relevant Series Trust Deed or such earlier date as the same or any part thereof may become due and repayable thereunder. As and when the Bond or any part thereof ought to be redeemed or repaid in accordance with the provisions of the relevant Series Trust Deed, the Issuer shall pay or procure to be paid to or to the order of the Trustee in immediately available funds, the full Principal Amount of the Bond or as the case may be such part of the Bond as ought to be redeemed on that date together with such premiums (if any) thereon as may be payable, and shall in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay or procure to be paid unconditionally to or to the order of the Trustee as aforesaid, Coupon (as provided in the relevant Series Trust Deed) on the principal amount of the Bonds.

7.2.3 In any case where payment is not made to the Trustee on or before the due date or improperly withheld or refused by the Issuer, the Coupon shall continue to accrue on the Principal Amount Outstanding of the Bonds so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which the Trustee determines to be the date on and after which payment is made to the Bondholders.

7.2.4 Every payment of principal and or Coupon on the Bonds shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by any Applicable Laws be required to deduct.

### **7.3 Authorisations**

7.3.1 The Issuer shall obtain, make and keep in full force and effect all authorisations that may be required for the validity and enforceability of the Programme Documents against the Issuer.

7.3.2 The Issuer shall at all times execute all such further documents and perform all acts and things as may be reasonably necessary at any time or times in the reasonable opinion of the Trustee for the purpose of discharging its functions under, or giving effect to, this Deed.

### **7.4 Compliance with Laws**

The Issuer shall comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case are material to its business and its obligations under the Programme Documents for as long as any Bonds are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its business or its obligations under the Programme Documents.

## **7.5 Financial Statements and Covenants**

7.5.1 The Issuer shall furnish the Trustee with a copy of the financial statement on its quarterly performance within ten (10) Business Days of sending the financial statement to the Commission and Exchange.

7.5.2 The Issuer shall furnish the Trustee with at least 5 (five) copies of its audited financial statements, including its balance sheet as at the close of each fiscal year and its profit and loss account and statement of cashflows for that fiscal year, prepared in accordance with IFRS and is concurred to by the Auditors as giving a true and fair representation of the financial condition of the Issuer as at the close of each fiscal year, at the same time as such statements are being sent to its ordinary shareholders.

## **7.6 Ranking**

The ranking of the Issuer's payment obligation in respect of the Bonds (principal and Coupon) shall be as specified in the applicable Series Trust Deed and/or Pricing Supplement.

## **7.7 Mergers and other arrangements**

The Issuer shall not, for as long as any Bonds remain outstanding and, without the prior written consent of the Trustee (such consent not to be unreasonably withheld, in so far as the Trustee is of the opinion that the interests of the Bondholders would not be jeopardised in any material way), enter into any amalgamation, de-merger, merger, consolidation or corporate reconstruction, if such amalgamation, de-merger, merger, consolidation or corporate reconstruction would have a Material Adverse Effect, unless:

7.7.1 the Issuer shall be the continuing person, or the successor person (as a result of such amalgamation, de-merger, merger, consolidation or corporate reconstruction), shall continue to be a company incorporated and validly existing under the laws of Nigeria, and shall assume all of the obligations of the Issuer under the Trust Deed by way of a supplemental trust deed to this Deed in form and substance satisfactory to the Trustee;

7.7.2 immediately before and after giving effect to such amalgamation, de-merger, merger, consolidation or corporate reconstruction no Potential Event of Default or Event of Default shall have occurred and be continuing;

7.7.3 a Rating Reaffirmation is obtained in respect of such merger or consolidation or transfer of assets, as the case may be; and

7.7.4 the Issuer or such successor person, as the case may be, shall have delivered to the Trustee (a) an opinion of independent legal adviser(s) of recognised standing, stating that the amalgamation, de-merger, merger, consolidation or corporate reconstruction complies with the provisions of subparagraph (i) above and (b) a certificate signed by 2 (two) of its Directors stating that the amalgamation, de-merger, merger, consolidation or corporate reconstruction complies with the provisions of subparagraphs 7.6 and 7.7.2 above.

## **7.8 Share Capital and other matters**

The Issuer shall not change or amend its constitutional documents being the Memorandum and Articles of Association in a manner that would adversely affect its ability or obligation to pay principal and/or coupon on the Bonds issued under this Deed or the Programme and/or any moneys payable under this Deed unless the written consent of the Trustee is first obtained, which consent shall not be unreasonably withheld.



**7.9 Auditors**

The Issuer shall retain a reputable firm of auditors as its auditors at all times.

**7.10 Taxation**

The Issuer shall duly and punctually pay and discharge all Taxes (a) for which it reasonably believes it is liable pursuant to any self-assessment procedure and (b) assessed upon it or its assets under any Applicable Law within the period allowed without incurring penalties, except solely, in the case of (b), to the extent that:

7.10.1 such payment is being contested in good faith;

7.10.2 adequate reserves are being maintained for those Taxes and any interest or penalties; and

7.10.3 such payment can be lawfully withheld.

**7.11 Statutory Payments**

The Issuer shall pay all stamp duties or other taxes imposed by any Authority upon or in connection with the issue and subscription of the Bonds and the execution and delivery of the Programme Documents. The Issuer shall also indemnify the Trustee and the Bondholders from and against all stamp or other taxes paid by any of them in connection with any action taken by or on behalf of the Trustee in relation to the Bonds or, as the case may be, the Bondholders to enforce the Issuer's obligations under this Trust Deed or the Bonds.

**7.12 Legal Status**

The Issuer shall ensure that it maintains its legal status and ensure that it complies with all Applicable Laws required to maintain such status.

**7.13 Information - Miscellaneous**

The Issuer shall ensure that information that has been or will be made available to the Bondholders, or the Trustee, by the Issuer or any director, officer, employee, or representative of the Issuer in connection with the transactions contemplated herein shall:

7.13.1 be complete and correct in all material respects; and

7.13.2 not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein misleading in light of the circumstances under which such statements were or are made.

**7.14 Proper Books of Account**

The Issuer shall keep proper books of account and make true and proper entries therein and, at any time after an Event of Default or Potential Event of Default has occurred or if the Trustee reasonably believes that an Event of Default or Potential Event of Default may have occurred or may be about to occur, allow the Trustee and the Issuer's Auditors free access to such books of account at all reasonable times during normal business hours.

**7.15 Consent for Divestment**

The Issuer shall not, for as long as any Bonds remain outstanding and, without the prior written consent of the Trustee (such consent not to be unreasonably withheld), divest any of its majority interest in any of its subsidiaries.

**7.16 Establishment of a Debt Service Reserve Account**

The Issuer may establish a Debt Service Reserve Account in a manner as may be provided for under the Pricing Supplement and the relevant Series Trust Deed.

**7.17 Restricted Payments**

The Issuer 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 a Potential Event of Default has occurred and is continuing.

**7.18 Additional Covenants**

The Issuer further covenants to the Trustee that it shall:

- 7.18.1 use its best endeavours to maintain the quotation or listing of the Bonds on the Exchange on which the Bonds are quoted or listed or, if it is unable to do so having used such endeavours, use its best endeavours to obtain and maintain a quotation or listing of such Bonds on the Exchange or securities market or markets as the Issuer may decide and also upon obtaining a quotation or listing of such Bonds issued by it on the Exchange or securities market or markets enter into a deed supplemental to this Trust Deed or the relevant Series Trust Deed to effect such consequential amendments as the Trustee may require or as shall be requisite to comply with the requirements of the Exchange or securities market. Provided that the Issuer shall not delist the Bonds from any Exchange without the prior approval of the Majority Bondholders;
- 7.18.2 provide to the Trustee all such documents and information as the Trustee may reasonably require in connection with the performance by the Trustee of its obligations under this Deed within 15 (fifteen) Business Days of receipt of a written request from the Trustee or, in the event that the Issuer may require a longer period to obtain such documents or information from third parties as soon as is reasonably practicable after such request and in any event by such longer period as may be agreed with the Trustee in writing; and
- 7.18.3 on written request, issue to the Trustee in each year in which any part of the Principal Amount and any Coupon accrued thereon remains outstanding a certificate stating that;
  - 7.18.3.1 all arrangements required during the next financial year to meet payment obligations of the Issuer have been put in place by the Issuer; and
  - 7.18.3.2 to the best of its knowledge, the Issuer is not aware of any facts or unforeseen circumstances in its ordinary course of business that will affect its ability to meet its payments obligations as and when due.

**10. REPRESENTATIONS AND WARRANTIES OF THE PARTIES****10.1 Representations and warranties of the Issuer**

The Issuer hereby undertakes, represents and warrants to the Trustee that, as of the date of this Deed and to the Trustee and the Bondholders of the relevant Series as at the Closing Date and Coupon Payment Date of any Series of the Bonds, that:

- 10.1.1 it is a public limited liability company duly incorporated under Nigerian law and has full power and authority, and has obtained all governmental licences, authorisations, consents and approvals, to enter into, execute, deliver and perform its obligations under the Programme Documents;
- 10.1.2 its execution and delivery of the Programme Documents, the issuance of the Bonds and its performance thereunder:
  - 10.1.2.1 have been duly authorised by all necessary corporate action (including any necessary shareholder or similar action);
  - 10.1.2.2 will not contravene any Applicable Law;

- 10.1.2.3 will not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its assets; and
- 10.1.2.4 will not contravene other agreements and any of the provisions of the Issuer's constitutional documents;
- 10.1.3 each of the documents required to be executed and delivered in connection with the issue of the Bonds have been or will be duly executed and delivered by it and (with respect to any Bond, upon its authentication and delivery by the Trustee) constitutes its legal, valid and binding obligation, enforceable against it (subject to corporate insolvency and similar exceptions) in accordance with its terms;
- 10.1.4 it is in material compliance with all Applicable Laws in relation to its obligations under the Programme;
- 10.1.5 it has obtained and, to the extent that it has not obtained, will obtain the required registration necessary for the issuance of the Bonds;
- 10.1.6 neither the Issuer nor any of its assets has any right of immunity on the ground of sovereignty or otherwise, from the jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Programme Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction and where any such right is conveyed while the Bonds are outstanding, the Issuer hereby waives such right;
- 10.1.7 the obligations of the Issuer under the Programme Documents are direct, general and unconditional obligations of the Issuer and rank at least pari passu with all other present and future unsecured and unsubordinated Financial Indebtedness, if any, of the Issuer;
- 10.1.8 that it is neither unable nor has it admitted to an inability to pay its debts as they fall due and has not suspended making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;
- 10.1.9 no Moratorium has been declared in respect of any of its current Financial Indebtedness;
- 10.1.10 the value of its assets is not less than its actual liabilities;
- 10.1.11 save as may be otherwise disclosed in the applicable Pricing Supplement, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if determined, might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief) been started or threatened against it or any of its assets; and
- 10.1.12 That all the information in the Programme Documents and any other document(s) that has been or will hereafter be made available to the Bondholders by the Issuer or any director, officer, employee or representative of the Issuer in connection with the transactions contemplated herein is, and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made.

## **10.2 Representations and warranties of the Trustee**

The Trustee hereby undertakes, represents and warrants to the Issuer that, as of the date of this Deed and as at the Closing Date of any Series of the Bonds:

- 10.2.1 it is a company duly registered under the laws of the Federal Republic of Nigeria;
- 10.2.2 it is duly registered and authorised by the Commission to act as a trustee in connection with capital market transactions;
- 10.2.3 it has full power and authority to enter into this Deed and to exercise its rights and perform its obligations hereunder and has obtained all authorisations and consents necessary for it to enter, exercise rights and perform obligations under this Deed and such authorisations and consent are in full force and effect;
- 10.2.4 it has the resources, capacity and expertise to act on behalf of the Bondholders;
- 10.2.5 the obligations expressed to be assumed by it under this Deed are legal and valid obligations binding on it in accordance with their terms and it shall comply with the provisions of the ISA, SEC Rules, the Trustee Investments Act, and this Deed and the relevant Series Trust Deed, in the performance of its obligations;
- 10.2.6 it shall provide any information that the Commission or the Issuer may require in connection with its obligation to act on behalf of the Bondholders;
- 10.2.7 it shall not allow any conflicts to occur between its obligations in connection with the Bonds and its commercial interests;
- 10.2.8 it shall not delegate its duties, except as permitted by the Deed;
- 10.2.9 it does not have any subsisting and undisclosed fiduciary relationship with the Issuer; and
- 10.2.10 it shall comply with its obligations under this Deed.

## **11. ENFORCEMENT**

The rights and duties of the Trustee, and the rights and duties of the Bondholders, in respect of the Bonds as to recovery of amounts owing on the Bonds and the Coupons are set out in Condition 19 (*Events of Default*) of the First Schedule.

## **15. METHOD OF PAYMENT OF PRINCIPAL MONEY, COUPON AND PREMIUM**

- 15.1 Payment of principal, Coupon and premium (if any) for the time being owing or due on all or any part of the Bond will be credited to the bank account nominated for this purpose by a Bondholder (or in the case of joint registered Bondholders, by the joint Bondholders) or any other method as the Trustee may determine.
- 15.2 Without prejudice to the provisions of the Conditions attaching to the Bonds referred to in the First Schedule, the receipt by each Bondholder or in the case of joint Bondholders by any one of such joint Bondholders of any principal or interest payable in respect of the Bond held by such Bondholder or joint Bondholders shall constitute a discharge of the payment obligations of the Issuer to pay such principal or Coupon.

## **19. POWERS, DUTIES, RELIEFS AND INDEMNITIES OF TRUSTEE**

- 19.1 The Trustee shall enjoy all powers, reliefs and indemnities granted to trustees pursuant to all applicable laws for the time being in force.
- 19.2 The Trustee shall have the power to do any act in accordance with this Deed, the relevant Series Trust Deed, the ISA, SEC Rules and any Applicable Law which shall be on behalf of and for the benefit of the Bondholders.

19.3 The Trustee shall have the following duties and responsibilities:

- 19.3.1 safeguard the rights of the Bondholders for the Issuer's obligations under the Programme;
- 19.3.2 to summon, as and when necessary, meetings of all Bondholders of a Series or Tranche where a statement of affairs on the management of any funds on behalf of the Bondholders shall be presented and/or any other necessary business and or matter shall be presented and determined. A meeting shall be convened by the giving of at least 28 (twenty-eight) clear days' written notice to all Bondholders (specifying the agenda at the meeting), and the said notice may also be published in at least 2 (two) national newspapers. The procedure of and regulations for such a meeting of the Bondholders shall be in accordance with the Second Schedule to this Deed;
- 19.3.3 not to enter into contracts or other arrangements that would amount to a conflict of interest in the performance of its obligations under this Deed, or any other customary obligations of a trustee; and
- 19.3.4 to comply with its fiduciary duties owed to the Bondholders under this Deed and Applicable Laws, including:
  - 19.3.4.1 to manage the trust property (where applicable) in a prudent manner;
  - 19.3.4.2 to act for the benefit of the Bondholders in the management of the trust property (where applicable) and not to let its duties and that owed to the Bondholders conflict;
  - 19.3.4.3 to ensure that the property (where applicable) is vested according to the terms of the trust herein established;
  - 19.3.4.4 to act honestly, prudently and in good faith in the performance of its duties and to exercise all due care, skill, diligence, and vigilance in carrying out its functions and duties as trustee and in safeguarding the rights and interests of the Bondholders;
  - 19.3.4.5 to clearly identify the property which are held on trust for the Bondholders;
  - 19.3.4.6 not to commingle its funds with those of the trust;
  - 19.3.4.7 to segregate its assets from the trust property and any other trust administered by the Trustee;
  - 19.3.4.8 not to deal with any of the trust assets except in accordance with the provisions of this Trust Deed, the ISA and the SEC Rules; and
  - 19.3.4.9 to act impartially and solely in the best interest of all Bondholders.

19.4 The Trustee acting through its specified office shall make payments of Coupon and principal in respect of the Bonds in accordance with the Conditions and this Trust Deed and for so long as the Bonds are evidenced by records confirmed by the Registrar.

19.5 The Trustee shall not make any payment of Coupon or principal in respect of any Series of the Bonds in an amount which is greater than the amount of Coupon or principal payable in accordance with the Conditions in respect of such Series of Bonds and determined or calculated by the Trustee.

19.6 Prior to an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of such duties as specifically set down in this Deed.

- 19.7 The Trustee shall make available for inspection by Bondholders at its specified office, copies of this Deed, the relevant Series Trust Deed and the latest consolidated audited accounts of the Issuer.
- 19.8 The Trustee shall have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Trustee's negligence, fraud, wilful default and misconduct.
- 19.9 The duties and obligations of the Trustee shall be determined solely by the express provisions hereof, and no implied powers, duties or obligations of the Trustee, save as mandated by the ISA or any other Applicable Law, shall be construed into this Deed.
- 19.10 Upon the occurrence of an Event of Default, the Trustee shall, subject to the provisions of this Deed, exercise such rights and utilise such powers vested in it under this Deed, and the ISA, and shall use the required degree of care and skill in the exercise of its duties.
- 19.11 The Trustee shall not be required to expend or risk its own funds or otherwise incur any liability in the performance of its duties or in the exercise of its rights or powers as Trustee, except such liability as may result from its negligence, wilful default and/or misconduct.
- 19.12 Notwithstanding any other provisions hereof, the Trustee shall have no liability for (a) an error of judgment made in good faith by an officer or employee of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or (b) action taken or omitted to be taken by it in good faith in accordance with the lawful direction of the Majority Bondholders.
- 19.13 It is hereby expressly agreed and declared as follows:
- 19.13.1 the Trustee may in relation to this Deed act on the opinion or advice of, or any information from any solicitor, valuer, surveyor, broker, auctioneer, accountant, or other expert, whether obtained by the Issuer or by the Trustee or otherwise, and shall not be responsible for any loss occasioned by so acting provided that it has used its best efforts to ensure that such persons are competent; and any such advice, opinion or information may be obtained or sent by letter, or, electronic mail, and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be so conveyed even though the same shall contain some error;
- 19.13.2 the Issuer shall bear the fees and reasonable costs and expenses incurred by the Trustee in the appointment of any solicitor, valuer, surveyor, broker, auctioneer, accountant or any other agent, expert or professional in respect of the trust and agreed in advance in writing by the Issuer. The Issuer hereby agrees to pay to the Trustee such fees and expenses within 14 (fourteen) days on a full indemnity basis together with any VAT or similar tax payable in respect thereof in connection with the engagement of any such agent, expert or professional upon receipt of the Trustee's written request;
- 19.13.3 the Trustee shall not be bound to give notice to any person or persons of the execution of this Deed or of any acts or deeds made or done by virtue of this Deed or to see to the registration of this Deed in any registry or to any other formalities (except to the due execution by it of this Deed) in connection herewith;
- 19.13.4 save as herein otherwise provided, the Trustee shall not be bound to take any steps to ascertain whether any event has happened upon the occurrence of which the Bonds may be declared immediately repayable;
- 19.13.5 save as herein otherwise expressly provided, the Trustee shall, as regards all trusts, powers, authorities and discretions hereby vested in it, have absolute and uncontrolled discretion as to the exercise thereof, and in the absence of fraud, negligence, or misconduct, shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof, and in particular, the Trustee shall not be bound to act

- at the request or discretion of the Bondholders under any provision of this Deed unless the Trustee shall first be indemnified to its satisfaction by the Bondholders against all costs, charges, expenses and liability which may be incurred in complying with such request;
- 19.13.6 the Trustee shall not be responsible for the monies subscribed by applicants for the Bonds or be bound to see to the application thereof;
- 19.13.7 the Trustee shall be at liberty to accept:
- 19.13.7.1 a certificate signed by any two (2) Directors as to any fact or matter on which the Trustee may need or wish to be satisfied as sufficient evidence of such fact or matter including the certification that any properties or assets in the opinion of such people have a particular value or produce a particular income or are suitable for the Issuer's purposes as sufficient evidence that they have that value or produce a particular income or are so suitable; and
- 19.13.7.2 the Trustee shall not be bound in such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so or by its acting on any such certificate;
- 19.13.8 the Trustee shall not be responsible for having acted upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution with the effect that the resolution was not valid or binding upon the Bondholders except where the Trustee had actual knowledge of such defect prior to taking such action;
- 19.13.9 the Trustee shall not be bound to declare any Series of the Bonds immediately repayable or to take any steps to enforce payment thereof or any of the provisions of this Deed unless and until in any of such cases the Trustee is required to do so in writing by Majority Bondholders or by an Extraordinary Resolution passed at a duly convened meeting of the Bondholders; provided that the Trustee shall in any case inform the Bondholders of the happening of any Event of Default that comes to its knowledge;
- 19.13.10 without prejudice to the right of indemnity by law given to the Trustee and every attorney, manager, agent or other person appointed by it hereunder, (the "Indemnified Persons") the Trustee shall be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by the Indemnified Persons in the execution or purported execution of the powers and trusts hereof or of any powers, authorities or discretions vested in it pursuant to this Deed; provided that the Trustee, the attorney, agent or manager or other person appointed by the Trustee have not acted fraudulently, negligently or in default of its powers, duty and obligations, and the Trustee may retain and pay out of any monies in its hands upon the trusts of these, the amount of any such liabilities and expenses and also the remuneration of the Trustee as hereinbefore provided; and
- 19.13.11 the Trustee shall not be liable for anything save only a breach of trust committed by it, PROVIDED NEVERTHELESS that nothing contained in this Clause 19 shall exempt the Trustee from indemnifying the Issuer or Bondholders against any liability for negligence, wilful misconduct or breach of trust where the Trustee fails to show the degree of care and diligence required of them having regard to the provisions hereof conferring on them powers, authorities or discretions.

## **25. APPOINTMENT, REMUNERATION AND REMOVAL OF TRUSTEE**

- 25.1 Subject to the notification and approval of the Commission, the power to appoint a new trustee

- hereof shall, for so long as any of the Bonds is outstanding, be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Ordinary Resolution of the Bondholders for the time being which Bondholders shall in addition have power at any time by an Extraordinary Resolution to remove from office any trustee appointed pursuant to this Deed. Provided that the Bondholders can only move to remove the appointed trustee when the trustee is in breach of its representations and warranties in Clause 10.2 of this Deed, as well as in the case of negligence, default, breach of duty or breach of trust in relation to its duties as provided in Clause 19 of this Trust Deed. A removal of the Trustee shall not be effective until the Issuer has appointed a new trustee (and such appointment has been approved by an Extraordinary Resolution of the Bondholders and by the Commission).
- 25.2 Such successor trustee(s) shall be a reputable, duly registered and experienced trustee, have accepted such appointment, and shall have delivered to the Issuer the duly executed Accession Instrument in or substantially in the form in the Third Schedule to this Deed.
- 25.3 In the event of a removal of the Trustee in accordance with Clause 25, the Trustee shall deliver up all assets within its custody and control relating to its obligations under this Deed, to the appointed successor trustee(s), including all books, accounts, documents, reports and records including, where applicable, access to all required software and electronic records. Provided always that the removal of the Trustee shall be subject to the approval of the Commission.
- 25.4 Notwithstanding the provisions above, the Trustee may, upon obtaining the written consent of the Issuer, such consent not to be unreasonably withheld and upon obtaining the approval of the Commission, appoint any other trustee registered with the Commission or any other relevant regulator to act either as a separate trustee or as a co-trustee jointly with the Trustee only in the following circumstances:
- 25.1.1 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- 25.1.2 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Deed against the Issuer.
- 25.5 The Issuer irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment pursuant to Clause 25.4 above. Such trustee shall (subject always to the provisions of this Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these provisions) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such trustee. Such reasonable remuneration as the Trustee may pay to any such trustee, together with any attributable liabilities incurred by it in performing its function as a separate trustee or co-trustee, shall for the purposes of these provisions be treated as liabilities incurred by the Trustee.
- 25.6 The Issuer shall during the continuance of this trust and until the trusts hereof shall be finally wound up and whether or not the trusts of this Deed be in the course of administration by or under the direction of any court, pay to the Trustee for its services hereunder, the Trustee's fees in accordance with this Deed or any other agreed terms between the Issuer and the Trustee, subject to such upward review as the Parties may agree in writing from time to time subject to the regulatory limit on trustee fees prescribed by the Commission.
- 25.7 The Issuer shall pay the Trustee the sign-on/participation fee and the annual fees in the amount and manner agreed to by the Parties in the Trustee's engagement letter.
- 25.8 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any Value Added Tax, or any similar tax chargeable in respect of its remuneration under this Deed.
- 25.9 The Trustee may retain and pay to itself out of any monies held by it upon the trusts of this Deed, all sums owing to it in respect of agreed remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Issuer to which it is entitled hereunder or by law and all such sums as aforesaid shall rank in priority to the claims of the Bondholders. The Trustee shall not incur cumulative expenses in excess of ₦1,000,000 (one million Naira) per



annum without the prior written approval of the Issuer. Provided that the prior approval of the Issuer shall not be required in relation to expenses which are incurred in connection with Events of Default or Potential Events of Default.

- 25.10 The Issuer shall also pay all costs, charges and expenses incurred by the Trustee in the exercise of the powers, authorities and discretions vested in it under this Deed.

### **13. DECLARATIONS**

Except as otherwise disclosed in this Shelf Prospectus:

- a) No share of the Issuer 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 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 have not been informed of any holding representing 5% or more of the issued share capital of the Issuer;
- d) There are no founders', management or deferred shares or any options outstanding in the Issuer;
- e) There are no material service agreements between the Issuer 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 any of its directors and employees other than in the ordinary course of business;
- g) No director of the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer in the five (5) years prior to the date of this Shelf Prospectus;
- h) No prosecution has commenced against the Issuer or any of its subsidiaries in respect of any breach of any securities or Companies and Allied Matters Act, 2020; and
- i) No action has been taken against the Issuer by the NGX, FMDQ or any other recognised exchange in respect of any breach of the listing requirements of the exchange.

It is further declared that to the best of the Directors' knowledge as at 30 June 2024,

- a) None of the Directors/shareholders/key management staff is under any bankruptcy or insolvency proceedings filed (and not struck out) against such person or any partnership in which he was a partner or any company in which he was a director of key personnel in any court of law;
- b) None of the Directors/shareholders/key management staff has been convicted in any criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
- c) None of the Directors/shareholders/key management staff is the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### **14. CONFIRMATION OF GOING CONCERN STATUS**

The Directors affirm that the Issuer is a going concern and has no pending insolvency proceedings instituted against it. The Directors also confirm that the Issuer will continue in operations for the foreseeable future and that there are no threats to the operations of the Issuer.

### **15. 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.

**16. OVERVIEW OF CORPORATE GOVERNANCE**

The Company's corporate governance structure provides a framework that aims to:

- a) Enhance accountability to shareholders and other stakeholders;
- b) Ensure timely and accurate disclosures of all material matters;
- c) Deal fairly with shareholders' and other stakeholders' interests;
- d) Maintain high standards of business ethics and integrity; and
- e) Ensure risks are managed prudently, while pursuing business objectives.

Presco's Board of Directors comprises seven (7) members with two (2) Executive Directors inclusive

The Board is led by the Non-Executive Chairman and includes individuals with vast experience and achievement in their respective fields. The Board meets regularly to set broad policies for its business and operations ensuring that actions are taken on a fully informed basis, in good faith with due diligence in the best interest of its shareholders.

Responsibilities of the Board are well defined, and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director and the Chairman is not involved in the day-to-day operations of the Company.

Grant Thornton Consultants, an international corporate consultant, carried out the annual Board Assessment for the year 2020. Their report forms part of the annual report and accounts as required by the SEC Code and the 2018 National Code of Corporate Governance Practice.

The Board of Directors is responsible for providing leadership to deliver long-term value to shareholders and other stakeholders. It also guides and supervises the executive leadership team to act in the interest of the public as well as its shareholders, in case of conflict, the former shall prevail. The board establishes corporate policies, sets strategic direction, ensures that an effective internal control environment is in place, and oversees the management which is responsible for day-to-day operations. The board recognises that delegating its functions and authorities to any committee and the management does not absolve its overall responsibility for governance.

The Managing Director, supported by the management team (known as the Executive Leadership Team), facilitates the business and operational duties of the Issuer. The managing director is responsible for supervising and coordinating all key business and operational activities in relation to the implementation of the company's overall strategy. The Executive Leadership Team is made up of the senior executives of the company who have the delegated authority from the board to perform day-to-day management functions of the business and to implement all projects and initiatives as approved by the board. The team meet at least once a month and may attend board meetings by invitation, where they present a report and provide input and perspective on their areas of responsibility.

The Board, Managing Director and Executive Leadership Team are further supported by the Company Secretary and external Auditors. The Company Secretary facilitates the Board process as well as communications between Board members, Shareholders and Management, and advises the Board on all governance matters. The external Auditors provide assurance on financial reporting and ensure accountability and audit quality.

The Company holds regular general meetings of its shareholders and is also mindful of adhering to its governance framework in its interactions with other stakeholders in the company's daily operations including clients, employees, regulatory bodies, suppliers and vendors.

**Composition of Board Committees**

The Board functioned through its two Board committees; the Board Finance & Investment Committee and the Board Audit Risk Governance & Compliance Committee. Board Committees make recommendations for approval by the Board.

**17. RELATED PARTY TRANSACTIONS**

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. Additional information on Related Party transactions can be found in the audited financial statements.

**18. MERGERS AND TAKEOVERS**

Presco PLC is in the process of acquiring a 100% equity stake in Ghana Oil Palm Development Company ("GODPC"). The acquisition is projected to amount to \$124.9 million, with the purchase of 70,580,000 ordinary shares of GOPDC at a price of \$1.77 per share.

**19. CONSENTS**

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

<b>Directors of the Issuer:</b>	Olakanmi Rasheed Sarumi Reji George Felix Nwabuko Ingrid Gabrielle Vandewiele Jan Van Eykeren Abdul Akhor Bello Nonye Udo Esther
<b>Company Secretary of the Issuer:</b>	Abdulai, Taiwo & Co (Company Secretaries)
<b>Lead Issuing House:</b>	Stanbic IBTC Capital Limited
<b>Joint issuing Houses:</b>	Rand Merchant Bank Nigeria Limited, Afrinvest Capital Limited, CardinalStone Partners Limited, Coronation Merchant Bank Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited and Greenwich Merchant Bank Limited
<b>Solicitor to the Issuer:</b>	Abdulai, Taiwo & Co
<b>Solicitor to the Transaction:</b>	Udo Udoma & Belo-Osagie
<b>Trustees:</b>	Stanbic IBTC Trustees Limited, Coronation Trustees Limited and Leadway Capital and Trusts Limited
<b>Reporting Accountant:</b>	KPMG Professional Services
<b>Auditor:</b>	Deloitte and Touche
<b>Registrar:</b>	First Registrar and Investor Services Limited
<b>Rating Agency:</b>	Global Credit Ratings Co.

**20. REGISTERED OFFICE**

Obaretin Estate  
Km 22 Benin  
Sapele Road  
Benin City  
Edo State  
Phone: +234 803 413 4444  
Email: [presco@siat-group.com](mailto:presco@siat-group.com)  
Company website: [www.Presco-plc.com](http://www.Presco-plc.com)

**21. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the head office of the Issuer at Obaretin Estate, Km 22 Benin Sapele Road, Benin City, Edo State and the Issuing Houses offices between 8.00 a.m. and 5.00p.m. on any Business Day throughout the validity of the Programme:

- a. Certificate of Incorporation of the Issuer, duly certified by the CAC;
- b. Memorandum and Articles of Association of the Issuer, duly certified by the CAC;
- c. Reporting Accountants' Report on the audited accounts of the Issuer for the years ended 31 December 2023, 2022, 2021, 2020 and 2019;
- d. The Programme Trust Deed dated 31 January 2025 between the Trustees and the Issuer;
- e. Extracts of the Minutes of the Board of the Issuer dated 06 June 2024 authorising the Bond Issuance Programme;
- f. Letter from SEC dated on or before 23 December 2024 approving the registration of the Shelf Prospectus;
- g. The schedule of the Claims and Litigation referred to above and the Solicitors' opinion thereon;
- h. Audited Financial Statement of the Issuer for the years ended December 2023, 2022, 2021, 2020 and 2019;
- i. The Management accounts for the 9 months ended 30 September 2024;
- j. Shelf Prospectus issued with respect to the Bond Issuance Programme;
- k. Any Series Trust Deeds;
- l. Any Pricing Supplement;
- m. Any Vending Agreements in relation to specific issuances under the Programme;
- n. Written Consents of the Directors and Professional Parties to the Issue

**KPMG Professional Services**

KPMG Tower  
Bishop Abayade Cole Street  
Victoria Island  
PMG 40014, Falomo  
Lagos

Telephone 234 (1) 271 8955

234 (1) 271 8599

Internet [home.kpmg/ng](http://home.kpmg/ng)

### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**The Directors**

Presco Plc

Obaretin Estate

Km 22 Benin/Sapele Road

Ikpoba-Okha Local Government Area

Edo State

**Report on the Financial Statements**

We have reviewed the accompanying consolidated financial statements of Presco Plc and its subsidiaries (together "the Group"), which comprise the consolidated statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, and the consolidated statements of profit and loss, consolidated statements of other comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years then ended, and 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 consolidated financial statements in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Accountants' Responsibility**

Our responsibility is to express a conclusion on the accompanying consolidated 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 consolidated 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.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 999025

A list of partners is available for inspection at the firm's address.

**KPMG Professional Services**

KPMG Tower  
Bishop Abiodun Cole Street  
Victoria Island  
PMG 40014, Falemo  
Lagos

Telephone 234 (1) 271 8955

234 (1) 271 8599

Internet home.kpmg/ng

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The accountant 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 consolidated financial statements.

**Conclusion**

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

**Signed:**

Ayodele Othiwa, FCA  
FRC/2012/ICAN/00000000425  
For: KPMG Professional Services  
Chartered Accountants  
2 August 2024  
Lagos, Nigeria



KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No 0N 989325

A list of partners is available for inspection at the firm's address.

# EXTRACT FROM THE FINANCIAL STATEMENTS

The financial information set out in this Shelf Prospectus has been extracted from the Reporting Accountant's report. This section should be read and construed in conjunction with the audited financial statements published for the financial years prior to the issuance under this Prospectus. The Financial Statements of Presco Plc for the year ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 are hereby incorporated by reference and are available for inspection. Kindly refer to page 68 "Documents Available for Inspection" section of the Prospectus.

Presco Plc

Reporting accountants' report with accompanying financial information  
For The Years Ended 2019, 2020, 2021, 2022 and 2023

## Consolidated Statements of Financial Position

As at 31 December

		Group	Group	Group	Company	Company
	Note	2023	2022	2021	2020	2019
		₦'000	₦'000	₦'000	₦'000	₦'000
<b>Non-current assets</b>						
Intangible assets	16	87,900	118,907	149,755	74	121
Property, plant and equipment	18	97,715,971	92,652,564	84,568,443	52,109,564	48,211,859
Right-of-use assets	19	3,984,273	3,890,117	4,009,859	1,624,456	1,647,846
<b>Total non-current assets</b>		<b>101,788,144</b>	<b>96,661,588</b>	<b>88,728,057</b>	<b>53,734,094</b>	<b>49,859,826</b>
<b>Current assets</b>						
Inventories	22	15,877,089	4,127,736	4,195,922	3,226,174	3,095,011
Biological Assets	17	26,584,978	14,341,283	15,236,322	6,937,844	5,092,477
Trade and other receivables	23	16,274,839	7,134,163	10,081,412	6,962,759	6,832,407
Cash and bank balances	24	9,793,095	10,104,678	22,364,597	2,585,092	5,934,937
		<b>68,530,001</b>	<b>35,707,860</b>	<b>51,878,253</b>	<b>19,711,869</b>	<b>20,954,832</b>
<b>Total assets</b>		<b>170,318,145</b>	<b>132,369,448</b>	<b>140,606,310</b>	<b>73,445,963</b>	<b>70,814,658</b>
<b>Equity</b>						
Share capital	25.1	500,000	500,000	500,000	500,000	500,000
Share Premium	25.2	1,173,528	1,173,528	1,173,528	1,173,528	1,173,528
Other Reserves		(1,011,767)	56,311	113,544	(140,088)	(41,737)
Acquisition premium on SNL		-	-	(17,848,831)	-	-
Retained earnings		56,501,291	32,430,726	45,843,040	29,194,982	26,060,913
<b>Total equity</b>		<b>57,163,052</b>	<b>34,160,565</b>	<b>29,781,281</b>	<b>30,728,422</b>	<b>27,692,704</b>
<b>Non-current liabilities</b>						
Borrowings	27	57,661,238	57,853,315	22,373,286	6,810,189	8,487,757
Deferred benefit obligations	26	2,542,923	1,351,271	1,077,797	938,705	694,053
Deferred tax liabilities	31	13,970,135	7,312,881	10,946,165	9,055,816	6,784,632
Deferred income	29	447,368	412,254	455,916	466,365	682,697
Lease liabilities	30.2	2,583,805	2,488,220	2,511,775	186,529	186,531
		<b>77,205,469</b>	<b>69,417,941</b>	<b>37,364,939</b>	<b>17,457,604</b>	<b>16,835,670</b>
<b>Current liabilities</b>						
Trade and other payables	32	14,605,885	12,009,025	32,840,900	11,541,335	8,180,956
Current tax liabilities	31	10,440,979	10,525,095	5,397,904	628,181	1,562,333
Bank Overdraft	28	7,282,983	2,235,756	5,655,259	6,364,154	7,093,238
Borrowings	27	2,765,113	3,589,924	28,685,891	6,425,272	9,155,154
Deferred income	29	776,327	369,936	826,675	267,489	261,097
Lease liabilities	30.2	78,337	61,206	53,461	33,506	33,506
		<b>35,949,624</b>	<b>28,790,942</b>	<b>73,460,090</b>	<b>25,259,937</b>	<b>26,286,284</b>
<b>Total liabilities</b>		<b>113,155,093</b>	<b>98,208,883</b>	<b>110,825,029</b>	<b>42,717,541</b>	<b>43,121,954</b>
<b>Total equity and liabilities</b>		<b>170,318,145</b>	<b>132,369,448</b>	<b>140,606,310</b>	<b>73,445,963</b>	<b>70,814,658</b>

**Consolidated Statement of Profit or Loss and other Comprehensive Income**  
*For the year ended 31 December*

	Note	Group 2023 N'000	Group 2022 N'000	Group 2021 N'000	Company 2020 N'000	Company 2019 N'000
Revenue	7	102,419,187	81,029,846	47,426,435	23,891,766	19,723,641
Cost of sales	8	(37,387,167)	(31,057,010)	(15,350,873)	(7,803,248)	(7,001,810)
<b>Gross profit</b>		<b>65,032,020</b>	<b>49,972,836</b>	<b>32,075,562</b>	<b>16,088,518</b>	<b>12,721,831</b>
Administrative expenses	9	(23,627,924)	(20,362,414)	(9,345,095)	(6,943,054)	(6,592,691)
Trade Receivables Impairment (provision)/ write back	9.1	-	-	3,839	37,258	(33,392)
Selling and distribution expenses	10	(1,557,532)	(1,790,236)	(747,725)	(318,364)	(382,709)
Other gains	11	2,682,500	1,482,126	435,470	(287,800)	386,202
Exchange gain		4,387,454	-	-	-	-
Gains/(Loss) on biological asset revaluation	17	12,243,696	(895,035)	6,962,382	1,845,367	1,832,064
Expected Credit Loss Allowance		(21,117)	(137,525)	(121,335)	-	-
<b>Operating profit before finance cost and finance income</b>		<b>59,139,097</b>	<b>28,269,752</b>	<b>29,263,098</b>	<b>10,421,925</b>	<b>7,931,305</b>
Finance costs	12	(9,180,737)	(8,491,775)	(2,579,982)	(1,918,292)	(2,133,709)
Finance income	13	48,165	36,864	18,184	58,858	66,915
<b>Profit before tax</b>	14	<b>50,006,525</b>	<b>19,814,841</b>	<b>26,701,300</b>	<b>8,562,491</b>	<b>5,864,511</b>
Tax expense	15	(17,145,191)	(6,782,417)	(7,058,317)	(3,428,422)	(2,220,937)
<b>Profit for the year</b>		<b>32,861,334</b>	<b>13,032,424</b>	<b>19,642,983</b>	<b>5,134,069</b>	<b>3,643,574</b>
<b>Profit for the year attributable to:</b>						
Non-controlling interest		-	-	-	-	-
Owners of the Parent		<u>32,861,334</u>	<u>13,032,424</u>	<u>19,642,983</u>	<u>-</u>	<u>-</u>
		<u>32,861,334</u>	<u>13,032,424</u>	<u>19,642,983</u>	<u>-</u>	<u>-</u>
<b>Other Comprehensive Income (OCI)</b>						
Profit for the year		32,861,334	13,032,424	19,642,983	5,134,069	3,643,574
Items that will not be classified subsequently to profit or loss		-	-	-	-	-
Remeasurement of defined benefit obligation	26.2	(1,327,571)	(84,790)	375,751	(140,501)	(146,225)
Income tax relating to components of OCI	15.3	259,493	27,557	(122,119)	42,150	43,867
<b>Other comprehensive (loss)/income, net of tax</b>		<b>(1,068,078)</b>	<b>(57,233)</b>	<b>253,632</b>	<b>(98,351)</b>	<b>(102,358)</b>
<b>Total comprehensive income for the year</b>		<b>31,793,256</b>	<b>12,975,191</b>	<b>19,896,615</b>	<b>5,035,718</b>	<b>3,541,216</b>
<b>Earnings per Share</b>						
Basic (Kobo)	34	3,286	1303	1,964	513	364
Diluted (Kobo)	34	3,286	1303	1,964	513	364



**Consolidated Statement of Changes in Equity***For the year ended 31 December*

Group	Share capital	Share Premium	Retained Earnings	Other Reserves	Total	Total Equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>At 1 January 2019</b>	500,000	1,173,528	24,404,879	60,621	26,139,028	26,139,028
Profit for the year	-	-	3,643,574	-	3,643,574	3,643,574
Net remeasurement gain on defined benefit plan	-	-	-	(102,358)	(102,358)	(102,358)
<b>Total comprehensive income</b>	-	-	3,643,574	(102,358)	3,541,216	3,541,216
Statute barred unclaimed dividend			12,460	-	12,460	12,460
Dividend paid	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
<b>Balance as at 31 December 2019</b>	<b>500,000</b>	<b>1,173,528</b>	<b>26,060,913</b>	<b>(41,737)</b>	<b>27,692,704</b>	<b>27,692,704</b>
Profit for the year	-	-	5,134,069	-	5,134,069	5,134,069
Net remeasurement gain on defined benefit plan	-	-	-	(98,351)	(98,351)	(98,351)
<b>Total comprehensive income</b>	-	-	5,134,069	(98,351)	5,035,718	5,035,718
Dividend paid	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
<b>Balance as at 31 December 2020</b>	<b>500,000</b>	<b>1,173,528</b>	<b>29,194,982</b>	<b>(140,088)</b>	<b>30,728,422</b>	<b>30,728,422</b>
Profit for the year	-	-	19,642,983	-	19,642,983	19,642,983
Net remeasurement gain on defined benefit plan	-	-	-	253,632	253,632	253,632
<b>Total comprehensive income</b>	-	-	19,642,983	253,632	19,896,615	19,896,615
Acquisition premium on SNL (Note 21.2)	-	-	(17,848,831)	-	(17,848,831)	(17,848,831)
Status Bar dividend (Note 32.4a)	-	-	5,075	-	5,075	5,075
Dividend paid	-	-	(3,000,000)	-	(3,000,000)	(3,000,000)
<b>Balance as at 31 December 2021</b>	<b>500,000</b>	<b>1,173,528</b>	<b>27,994,209</b>	<b>113,544</b>	<b>29,781,281</b>	<b>29,781,281</b>

**Consolidated Statement of Changes in Equity***For the year ended 31 December*

Group	Share capital	Share Premium	Retained Earnings	Other Reserves	Total	Total Equity
<b>Opening Balance as at 31 December 2021</b>	<b>500,000</b>	<b>1,173,528</b>	<b>27,994,209</b>	<b>113,544</b>	<b>29,781,281</b>	<b>29,781,281</b>
Profit for the year	-	-	13,032,424	-	13,032,424	13,032,424
Net remeasurement gain on defined benefit plan	-	-	-	(57,233)	(57,233)	(57,233)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>13,032,424</b>	<b>(57,233)</b>	<b>12,975,191</b>	<b>12,975,191</b>
Status Bar dividend (Note 32.4a)	-	-	4,093	-	4,093	4,093
Dividend - interim	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
Dividend - Final	-	-	(6,600,000)	-	(6,600,000)	(6,600,000)
<b>Balance as at 31 December 2022</b>	<b>500,000</b>	<b>1,173,528</b>	<b>32,430,726</b>	<b>56,311</b>	<b>34,160,565</b>	<b>34,160,565</b>
Profit for the year	-	-	32,861,334	-	32,861,334	32,861,334
Net remeasurement gain on defined benefit plan	-	-	-	(1,068,078)	(1,068,078)	(1,068,078)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>32,861,334</b>	<b>(1,068,078)</b>	<b>31,793,256</b>	<b>31,793,256</b>
Status Bar dividend (Note 32.4a)	-	-	9,231	-	9,231	9,231
Dividend - interim	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
Dividend - Final	-	-	(6,800,000)	-	(6,800,000)	(6,800,000)
<b>Balance as at 31 December 2023</b>	<b>500,000</b>	<b>1,173,528</b>	<b>56,501,291</b>	<b>(1,011,767)</b>	<b>57,163,052</b>	<b>57,163,052</b>

**Consolidated and Separate Statement of Cash Flows**

For the year ended 31 December

	Note	Group 2023	Group 2022	Group 2021	Company 2020	Company 2019
		₦'000	₦'000	₦'000	₦'000	₦'000
<b>Cash flows from operating</b>						
Profit for the year		32,861,334	13,032,424	19,642,983	5,134,069	3,643,574
<i>Adjustments for:</i>						
Loss/(Gain) on sale of property plant and equipment	11	170,912	61,407	(4,942)	83,945	15,509
Gain on disposal of palm seedlings	11	-	-	-	-	(82,332)
Loss on sale of palm seedlings	11	-	355,864	742,696	611,172	-
Tax expense	15.1	17,145,191	6,782,417	7,058,317	3,428,422	2,220,937
Reversal of inventory provision		-	-	(323,032)		
(Gain)/Loss on biological Asset valuation	17	(12,243,696)	895,035	(6,962,382)	(1,845,367)	(1,832,064)
Depreciation of property plant and equipment	14	3,986,525	4,039,470	2,618,307	1,759,029	1,431,275
Depreciation of Right-of-use Assets	14	183,421	119,742	39,123	23,390	23,390
Provision for slow and obsolete inventory		-	-	-	127,860	195,172
Amortization of intangible assets	16	31,008	30,848	29,561	47	47
Recognition of government grant on additional loan	29.1	(217,153)	(224,307)	(303,785)	(205,006)	(164,958)
Finance cost	12	9,180,737	8,491,775	2,579,982	1,918,292	2,133,709
Finance income	13	(48,165)	(36,864)	(18,184)	(58,858)	(66,915)
Foreign exchange (gain)/ Loss	9	(4,387,454)	3,311,123	894,266	-	-
Service cost	14	123,630	103,207	157,727	61,174	31,573
Settlement gain/(loss) on long service award	9	58,766	12,955	(7,647)	6,592	8,041
Bad Debt written off		-	-	4,094	-	-
PPE Transfer to Inventory/ write off		3,078,012	-	-	-	-
Expected Credit Loss Allowance/(write-back)	23	21,117	137,325	121,335	(37,258)	33,392
		<b>49,944,185</b>	<b>37,112,421</b>	<b>26,268,419</b>	<b>11,007,503</b>	<b>7,590,350</b>
<b>Movement in working capital</b>						
(Increase)/Decrease in trade and other receivable	41	(9,016,198)	2,809,924	(177,450)	(93,095)	(1,803,227)
(increase)/Decrease in inventories	41	(14,873,558)	68,186	415,672	(259,023)	1,341,532
Increase/(Decrease) in trade and other payable	41	16,706,886	(2,222,207)	(5,777,059)	3,281,778	195,083
Increase/(Decrease) in deferred income from advances from customers	41	441,505	(642,506)	852,522	(4,934)	10,576
Statute barred unclaimed dividend transferred from payables		-	-	-	66,719	
Strategic spares transferred into inventory		-	-	-	-	847,164
<b>Cash flows generated from operating activities</b>		<b>43,202,820</b>	<b>37,125,818</b>	<b>21,582,104</b>	<b>13,998,948</b>	<b>8,181,478</b>

**Consolidated and Separate Statement of Cash Flows**

For the year ended 31 December

	Note	Group 2023	Group 2022	Group 2021	Company 2020	Company 2019
<b>Cash flows from operating activities(Cont'd)</b>						
Benefits paid	26	(257,707)	(73,472)	(91,393)	(50,236)	(17,112)
Tax Paid	31	(10,312,561)	(5,260,953)	(520,364)	(2,049,240)	(1,416,018)
<b>Net cash flows generated from operating activities</b>		<b>32,632,552</b>	<b>31,791,393</b>	<b>20,970,347</b>	<b>11,899,472</b>	<b>6,748,348</b>
<b>Cash flows from investing activities activities</b>						
Acquisition of Property, plant and equipment	18	(12,420,089)	(12,540,340)	(5,388,132)	(7,382,775)	(7,150,464)
Acquisition of Intangibles	16	-	-	(16,801)	-	(210,452)
Acquisition of Subsidiary - net cash		-	-	(5,479,224)	-	-
Investment in subsidiary	21	-	(19,991,427)	-	-	-
Proceeds from sale of property, plant and equipment		17,867	11,621	5,834	12,813	2,555
Proceeds from sale of palm seedling	14	-	-	359,189	951,393	158,513
Interest received	13	48,165	36,864	18,184	58,858	66,915
<b>Net cash used in investing activities</b>		<b>(12,354,057)</b>	<b>(32,483,282)</b>	<b>(10,500,950)</b>	<b>(6,359,711)</b>	<b>(7,132,933)</b>
<b>Cashflows flows from financing activities</b>						
Interest paid	27	(9,837,826)	(6,382,990)	(1,448,649)	(1,569,177)	(1,950,787)
Loan received during the year	27	4,602,476	4,802,813	24,164,808	4,527,101	22,841,704
Bond issued during the year		-	33,987,100	-	-	-
Repayment during the year	27	(13,702,971)	(28,733,764)	(8,924,522)	(9,130,665)	(16,212,450)
Dividends paid	32.4a	(8,800,000)	(8,600,000)	(3,000,000)	(2,000,000)	(2,000,000)
Status bar Dividend	32.4a	(9,231)	-	5,075	-	-
Unclaimed dividend invested		(371,712)	(520,386)	(256,774)	-	-
Unclaimed dividend received from Registrars		-	743,075	430,734	51,069	60,932
Interest on lease paid	30.3	(354,647)	-	-	-	-
Repayment of lease liabilities		(156,441)	(133,252)	(57,403)	(38,850)	(38,850)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8,351,857)</b>	<b>(5,529,293)</b>	<b>21,382,666</b>	<b>(2,620,761)</b>	<b>2,315,964</b>
Effect of foreign exchange rate changes on cash and cash		2,993,046	(3,311,123)	(894,266)	-	-
Cash and cash equivalents at 1 January		7,868,922	16,709,338	(3,779,062)	(1,158,301)	(3,474,265)
<b>Cash and cash equivalents at 31 December</b>	24	<b>2,510,111</b>	<b>7,868,922</b>	<b>16,709,338</b>	<b>(3,779,062)</b>	<b>(1,158,301)</b>

# EXTRACT FROM THE FINANCIAL STATEMENTS

## PRESCO PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

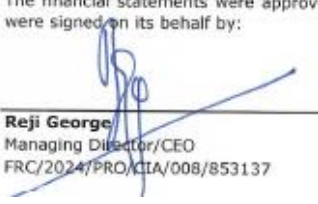
		Group				Company			
	Notes	30/09/2024	30/09/2023	01/07/2024 30/09/2024	01/07/2023 30/09/2023	30/09/2024	30/09/2023	01/07/2024 30/09/2024	01/07/2023 30/09/2023
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	3	128,568,144	76,866,955	40,547,893	28,794,867	104,835,183	60,375,087	35,228,578	21,472,191
Cost of sales	5	(36,081,055)	(27,931,596)	(13,648,449)	(11,747,855)	(30,499,252)	(18,232,775)	(14,935,166)	(7,166,816)
<b>Gross profit</b>		<b>92,487,090</b>	<b>48,935,360</b>	<b>26,899,445</b>	<b>17,047,013</b>	<b>74,335,931</b>	<b>42,142,312</b>	<b>20,293,412</b>	<b>14,305,375</b>
Administrative expenses	6	(21,357,588)	(14,947,156)	(6,177,679)	(5,238,153)	(15,668,858)	(10,778,604)	(4,119,012)	(3,714,507)
Selling and distribution expenses	7	(1,835,539)	(1,083,255)	(685,789)	(428,038)	(1,464,596)	(862,691)	(550,496)	(337,753)
Other gains and losses	8	3,377	(280,053)	0	(267,823)	1,387	(280,872)	0	(267,937)
Other operating (losses)/income	9	2,346,715	1,252,139	816,254	685,385	2,071,589	669,071	745,283	227,289
Exchange gains/losses		3,290,269	3,886,647	(393,092)	1,031,528	4,967,030	5,912,014	70,744	2,394,110
<b>Operating profit before finance cost and finance income</b>		<b>74,934,324</b>	<b>37,763,682</b>	<b>20,459,139</b>	<b>12,829,912</b>	<b>64,242,484</b>	<b>36,801,230</b>	<b>16,439,932</b>	<b>12,606,577</b>
Finance cost	10	(8,435,902)	(6,070,285)	(4,017,563)	(2,012,949)	(6,294,987)	(4,034,185)	(3,360,565)	(1,430,143)
Finance income		575,122	29,594	193,469	20,974	575,122	29,594	193,469	20,974
<b>Profit before tax</b>		<b>67,073,544</b>	<b>31,722,991</b>	<b>16,635,045</b>	<b>10,837,937</b>	<b>58,522,620</b>	<b>32,796,638</b>	<b>13,272,837</b>	<b>11,197,407</b>
Tax expense	12	(15,308,055)	(8,250,395)	(3,746,799)	(2,448,514)	(15,308,055)	(8,250,395)	(3,746,799)	(2,448,514)
<b>Profit for the period</b>		<b>51,765,489</b>	<b>23,472,595</b>	<b>12,888,246</b>	<b>8,389,422</b>	<b>43,214,565</b>	<b>24,546,243</b>	<b>9,526,038</b>	<b>8,748,893</b>
Other Comprehensive Income (OCI) Item(s) that will not be reclassified subsequently to profit or loss		-	-	-	-	-	-	-	-
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>51,765,489</b>	<b>23,472,595</b>	<b>12,888,246</b>	<b>8,389,422</b>	<b>43,214,565</b>	<b>24,546,243</b>	<b>9,526,038</b>	<b>8,748,893</b>
<b>Earnings Per Share</b>									
Basic (Kobo)		5,177	2,347	1,289	839	4,321	2,455	953	875
Diluted (Kobo)		5,177	2,347	1,289	839	4,321	2,455	953	875

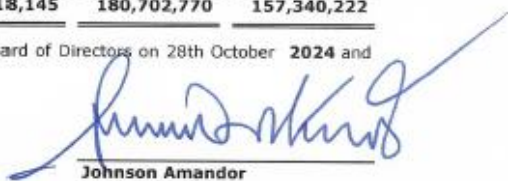
## PRESCO PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024

	Note	Group		Company	
		Actual	Actual	Actual	Actual
		30/09/2024	31/12/2023	30/09/2024	31/12/2023
		N'000	N'000	N'000	N'000
<b>Assets:</b>					
<b>Non-current assets</b>					
Intangible assets	13	64,643	87,900	11,761	13,022
Property, plant and equipment	14	118,513,143	97,715,971	79,495,369	63,151,311
Right-of-use assets		2,950,373	3,984,273	1,768,182	1,768,184
Investment in subsidiaries		-	-	23,000,000	23,000,000
<b>Total non-current assets</b>		<b>121,528,159</b>	<b>101,788,144</b>	<b>104,275,312</b>	<b>87,932,517</b>
<b>Current assets</b>					
Inventories	17	21,128,520	15,877,089	15,552,908	11,537,297
Biological Assets	20	26,584,978	26,584,978	20,874,641	20,874,641
Trade and other receivables	18	26,659,074	16,274,839	29,490,744	28,134,220
Cash and bank balances	19	11,459,226	9,793,095	10,509,163	8,861,547
<b>Total current assets</b>		<b>85,831,799</b>	<b>68,530,001</b>	<b>76,427,457</b>	<b>69,407,705</b>
<b>Total assets</b>		<b>207,359,957</b>	<b>170,318,145</b>	<b>180,702,770</b>	<b>157,340,222</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital		500,000	500,000	500,000	500,000
Share premium		1,173,528	1,173,528	1,173,528	1,173,528
Other reserves	-	1,011,767	1,011,767	-607,801	-607,801
Retained earnings		83,966,781	56,501,292	93,152,962	74,238,397
<b>Total Equity</b>		<b>84,628,542</b>	<b>57,163,053</b>	<b>94,218,689</b>	<b>75,304,124</b>
<b>Non-current liabilities</b>					
Borrowings	23	53,961,643	57,661,238	40,620,520	41,616,042
Deferred benefit obligations	22	2,397,943	2,542,923	2,056,385	1,801,006
Deferred tax liabilities		15,854,046	13,970,135	15,854,046	13,904,046
Deferred income		447,368	447,368	447,368	447,368
Lease liabilities		1,012,484	2,583,805	290,170	290,170
<b>Total Non-current liabilities</b>		<b>73,673,484</b>	<b>77,205,469</b>	<b>59,268,489</b>	<b>58,058,632</b>
<b>Current liabilities</b>					
Trade and other payables	24	27,566,831	14,605,884	7,499,669	4,633,950
Current tax liabilities		16,268,550	10,440,979	16,268,551	10,440,970
Bank overdraft		7	7,282,983	7	5,302,724
Borrowings	23	4,352,323	2,765,113	2,612,655	2,765,113
Deferred income		791,882	776,327	776,327	776,327
Lease liabilities		78,337	78,337	58,382	58,382
<b>Total current liabilities</b>		<b>49,057,930</b>	<b>35,949,623</b>	<b>27,215,592</b>	<b>23,977,466</b>
<b>Total liabilities</b>		<b>122,731,415</b>	<b>113,155,092</b>	<b>86,484,081</b>	<b>82,036,098</b>
<b>Total equity and liabilities</b>		<b>207,359,957</b>	<b>170,318,145</b>	<b>180,702,770</b>	<b>157,340,222</b>

The financial statements were approved and authorised for issue by the Board of Directors on 28th October 2024 and were signed on its behalf by:

  
**Reji George**  
 Managing Director/CEO  
 FRC/2024/PRO/CIA/008/853137

  
**Johnson Amandor**  
 Chief Financial Officer  
 Waiver from FRC

## PRESCO PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2024

	Group 30-Sep-24 N'000	30-Sep-23 N'000	Company 30-Sep-24 N'000	30-Sep-23 N'000
<b>Cash flows from operating activities</b>				
Profit before tax	67,073,544	31,722,991	58,522,620	32,796,638
<b>Adjustments for:</b>				
- Depreciation of property plant and equipment	3,415,636	2,954,199	2,603,475	2,184,649
- Depreciation of Right-of-use assets				
- Amortization of intangible assets	23,256	23,256	1,260	1,260
- Finance cost	8,435,902	6,070,285	6,294,987	4,034,185
- Finance income	(575,122)	(29,594)	(575,122)	(29,594)
	<b>78,373,215</b>	<b>40,741,137</b>	<b>66,847,219</b>	<b>38,987,138</b>
<b>Movement in working capital:</b>				
- (Increase) in trade and other receivable	(10,384,235)	(7,971,719)	(1,356,524)	(3,533,880)
- (Increase)/decrease in inventories	(5,251,431)	(6,489,614)	(4,015,611)	(2,831,735)
- Increase in trade and other payable	12,960,947	13,171,179	2,865,719	(420,976)
- Increase/(decrease) in retirement benefits		(620,973)		(620,973)
<b>Cash generated from operating activities</b>	<b>75,698,497</b>	<b>38,830,010</b>	<b>64,340,802</b>	<b>31,579,574</b>
-Benefits paid	(144,980)	661,925	255,379	661,925
-Tax paid	(7,869,297)	(5,775,694)	(7,869,297)	(5,775,694)
<b>Net cash generated from operating activities</b>	<b>67,684,219</b>	<b>33,716,241</b>	<b>56,726,884</b>	<b>26,465,805</b>
<b>Cash flows from investing activities</b>				
Acquisition of Property, plant and equipment	(22,647,007)	(4,638,078)	(18,343,170)	(2,613,294)
Decrease in right of use assets		1,033,899		
<b>Net cash used in investing activities</b>	<b>(22,647,007)</b>	<b>(3,604,179)</b>	<b>(18,343,170)</b>	<b>(2,613,294)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(8,435,902)	(6,070,285)	(6,294,987)	(4,034,185)
Loan received during the year	1,773,285	4,335,725	199,986	1,100,000
Repayment during the year	(5,125,489)	(4,063,188)	(1,038,380)	(370,006)
Dividends paid	(24,300,000)	(6,800,000)	(24,300,000)	(6,800,000)
Unclaimed dividend received from Registrar		(47,743)		(47,743)
Effect of movement in exchange rates on cash held		(6,780,345)		(5,912,014)
<b>Net cash used in financing activities</b>	<b>(36,088,106)</b>	<b>(19,425,836)</b>	<b>(31,433,381)</b>	<b>(16,063,949)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>8,949,107</b>	<b>10,686,226</b>	<b>6,950,333</b>	<b>7,788,562</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	<b>2,510,112</b>	<b>7,868,923</b>	<b>3,558,823</b>	<b>8,704,305</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD</b>	<b>11,459,219</b>	<b>18,555,149</b>	<b>10,509,156</b>	<b>16,492,867</b>





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Catholic Mission Street  
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www.uubo.org

2<sup>nd</sup> August 2024

**STANBIC IBTC CAPITAL LIMITED**

Stanbic IBTC Towers  
Walter Carrington Crescent  
Victoria Island  
Lagos, Nigeria.

(For and on behalf of the Issuing Houses)

Dear Sirs,

**RE: ESTABLISHMENT OF A NGN150,000,000,000.00 BOND ISSUANCE  
PROGRAMME BY PRESCO PLC – SOLICITOR'S OPINION ON CLAIMS AND  
LITIGATION**

We have been retained as solicitors in connection with the establishment of the **₦150,000,000,000.00** (one hundred and fifty billion Naira) Bond Issuance Programme (the "Programme") and the issuance of up to **₦100,000,000,000** (one hundred billion Naira) series 1 issuance under the Programme ("Series 1") by Presco PLC (the "Issuer")

Based on the information provided to us by the Issuer regarding its existing, pending and/or threatened claims or litigation and the schedule of claims executed by the Issuer dated 31<sup>st</sup> July 2024 ("**Litigation Schedule**"), we have set out below a statement of the claims and litigation by or against the Issuer.

**STATEMENT ON CLAIMS AND LITIGATION**

1. Based on the Litigation Schedule, the Issuer is currently involved in twenty-four (24) civil cases at various stages of hearing across different courts. These related to various matters including title to land; employment disputes; and one minority shareholder protection case related to an ongoing acquisition of a 60% equity stake in the Issuer.
2. The total sum claimed by the Issuer in the sole case is the sum of **₦2,059,832,182** (two billion and fifty-nine million, eight hundred and thirty-two thousand, one hundred and eighty-two Naira).
3. The total sum claimed against the Issuer in twenty (20) civil cases is the sum of **₦8,029,920,821.37** (eight billion, twenty-nine million, nine hundred and twenty thousand, eight hundred and twenty-one Naira, thirty-seven Kobo).

**PARTNERS** DAN AGBOR • ANIEKAN UNIPANARI • KUNOKE LAMBO • UDOMA AZIKWE • TOLAKE ELIAS ADEBOWALE • YAKA EDO • NICHOLAS OKAFOR • OZOFU LATUNDE OGIEMLER •  
**OF COUNSEL** LOLADE OSOSAMI • MENA AJAKPOVI • FESTUS ONYIA • ADEOLA SUNMOLA • JOSEPH EMMUNEZE • CECYRIYE OKAFOR • AMINA BRAHIN  
**RETIRED FOUNDER** UDOMA UDO UDOMA  
**CONSULTANTS** OLUGBENSA OJO • ANOLA EDOGBEN • FETI • SALLY UDOMA  
**OFFICES** LAGOS • ABUJA • PORT-HARCOURT





4. The total sum in the one (1) pending application for joinder is ₦300,000,000 (three hundred million Naira)
5. There are no monetary claims against the Issuer in the remaining two (2) cases.

The Directors of the Issuer are of the opinion that the pending monetary and other claims sought against the Issuer are unlikely to have a material adverse effect on the Issuer or the Programme.

Based on the above, we are of the opinion that the above-mentioned cases will not prevent the establishment of the Programme.

Yours faithfully,  
**UDO UDOMA & BELO-OSAGIE**



**YINKA EDU**  
**PARTNER**



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

PRESKO PLC - RC 174370

An extract of the resolution proposed and passed at the meeting of the Board of Directors ("the Board") of PRESCO PLC ("the Company"), duly convened and held at the Jewel Aieda Event Centre, plot 105, Hakeem Dickson Link Road, Lekki Phase 1, Lagos Nigeria on Thursday, the 6th day of June, 2024 at 9.00 a.m.

The Board resolved and passed the following resolutions:

1. **THAT** the Company be and is hereby authorised to establish a ₦150,000,000,000.00 (one hundred and 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. ("the Transaction")
2. **THAT** the Company be and is hereby authorised to issue up to ₦100,000,000,000 (one hundred billion Naira) fixed rate senior unsecured 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").


.....  
**PRESKO PLC**  
**HEAD OFFICE – OBARETIN ESTATE**  
Km 22 Benin-Sapele Road | P.O.Box 7061 | Benin City | Edo State | Nigeria  
T +234 803 413 4444 | E: [presco@siat-group.com](mailto:presco@siat-group.com) | Rc 174370 | [www.presco.com](http://www.presco.com)  
Olanmi Rasheed Sarumi (Chairman) | Reji George (MD/CEO) | Felix O. Nwabuko | Amb. Nonye Udo |  
Mrs. Ingrid Gabrielle J. Vandewiele (Belgian) | Jan Van Eykeren (Dutch) | Abdul Akhor Bello |

3. **THAT** the Company be and is hereby authorised to absorb excess monies up to an amount not exceeding 15% (fifteen per cent) of the Series 1 Bonds in the event of an over-subscription or such other amount not exceeding the maximum limit prescribed under applicable regulations, subject to the approval of the relevant regulatory authority. The Company shall thereby issue the corresponding bonds or relevant securities to the relevant subscribers on the same terms and conditions under the Series 1 Bonds.
4. **THAT** the management of the Company ("the Management") be and is hereby authorised to take all such lawful actions and steps or do such other things as may be required from time to time to implement the Transaction including, without limitation, the appointment of professional advisers, the entry into any agreements and the execution of all documents in respect of the Transaction ("Transaction Documents") to which the Company is a party and the transactions contemplated thereby, as may be required for the Transaction;
5. **THAT** any 2 (two) Directors or a Director and the Company Secretary of the Company be and are hereby authorised to execute each of the Transaction Documents (including deeds or any Transaction Document to which the common seal of the Company may be affixed) to which the Company is a party; and
6. **THAT** the Management be and are hereby authorised to do all such lawful acts and take such steps or do other things as may from time to time be necessary for or incidental to giving effect to the above resolutions.



Felix Nwabuko  
Director

Abdulai, Taiwo & Co



Company Secretary  
Abdulai, Taiwo & Co  
Company Secretary

PRESKO PLC  
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Olakanmi Rasheed Sarumi (Chairman) | Reji George (MD/CEO) | Felix O. Nwabuko | Amb. Nonye Udo |  
Mrs. Ingrid Gabrielle J. Vandewiele (Belgian) | Jan Van Eykeren (Dutch) | Abdul Akhor Bello |

**Selling Restrictions**

The offering and sale of the Bonds is subject to all applicable laws and regulations of Nigeria. This Shelf Prospectus and the Bonds have been registered with and approved in writing by the SEC pursuant to the ISA and SEC Rules.

Each Issuing House has agreed that, subject to the provisions of the ISA and SEC Rules, it shall not communicate or cause to be communicated, any invitation or inducement to engage in the offer or sale of the Bonds to the public, without complying with all the applicable provisions of the ISA and SEC Rules with respect to the marketing and issue of the Bonds in Nigeria.

None of the Issuer, the Trustee or the Issuing Houses represents that the Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, (other than Nigeria), or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

**Official Listing on a Stock Exchange**

Bonds may be listed on a recognized securities exchange such as FMDQ, NGX and/or relevant securities exchanges. Each Series or Tranche may be admitted to the Daily Official List and/or to Daily Quotation List by the NGX/FMDQ separately, as and when issued, subject to the approval of SEC and NGX/FMDQ as may be applicable. As set out herein, this Shelf Prospectus and any supplement thereto will only be valid for the admission of the Bonds to the daily official list (and to trading on The NGX/FMDQ and/or any relevant securities exchange) in an aggregate nominal amount which when added to the aggregate nominal amount then outstanding of all Bonds previously or simultaneously issued under the Programme, does not exceed ₦150,000,000,000 (One Hundred and Fifty Billion Naira) or its equivalent.

**Clearing System and Settlement**

Each Series or Tranche issued under the Programme shall be registered with a separate securities identification code with the CSD. All transactions in such Bonds shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Transactions will normally be effected for settlement not earlier than three (3) working days after the date of trade. Subject as aforesaid, each Series or Tranche 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 CSD. The CSD authorises participants including banks, securities brokers and dealers and other professional financial intermediaries.

The Issuer has no responsibility for the proper performance by the CSD or its authorised participants of their obligations under their respective rules and operating procedures.

**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.

**Transfer of Bonds**

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

**Criteria for Determining the Price of the Bonds**

The price of a bond is reflective of the prevailing yield environment, with current bond interest rates serving as basis for extrapolating the yield and the price of a newly issued bond. The Sovereign benchmark, in this instance, the interest rate(s) on the Federal Government bonds, also serve as the reference rate for the determination of the interest rate on newly issued bonds; with the interest rate of new non-Sovereign bonds being at a discount, at par or at a premium to the Sovereign bonds. Other factors that impact the determination of the price of a bond include but are not limited to the tenor, credit rating and market liquidity.

**SELLING RESTRICTIONS, LISTING, CLEARING, SETTLEMENT AND TRANSFER OF BONDS**

---

The offering and sale of the Bonds is subject to all applicable laws and regulations of Nigeria. This Shelf Prospectus and the Bonds have been registered with and approved in writing by SEC pursuant to the ISA and SEC Rules.

Each Issuing House has agreed that, subject to the provisions of the ISA and SEC Rules, it shall not communicate or cause to be communicated, any invitation or inducement to engage in the offer or sale of the Bonds to the public, without complying with all the applicable provisions of the ISA and SEC Rules with respect to the marketing and issue of the Bonds in Nigeria.

None of the Issuer, the Trustee or the Issuing Houses represents that the Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

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



**PRESCO PLC**  
RC 174370

**OFFER FOR SUBSCRIPTION  
(BY WAY OF BOOK BUILDING)  
OF ₦[·]  
[·] YEAR [·] % SERIES 1 FIXED RATE BONDS DUE [·]  
UNDER THE ₦[·] PRESCO PLC BOND ISSUANCE PROGRAMME**

**BOOKBUILDING OPENS: [·] BOOKBUILDING CLOSES: [·]**

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This Pricing Supplement is prepared for the purpose of Rule 279(3) (6) & (7) of the Rules and Regulation of the Securities and Exchange Commission (the "Commission" or "SEC") in connection with the ₦150 Billion Bond Issuance Programme established by Presco PLC (the "Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [·] and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus as amended and / or supplemented from time to time. Offer is valid for High Net-worth Investors and Qualified Institutional Investors. **Risks related to this offer can be found on page [·] of the Shelf Prospectus.** This Pricing Supplement has been delivered to the Commission to be registered and made available for download on the respective websites of the Commission SEC@SEC.GOV.NG and the Issuer [www.presco-plc.com](http://www.presco-plc.com), throughout its Validity Period. Copies of this Pricing Supplement may also be obtained free of charge from the offices of the Issuer and the Issuing Houses.

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

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). The Bonds now being issued will upon admission to an exchange qualify as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security under Section 20(1)(g) of the Personal Income Tax Act, Cap P8, LFN, 2004 as well as Section (19)(2) of the Companies Income Tax Act, Cap C21, LFN, 2004.

The Directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge (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.

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**This Pricing Supplement is dated [·]**

**Final terms of the Series [●] Bonds**

- |     |                                     |   |
|-----|-------------------------------------|---|
| 1.  | Issuer:                             | Presco Plc                                    |
| 2.  | Description of the Bond:            | [●]   |
| 3.  | Series Number:                      | [●]   |
| 4.  | Specified Currency:                 | Nigerian Naira                                |
| 5.  | Aggregate Nominal:                  | ₦[●]  |
| 6.  | Issue Price:                        | [●]   |
| 7.  | Gross proceeds:                     | ₦[●]  |
| 8.  | Net proceeds:                       | ₦[●]  |
| 9.  | Denominations:                      | [●]   |
| 10. | Minimum Acceptable Subscription:    | [●]   |
| 11. | Issue Date:                         | [●]   |
| 12. | Coupon Commencement Date:           | [Coupon shall accrue from the Allotment Date] |
| 13. | Tenor:                              | [●]   |
| 14. | Maturity Date:                      | [●]   |
| 15. | Principal Moratorium:               | [●]   |
| 16. | Coupon Basis:                       | [●]   |
| 17. | Coupon:                             | [●]% p.a                                      |
| 18. | Source of Repayment:                | [●]   |
| 19. | Redemption/Payment Basis:           | [●]   |
| 20. | Status:                             | [●]   |
| 21. | Listing(s):                         | [●]   |
| 22. | <b>Use of proceeds</b>              |   |
|     | [Insert details of use of proceeds] |   |
| 23. | Offer Period:                       | [●] – [●]                                     |

**Provisions relating to coupon (if any) payable**

- |     |  |  |
|-----|--|--|
| 24. | Fixed Rate Bond Provisions:              |  |
|     | i. Coupon Payment Date(s)/Payment Dates: | [●]  |
|     | ii. Coupon Amount(s):                    | [●]  |
|     | iii. Day Count Fraction:                 | [●]  |
|     | iv. Business Day Convention:             | Modified Following: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date |

shall be brought forward to the immediately preceding Business Day

- v. Business Day: Any day (other than a Saturday, Sunday or a Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Lagos, Nigeria
- vi. Other terms relating to method of calculating Coupon for Fixed Rate Bonds: [•]

**General provisions applicable to the Bonds**

- 25. Form of Bonds: Dematerialised
  - i) Form of Dematerialised Bonds: [Registered / Certificate / Dematerialised]
  - ii) Registrar: [•]
- 26. Trustees: [•]
- 27. Record Date: [•]
- 28. Other terms or special conditions: [•]

**Distribution, clearing and settlement provisions**

- 29. Issuing Houses: [•]
- 30. Method of Distribution: [•]
- 31. Underwriting: [•]
- 32. Clearing System: Central Securities Clearing System PLC or FMDQ Depository
- 33. Rating: [•]
 

An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
- 34. Terms of Settlement [•]

**Provisions regarding redemption / Maturity**

- 35. Redemption at the Option of the Issuer (Call Option): [Applicable / Not Applicable]
- If applicable:
  - (i) Optional Redemption Date(s) (Call) [[•] / Not Applicable]
  - (ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) [[•] / Not Applicable]



- |       |   |                        |
|-------|---|------------------------|
| (iii) | Minimum period of notice (if different from Condition 7.2 of the Final Terms ( <i>Early Redemption at the option of the Issuer (Call Option)</i> )) | [[•] / Not Applicable] |
| (iv)  | If redeemable in part:  | [[•] / Not Applicable] |
| (A)   | Minimum Redemption Amount(s)  | [•]                    |
| (B)   | Higher Redemption Amount(s)   | [•]                    |
| (v)   | Other terms applicable on Redemption  | [[•] / Not Applicable] |

**General**

- |     |   |  |
|-----|---|--|
| 36. | Total Bonds in Issue (excluding current issue): | [•]  |
| 37. | Taxation:                                       | See "Taxation" on page [•] of the Shelf Prospectus dated [•]   |
| 38. | Risk Factors:                                   | See Risk Factors on page [•] – [•] of the Shelf Prospectus dated [•]   |
| 39. | Governing Law:                                  | The Bonds will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria   |
| 40. | Board approval for issuance of Bonds obtained   | [•]  |
| 41. | Selling restrictions:                           | Strictly to Qualified Institutional Investors and High Net worth Individuals as stipulated by Rule 321 of SEC Rules  |
| 42. | Details of Indebtedness:                        | As at [•], total indebtedness of the Issuer stood at ₦[•] billion  |
| 43. | Claims and Litigation:                          | [•]  |
| 44. | Other disclosures:                              | <p>Save as disclosed in the Shelf Prospectus, there has been no change to the material contracts of the Issuer.</p> <p>There have been no merger / take-over offers by third parties in respect of the Issuer's securities;</p> <p>Extracts of the resolution can be inspected at the offices of the Issuer and Issuing houses</p> |

**Material adverse change statement**

Except as disclosed in this document and in the Shelf Prospectus dated [ ], there has been no significant change in the financial or trading position of the Issuer since [ ] and no material adverse change in the financial position or prospects of the Issuer since [ ].