

This Programme Memorandum ("Programme Memorandum") has been prepared in accordance with the guidelines of the Central Bank of Nigeria ("CBN guidelines") issued on September 11, 2019, on the Issuance and Treatment of Bankers Acceptances and Commercial Papers and the CBN circular to all deposit money banks and discount houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the Commercial Paper Registration and Quotation Rules of the FMDQ Securities Exchange Limited, October 2023 ("FMDQ Exchange" or the "Exchange") in force as at the date hereof. The document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Executive Management of Coleman Technical Industries Limited who jointly and individually accept full responsibility for the accuracy of all information provided.



RC: 15410

COLEMAN TECHNICAL INDUSTRIES LIMITED

₦100,000,000,000

COMMERCIAL PAPER ISSUANCE PROGRAMME

Coleman Technical Industries Limited ("Coleman" or "CTIL" or "the Issuer"), a private limited liability company incorporated in Nigeria has established a ₦100,000,000,000 Commercial Paper Issuance Programme ("the CP Programme") under which CTIL may from time to time issue Commercial Paper notes ("CP Notes" or "Notes"), denominated in Nigerian Naira as may be agreed between the Issuer and each relevant Issuing and Placing Agent and/or the Lead Arranger (as defined in the section entitled, "Summary of the Programme", in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum. Each Series or Tranches (as defined under the Terms and Conditions) will be issued in such amounts, and will have such discounts, periods of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranches (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦100,000,000,000 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

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

The CP Notes will be issued in dematerialised form and may be registered, quoted and traded over the counter ("OTC") via the FMDQ Exchange Platform in accordance with the rules, guidelines and such other regulation as may be prescribed by the CBN and FMDQ Exchange from time to time, or any other recognized trading platform, and the securities will settle via FMDQ Depository Limited.

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

LEAD ARRANGER

CORONATION

RC:207138

ISSUING AND PLACING AGENT

CORONATION

RC: 207138

This Programme Memorandum is dated 20th February 2025

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GLOSSARY OF DEFINED TERMS

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

“Board” or “Directors”	Board of Directors of Coleman Technical Industries Limited
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the FGN on which commercial banks are open for business in Lagos, Nigeria
“Business Hours”	8.00am to 5.00pm on any Business Day
“CBN”	Central Bank of Nigeria
“CBN Guidelines”	The CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time
“CGT”	Capital Gains Tax as provided for under the Capital Gains Tax Act Cap C1, LFN 2004 (as amended by the Finance Acts)
“CITA”	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Acts)
“Coleman”, the “Issuer”, or “CTIL”	Coleman Technical Industries Limited
“Collecting and Paying Agent” or “CPA”	First City Monument Bank Limited and/or any successor Collecting, and Paying Agent(s) appointed from time to time in accordance with the Collecting and Paying Agency Agreement
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	Unsecured Commercial Paper Notes to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed “Terms and Conditions of the Notes”
“CP Programme” or “Programme”	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦100,000,000,000
“Central Securities Depository” or “CSD”	FMDQ Depository Limited (“FMDQD”)
“Day Count Fraction”	The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement
“Deed of Covenant”	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders
“Default Date”	The date on which the written notice of the Event of Default is served to the Issuer
“Default Rate”	The interest rate to be charged to the Issuer when repayments are overdue. The interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue Rate + 5% per annum (whichever is higher)
“Executive Management”	The executive members of the board of directors of Coleman Technical Industries Limited
“Face Value”	The par value of the Notes
“FGN”	Federal Government of Nigeria

“Finance Acts”	The Finance Act 2019, the Finance Act 2020, the Finance Act 2021, and the Finance Act 2023 (and subsequent Finance Acts issued from time to time)
“FIRS”	Federal Inland Revenue Service
“FMDQ Exchange Rules”	The FMDQ Exchange Commercial Paper Registration and Quotation Rules November 2024 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
“FMDQ Depository Limited” or “FMDQD”	A central securities depository registered by the Securities and Exchange Commission, Nigeria, established as a wholly owned subsidiary of FMDQ Group to provide collateral caching and settlement services in the Nigerian financial market
“FMDQ Securities Exchange Limited” or “FMDQ Exchange” or the “Exchange”	A securities exchange and self-regulatory organisation licensed by the SEC, Nigeria to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, pandemics, epidemics, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest
“Holder” or “Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued to investors as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issue Rate”	The Discount Rate at Issuance
“Issuing and Placing Agent” or “IPA”	Coronation Merchant Bank Limited or any other successor Issuing and Placing agent sponsoring the registration and quotation of CP Programmes and Issues on the Exchange, and the placement of CPs with investors at the primary issuance. The IPA must be a duly licensed Registration Member (Quotations) of FMDQ Exchange
“Lead Arranger”	Coronation Merchant Bank Limited
“LFN”	Laws of the Federation of Nigeria
“Market Bulletins”	a formal communication or document issued by a FMDQ, regulatory body, or market operator to provide updates, announcements, or guidance on developments affecting financial markets.
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due. As a general principle, the maturity date of all outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with the FMDQ Exchange at the commencement of the registration of the CP Programme
“Material Adverse Change”	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
“Naira”, “NGN” or “₦”	The Nigerian Naira
“NIBOR”	Nigerian Inter-Bank Offered Rate
“OTC”	Over-The-Counter
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011 and the Finance Acts)

“Pricing Supplement” or “Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme Memorandum”	This information memorandum dated 20th February 2025, which sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investor” or “QII”	banks, fund/asset managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, issuing houses, registrars, financial market infrastructures (FMI)s, finance companies, financial/investment holding companies, financial/investment advisors and any other category of investors as may be determined by the Exchange from time to time
“Register”	A register or such registers as shall be maintained by the CSD and the IPA in which are recorded details of Noteholders
“Relevant Currency”	Naira, being the currency in which payments in respect of the Notes of the relevant Series or Tranche are to be made
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
“Rollover”	A Rollover shall refer to the issuance of a CP for the repayment of an existing CP Issue on its maturity date. A CP Issue shall qualify as a Rollover where: <ul style="list-style-type: none"> ▪ The funds of the investors from the matured CP issue are withheld at the request of the Issuer for investment in the new (Rollover) CP Issue under a registered Programme/Discrete Issue ▪ Only the existing investors of the matured CP Issue are invested in the new CP Issue having consented for their funds to be withheld for the purpose stated above ▪ The combined tenors of the initial CP Issue and any subsequent Rollover(s) do not exceed 270 days
“SEC”	Securities and Exchange Commission
“SEC Rules”	The Rules and Regulations of the Securities and Exchange Commission 2013, (as may be amended from time to time by the SEC), made pursuant to the Investments and Securities Act No. 29 of 2007
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“The NGX”	Nigerian Exchange Limited
“Tranche”	Notes which are identical in all respects
“Unique Identifier”	A code specifically designated or assigned to identify a CP
“VAT”	Value Added Tax as provided for in the Value Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts)
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦100,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum. The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

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

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

To the fullest extent permitted by law, the Lead Arranger, Issuing and Placing Agents and other professional advisers make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger and Issuing and Placing Agents or on their behalf in connection with the Issuer or the Programme or issue and offering of the Notes. The Arranger and Issuing and Placing Agents and other professional advisers accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save to the extent permitted by law) which they might otherwise have in respect of this Programme Memorandum or any such statement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUMMARY OF THE PROGRAMME

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

Issuer:	Coleman Technical Industries Limited
Collecting and Paying Agent or CPA:	First City Monument Bank Limited
Issuing and Placing Agent or IPA:	Coronation Merchant Bank Limited
Arranger:	Coronation Merchant Bank Limited
Programme Size:	₦100,000,000,000
Auditors:	KPMG Professional Services
Currency of Issue:	Nigerian Naira (₦)
Issuing and Placing Agents:	Coronation Merchant Bank Limited, and any other additional Issuing and Placing Agent appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Issuing and Placing Agent
Default Date:	The date on which written notice of an Event of Default is served to the Issuer
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Discount Rate at issuance + 5% per annum (whichever is higher)
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria
Going concern:	The Company is a going concern and can in all circumstances be reasonably expected to meet its commitments
Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Rate:	The Discount Rate at Issuance
Issue Size:	As specified in the Applicable Pricing Supplement
Issuer Rating:	Coleman Technical Industries Limited have been assigned rating of BBB and A- respectively by Global Credit Rating and Agosto & Co.
Programme:	The commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework
Redemption:	As stated in the Applicable Pricing Supplement
Registrars/Custodian:	FMDQ Depository Limited
Registration and Quotation:	The Issuer may elect at its discretion to have any Series or Tranche quoted on the FMDQ Exchange or any other

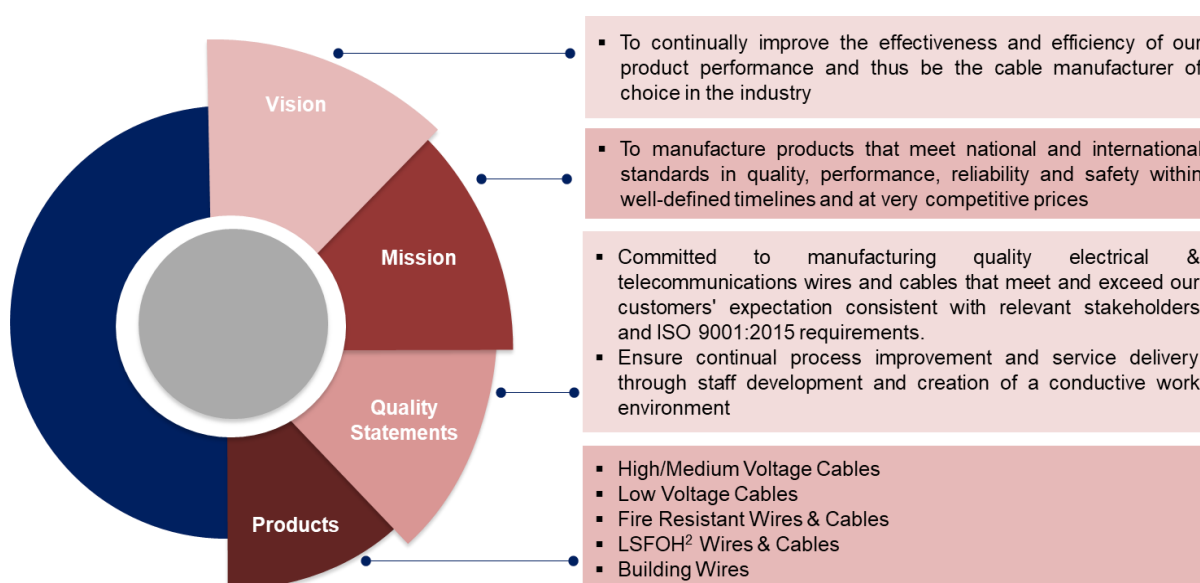
SUMMARY OF THE PROGRAMME

	recognised trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform
Sale Restriction	The issuance, sale and transfer of CPs under the Programme has been restricted to Qualified Institutional Investors.
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
Solicitors:	Banwo & Ighodalo
Status of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Taxation:	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
Tenor:	As specified in the Applicable Pricing Supplement, each CP issuance is subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme
Use of Proceeds:	The net proceeds from each issue of Notes under the Programme will be used solely to support the Issuer's short-term funding requirements, or as may otherwise be specified in an Applicable Pricing Supplement

HISTORY AND OVERVIEW

Coleman Technical Industries Limited (“Coleman”) was incorporated on the 1st of July 1975 with the principal operation of manufacturing of electrical wires and cables that meet international standards for Oil Industry, Commercial and Residential Buildings. The Company was founded on the principles of developing local industries that would in turn create employment opportunities through the production of good quality products.

Coleman has metamorphosed from its first modest factory, which was established in 1998 at 149/151, Idimu Road, Ikotun, Lagos into a giant plant processing 60,000 metric tons of Copper and 24,000 metric tons of Aluminium per annum, and now ranked as the largest cable manufacturing in West Africa with 200,000 square meters of factory space at Km 34, Lagos-Ibadan Expressway, Arepo and Km 2, Sagamu-Benin express way, Toll Gate Sagamu which were commissioned in July, 2009 and November 2015 respectively. The Sagamu Factory is a new ultra-modern Factory with state-of-the-art machineries for the production of High, Medium Voltage cables situated along Sagamu – Benin expressway in Sagamu, Ogun State.



Coleman is a full member of Cable Manufacturers Association of Nigeria (CAMAN), the umbrella body of all reputable cable manufacturing companies in Nigeria since 2001 and has fulfilled all quality standards to keep its position in CAMAN. As a result, the company has been receiving Nigeria Industrial Standard (NIS) and Standard Organisation of Nigeria (SON) certifications since 2002. Coleman is also certified by International Standard Organization (ISO) with the award of NIS ISO 9001:2015.

Coleman is 100% indigenously owned.

PRODUCTS

Coleman offers a wide range of products certified by the SON and ISO. The products include:

1. Wiring Cables (Single Core PVC insulated, and PVC sheathed, Multi-core round flat wiring cables)
2. Aluminum Conductor Steel Reinforced (ACSR)
3. All Aluminum Conductors (AAC)
4. All Copper Conductors (ACC)
5. Copper and Aluminum based PVC and XLPE Insulated low voltage power cables (600 – 1000V)

OVERVIEW OF COLEMAN TECHNICAL INDUSTRIES LIMITED

6. Flexible Cables of all sizes
7. CAT 5 and CAT 6 Local Area Network Cables
8. Coaxial TV/Video Cables
9. Fibre Optic
10. 11 KVA to 33 KVA High Voltage Cable

FACTORIES

Over the last few years, the company has embarked on several expansion projects in its plan to expand production capacity to take advantage of increasing demand as well as grow its market share. The Company completed and commissioned its ultra-modern factory in Sagamu to produce Medium and High Voltage XLPE insulated cables – 11//33 KV (Armoured and Non-Armoured) for industrial, Oil & Gas use in November 2014. In its further expansion drive, Coleman commissioned another low voltage manufacturing factory in Arepo, tagged “Arepo 2”, to enhance the production capacity of its existing Arepo Factory in October 2015. In 2016, the company also commissioned a new ultra-modern factory with state-of-the-art machineries for the production of High and Medium Voltage cables situated along Sagamu-Benin expressway.

The Company currently has the following three (3) factory expansion projects in its pipeline:

- Expansion of Shagamu 2 factory – The project is 95% completed and has been in use since November 2022. Most of the cable requirements of Saipem and Daewoo for Train 7 Project is being produced from this factory, for which contract of over \$50 million has been awarded to the Company.
- Expansion of Shagamu 3 factory – Factory will be used for backward integration for copper rod of 8,000 tons per month and aluminum of 2,500 tons per month.
- New Fibre Optics Factory (Arepo 3) – For the production of Fibre Optic Cables. This factory was commissioned in July 2022 and is currently producing Fibre Optic Cables for MTN and other telecoms companies. The second phase of this Factory is being constructed in Shagamu (Shagamu 5 factory) which will double the size of Arepo 3 in terms of capacity utilization.

The Fibre Optics project is a new line for Coleman, and it involves the acquisition and installation of Fibre Optic Cable manufacturing machines for the production of fibre optic cables. A fibre optic cable is a network cable that contains strands of glass fibres inside an insulated casing. They are designed for long-distance, high-performance data networking, and telecommunications. Compared to wired cables, fibre optic cables provide higher bandwidth and transmit data over longer distances. Fibre optic Internet sends data faster than basic cable and supports much of the world’s internet, cable television, and telephone systems.

S/N	Name	Type	Status	Installed Capacity	Capacity Utilization
1	Arepo 1	Factory	Operational	80 tons/day (Copper); 60 tons/day (Aluminum);10 tons/day (Flexible Copper Wire)	80%
2	Arepo 2			80 tons/day (Copper); 40 tons/day (Flexible Copper Wire)	
3	Arepo 3			150 Fibre Kilometer per Week	
4	Sagamu 1		Operational	70 tons/day (Copper); 60 tons/day (Aluminum)	80%
5	Sagamu 2		Operational	60 tons/day (Copper); 40 tons/day (Aluminum)	60%
6	Sagamu 3		Yet to be Commissioned		
7	Sagamu 4				
8	Apo, Abuja	Warehouse	Operational		

OVERVIEW OF COLEMAN TECHNICAL INDUSTRIES LIMITED

CLIENTS

Coleman's clientele base cuts across all sectors of the Nigeria economy including government and parastatals, construction companies, building societies, estate developers, telecommunication companies, engineering companies, generator companies and private individuals. Some of the major customers from these sectors are:

- Power Holding Company of Nigeria (PHCN)
- Transmission Company of Nigeria (TCN)
- Bureau of Electrical Engineering Services, Ogun State
- JKN Engineering Limited
- ABB Power Line
- Shoreline Nigeria Limited
- Kenol Engineering Limited
- Asterol Engineering Limited
- Buildwell Plants and Equipment Ind. Limited
- Seven-Up Bottling Company Limited
- MTN Nigeria Communications Plc
- Suntec Electrical Company Limited
- Dangote Group
- Negris Nigeria Limited

SHAREHOLDING STRUCTURE

According to the register of members as at 31 December 2023, the following shareholders held more than 5% of the issued share capital of the Company:

Shareholders	Number of Shares Held	Shareholding
Asiwaju Onafowokan Solomon	36,177,949	2%
Mr George O.K Onafowokan	1,312,689,373	53%
Engr Michael O.K Onafowokan	711,304,366	28%
Silverview Innovatives	309,967,192	12%
Others	129,861,120	5%
Total	2,500,000,000	100%

Equity

As at 31st of December 2023, the Issued Share Capital of the Company stood at ₦2,500,000,000 comprising 2,500,000,000 ordinary shares of ₦1 each:

LEADERSHIP TEAM

Board of Directors as of 31st December 2024

The Board of Directors of Coleman comprises of seven (5) members, which include the Chairman, the Managing Director/CEO, one (1) Executive Director and two (2) Independent Directors. A brief profile of the directors is presented below:

Asiwaju S.K. Onafowokan, OON - *Chairman*

Asiwaju Onafowokan is a seasoned Administrator with over 40 years' experience incorporate management. He retired recently from Chellarams Plc, where he served as the Deputy Chief Executive. He is currently the Chairman of the Board of Directors of the Company.

Asiwaju S.K. Onafowokan is the immediate past President and Chairman of Council of Lagos Chamber of Commerce and Industry and currently a member of the Board of Directors, and the Policy & Executive Committee of the Chamber. He is also a National Vice-President member of the Nigerian Association of Chambers of Commerce, Industry, Mines & Agriculture (NACCIMA), Nigeria Employers' Consultative Association and Manufacturers' Association of Nigeria. He is the Past Chairman of National Association of Supermarkets Operators of Nigeria, President of GS1 Nigeria. Asiwaju is Chairman of Artee Groups

OVERVIEW OF COLEMAN TECHNICAL INDUSTRIES LIMITED

(owners of SPAR/PARK 'N' Shop), Chairman of Cascade Waters, Chairman of Millennium International Furniture, Isolo and also serves as Board Members of several other companies.

Mr. George Olutope K. Onafowokan – Managing Director/CEO

Mr. George Olutope Onafowokan is the Managing Director/CEO of Coleman and also serves as the current Chairman of the Electrical Electronic Sector of the Manufacturers Association of Nigeria (MAN).

He is an Accountant by profession, having obtained a combined bachelor's degree in accounting and Finance from Manchester Metropolitan University, Manchester UK. He thereafter obtained a master's degree in management and Information Systems from University of Salford, U.K. He started his career in Packard Bell UK as Field Manager, where he excelled in sales and marketing as well as customer relations. He thereafter joined PC World UK as Business Accounts Manager and later, Gem International UK Limited as the Pioneer Managing Director.

In 2002, he joined the Coleman team, where he played a pivotal role in the company's restructuring, driving the growth of its assets from ₦50 million in 2002 to ₦15 billion by the end of 2014. Through his leadership, the Company has grown to be an industry leader in the Cable manufacturing industry by producing Coaxial TV/Video & Cat 5/Cat 6 cables which are firsts for Nigeria and West Africa. The Company has also taken it a notch higher by building the FIRST High Voltage XLPE cable production plant in West Africa, making Nigeria the sixth largest country in terms of production in Africa.

Engr. Michael Olusegun K. Onafowokan – Executive Director

He is a MEng. Degree holder in Chemical Engineering from Loughborough University, United Kingdom. He also holds a diploma in Industrial Studies and is an associate member of the Royal Institute of Chemical Engineers, United Kingdom. He worked for ICI (Salt Union), United Kingdom in production and quality assurance for 2 years after which he left to join Coleman as Executive Director in charge of Production and Technical. He has championed the propelling of the machinery production capacity of the Company from the 1,200 and 800 metric tons of copper and aluminum respectively in 1998 to the present level of 15,000 and 18,000 metric tons of copper and aluminum, respectively.

Mrs Folake L. Sanu – Independent Non-Executive Director

Folake Sanu is a reputable banking and finance professional with over 39 years' work experience. Having started in Audit, she has worked in Executive and Senior Management roles for several commercial banks in Nigeria and a board member on various non-financial institutions such as FITC Nigeria. Her work experience spreads across Corporate Strategy, Financial Control, Operations and Technology, Risk Management, Audit, Mergers and Acquisitions, Credit and Marketing. Before joining the banking industry, she worked as an auditor with Peat Marwick Ani Ogunde & Co (later KPMG) for over ten years.

Mrs. Sanu is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN); an honorary senior member of the Chartered Institute of Bankers of Nigeria (CIBN); an alumnus of Harvard Business School, London Business School and also holds various Executive Management training certificates from INSEAD Fontainebleau IMD and other global institutions of learning. She joined the leadership of WEMA Bank in 2015 as the Executive Director, Lagos Business Directorate before becoming the Director in charge of the Bank's Business Support Directorate – managing the Operations; Human Capital; Brand & Marketing Communications; Customer Experience & Processes Management; Corporate Social Responsibility; a position she held till she retired in March 2021.

Over the years, she successfully oversaw efficiency in service delivery for the bank's branches, strategic focus, digitization of core processes and all-round improvement of brand perception, brand loyalty and brand acceptance. Mrs. Sanu is a result-oriented, resourceful, and motivating leader dedicated to pursuing excellence.

Engr. Ibikunle S. Ogunbayo – Independent Non-Executive Director

Engr. Ibikunle Ogunbayo is a 1973 graduate of Electrical Engineering from the University of Lagos and upon completion of the pioneer NYSC scheme, was given an appointment by the Western Nigeria Broadcasting Corporation (WNBS-WNTV). He progressed from an Assistant Engineer in the television

OVERVIEW OF COLEMAN TECHNICAL INDUSTRIES LIMITED

studio, through to Principal Engineer Studios, to Acting Assistant Director of Engineering (Projects, Research and Development)

In 1978, he left the NTA, the successor company to WNTV, to join Oscar Faber Nigeria, a firm of Consulting Engineers. He was initially seconded for one year to Oscar Faber and Partners, St. Albans U.K. and returned to Nigeria in 1979. He became an Associate of the practice in 1980 and became a Partner in 1981, sharing responsibility for the practice and its projects, with particular responsibility for all Mechanical and Electrical Engineering Services aspect of the firm's work. In this period, he was responsible for the delivery of such landmark projects as the First Bank Head Office, NECOM House, NAL House to mention a few.

In 1985 he left Oscar Faber to form the firm of 'Kunle Ogunbayo and Associates, which in 2006 became KOA Consultants Limited. This firm has been responsible for Major Landmark Developments in Nigeria and Ghana, including the new domestic terminal at the Murtala Mohammed Airport, Tinapa Business Resort, Calabar, National Stadium, Abuja (except for the main bowl) and Maersk House, Tema Ghana, Intercontinental Hotel, Lagos, Calabar International Conference Centre, UN Offices in Abuja, to name just a few.

Management Team

Mr. George Olutope K. Onafowokan – *Managing Director/CEO*

Same as above.

Engr. Michael Olusegun K. Onafowokan – *Executive Director*

Same as above.

Sanusi J. Ilori - *Chief Operating Officer*

He is a graduate of Accounting and a Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) with over 25 years post qualification experience. He trained in the Firm of Z O Ososanya & Co. (Chartered Accountants). He has worked in different sectors of the Nigerian economy including cable manufacturing. He joined Coleman in 2013.

Mr. Oluwaseun Owolabi - *Chief Finance Officer*

Mr. Owolabi holds a B.Sc. Degree in Accounting from the University of Lagos, M.Sc. finance from Caleb University and a fellow member of the Institute of Chartered Accountants of Nigeria. He is also an associate member of Chartered Insurance Institute of Nigeria. He is currently doing his PhD in Finance at Caleb University.

He has 13 years post qualification experience. Prior to his appointment as the Chief Finance Officer of Coleman, Mr. Owolabi was the Chief Financial Controller of Alliance & General Insurance Plc 2016 till 2022. He championed the regulatory approvals of all the outstanding audited financial statements from year 2010. He also built a formidable team in the Account and Finance department.

He was the Group Financial Controller of Fidelity Bond Group Limited from 2015 to 2016 where he oversaw the financials of the group company and its subsidiaries which are FGB Estate and Development Company Limited, FBG Continental Hotel, FBN Travels, FBN Bureau De Change Limited etc.

He started his accounting career in Dele Odunowo and Co. in 2010 and moved to AO Partners (Firm of Chartered Accountants) in 2011. At AO Partners, he was involved in both accounting / tax training and rose to the position of Tax / Audit Senior. He led several audit engagements and was also involved in corporate and financial advisory services. He left AO Partners in year 2015.

Mr. Sheyi Adebayo – *General Manager, Sales & Marketing*

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Mr. Sheyi Adebayo is the General Manager, Sales & Marketing Department of Coleman. He holds a bachelor's degree in Finance from Bristol University and a master's degree in Business Administration from Cardiff University, Wales.

As a Practicing Consultant, Mr. Adebayo had over 15 year's international working experience with Reuter Financials, Merrily Lynch, Barclays Bank, Arthur Andersen, Public Sector Agencies and Academy Information System in the United Kingdom. In Nigeria, he possesses over (10) ten years local experiences with organizations such as Accenture, MTN, VMobile, and several Federal Ministries and Parastatals.

Mr. Oyebamiji Kadri - Head, Production

Mr. Kadri Adegoke Oyebamiji, is a graduate of Chemical Engineering from Obafemi Awolowo University Osun State.

Kadri is a seasoned engineer with over 20 years' working experience in cable and wires production especially in coiling, stranding and extrusion line, he is currently the Assistant Production Manager at Coleman.

Mrs. Grace Adefemi - General Manager, Accounts

Mrs. Grace Olubukun Adefemi is a Chartered Accountant. She obtained her HND in accounting from Yaba College of Technology, Yaba Lagos, and Post Graduate Diploma in financial Management from Lagos State University.

She worked with Yodesons Group of Companies from 1987 to 1996 and joined Coleman in 1996. She oversees the Company's Accounts.

Temidola Ladeinde - Admin/HR Manager

She obtained B.A., English studies from Olabisi Onabanjo University and a master's degree in industrial relations and labour relations from University of Lagos. She has over 15 years' experience in HR management, administrative function, Client services and corporate communications garnered from different organizations within the Oil and Gas, Telecommunications and Facilities Management functions. She will be responsible for managing our business support functions in Human Resources and Administration.

Oyebode Akinlagun - Head of Strategy

Oyebode is a graduate of Engineering at the University of Lagos. Bode is a Chartered Accountant and worked with KPMG for nine (9) years before joining Coleman Technical Industries Limited.

Hakeem Akindipe - Head of Maintenance

Hakeem Akindipe is a seasoned and results-driven Maintenance Manager with extensive experience spanning several years in installation, preventive maintenance, troubleshooting, and repairs of domestic and industrial electrical and electronic systems.

He holds a Full Technological Certificate in Electrical/Electronic Engineering from the City & Guilds of London Institute and a B.Sc. in Computer Science.

USE OF PROCEEDS AND REPAYMENT SOURCES

USE OF PROCEEDS

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

SOURCES OF REPAYMENT

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

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

1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦100,000,000,000 (One Hundred Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to and benefit from the Deed of Covenant.

2. Form, Denomination and Title

2.1 Form and Denomination

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

2.2 Title

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

3. Status of the Notes

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

4. Redemption

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

5. Payments

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

discharged by payment to, or to the order of, the registered Holder in respect of each amount so paid.

5.1 Method of Payments

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

5.2 Payment Day

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

Business Day. The Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

5.3 Closed Periods

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

6. Event of Default

6.1 Event of Default

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

- 6.1.1 If the Issuer fails to make payment in full by the Maturity Date; or
- 6.1.2 If the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of 7 (seven) days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.3 Should any representation or warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.4 Failure to notify FMDQ Exchange by 5:00 PM in writing that the CP has been liquidated and that funds have been transferred to all CP holders on the maturity date of the CP and failure to provide evidence of settlement of all investors to the Exchange on the maturity date
- 6.1.5 Part-payment or non-payment of the CP value to investors (in the case of a proposed Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' CP holding on the maturity date, based on the initial terms of the Issue)
- 6.1.6 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors; or
- 6.1.7 Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.8 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.9 If a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than 7 (Seven) days after the date on which it is issued
- 6.1.10 If a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of NGN2 billion and such distress, attachment, execution or other legal process is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is materially prejudicial to the interests of the Noteholders. Provided that the Issuer has filed good faith legal proceedings in the relevant court for

application for dismissal within 10 Business Days of becoming aware of the order or action.

6.2 Action upon Event of Default

- 6.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may, by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 6.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 6.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria

7. Register

- 7.1 The Register shall be maintained by the CSD as Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Collecting and Paying Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Registrar and the Collecting and Paying Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The Registrar and the Collecting and Paying Agent shall alter the Register in respect of any change of name, address or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders.

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

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

8.2 Notices from the Noteholders

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

9. Modification

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

10. Meeting of Noteholders

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to the Noteholders. The notice required to be given shall be in accordance with clause 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, which place shall be in Nigeria.
- 10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "Proxy") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder which is a corporate entity may by resolution of its directors or other governing body authorize any person to act as its representative (a "Representative") in connection with any meeting or proposed meetings of the Noteholders.
- 10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the

TERMS AND CONDITIONS OF THE NOTES

appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.

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

11. Changing of IPA

- 11.1 Upon receipt of FMDQ Exchange's approval to effect the revision, the Issuer is entitled to vary or terminate the appointment of the IPA and/or appoint additional or other IPA and/or make any change in the office of the IPA through which any IPA acts, provided that there will, at all times during the subsistence of the Programme, be an IPA with an office.
- 11.2 The IPA acts solely as IPA of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder

12. Further Issues

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

13. Governing Law

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

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

TAX CONSIDERATIONS

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

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

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

*This section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in this section are provided as general information only. Prospective investors should refer to, and carefully consider, the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes. The Issuer and the Arranger disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Programme Memorandum or as such risks may change from time to time. Prospective Investors should consult their own financial and legal advisers about the risks associated with an investment in the Commercial Papers. An investment in the Commercial Papers involves certain risks, most of which may or may not occur and neither the Issuer nor the Arranger are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, Prospective Investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Programme Memorandum and any applicable Pricing Supplement before purchasing the Commercial Papers. **Investors should also seek professional advice before making investment decisions in respect of the Notes.***

RISKS FACTORS RELATING TO NIGERIA

Economic Risk

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

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

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

To counter these challenges, the government has initiated economic reforms, including harmonizing foreign exchange rates and phasing out the petrol subsidy. Whilst there have been positive developments, such as a renewed focus on agricultural and digital sectors, which hold potential for long-term growth and diversification, the country's economic stability remains vulnerable to oil price fluctuations.

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

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

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

RISK FACTORS

Political Risk

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

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

RISKS RELATING TO COLEMAN TECHNICAL INDUSTRIES LIMITED

Business Risks – These are risks associated with the business activities of the Company

Source of raw materials

Coleman sources a significant portion of its raw materials from outside Nigeria, while also buying locally. The quality and availability of raw materials, as well as the security to supply chains remains a risk. Imported raw materials are likely to be subject to arbitrary increases in tax and duties. Foreign exchange volatility and sudden increase in input costs may not be easily passed to consumers and may affect the Company's margins.

Underdeveloped power and transport infrastructure

Manufacturers in Nigeria are plagued by the intermittent supply of electricity and poor transport networks and infrastructure. Despite the ongoing efforts by the federal government, problems still persist with power generation, transmission and distribution thereby impeding the development of the industry. Many manufacturers rely heavily on alternative electricity which increases the overall cost of doing business.

Unstable pricing, and sometimes scarcity of fuel for power generation contributes to potential fluctuation of overheads.

Competition Risk – The risk that the Company will lose market share to other players in the industry

Risk of Substitutes

Consumers could be price sensitive and in the event that Coleman passes costs to consumers, there is the high likelihood of them switching to competitors, thereby leading to a loss in market share.

Legal Risk – The risk that counterparties may not fulfil contractual agreements

This could arise from the type and nature of contractual agreements entered into by CTIL. There is a risk that the Company's counterparties in these agreements may fail to fulfil their obligations. There is also the risk that Coleman may not perform its obligations, thereby exposing the Company to litigation.

Foreign Exchange Risk – The Company is exposed to currency risks and is affected by changes in the value of the Naira against other currencies

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

RISK FACTORS

Environmental Risk – These are losses that arise due to natural occurrences in the environment.

Rising terrorist attacks and community clashes across the country, especially in the North-Eastern part of Nigeria is a risk to most businesses. Whilst the federal and state governments have intensified efforts aimed at reducing the level of terrorist attacks, there can be no assurance that same will not persist with the resultant negative impact on security and development.

RISKS RELATING TO THE COMMERCIAL PAPER NOTES

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

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, the price of the commercial papers may vary inversely with changes in prevailing interest rates. That is, a rise in interest will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates, which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of Commercial Papers. However, these effects are only in the short term as the Commercial Papers are short-term instruments, to the extent that there are no extended roll-overs.

Independent Review and Advice

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

Liquidity risk for the Commercial Papers

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

Exchange rate risks and exchange controls

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

Legality of Purchase

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

Modification, waivers, and substitution

RISK FACTORS

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

Credit ratings may not reflect all risks.

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

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

CLEARING SYSTEM

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

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

Authorised Participants

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

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

Registration

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

Custody and Dematerialisation

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

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Redemption

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

Roll-Over

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

Default

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

Secondary Market Trading (OTC) Guidelines

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- i. Standard settlement cycle is T + 2.
- ii. The exchange shall submit Dealing Members' confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - a. Same Day Settlement - 12.30pm.
 - b. T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorized platform by 2:00 pm on settlement day to FMDQ Exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the exchange and the CSD simultaneously.
- v. Transactions for standard settlement (T + 2) shall stop five (5) business days before maturity date, therefore the last applicable settlement shall be before close of business on three (3) business days before maturity date.

Reporting

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the exchange and also keep records for each transaction.
- ii. The CSD will advise the exchange of successful and failed transactions on each settlement day for onward communication to Dealing Members.
- iii. Dealing Members can ascertain their CP balances after each day's trade via the CSD's website after each day's trade. This is a subscription service.

Transfer of Notes

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

Cash Settlement

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



COLEMAN TECHNICAL INDUSTRIES LIMITED
RC: 15410

**Issue of Up to ₦[●] (Series[●]) Commercial Paper Notes
Under its ₦100,000,000,000
Commercial Paper Issuance Programme**

This Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 25th February 2025, prepared by Coronation Merchant Bank Limited on behalf of Coleman Technical Industries Limited in connection with its ₦100,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “Programme Memorandum”).

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

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

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

LEAD ARRANGER

CORONATION
RC207138

ISSUING AND PLACING AGENT

CORONATION
RC207138

This Pricing Supplement Is Dated [●]

Issuer	Coleman Technical Industries Limited
Lead Arranger	Coronation Merchant Bank Limited
Collecting and Paying Agent	First City Monument Bank
Issuing and Placing Agent/ Sponsor	Coronation Merchant Bank Limited
Auditors	KPMG Professional Services
Custodian/Registrar	FMDQ Depository Limited
Solicitor	Banwo & Ighodalo
Series Number	[•]
Programme Size	₦100,000,000,000
Aggregate Nominal Amount	[•]
a. Tranche	[•]
b. Series	[•]
Face Value	[•]
Discounted Value	[•]
Nominal Amount Per Note	[•]
Issue Price	[•]
Tenor	[•]
Maturity Date	[•]
Final Redemption Amount	[•]
Minimum Subscription	[•]
Specified Currency	[•]
Specified Denomination	[•]
Status Of Notes	Each Note constitutes a direct, unconditional, senior obligation of the Issuer, and the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, pari passu with other present and future senior obligations of the Issuer outstanding from time to time
Form Of Notes	[•]
Quotation	[•]
Taxation	[•]
Method Of Offer	[•]
Book Closed Period	The Register will be closed from [•] to [•] until the Maturity Date
Implied Yield	[•]
Discount Rate	[•]
Any Other Formula or basis For	[•]
Determining Amount(S) Payable	

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Day Count Fraction	[•]
Business Day Convention	[•]
Use of Proceeds	[•]
Source of Repayment	[•]
Redemption/Payment Basis	[Redemption at par][other(specify)]
Issuer's Early Redemption	[Applicable/Not Applicable]
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable on Redemption	[•]
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Notification Of Allotment	All applicants will be notified through an email of their allotment by no later than [•]
Sale Restriction	The Issuance, Sale and Transfer of CPs under the Programme has been restricted to Qualified Institutional Investors.
Settlement Date	[•]
Issue Date	[•]
Details Of Bank Account(s) To Which Payments Are to Be Made in Respect Of The Notes	[•]
Settlement Procedures and Settlement Instructions	[•]
Delivery Date	[•]

MATERIAL ADVERSE CHANGE STATEMENT

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

RESPONSIBILITY

The Issuer and its Executive Management accept responsibility for the information contained in this Pricing Supplement which, when read together with the Programme Memorandum and supplemental Programme Memorandum, (if any), contains all information that is material in the context of the issue of the Notes.

Signed at _____ on this _____ day of _____ 20[•]

For and on behalf of

Coleman Technical Industries Limited

Name
Capacity: Director
Who warrants his/her authority hereto

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



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Coleman Technical Industries Limited

Report on the Summary Financial Information

Opinion

The summary financial information, which comprise:

- the statement of financial position as at 31 December 2023, 31 December 2022 and 31 December 2021;
- the statement of profit or loss and other comprehensive income for the years then ended;

are derived from the audited financial statements of Coleman Technical Industries Limited for the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited financial statements as at 31 December 2023, 31 December 2022 and 31 December 2021, in accordance with the Companies and Allied Matters Act (CAMA), 2020.

Summary Financial Information

The summary financial information do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial information and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our reports dated 17 May 2024, 5 May 2023, 12 May 2022.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act (CAMA), 2020.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

- i. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

A handwritten signature in black ink, appearing to read 'Akintoye O. Alawode', written over a horizontal line.

Akintoye O. Alawode, FCA
FRC/2013/ICAN/00000002843
For: KPMG Professional Services
Chartered Accountants
31 January 2025
Lagos, Nigeria

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019 – 2023

<i>In thousands of Naira</i>	2023	2022	2021	2020	2019
Revenue	54,152,916	39,344,802	27,310,367	14,240,862	11,540,454
Cost of Sales	(38,297,254)	(32,049,017)	(22,152,466)	(11,911,497)	(9,203,991)
Gross Profit	15,855,662	7,295,785	5,157,901	2,329,365	2,336,464
Other Operating Income	1,154,360	725,390	186,163	163,468	93,519
	17,010,022	8,021,175	5,334,064	2,492,833	2,429,983
Administrative Expenses	(1,571,511)	(830,487)	(849,876)	(711,333)	(205,568)
Selling & Distribution Expenses	(753,589)	(290,804)	(125,901)	(218,707)	(136,569)
Personnel Costs	-	-	-	-	(54,274)
Impairment loss on trade receivables	(168,774)	(142,596)	(75,506)	(362,085)	
Finance Income	9,224,660	785,435	822,800	458,564	
Finance Costs	(6,385,968)	(1,894,267)	(1,448,365)	(610,087)	(1,373,751)
Operating Profit	17,354,840	5,648,456	3,667,216	1,049,186	659,821
Minimum Tax	(278,013)	(199,891)	(70,434)	(70,434)	0
Income Tax Expense	(2,333,870)	(1,534,176)	(1,032,706)	(394,477)	(85,488)
Profit After Taxation	14,742,957	3,914,389	2,564,076	619,117	574,333
Proposed Dividend	0	0	0	0	(97,473)
Total comprehensive income for the year	14,742,957	3,914,389	2,564,076	619,117	476,860

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019 – 2023

<i>In thousands of Naira</i>	2023	2022	2021	2020	2019
Assets					
Non-Current Assets					
Property, plant & equipment	57,194,152	37,599,959	25,677,501	18,719,305	17,727,328
Intangible assets	24,131	24,131	9,049	-	-
Right of use asset	5,721	8,582	11,443	14,304	17,165
Deferred Tax Assets					74,399
	57,224,004	37,632,672	25,697,993	18,733,609	17,818,892
Current Assets					
Inventories	31,637,545	16,083,049	8,918,080	6,246,169	2,749,692
Trade and other receivables	3,235,703	497,931	2,657,165	117,367	744,679
Prepayment	3,919,882	4,258,593	-	-	-
Cash and cash equivalents	17,884,366	4,601,297	5,764,877	875,182	50,941
	56,677,496	25,440,870	17,340,122	7,238,718	3,765,812
Total assets	113,901,500	63,073,542	43,038,115	25,972,328	21,364,204
Liabilities					
Current Liabilities					
Trade and other payables	17,563,249	1,209,497	1,891,765	1,233,646	1,844,377
Dividend Payable				97,473	33,540
Borrowings	14,625,565	17,752,042	10,967,717	6,374,968	1,503,571
Income tax liabilities	655,399	656,154	173,143	74,676	85,488
Bank overdraft		-	299,673	-	-
Customer deposits	11,275,566	757,694	284,771	329,413	-
Deferred income	1,567,266	746,369	293,286	109,422	456,006
Lease liability	2,762	2,762	2,762	1,518	-
	45,689,807	21,124,518	13,913,117	8,221,116	3,545,312
Non-Current Liabilities					
Borrowings	30,307,950	22,432,272	15,181,012	7,207,146	7,950,409
Deposit for shares	-	-	-	31,738	31,738
Deferred income	4,826,051	1,749,168	499,998	232,606	-
Lease liability	6,847	9,468	11,229	13,991	13,370
Deferred tax liabilities	4,644,210	2,611,938	1,226,243	280,994	-
	39,785,058	26,802,846	16,918,482	7,766,475	7,995,517
Total Liabilities	85,474,865	47,927,364	30,831,699	15,987,561	11,918,499
Net Assets	28,426,635	15,146,178	12,206,516	9,967,349	9,445,705
Equity					
Share Capital	2,500,000	2,500,000	324,909	324,909	324,909
Capital Reserve	5,285,312	5,285,312	7,460,403	7,460,403	7,460,403
Retained Earnings	20,641,323	7,360,866	4,421,204	2,182,037	1,660,393
Total Equity	28,426,635	15,146,178	12,206,516	9,967,349	9,445,705
Total Equity and Liabilities	113,901,500	63,073,542	43,038,115	25,972,328	21,364,204

COLEMAN TECHNICAL INDUSTRIES LIMITED

Issuer Rating

A-

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

Outlook: Stable
Issue Date: 18 July 2024
Expiry Date: 30 June 2025

Previous Rating: Bbb

Industry: Wire & Cable
 Manufacturing

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RATING RATIONALE

- Agusto & Co. hereby upgrades the rating assigned to Coleman Technical Industries Limited ("Coleman Wires & Cables", "Coleman", "CTIL" or "the Company") to "A-". The rating upgrade reflects the notable improvement in the Company's earnings and cash flows supported in part by the sustained demand for its products as well as its growing foreign exchange earnings from its oil & gas product segment, which has helped to somewhat mitigate its foreign currency risk. This is in addition to the sustained growth in profit margins on the back of the positive impact of its procurement price hedging strategy (forward buying) and strong ability to pass on cost increases to consumers. The rating considers CTIL's expanding electrical cable production and distribution capacities, which should sustain its market leadership status, and the prospects of local recycling of copper scraps (backward integration) that will help to build additional resilience against price and supply risks associated with imported raw materials. The rating is however constrained by sustained inventory investments, which have continued to weigh on the Company's working capital and overall liquidity.
- Coleman Technical Industries Limited is a leading cable maker and distributor in Nigeria. The Company has over 30 main products across the power, control, aerial, submersible, communication and other specialty cable categories with an extensive distribution network across Nigeria and some markets in West Africa. CTIL's factories are located in Arepo and Sagamu in Ogun State with annual installed production capacities of 60,000 metric tons of copper and 40,000 metric tons of aluminum conductors. These factories operate at an average capacity utilization of about 65% per annum, although management expects a significant improvement in the average utilization rate as it continues to ramp up production to meet growing demand for its products. The Company is currently constructing a copper smelting plant, which is expected to come on stream in the first quarter of 2025. The Company also plans to expand its current wood drum-making capacity to support the packaging of its power cables.
- In the financial year ended 31 December 2023 (FYE 2023), CTIL's revenue grew by 37.6% to ₦54.2 billion to reflect robust volume growth as well as translation gains from its dollar-denominated supply contracts. Coleman's gross profit and operating profit margins improved to 29.3% and 24.7% respectively, in FYE 2023 (2022: 18.5% and 15.3%) to underline the efficiency in raw material procurement after it raised additional Commercial Paper (CP) Notes

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Coleman Technical Industries Limited

to fund the bulk purchase of raw materials to hedge against price and currency risks. Buoyed by the interest income and foreign exchange gains, which offset the increase in interest expenses, Coleman posted a much better pre-tax profit margin of 32% in FYE 2023 compared to the previous year's ratio of 14.4%. Even if we adjust for the foreign exchange gains, CTIL would have still posted a healthy pre-tax profit of 17.7% in FYE 2023. Overall, CTIL's return on asset (ROA) and return on equity (ROE) ratios increased significantly to 20.8% and 61.1% respectively, in FYE 2023 (2022: 12% and 37.3%) to reflect the higher profit levels during the year.

- In the five months ended 31 May 2024 (unaudited), Coleman posted revenue of **₱42.9 billion**, which represented about 79% of the entire revenue in 2023, to reflect higher product prices and sales volume during the period. The Company's operating profit and pre-tax profit margins soared to 45% and 52.1% respectively as the efficiency in the sourcing of raw materials and its cost pass-through pricing strategy became even more evident in the first half of 2024. Therefore, the Company's annualised ROA and ROE ratios grew to 43.7% and 106.2% respectively. Based on its expanding scale of operations, sustained demand and strong ability to pass on cost, we expect a steady improvement in its profitability ratios.
- Coleman's operating cash flow (OCF) rebounded to **₱37.6 billion** in FYE 2023 (2022: **₱74 million**) to reflect the much-improved earnings and higher inflows from suppliers' credit and customer deposits during the year. The OCF in FYE 2023, which represented a significant 69% of the revenue for the year, was sufficient to cover interest and principal repayments. With the expected upsurge in the demand for its products, particularly in the second half of the year (its peak period), we anticipate better earnings and operating cash flows in FYE 2024. In our opinion, Coleman's operating cash flow is good and sustainable.
- As at FYE 2023, CTIL posted an overall working capital surplus of **₱3.3 billion** after it obtained **₱10.5 billion** concessional loans from the Bank of Industry (BOI) to support its ongoing expansion while also leveraging customer deposits, suppliers' credits and Commercial Paper (CP) issuances to meet its working capital needs. However, we expect the additional funding pressure from the devaluation-induced higher purchase price of imported raw materials to continue to weigh on CTIL's overall short-term funding.
- As at FYE 2023, the Company's total liabilities rose sharply by 78.3% to **₱85.5 billion** owing to the incremental bank borrowings and CP Notes issued during the year. Buoyed by the higher earnings and profit accretion, CTIL's interest-bearing debt to equity ratio reduced to 95.2% as at FYE 2023 (2022: 232.9%), while its net debt to EBITDA ratio as at the same date improved to 1.8x (2022: 5.1x) to underline its moderate leverage position.
- With the expected increase in infrastructure spending by the government and private sector, and the operational efficiency to be derived from its ongoing backward integration, we foresee improvement in Coleman's financial performance. Furthermore, expansion in key sectors such as real estate, power transmission and distribution, oil & gas and telecommunication (data services) present huge growth opportunities for the Company. Therefore, we attach a **stable** outlook to Coleman Technical Industries Limited.





CREDIT RATING ANNOUNCEMENT

GCR upgrades Coleman Technical Industries Limited's long-term rating to BBB_(NG); Outlook Positive.

Rating action

Lagos, 29 August 2024 - GCR Ratings (GCR) has upgraded the national scale long-term Issuer rating of Coleman Technical Industries Limited (Coleman or the company) to BBB_(NG) from BBB_(-NG) previously but affirmed the short-term Issuer rating at A3_(NG). The rating Outlook has been revised to Positive from Evolving.

Rated Entity	Rating class	Rating scale	Rating	Outlook
Coleman Technical Industries Limited	Long-term issuer	National	BBB _(NG)	Positive
	Short-term issuer	National	A3 _(NG)	

Rating rationale

The rating upgrade on Coleman is underpinned by the improvements in liquidity and earnings in the recent period, which have somewhat eased off the pressures on leverage despite a rise in debt level. This is facilitated by the increased operational scale attained over the past three years, following the completion of several manufacturing plants. The positive outlook is anchored on the potential for a further rating uplift in the near term, if robust liquidity is maintained, debt contained and expansion plans are completed timeously, translating to stronger cash generation.

Coleman's business profile is strong, given the significant and increasing market share across multiple product categories in the Nigerian wires and cables market. This market position is being driven by the ongoing expansion of production capability and higher diversification into specialised products to meet demands of customers in the power, oil and gas, telecommunications, and marine service sectors. The company expect to imminently complete the backward integration for the local smelting of copper rods which it hitherto imports. The initiative is aimed at satisfying all internal input requirements for copper rods, achieve some cost savings, and position Coleman as a major supplier to local and regional market participants.

Earnings remain a major positive rating factor, driven by the recent improvement in earnings margins, which we expect to be sustained over the outlook period. The margin enhancement was supported by greater contribution of higher margin products, as well as the cost saving benefits from internal power generation. However, revenue underperformed our expectations by 34%, primarily due to contract variations by a major customer during Q4 2023. Most of these orders have since been fulfilled, supporting an annualised 90% revenue growth to NGN51.58n (USD38.3m) as of 31 June 2024. We have adopted a cautionary stance to the revenue expectations for full year 2024 and assumed that the smelting plant would become operational and contribute to the income stream in H1 2025 (management estimates: Q4 2024). Accordingly, we expect revenue to rise to NGN106Bn in 2024, while the EBITDA margin would be sustained at the 27%-33% range as the company ramps up operational scale and sustain cost efficiencies.

The solid earnings growth and cash retention have supported a better leverage metrics. However, leverage assessment remains a negative rating factor because of the compression in net interest coverage and the persistent increase in debt, 50% of which matures within 12 months from 30 June 2024. Net debt to EBITDA improved to 2.2x in 2023 (2022: 5.3x) and to 1.1x in H1 2024; while operating cash flow coverage of debt registered at a lower 22.6% in H1 2024 (after an all-time high of 52% in 2023), due to increase in prepayments for inputs and the unwinding of creditors

Nigeria | Corporate | Public Rating

and customer deposits. Although, interest coverage appeared strong at 1.4x in H1 2024 (2023: 3x; 2022: 5.4x), we believe that it would normalise to the 4x-5x range in full year 2024, as a higher proportion of the finance costs fall due in H2 2024. We expect debt to increase further to NGN70Bn in 2024 (H1 2024: NGN56.4Bn; 2023: NGN49.8Bn) to support ongoing capital investments and the resultant increase in working capital requirements. Despite this, we project net debt to EBITDA to remain modest below 2x and operating cash flow to debt at around 40%, driven by strong earnings and cash generation. We also take cognisance of Coleman's access to concessional loans from Development Finance Institutions (80% of debt as of 30 June 2024), as well as funding support from commercial banks and the commercial papers market.

The liquidity assessment is a strong positive rating factor, reflecting the substantial (eligible) committed credit facilities of over NGN80Bn held with five local lenders, which mitigates refinancing risks associated with the recent spike in short-term debt to NGN30Bn, from NGN13Bn in the comparable period in June 2023. Cash holding is also robust, registering at NGN17.7Bn as of 30 June 2024. We have also factored in GCR-estimated cumulative operating cash flows of NGN54Bn over the 18-month period to 31 December 2025, but this remains highly sensitive to potential working capital swings, that could arise from operationalising the new plants in the near term. Conversely, we expect less aggressive capital spending as the ongoing projects near completion, while also estimating moderate dividend payments based on the historical average payout ratio. Overall, liquidity sources versus uses coverage is estimated at 3.3x and 2.3x over the next six and 18-month period, respectively.

Outlook statement

The Positive Outlook is anchored on the anticipated completion of the smelting plant and other key capital projects within the next 6 to 9 months. This could translate to stronger earnings performance in line with projections and underpin robust internal cash generation, less recourse to debt funding and sustained liquidity strength. Furthermore, timely completion and optimum operationalisation of the ongoing projects could further bolster Coleman's market position, supporting a rating uplift.

Rating triggers

A rating upgrade could be driven by an overall improvement in the financial profile, especially if earnings perform in tandem with expectations, and net debt to EBITDA remains below 2x, interest coverage strengthens above 5x and operating cash flow to debt is sustained above 40%. The ratings could also improve if liquidity coverage is sustained above 2x over a 12-to-18-month period, and if Coleman demonstrably increases market shares across multiple product categories.

On the other hand, a rating downgrade could follow a material escalation in debt without a corresponding increase in earnings and cash flows. The ratings would be lowered if interest coverage remains below 5x and operating cash flow to debt falls below 17.5% and net debt to EBITDA weakens above 3x. Refinancing and repayment risks could become elevated from a greater recourse to short-term debt, especially commercial papers, placing further strain on liquidity and triggering a downgrade.

Analytical contacts

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Committee chair Lagos, Nigeria	Femi Atere Femi@GCRratings.com	Sector Head, Corporate Ratings +234 1 904 9462



February 20, 2025

Coronation Merchant Bank Limited

Coronation House
10 Amodu Ojikutu Street
Victoria Island
Lagos

Dear *Sir*,

RE: ESTABLISHMENT OF A ₦100,000,000,000 (ONE HUNDRED BILLION NAIRA) COMMERCIAL PAPER PROGRAMME BY COLEMAN TECHNICAL INDUSTRIES LIMITED AND THE ISSUANCE OF SERIES 1 NOTES THEREUNDER

1. INTRODUCTION

1.1. Basis of Instructions

We have acted as Transaction Counsel to Coleman Technical Industries Limited (the “**Issuer**”) in connection with: (a) the ₦100,000,000,000 (One Hundred Billion Naira) Commercial Paper Issuance Programme and issuances thereunder¹ (the “**Transaction**”); and (b) the preparation, review, and negotiation, execution and delivery of the documents listed in paragraphs 1.2.1 and 1.2.2 below (collectively, the “**Transaction Documents**”).

This opinion is rendered pursuant to the Issuing and Placing Agency Agreement dated [.] between the Issuer and Coronation Merchant Bank Limited (the “**IPA**”) (the “**Issuing and Placing Agency Agreement**”).

Words and expressions used in this opinion and not otherwise defined herein shall have the meanings attributed to same in the programme memorandum for the Transaction dated [.] (the “**Programme Memorandum**”).

1.2. Documents

1.2.1. In rendering this legal opinion, we have reviewed the Programme Memorandum which incorporates the pro forma Pricing Supplement (that sets out the terms and conditions applicable to any series or tranche of Notes that will be issued under the Transaction);

1.2.2. We have prepared the following documents in connection with the Transaction and confirm that same will be valid upon their due execution in their forms as of the date of this opinion:

¹ As of the date of this opinion, our engagement covers only the establishment of the Programme and issuance of Series 1 Notes thereunder.

Attorney list at www.banwo-ighodalo.com

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- (e) We assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective.

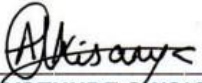
4. BENEFIT

This opinion is provided in connection with the satisfaction of the conditions precedent under the IPA Agreement and is given solely for the benefit of the IPA in connection with the Transaction and cannot be relied upon or disclosed by the IPA for any other purpose or relied upon by any other person without our prior written consent, save that our opinion may be disclosed without such consent (provided that in doing so it is acknowledged that we shall not owe any duty, nor assume any liability to any such person in relation to it and that in preparing this opinion we only had regard to the interests of the IPA):

- (a) to any persons seeking to invest in the Notes;
- (b) to professional advisers in connection with the Transaction;
- (c) to any additional dealers appointed under the IPA Agreement;
- (d) to any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable securities exchange or any rating agency or in connection with any judicial or arbitral proceedings;
- (e) to the affiliates, officers, employees, auditors, regulators and professional advisers of the IPA;
- (f) in connection with any actual or potential dispute or claim to which the IPA is a party in relation to the Transaction;

on the basis that such disclosure is made solely to enable any such person to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance.

Yours faithfully,


AYOTUNDE OWOIGBE
PARTNER
BANWO & IGHODALO

○ **Authorisation**

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Coleman Technical Industries dated Monday, 13th January 2025.

○ **Auditors**

Olukunle Ibiloye & Co (Chartered Accountants) acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, and was responsible for the audit, and issued an unqualified report.

KPMG Professional Services acted as auditors of the annual financial statement of the Issuer for the financial year ended 31 December 2022 and 31 December 2023, and was responsible for the audit, and issued an unqualified report.

○ **Commercial Paper Outstanding**

The Issuer has no commercial paper notes outstanding as at the date of this Programme Memorandum. Within the financial year ending 31 December 2024, the Issuer does not anticipate the amount of CPs to be issued to exceed the Programme Size.

○ **Going Concern**

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

○ **Litigation**

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

○ **Material Contracts**

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

- i. the Deed of Covenant dated 20th February 2025, executed by the Issuer as a deed poll in favour of the Note holders;
- ii. the Issuing and Placing Agency Agreement dated 20th February 2025, executed by the Issuer and the IPA; and;
- iii. the Collecting and Paying Agency Agreement dated 20th February 2025, executed by the Issuer and the CPA.

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

○ **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes

PARTIES TO THE TRANSACTION

MICHAEL ONIFOWO KANU

Director



ISSUER

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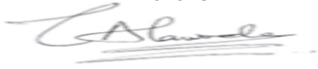
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Paul Abiagam
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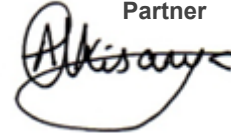
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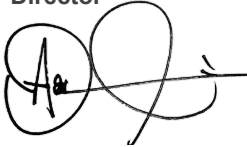
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