NSP-SPV POWERCORP PLC

₦6.325 Billion 10-Year 12% Fixed Rate Senior Green (Series 2) Bond Due 2031 Under The ₦50 Billion Bond Issuance Programme

2025 Corporate Bond Rating Report

Agusto&Co.

Research, Credit Ratings, Credit Risk Management

NSP-SPV POWERCORP PLC

₦6.325 BILLION 10-YEAR 12% FIXED RATE SENIOR GREEN (SERIES 2) BOND DUE 2031 UNDER THE ₦50 BILLION BOND ISSUANCE PROGRAMME

Issue Rating:

A

Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on local currency debt in a timely manner

Outlook: Stable
Issue Date: 19 November 2025
Expiry Date: 15 April 2026

The Issue rating is valid throughout the life of the instrument and will be subject to annual monitoring and review.

Previous Issue Rating: A

Sponsor's Rating: A
Expiry Date: 30 June 2026

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RATING RATIONALE

Agusto & Co. hereby affirms the **"A"** rating assigned to NSP-SPV PowerCorp Plc's ("NSP-SPV PowerCorp", "the Issuer", or "the Company") ₦6.325 Billion 10-Year 12% Fixed Rate Senior Green Bond Due 2031 ("Series 2 Bond", "the Bond" or "the Issue"). The rating reflects the standalone rating of North South Power Company Limited ("North South Power Company", "NSP" or "the Sponsor") since its operating cash flow constitutes the primary repayment source for the Series 2 Bond obligations (principal and coupon). The Sponsor's rating reflects its dominant position in the power generation sector, given that it operates one of the largest hydro power plants in Nigeria, and its adequate working capital position. The rating further considers the Sponsor's good liquidity levels, which is reflective of its ability to service its financial obligations without strain.

In April 2021, NSP-SPV Powercorp Plc issued a ₦6.325 billion, Ten-Year, 12% Series 2 Green Bond under its ₦50 billion Bond Issuance Programme. The Bond carries a fixed interest rate, payable semi-annually on 15 April and 15 October over the 10-year tenor, with principal amortised on a half-yearly basis throughout the life of the instrument. The Series 2 Bond is backed by the Sponsor's operating cash flow, which serves as the primary source for meeting both principal and coupon obligations. In order to provide additional security for the repayment of the Bond, a Debt Service Reserve Account (DSRA) is maintained. As at 20 October 2025, the credit balance in the DSRA stood at ₦1.01 billion and has been reinvested in Emerging Africa Capital Limited's (EACL) Private Short-Term Debt Note (STDN). The expected value at maturity date (20 April 2026) is ₦1.05 billion, which will be adequate to cover the combined coupon and principal obligations of the next two semi-annual payment cycles of ₦1.03 billion.

Based on North South Power Company's strong capacity to redeem the Series 2 Bond obligations, evidenced by its good liquidity position and debt service coverage ratios, we attach a **stable** outlook to NSP-SPV PowerCorp Plc's ₦6.325 Billion 10-Year 12% Fixed Rate Senior Green Bond Due 2031.

This rating report should be read in conjunction with Agusto & Co.'s 2025 Corporate Rating Report for North South Power Company Limited.

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Figure 1: Strengths, Weakness, Opportunities and Challenges

Strengths

- Sponsor's dominant position in the power generation industry
- Sponsor's adequate working capital
- Sponsor's good liquidity position

Weakness

- Rising receivables and its impact on operating cash flow

Opportunities

- Expansion into solar power
- Regional export potential
- Partnership with independent offtakers

Challenges

- Volatile macroeconomic environment
- Exposure to FX volatility
- Climate change potentially affecting water levels and generation capacity
- Nigeria's weak grid infastructure

PROFILE OF NSP-SPV POWERCORP PLC

NSP-SPV PowerCorp Plc ("NSP-SPV PowerCorp", "the Issuer", or "the Company") was incorporated in Nigeria on 8 September 2017 as a public limited company with its registered address at The Clan Place, Plot 1386, Tigris Crescent, Maitama, FCT Abuja. The Issuer was established as a special purpose vehicle to raise funds from the capital market to finance capital expenditure and optimise the capital structure of the Co-Obligors.

NSP-SPV PowerCorp has an authorised and issued share capital of ₦1,000,000.00, divided into 1,000,000 ordinary shares of ₦1.00 each, with 999,999 ordinary shares held by North South Power Company Limited ("the Sponsor"). As set out in Clause 3 of its Memorandum and Articles of Association, the principal objectives of the Issuer include raising or borrowing money through the issuance of notes or other debt instruments; paying interest on such money raised or borrowed; issuing any of the company's securities on terms deemed fit; securing and guaranteeing the performance of any obligation or liability the company may undertake; redeeming or paying off such securities; and investing the money raised or borrowed in securities or any other investments deemed appropriate by the company

PROFILE OF NORTH SOUTH POWER COMPANY

North South Power Company Limited ("North South Power Company", "NSP" or "the Sponsor") is one of Nigeria's leading power producers, incorporated in 2012 to develop and operate a diversified portfolio of electricity generation assets. The Company focuses primarily on renewable energy, particularly hydro, with its flagship 600MW Shiroro Hydroelectric Power Plant currently supplying about 8% of Nigeria's grid electricity.

The Sponsor operates the Shiroro Hydroelectric Power Plant under a 30-year concession, which was granted by the Federal Government of Nigeria, through the Bureau of Public Enterprises (BPE) in 2013. Under the concession, NSP is responsible for the operation, restoration, and maintenance of the facility, while remitting agreed returns to the Federal Government. The Shiroro Hydroelectric Power Plant, located in Niger State, represents 5% of Nigeria's total generation capacity. The plant however maintains an average annual capacity factor of circa 44.4%.

In partnership with the Nigeria Sovereign Investment Authority (NSIA), NSP signed an agreement in early 2024 to establish the Shiroro Solar Power Project to support the need for clean and accessible energy. The 25MW pilot project (phase 1) is part of a larger 300MW solar program co-located within NSP's 600MW Shiroro Hydroelectric Power Plant in Niger State. The Company also owns the Gurara Hydroelectric Power Plant (running it under a 25-year concession, which was signed in 2020). North South Power sells its generated power to the country's eleven distribution companies (DisCos) primarily through the Nigerian Bulk Electricity Trading Plc (NBET) and continues to strategically position itself at the forefront of Nigeria's renewable energy transition, prioritising sustainability, efficiency, and environmental stewardship.

BOND STRUCTURE & ADEQUACY OF PAYMENT ACCOUNT

In April 2021, NSP-SPV Powercorp Plc ("the Issuer" or "the Company") issued a ₦6.325 billion, Ten-Year, 12% Series 2 Green Bond under its ₦50 billion Bond Issuance Programme. The Bond carries a fixed annual interest rate, payable semi-annually on 15 April and 15 October over the 10-year tenor, with principal amortised on a semi-annual basis throughout the life of the instrument. In line with the amortisation schedule, principal repayments commenced on 15 October 2021. The Series 2 Bonds constitute direct, unsecured, senior, unconditional and unsubordinated obligations of the Issuer and rank pari passu at all times with all its other unconditional and unsubordinated obligations, except those mandatorily preferred by law and of general application.

As part of the security arrangement for the Series 2 Bond, the Issuer agreed to set aside 22.1% of the net bond proceeds in a Debt Service Reserve Account (DSRA). The funds in the DSRA can be used to cover shortfalls in the Debt Service Account (DSA) on each payment date, however, the Issuer shall ensure that the DSRA minimum balance, as stated in the Trust Deed, is maintained at all times during the tenor of the Series 2 Bond.

The credit balance in the DSRA as at 20 October 2025 stood at ₦1.01 billion[1] and has been reinvested in Emerging Africa Capital Limited's (EACL) 182-day 6.50% Fixed Rate Private Short-Term Debt Note (STDN). The expected value at maturity date (20 April 2026) is ₦1.05 billion[2], which will be able to cover the combined coupon and principal obligation of the next two semi-annual payment cycles of ₦1.03 billion.

Based on the Trustees' Report as at 20 October 2025, NSP-SPV PowerCorp Plc had paid a total of ₦5.58 billion to the Bondholders, comprising principal ₦2.85 billion and coupon ₦2.73 billion. The Sponsor is expected to continue to comfortably meet its debt obligations, due to a strong cash and equivalents balance and an anticipated improvement in operating cash flow, following its receivables netting arrangement[3] and the Federal Government's announcement of a ₦4 trillion bond programme to settle a large chunk of the legacy arrears within the power sector.

Table 1: Bond Repayment as at 20 October 2025

Period	Principal Repayment (₦'000)	Coupon (₦'000)	Total Payment (₦'000)
15-Oct-21	316,250	379,500	695,750
15-Apr-22	316,250	360,525	676,775
15-Oct-22	316,250	341,550	657,800
15-Apr-23	316,250	322,575	638,825
15-Oct-23	316,250	303,600	619,850
15-Apr-24	316,250	284,625	600,875
15-Oct-24	316,250	265,650	581,900
15-Apr-25	316,250	246,675	562,925
15-Oct-25	316,250	227,700	543,950

[1] $700,624.78 converted using the NFEM rate of 1,448.0304/$ as at 17 November 2025
[2] $723,648.09 converted using the NFEM rate of 1,448.0303/$ as at 17 November 2025
[3] Earlier in 2025, NSP signed a tripartite agreement with NBET and BPE to net off its outstanding concession obligations against its trade receivables (for the period of November 2018 to December 2022)

Total	**2,846,250**	**2,732,400**	**5,578,650**

OUTLOOK ON BOND REPAYMENT

Nigeria's power sector continues to present a strong long-term growth opportunity, anchored by a persistent supply–demand imbalance. The current estimated load demand of about 17,556MWh/h is expected to more than double by 2030, driven by population growth, rising urbanisation, and expanding industrial activities. Despite multiple reform cycles, the country still has one of the world's largest electricity access deficits, highlighting the depth of untapped market potential. In this context, power producers such as North South Power Company remain strategically positioned to benefit from the enduring supply shortfall.

In addition, Nigeria's energy transition agenda presents a growing opportunity for North South Power Company. According to the Nigeria Energy Transition Plan, solar and hydropower are expected to form a major part of the country's future generation mix, reflecting the government's push towards cleaner and more sustainable energy sources. With NSP already operating a hydropower asset and actively developing its solar project, it is well-positioned to benefit from this market shift.

Although the Sponsor recorded negative operating cash flow in FYE 2024 due to the impact of higher receivables, it maintained strong liquidity to meet its financial obligations. As at FYE 2024 and H1 2025, the Sponsor's cash and cash equivalents covered short-term debt obligations by 8.3x and 8.4x, respectively, demonstrating a good ability to service financial obligations. In August 2025, the Sponsor executed a tripartite agreement with the Nigerian Bulk Electricity Trading Plc (NBET) and the Bureau of Public Enterprises (BPE) to net off outstanding concession obligations against accumulated trade receivables. Looking ahead, this arrangement is expected to reduce NSP's high trade receivables balance and improve its operating cash flow and overall liquidity position.

Based on the above, we attach a **stable** outlook to NSP-SPV PowerCorp Plc's ₦6.325 Billion 10-Year 12% Fixed Rate Senior Green Infrastructure Bond Due 2031.

FINANCIAL SUMMARY – NORTH SOUTH POWER COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME	31-Dec-22		31-Dec-23		31-Dec-24		30-Jun-25	
							UNAUDITED	
	₦'million		₦'million		₦'million		₦'million	
TURNOVER	49,061	100.0%	65,071	100.0%	137,595	100.0%	72,487	100.0%
GROSS PROFIT	30,429	62.0%	37,870	58.2%	81,236	59.0%	43,303	59.7%
OPERATING PROFIT	11,255	22.9%	34,064	52.3%	40,904	29.7%	9,396	13.0%
PROFIT BEFORE INTEREST & TAXATION	9,433	19.2%	10,565	16.2%	(18,398)	-13.4%	11,705	16.1%
INTEREST EXPENSE	(1,617)	-3.3%	(1,810)	-2.8%	(2,312)	-1.7%	(1,411)	-1.9%
PROFIT BEFORE TAXATION	7,816	15.9%	8,755	13.5%	(20,710)	-15.1%	10,294	14.2%
TAX (EXPENSE) BENEFIT	(3,077)	-6.3%	(3,271)	-5.0%	4,045	2.9%	(3,375)	-4.7%
PROFIT AFTER TAXATION	4,739	9.7%	5,484	8.4%	(16,665)	-12.1%	6,919	9.5%
DIVIDEND	(3,318)	-6.8%	(6,312)	-9.7%	(2,912)	-2.1%		
PROFIT RETAINED FOR THE YEAR	1,421	2.9%	(828)	-1.3%	(19,577)	-14.2%	6,919	9.5%
PROFIT RETAINED B/FWD	4,364		5,835		4,920		(14,700)	
PROFIT RETAINED C/FWD	5,835		4,920		(14,700)		(7,781)	

STATEMENT OF FINANCIAL POSITION	31-Dec-22		31-Dec-23		31-Dec-24		30-Jun-25	
							UNAUDITED	
	₦'million		₦'million		₦'million		₦'million	
ASSETS								
CASH & EQUIVALENTS	68,997	39.4%	69,106	24.3%	35,448	7.4%	35,700	7.1%
TOTAL TRADING ASSETS	32,576	18.6%	55,940	19.7%	175,339	36.8%	204,530	40.7%
TOTAL LONG TERM ASSETS	73,539	42.0%	158,762	55.9%	265,819	55.8%	262,817	52.2%
TOTAL ASSETS	175,111	100.0%	283,808	100.0%	476,606	100.0%	503,047	100.0%
Growth	19.4%		62.1%		67.9%		5.5%	
LIABILITIES & EQUITY								
TOTAL INTEREST BEARING LIABILITIES (TIBL)	14,692	8.4%	13,426	4.7%	17,484	3.7%	16,760	3.3%
TOTAL NON-INTEREST BEARING LIABILITIES	133,640	76.3%	221,282	78.0%	408,652	85.7%	429,182	85.3%
TOTAL LIABILITIES	148,332	84.7%	234,708	82.7%	426,136	89.4%	445,942	88.6%
SHAREHOLDERS' EQUITY	26,779	15.3%	49,100	17.3%	50,470	10.6%	57,105	11.4%
TOTAL LIABILITIES & EQUITY	175,111	100.0%	283,808	100.0%	476,606	100.0%	503,047	100.0%

CASH FLOW STATEMENT FOR Y/E	31-Dec-22	31-Dec-23	31-Dec-24	30-Jun-25
				UNAUDITED
	₦'million	₦'million	₦'million	₦'million
OPERATING ACTIVITIES				
POTENTIAL OPERATING CASH FLOW	8,552	23,467	2,092	3,544
WORKING CAPITAL CHANGES				
CASH FROM (USED BY) SPONTANEOUS FINANCING	7,259	-20,410	5,758	5,485
CASH FROM (USED BY) WORKING ASSETS	(2,273)	(23,364)	(119,399)	(29,191)
CASH FROM (USED IN) OPERATING ACTIVITIES	13,538	(20,308)	(111,550)	(20,161)
RETURNS TO PROVIDERS OF FINANCING (RTPOF)				
INTEREST PAID	(1,617)	(1,810)	(2,312)	(1,411)
DIVIDEND PAID	-3,308	-5,919	-3,325	0

OPERATING CASH FLOW AFTER RTPOF	8,612	(28,037)	(117,186)	(21,573)
CASH FROM (USED IN) INVESTING ACTIVITIES	(8,267)	(82,017)	(102,555)	8,314
CASH FROM (USED IN) FINANCING ACTIVITIES	(1,043)	(1,266)	4,058	(724)
CHANGE IN CASH INC/(DEC)	18,056	(3,661)	(33,658)	168,043
OPENING CASH & MARKETABLE SECURITIES	50,941	68,997	69,106	35,448
CLOSING CASH & MARKETABLE SECURITIES	68,997	65,336	35,448	203,491

KEY RATIOS	**31-Dec-22**	**31-Dec-23**	**31-Dec-24**	**30-Jun-25**
				UNAUDITED
	₦'million	₦'million	₦'million	₦'million
PROFITABILITY				
SALES GROWTH	37%	33%	111%	5%**
OPERATING PROFIT MARGIN	22.9%	52.3%	29.7%	13.0%
RETURN ON ASSETS (PRE-INTEREST PRE-TAX)	5.4%	3.7%	-3.9%	4.7%**
RETURN ON EQUITY (PRE-TAX)	29.2%	17.8%	-41.0%	36.1%**
CASH FLOW				
EBITDA MARGIN	29%	60%	38%	29%
EBITDA TO RTPOF	2.9	5.1	9.4	15.1
WORKING CAPITAL				
WORKING CAPITAL NEED (DAYS)	0	0	0	0
Overall Working Capital Surplus	66,102	66,097	31,169	31,438
LEVERAGE				
NET DEBT AS % OF AVERAGE TOTAL ASSETS	51%	77%	86%	47%
TOTAL LIABILITIES TO EQUITY	5.5	4.8	8.4	7.8
OTHER ADDITIONAL INFORMATION				
STAFF COSTS (₦' MILLION)	4,850	6,303	12,449	12,449
AVERAGE NUMBER OF STAFF	296	309	315	315
STAFF COSTS PER EMPLOYEE (₦' MILLION)	16	16	40	40
CAPITAL EXPENDITURE (₦' MILLION)	486	2,155	384	384
DEPRECIATION AND AMORTISATION (₦' MILLION)	427	668	1,731	1,731
AUDITORS	Deloitte	Deloitte	Deloitte	UNAUDITED
OPINION	CLEAN	CLEAN	CLEAN	N/A

***Annualised*

RATING DEFINITIONS

Aaa	Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner.
Aa	High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.
A	Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on local currency debt in a timely manner.
Bbb	Satisfactory quality debt with moderate credit risk; adequate capacity to pay returns and principal on local currency debt in a timely manner.
Bb	Below average quality debt with moderate to high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
B	Weak quality debt with high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
C	Very weak capacity to pay returns and principal. Debt instrument with very high credit risk.
D	In default.

Rating Category Modifiers

A "+" (plus) or "-" (minus) sign may be assigned to ratings from 'Aa' to 'C' to reflect comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.



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