

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant, or any other professional adviser duly registered under the Investment and Securities Act (2025) ("ISA" or the "Act"). Investing in this Offer involves risks. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on pages 48 to 54 of the Shelf Prospectus issued in respect of the Debt and Hybrid Instruments Issuance Programme.



LAGOS STATE GOVERNMENT OF NIGERIA
OFFER FOR SUBSCRIPTION (BY WAY OF BOOK BUILD)

OF

₦14,815,000,000

(FOURTEEN BILLION, EIGHT HUNDRED AND FIFTEEN MILLION NAIRA)

SERIES III: 5 YEAR 16% FIXED RATE GREEN BONDS DUE 2030

(Offered to Qualified Institutional Investors and High Net Worth Investors, as defined under the Rules and Regulations of the Securities and Exchange Commission 2013 (as amended) (the "SEC Rules")

UNDER THE ₦1,000,000,000,000 (ONE TRILLION NAIRA) DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME

BOOK OPENS: November 6, 2025

BOOK CLOSES: November 13, 2025

This Pricing Supplement and the Bonds which it offers have been approved and registered by the Securities and Exchange Commission (the "SEC" or the "Commission"). It is a civil wrong and a criminal offence under the ISA to issue a prospectus which contains false or misleading information. Clearance and registration of this Pricing Supplement and the Bonds which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided in section 113 and 114 of the ISA (as amended).

This Pricing Supplement has been prepared pursuant to Rule 280 and Rule 323(5) of the Rules and Regulations of the Securities and Exchange Commission (the "SEC" or "Commission") and the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ") and the Nigerian Exchange Limited ("NGX Exchange") in connection with the issuance of ₦14,815,000,000 (Fourteen Billion, Eight Hundred and Fifteen million Naira) Green Bonds under the ₦1,000,000,000,000 (One Trillion Naira) Debt and Hybrid Instruments Issuance Programme established by the Lagos State Government ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated May 23, 2023 and any other supplements to the Shelf Prospectus as may be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement; except otherwise expressly stated. A copy of this Pricing Supplement has been delivered to the Commission for registration. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the instrument only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Issuing Houses / Book runners. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. The Shelf Prospectus is valid for an indefinite period until determined by the Commission, according to Rule 279 (3)(5)(ii) of the SEC Rules (Sundry Amendments, April 2015). This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the securities being issued hereunder (the "Green Bonds" or the "Bonds"). An application has been made to FMDQ and/or NGX Exchange for the listing of the Bonds. The Bonds also qualify as a security in which trustees may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria ("LFN"), 2004 and as a security under Section 20(1)(g) of the Personal Income Tax Act, Cap P8, LFN, 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011), (as amended by the Finance Acts of 2019, 2020, and 2021), as well as Section (19)(2) of the Companies Income Tax Act, Cap C21, LFN, 2004 as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Acts of 2019, 2020, 2021 and 2023.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. Save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS PRICING SUPPLEMENT AND REGISTRATION OF THE INSTRUMENTS ISSUED HEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.

LEAD ISSUING HOUSE/BOOK RUNNER



CHAPEL HILL DENHAM
Advisory

RC: 1381308

JOINT ISSUING HOUSES/BOOK RUNNERS



RC 672560



RC 761231



RC 1172392



RC 1031358



RC 444999

This Pricing Supplement will be available on the following websites throughout the validity period:

www.lagosstate.gov.ng ; www.sec.gov.ng ; www.chapelhilldenham.com

THIS PRICING SUPPLEMENT IS DATED NOVEMBER 20, 2025

TABLE OF CONTENTS

DEFINITION OF TERMS	3
PARTIES TO THE OFFER	7
INDICATIVE TRANSACTION TIMELINE	11
DECLARATION BY LAGOS STATE GOVERNMENT	12
SUMMARY OF THE OFFER	13
THE ₦1 TRILLION DEBT ISSUANCE PROGRAMME	18
DESCRIPTION OF THE SERIES III ISSUE	20
ABOUT GREEN BONDS	21
THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK	25
CERTIFICATION BY THE CLIMATE BONDS INITIATIVE	37
SCHEDULE I – USE OF PROCEEDS	38
SCHEDULE II – COUPON AND PRINCIPAL AMORTISATION PAYMENT SCHEDULE	43
APPENDIX I: EXTRACT FROM THE STATE EXECUTIVE COUNCIL RESOLUTION	44
APPENDIX II: EXTRACT FROM THE LAGOS STATE HOUSE OF ASSEMBLY RESOLUTION	45
APPENDIX III: EXTRACT FROM THE ISSUER’S RATINGS REPORT (AGUSTO & Co.)	47
APPENDIX IV: EXTRACT FROM THE ISSUER’S RATINGS REPORT (GCR)	48
APPENDIX V: EXTRACT FROM THE GREEN BOND RATING REPORT (AGUSTO & Co.)	49
APPENDIX VI: EXTRACT FROM THE GREEN BOND RATING REPORT (GCR)	50
APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED	51
APPENDIX VIII: EXTRACT FROM THE REPORTING ACCOUNTANT’S REPORT	56
APPENDIX IX: HISTORICAL FINANCIAL INFORMATION	57
APPENDIX X: MATERIAL ADVERSE CHANGE STATEMENT	64
APPENDIX XI: OTHER DISCLOSURES	65
APPENDIX XII: PROCEDURE FOR APPLICATION AND ALLOTMENT	69
FORM OF COMMITMENT	71
FORM OF COMMITMENT (REVERSE SIDE)	72

DEFINITION OF TERMS

“Allotment”	The issue of Bonds to successful bidders pursuant to the completion of the Book Build
“Allotment Confirmation Notices”	The notification issued to each Applicant confirming the Bonds allocated to the Applicant following the conclusion of the Book Build and determination of the relevant clearing price
“Allotment Date”	The date on which the Bonds are allotted to successful bidders
“Agusto & Co”	Agusto & Co. Limited
“Applicant” or “Participant”	A Qualified Investor who offers to purchase the Bonds and submits Commitment Form(s) to the Book Runner(s)
“Bond(s)” or “Green Bonds” or “Series III Bonds”	The registered ₦14,815,000,000 Series III 5-Year 16% Fixed Rate Green Bonds due 2030 issued by the Issuer in accordance with the terms of the Shelf Prospectus and this Pricing Supplement
“Bonds Law”	The Lagos State Bonds, Notes, and other Securities Issuance Law, 2008
“Bondholder” or “Bondholders”	Any registered owner or beneficial owner of any Green Bonds issued and whose names are entered into the Register
“Book Building” or “Book Build”	As defined in Rule 321 of the SEC Rules, a process of price and demand discovery through which a book runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net Worth Investors
“Book Runners”	The Lead Issuing House and the Joint Issuing Houses duly appointed by the Issuer to manage the order book in respect of the Bonds being offered by way of Book Building
“BPID”	Business Partners Identification
“Business Day(s)”	Any day(s) (except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for business in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act 2020 (and every statutory modification and re-enactment thereof for the time being in force)
“CBN”	Central Bank of Nigeria
“CDSA”	Consolidated Debt Service Account, the dedicated account created pursuant to the Bonds Law for purposes of servicing public debt repayment obligations, which, alongside the ISPO, shall fund the Sinking Fund
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Cap C21, LFN, 2004 as amended by the Companies Income Tax (Amendment Act No. 11 of 2007), and the Finance Acts
“Coupon(s)” or “Coupon Rate”	The interest payable to Bondholders as specified in this Pricing Supplement
“Coupon Commencement Date”	The date on which the Coupons on each Bond starts accruing to Bondholders as specified in this Pricing Supplement
“Coupon Payment Date”	The date(s) on which coupon is to be paid to Bondholders as specified in this Pricing Supplement
“CSCS” or the “Clearing System”	Central Securities Clearing System, operated by the Central Securities Clearing System Plc
“CSD”	CSCS or FMDQ-D or any central securities depository registered or recognised by the SEC

DEFINITION OF TERMS

“Debt and Hybrid Instruments Issuance Programme” or the “Programme”	The ₦1,000,000,000,000 (One Trillion Naira) debt and hybrid instruments issuance programme registered with the SEC by the Issuer as described in the Shelf Prospectus dated May 23, 2023
“Debt Office”	The Lagos State Debt Management Office established in accordance with the Debt Office Law
“Debt Office Law”	The Lagos State Debt Management Office (Establishment) Law 2009
“Exchange”	The FMDQ and/or the NGX or any other securities exchange recognized by the Commission
“Federal Government” or “FGN”	Federal Government of Nigeria
“Finance Acts”	The Finance Act, 2019, the Finance Act, 2020 and the Finance Act, 2021 Finance Act 2023, and as amended by the Nigeria Tax act, 2025 together with any subsequent amendments
“Fixed Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis, which will not change during the tenor of the Bonds
“FMDQ”	FMDQ Securities Exchange Limited
“FMDQ–D”	FMDQ Depository Limited
“GCR”	Global Credit Rating Company Limited
“High Net worth Investors” or “HNI”	As defined in the SEC Rules
“IGR”	Internally Generated Revenue
“ISA”	Investments and Securities Act 2025 as may be amended
“ISPO”	Irrevocable Standing Payment Order
“Issue”	The issue of the Bonds
“Issuer” or “State”	Lagos State Government
“Issue Date”	November 20, 2025
“Issue Price”	₦1,000 per unit of the Bond
“Joint Issuing Houses”	SFS Financial Services Limited, Kedari Capital Limited, NSL Capital Partners Limited, Stanbic IBTC Capital Limited, United Capital Plc
“Lead Issuing House/Book Runner”	Chapel Hill Denham Advisory Limited
“LFN”	Laws of the Federation of Nigeria 2004
“Maturity Date”	November 20, 2030
“Naira”, “NGN” or “₦”	Nigerian Naira
“NGX”	The Nigerian Exchange Limited
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“Participants”	High Net worth Investors and Qualified Institutional Investors who partake in the Book Building
“Paris Agreement”	The international treaty on climate change signed by 195 countries on 22 April 2016
“PFA”	Pension Fund Administrator
“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”	This pricing supplement issued pursuant to the Shelf Prospectus which contains relevant information relating to the Bonds including but not limited to, details about the price, amount, issue date and maturity date of the Bonds

DEFINITION OF TERMS

“Principal Amount”	The nominal amount of each Bond, as specified in this Pricing Supplement
“Principal Moratorium Period”	24 Months
“Programme Trust Deed”	The trust deed dated May 23, 2023 between the Issuer and the Trustees establishing the Programme
“Qualified Institutional Investor”	As defined in Rule 321 of the SEC Rules, institutional purchasers of securities including Banks, Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable Private Equity funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms
“Qualified Investors”	Qualified Institutional Investor and High Net-Worth Investors
“Rating Agencies”	Agusto & Co., GCR or any other rating agency that may be appointed by the Issuer
“Record Date”	The date on which the names of holders of the Bonds are extracted from the Register for the purposes of paying the Coupon
“Receiving Banks”	Access Bank Plc, First Bank of Nigeria Limited, First City Monument Bank Limited, and Polaris Bank Limited or any other bank that may be appointed by the Issuer
“Register”	means the books kept by the Registrar to evidence the registration of a Bondholder
“Redemption Amount”	The aggregate Principal Amount outstanding in respect of the Bond on the Maturity Date as specified in this Pricing Supplement
“Registrar”	Meristem Registrars & Probate Services Limited or any other person so appointed by the Issuer
“Reporting Accountant”	Ernst & Young
“SEC Rules” or “Rules and Regulations”	The Rules and Regulations of the Securities and Exchange Commission (2013) issued pursuant to ISA as may be amended from time to time
“SEC” or the “Commission”	Securities and Exchange Commission
“Series III Trust Deed”	The trust deed dated on or about the date hereof constituting the Series III Bonds and supplementing the Programme Trust Deed
“Shelf Prospectus” or “Prospectus”	The Prospectus filed by the Issuer in accordance with the SEC Rules in respect of the Programme and approved by the SEC and dated May 23, 2023, which contains details of the Debt and Hybrid Issuance Programme
“Sinking Fund”	A fund specifically established and managed by the Trustees on behalf of the Issuer for the Bond issuance, for purposes of servicing the Coupon and Principal Amount repayment obligations; and into which payments from the ISPO and the CDSA shall be remitted in accordance with the terms and conditions of the issue of the Series III Trust Deed
“Solicitors to the Issue”	Banwo & Ighodalo and Sofunde, Osakwe, Ogundipe & Belgore
“Solicitors to the Issuer”	Africa Law Practice NG & Company, G. Elias, and Olaniwun Ajayi LP
“Stockbrokers”	Bancorp Securities Limited, Lead Securities & Investment Limited, MBC Securities Limited, Nigerian Stockbrokers Limited, Readings Investment Limited, Sigma Securities Limited
“Trust Deeds”	The Programme Trust Deed and the Series III Trust Deed
“Trustees”	Apel Capital & Trust Limited, ARM Trustees Limited, Cedrus Trustees Limited, First Trustees Limited, Sterling Asset Management, STL Trustees Limited, and UTL Trustees Limited, granted fiduciary power by the Issuer under the Trust Deeds to enforce the terms and conditions of the Bond issuance programme

DEFINITION OF TERMS

and such other Trustees that may be appointed from time to time by the Issuer

“VAT”

Value Added Tax as provided in the Value Added Tax Act (Chapter V1), LFN 2004 as amended by Value Added Tax (Amendment) Act No 12 of 2007 and the Finance Acts

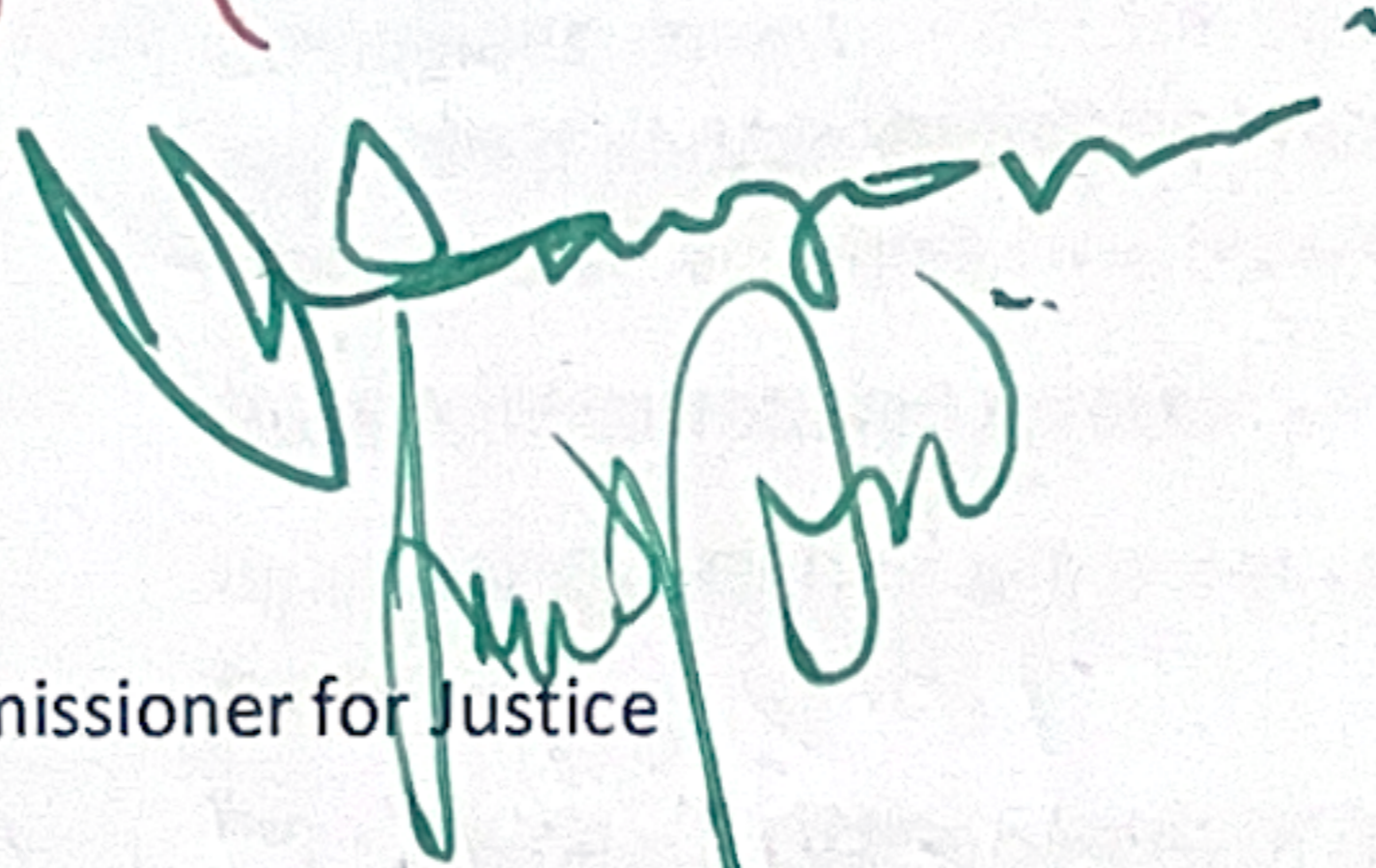
PARTIES TO THE OFFER

REPRESENTATIVES OF THE STATE EXECUTIVE COUNCIL

Mr. Babajide Olusola Sanwo-Olu
Governor

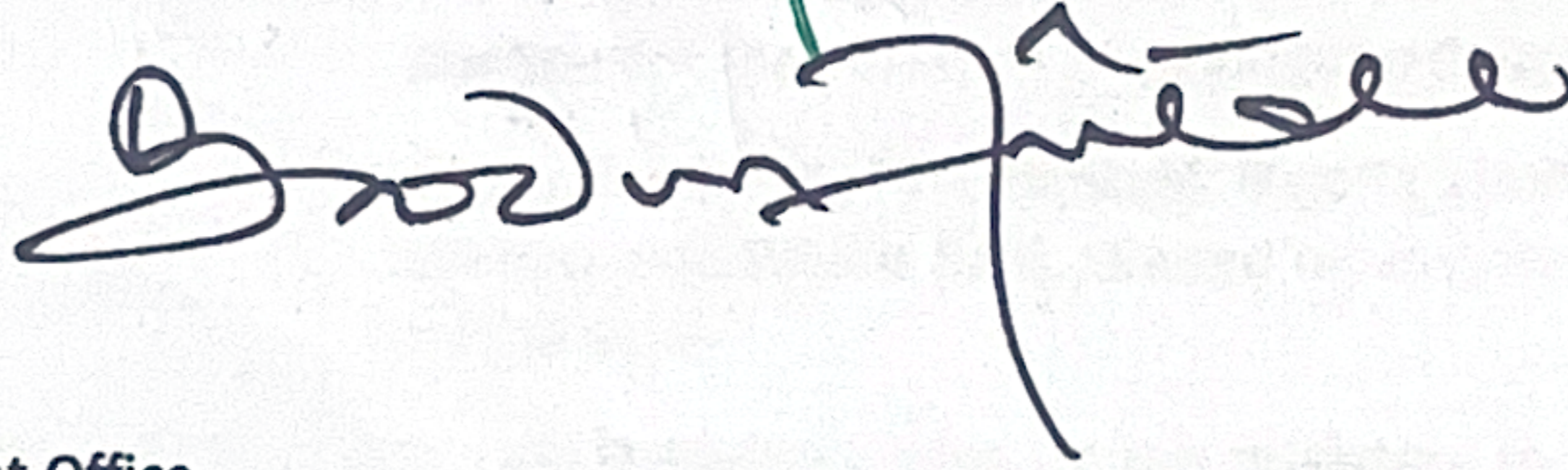


Mr. Abayomi Samson Oluyomi
Honourable Commissioner for Finance



Mr. Lawal Pedro, SAN
Attorney General and Honourable Commissioner for Justice

Dr. Shefiu Abiodun Muritala
Accountant-General



Address:
Lagos State Debt Management Office
(Lagos State Ministry of Finance)
Lagos State Secretariat
Alausa, Ikeja
Lagos

PARTIES TO THE OFFER

PROFESSIONAL PARTIES TO THE ISSUE

LEAD ISSUING HOUSE

Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi
Lagos

[Signature]
Kemi Awodein

JOINT ISSUING HOUSES

SFS Financial Services Limited
287 Arose Adeogun Street
Victoria Island
Lagos

[Signature]
PATRICIA JUDIANA

Kedari Capital Limited
Kedari House,
8A Ojora Close,
Victoria Island, Lagos

[Signature]
Ifeoluwa Fashola

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

[Signature]
SUUNDA
ACUMEM

United Capital Plc
3rd, 4th & 5th Floors
Afriland Towers
97/105 Broad Street
Lagos

[Signature]
SUNNY AVENE

NSL Capital Partners Limited
Knight Frank Building
(7th Floor) 24 Campbell Street
Lagos island, Lagos

[Signature]
Oluwade Oyeade

TRUSTEES

Apel Capital & Trust Limited
8 Alhaji Bashorun Street
Off Norman Williams Crescent, Ikoyi
Lagos

[Signature]
OMOLOLA MINAKIN

ARM Trustees Limited
1 Mekunwen Road
Off Oyinkan Abayomi Drive, Ikoyi
Lagos

[Signature]
Tobi Babalola

Cedrus Trustees Limited
13a Bishop Oluwole St
Victoria Island
Lagos

[Signature]
OLUBUSAYO ADENIYI

Sterling Asset Management and Trustees Limited
7 Alfred Rewane Road
Ikoyi
Lagos

[Signature]
FRIDAY OMOGBU

STL Trustees Limited
Plot 183 Moshood Olugbani Street
Victoria Island
Lagos

[Signature]
Adesola Aje

UTL Trust Management Services Limited
47 Marina
ED Building
Lagos

[Signature]
CLAUDE OMOGBU

First Trustees Limited
16 Keffi Street
Ikoyi
Lagos

[Signature]
BABA JIB FETUGA

Trustees are advised by:
The Metropolitan Law Firm,
No 11, Zangon Daura Estate
Kado, Abuja

Udo Udoma & Belo-Osagie
St. Nicholas House (10th, 12th & 13th Floors)
Catholic Mission Street, Lagos

[Signature]

SOLICITORS TO THE ISSUE

Banwo & Ighodalo
48 Awolowo Road
South West Ikoyi
Lagos

[Signature]
Azeelah
Muse-Sadiq

Sofunde, Osakwe, Ogundipe & Belgore
St. Nicholas House (7th Floor)
Catholic Mission Street
Lagos

[Signature]
Muhammad Jib Belgore SAN

PARTIES TO THE OFFER

SOLICITORS TO THE ISSUER

Africa Law Practice NG & Company
15 Military Street
Onikan
Lagos

Suleghade Sogbetun
SOS

G. Elias
6 Broad Street
Lagos

Michelle Chikoro
[Signature]

Olaniwun Ajayi LP
Plot L2, 401 Cl, Banana Island
Ikoyi
Lagos

Yewande Seuboro
[Signature]

REGISTRARS

Meristem Registrars & Probate Services Limited
213 Herbert Macaulay Way
Yaba
Lagos

Nkechinyelum Okoye
[Signature]

Web: www.meristemng.com

Email: contact@meristemng.com

Tel: 0700-MERISTEM

REPORTING ACCOUNTANTS

Ernst & Young
UBA House (10th & 13th Floor)
Marina
Lagos

[Signature]
Oketani Akasi

RATING AGENCIES

Agusto & Co. Limited
UBA House (5th Floor)
57 Marina
Lagos

Isaac Babalade
[Signature]

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

[Signature]
Sulfa Oyida-Farayola

STOCKBROKERS

Bancorp Securities Limited
9 Wesley Street, Lagos Island,
Lagos

[Signature]
DULARA ASHIM

Nigerian Stockbrokers Limited
Knight Frank Building (7th Floor)
24 Campbell Street
Lagos

[Signature]
Bosun Adedokun

MBC Securities Limited
St. Nicholas House (11th Floor)
26 Catholic Mission Street
Lagos

[Signature]
Abin Ayoola

Sigma Securities Limited
Suite 13 (6th Floor)
11, Awolowo Road, Ikoyi
Lagos

[Signature]
Ibrahim Alayin

Readings Investment Limited
24 Keffi Street
Off Awolowo Road, Ikoyi
Lagos

BABATUNDE ALABI
[Signature]

Lead Securities & Investment Limited
Plot 281 Ajo Adeogun Street
Victoria Island
Lagos

AKO LADE TAOFEEQ
[Signature]

PARTIES TO THE OFFER

CUSTODIAN

First Bank of Nigeria Limited
35 Samuel Asabia House
Marina
Lagos

Adedun Olatunji

RECEIVING BANKS

Access Bank Plc
14/15 Prince Alaba Abiodun Oniru Road
Victoria Island
Lagos

Isaac Osofisan

First City Monument Bank Limited
Primrose Tower
17A Tinubu Street, Marina
Lagos

Adeola Ambah

First Bank of Nigeria Limited
Samuel Asabia House
35 Marina
Lagos

Apurkade Go

Polaris Bank Limited
3 Akin Adesola Street
Victoria Island
Lagos

Quarta Gabriel
~~Quarta Gabriel~~
24/11/2028

INDICATIVE TRANSACTION TIMELINE

Date	Activity	Responsibility
3-Nov-25	Obtain SEC's clearance of the Pricing Supplement and approval to commence Book Building	Issuing Houses
13-Nov-25	Commence Book Build	All Parties
13-Nov-25	Conclude Book Build/determination of Clearing Price and allocation of the Bonds	All Parties
14-Nov-25	Despatch Allotment Confirmation Letters to successful investors	Issuing Houses
16-Nov-25	Update Issue documents and Submit to SEC	Issuing Houses
18-Nov-25	Obtain SEC clearance of documents and No Objection to convene Signing Ceremony	Issuing Houses
20-Nov-25	Hold Signing Ceremony/investors fund allotment of Bonds	All Parties
21-Nov-25	Remit Net Bond Proceeds to the Issuer/Custodian	Receiving Bank
24-Nov-25	File executed Issue Documents and Basis of Allotment with SEC	Issuing Houses
27-Nov-25	Obtain SEC approval of Allotment Announcement	Issuing Houses
28-Nov-25	Publish Allotment Announcement in at least 2 National Dailies	Issuing Houses
4-Dec-25	Credit CSCS Account of Bondholders and BPID Account of Bondholders on the FMDQ-D (Q-eX)	Registrars
18-Dec-25	Listing of the Bonds on FMDQ and/or NGX	Issuing Houses/ Stockbrokers
30-Dec-25	File Post-Offer Compliance Report with SEC	Issuing Houses

***NB: These dates are indicative and are subject to change.**

DECLARATION BY LAGOS STATE GOVERNMENT



LAGOS STATE GOVERNMENT

June 27, 2025

The Director-General
Securities & Exchange Commission
272/273 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

DECLARATION OF ISSUER -

LAGOS STATE GOVERNMENT SERIES III GREEN BOND ISSUANCE OF UP TO ₦14,815,000,000 (FOURTEEN BILLION, EIGHT HUNDRED AND FIFTEEN MILLION NAIRA) ("SERIES III GREEN BOND")

This Pricing Supplement has been prepared by the Issuing Houses on behalf of the Lagos State Government ("Lagos State") to provide investors with a description of relevant aspects of Lagos State in connection with the Series III Green Bond Issuance.

In that regard, and on behalf of the Lagos State Executive Council, we hereby make the following declarations:

1. The information contained in this Pricing Supplement is, to the best of our knowledge, an accurate representation of all material facts and contains no omission that is likely to affect the import of the information, or which will render any statement herein misleading or untrue.
2. There has been no significant change in the financial condition or material adverse change in the financial prospects of the State during the last twelve (12) months preceding the date of this Pricing Supplement; and
3. Lagos State is not in breach of any terms and conditions in respect of any borrowed funds, which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) months preceding the date of this Pricing Supplement.

Signed for and on behalf of
Lagos State Government
by its duly authorised representatives:

Mr. Abayomi Oluayomi
Honourable Commissioner of Finance

Mr. Lawal Pedro SAN
Attorney-General and
Honourable Commissioner for Justice

PRINCE ABDUL-MUJIB
ADETOKUNBO MUMUNI
Legal Practitioner & Notary Public
28, Joseph Str, Lagos Island

Mr. Babajide Sanwo-Olu
Governor of Lagos State



SUMMARY OF THE OFFER

The following are the final terms of the Green Bonds that are the subject of this Pricing Supplement. This summary does not purport to be complete and is qualified in its entirety by the remainder of this Pricing Supplement as a whole, the Shelf Prospectus and other documents, if any, incorporated by reference into this Pricing Supplement.

1. **Issuer:** Lagos State Government
2. **Authorisation:** Lagos State Executive Council Resolution dated July 15, 2025
Lagos State House of Assembly Resolution dated August 21, 2025.
3. **Description:** 5 Year 16% Fixed Rate Green Bonds due 2030
4. **Series Number:** III
5. **Aggregate Nominal Amount:** ₦14,815,000,000.00
6. **i) Issue Price:** At par. ₦1,000.00 (One Thousand Naira) per unit of the Bond
ii) Issue Coupon: 16% per annum
iii) Coupon Basis: Fixed Rate
7. **i) Gross Proceeds:** ₦14,815,000,000.00
ii) Net Proceeds: ₦14,475,324,746.87¹
8. **Subscription:** Minimum of ₦10,000,000.00 (i.e. 10,000 units at ₦1,000/unit) and multiples of ₦1,000.00 thereafter
9. **Denomination:** ₦1,000.00 (One Thousand Naira)
10. **i) Issue Date:** November 20, 2025
ii) Coupon Commencement Date: May, 2026
11. **Tenor:** 5 Years
12. **Maturity Date:** November 20, 2030
13. **Principal Redemption/Repayment Basis/Reopening:** Amortised redemption of the Principal Amount following the expiration of the Principal Moratorium Period on repayment of the Principal Amount
14. **Principal Moratorium Period:** Twenty-four (24) months, commencing from the Issue Date
15. **Status of the Bond:** The Green Bonds shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves and equally with other existing obligations of the Issuer
16. **Listing:** FMDQ Exchange and/or NGX
17. **Method of Distribution:** By way of a book build to Qualified Institutional Investors and High Net Worth Investors, as defined in the SEC Rules
18. **Use of Proceeds:** To execute priority projects, per details stated in Schedule I on pages 38 to 42 hereof

¹ Following deduction of the sum of ₦339,675,253.13, being the offer costs which represent 2.2928% of the Issue proceeds

19. **Security Structure:** The Green Bond obligations will be serviced from the “CDSA” and an ISPO. The Issuer will appropriate the sum of ₦10,891,427.59 monthly from the CDSA, immediately upon the issuance of the Green Bonds for purposes of the repayment of the Coupon and Principal Amount repayment obligations under the Bond. The amount appropriated from the CDSA shall increase to ₦345,921,795.14, following the expiration of the Principal Moratorium Period on the repayment of the Principal Amount.
- The CDSA is a dedicated internally segregated savings account established under the provisions of Bond Law for purposes of servicing all of Lagos State’s public debt. The Bond Law provides for the creation of the CDSA by the Issuer, into which a minimum of 15% of the State’s IGR will be deposited on a monthly basis.
- In addition, Lagos State has obtained an ISPO in the sum of ₦200,000,000.00 to be deducted monthly for purposes of servicing the Coupon and Principal Amount repayment obligations under the Green Bond. The ISPO will become effective immediately upon the issuance of the Bond.
20. **Sinking Fund:** A sinking fund will be created in accordance with the provision of the Bonds Law and the ISA. The Sinking Fund shall be funded from the State’s statutory allocation by way of an ISPO and shall be managed by the Trustees. Furthermore, the Debt Office shall, as appropriate, pay out of the CDSA of the State into the Sinking Fund, any outstanding payment obligations due to the Bondholders.
21. **Liquidity Status:** The Bonds qualify as instruments in which:
- (i) banks may invest under the Guidelines for Granting Liquid Asset Status to State Government Bonds (September 2010) issued by the CBN pursuant to the Central Bank of Nigeria Act, 2007;
 - (ii) pension funds may invest under the Pension Reform Act, 2004; and
 - (iii) As liquid assets for banks for the purposes of computing liquidity ratios.
- An application will be submitted to CBN for the conferment of Liquidity Status on the Bond, following the completion of the issuance process; per the regulations.
22. **Event of Default:** Any of the conditions, events or acts provided in Clause 8 (Events of Default) of the Series III Trust Deed to be events upon the happening of which the Bondholders in the relevant Pricing Supplement would be entitled to the remedies specified in Schedule 1 Clause 12.4 (Remedies and Enforcement of Remedies) of the Series III Trust Deed.

PROVISIONS RELATING TO COUPON (IF ANY) PAYABLE

23. **Fixed Rate Bond Provisions:**
- i) **Coupon Rate:** 16% per annum
 - ii) **Coupon Payment Date(s) :** Semi-annual interest payments, payable in arrears in the 6th and 12th month from the Issue Date up to and including the Maturity Date
 - iii) **Coupon Amount(s):** Please refer to the Interest and Principal Amortization Payment Schedule (Schedule II on page 43 hereof)
 - iv) **Business Day Convention:** Modified Following Business Day: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next

- day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day
- v) **Day Count Fraction:** Actual/365 (actual numbers of days in a month/365 days in the year).
- vii) **Other terms relating to method of calculating coupon for Fixed Rate Green Bonds:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

24. **Early Redemption (Call Option):** Not applicable
25. **Early Redemption (Put Option):** Not applicable
26. **Scheduled Amortization:** Applicable
27. **Scheduled Redemption Dates:** Each 6th and 12th month in each year commencing on May 20, 2028, (which is the Coupon Payment Date following the twenty-fourth (24th) month of the Issue Date (being the end of the Principal Moratorium Period) until the Maturity Date.
28. **Final Redemption Amount of each note:** ₦1,000.00 (One Thousand Naira)
29. **Redemption Amount(s):** See the Interest and Principal Amortization Payment Schedule (in Schedule II on page 43 hereof)

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

30. **Delivery:** Delivery after payment following clearance by the SEC
31. **Clearing System:** CSCS and/or FMDQ-Clear Limited
32. **Depository:** CSCS and/or FMDQ-D
33. **Record Date:** No Bondholder may require the transfer of a Bond to be registered during the period that is twenty-one (21) days preceding the due date of any repayment of the Principal Amount or payment of Coupon on the Bond
34. **Bonds Settlement:** Bond purchases will be settled by electronic funds transfers through either CBN Inter-Bank Funds Transfer System ("CIBFTS"), National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
35. **Payment Agent:** Meristem Registrars & Probate Services Limited

GENERAL PROVISIONS APPLICABLE TO THE BONDS

36. **Form of Bonds:** Registered, dematerialised, electronic registration on the securities clearing and settlement platform of any of the CSD.
37. **Issuing House(s)/Bookrunner(s) (as defined in the Vending Agreement):** Chapel Hill Denham Advisory Limited, SFS Financial Services Limited, Kedari Capital Limited, NSL Capital Partners Limited, Stanbic IBTC Capital Limited and United Capital Plc
38. **Trustees:** Apel Capital & Trust Limited, ARM Trustees Limited, Cedrus Trustees Limited, First Trustees Limited, Sterling Asset Management and Trustees Limited, STL Trustees Limited and UTL Trustees Limited
39. **Registrar:** Meristem Registrars & Probate Services Limited

40. **Oversubscription:** In the event that the value of bids at the highest acceptable yield exceeds the amount of Green Bonds available at that yield, the Issuer may either increase the amount available by up to 15% of the determined size so that a minimum number of Green Bonds can be issued on a pro-rata basis to each successful bidder at that yield, or decrease the amount available so that no allocation of Bonds is made at that yield; provided however that, where the Issuer increases the amount available, the oversubscription shall not be more than 15% of the size (or such amounts as may be permitted by the SEC).
41. **Issuer Rating:** Aa-/ Agosto & Co.
AA-/ GCR
42. **Issue Rating:** Aa/ Agosto & Co.
AA-/ GCR
- A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency*
43. **Untraceable Bondholders:** Any monies paid by the Issuer in respect of any Bonds and remaining unclaimed at the end of 12 years after the principal of all the Bonds shall have become due and payable (whether at maturity or otherwise) and monies sufficient therefore shall have been duly made available for payment thereon, shall be repaid to the Issuer. Upon such repayment, all liabilities of the Registrar with respect to such funds shall cease.
44. **Taxation:** The Issuer is obligated to withhold tax, at the current prescribed rate of 10%, on the coupons paid in respect of the Bonds. The Issuer is also required to remit such withheld tax to the relevant tax authorities, and the Registrars will complete this remittance on behalf of the Issuer.
- However, effective from January 1, 2026 when the Nigeria Tax Act 2025 ("the Tax Act") comes into effect, the Issuer shall not deduct any tax whatsoever from the coupon payments paid to bondholders. Section 163 (1) (n) of the Tax Act provides that income earned from bonds issued by a State or the Federal Government of Nigeria shall be exempt from taxation. Accordingly, income received from the Bond will not be subject to tax.
- Section 163 (1) (h) of the Nigeria Tax Act 2025 and Section 10(2) of the Pension Reform Act 2014 also exempt all interest, dividends, profits, investment and other income accruable to pension funds and assets from taxation. Accordingly, the Issuer shall not deduct any tax from payments made in respect of pension assets.
- In the event of a disposal of the Bonds, the proceeds from the sale of the Bonds are exempt from VAT by virtue of the Finance Acts. This VAT exemption is also preserved under the Nigeria Tax Act 2025, which will come into effect in January 2026.
- Gains derived from the disposal of Bonds will remain subject to capital gains tax in compliance with the Capital Gains Tax Act, Cap C1 LFN 2004 (as amended) ("CGT Act") but only until December 31, 2025 given the repeal of the CGT Act. From January 2026, gains derived from the disposal of bonds will not be subject to tax given the exemption from income tax of income earned on bonds issued by States and the Federal Government
45. **Governing Law:** The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria.
46. **Underwriting:** The Bonds will not be underwritten.

47. **Indebtedness:** As at the date of the audited financial statement for the year ended 31 December 2024, the total debt position of the Issuer amounted to ₦2,804,247,910 (Two Trillion, Eight Hundred and Four Billion, Two Hundred and Forty-Seven Million, Nine Hundred and Ten Thousand Naira). This consists of the State’s internal loans (Naira denominated borrowings), external loans (long term foreign currency borrowings), and the principal amounts of existing bonds in issue.

48. **Claims and Litigation:** See an extract of the Solicitors to the Issue’s Opinion on pages 64 to 65 of this Pricing Supplement

49. **Summary of Financials (Audited):**

	ITEMS	December 31, 2024 (N'000)
1	Cash and Cash Equivalent	425,370,209
2	Short term debt	314,893,587
3	Long term debt	2,597,574,724
4	Net Assets	1,996,095,152
5	Guarantees	-

50. **Documents/Material Contracts Available for Inspection:**

- The Shelf Prospectus issued in respect of the Programme;
- Programme Trust Deed;
- Series III Trust Deed;
- The Custody Agreement;
- The Series III Vending Agreement; and other material contracts (as applicable)

THE ₦1 TRILLION DEBT ISSUANCE PROGRAMME

Programme 1 - Up to ₦275 Billion

Lagos State Government established its 1st Debt Issuance Programme on 24 December 2008 (the “1st Programme”). The details of bonds issued under the 1st Programme are presented below:

Table 2: Issuances under the 1st Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I	5 years	13.00%	2009	2014	50,000,000,000	Redeemed
2	Series II	7 years	10.00%	2010	2017	57,500,000,000	Redeemed
Total						107,500,000,000	

Programme 2 - Up to ₦167.5 Billion

Lagos State Government established its 2nd Debt Issuance Programme on 22 November 2012 (the “2nd Programme”). The details of bonds issued under the 2nd Programme are presented below:

Table 3: Issuances under the 2nd Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I	7 years	14.5%	2012	2019	80,000,000,000	Redeemed
2	Series II	7 years	13.5%	2013	2020	87,500,000,000	Redeemed
Total						167,500,000,000	

Programme 3 - Up to ₦500 Billion

Lagos State Government established its 3rd Debt Issuance Programme on 30 December 2016 (the “3rd Programme”). The details of bonds issued under the 3rd Programme are presented below:

Table 4: Issuances under the 3rd Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (₦)	Status
1	Series I ²	7 years	16.50%	2016	2023	47,000,000,000	Redeemed
2	Series II Tranche I ²	7 years	16.75%	2017	2024	46,370,000,000	Redeemed
3	Series II Tranche II ³	10 years	17.25%	2017	2027	38,770,000,000	Outstanding
4	Series II Tranche III ²	6 ¼ years	15.60%	2018	2024	6,911,000,000	Redeemed
5	Series II Tranche IV ³	9 7/12 years	15.85%	2018	2027	5,336,000,000	Outstanding
6	Series III ³	10 years	12.25%	2020	2030	100,000,000,000	Outstanding
7	Series IV ³	10 years	13.00%	2021	2031	137,328,000,000	Outstanding
Total						381,715,000,000	

Programme 4 - Up to ₦1 Trillion

Lagos State Government established its 4th Issuance Programme – the ₦1 trillion Debt and Hybrid Instruments Issuance Programme on 23 May 2023 (the “4th Programme”). The details of bonds issued under the 3rd Programme are presented below:

² Series I, Series II Tranche I and Series II Tranche III under the 3rd Programme were redeemed in 2021, as part of the State's efforts to restructure and refinance its obligations.

Table 5: Issuances under the 4th Programme

S/N	Series	Tenor	Rate	Issue Year	Maturity Year	Issue Value (RM)	Status
1	Series I ³	10 years	15.25%	2023	2033	115,000,000,000	<i>Outstanding</i>
2	Sukuk ³	7 years	14.675%	2023	2030	19,815,000,000	<i>Outstanding</i>
	Total					134,815,000,000	

³ The outstanding issuances under the existing programmes have a nominal and amortised cost balance of RM370billion and RM366billion respectively as at 31 December 2024.

DESCRIPTION OF THE SERIES III ISSUE

The Issuer has registered a Debt and Hybrid Instruments Issuance Programme – the ₦1 Trillion (One Trillion Naira) Debt and Hybrid Instruments Issuance Programme - by way of a Shelf Prospectus dated 23 May 2023. Under this Programme, the State is embarking on the issuance of a Series III ₦14,815,000,000 (Fourteen Billion, Eight Hundred and Fifteen Million Naira) 5-Year 16% Fixed Rate Green Bond due 2030. The Bonds shall be constituted by the Series III Trust Deed dated November 20, 2025.

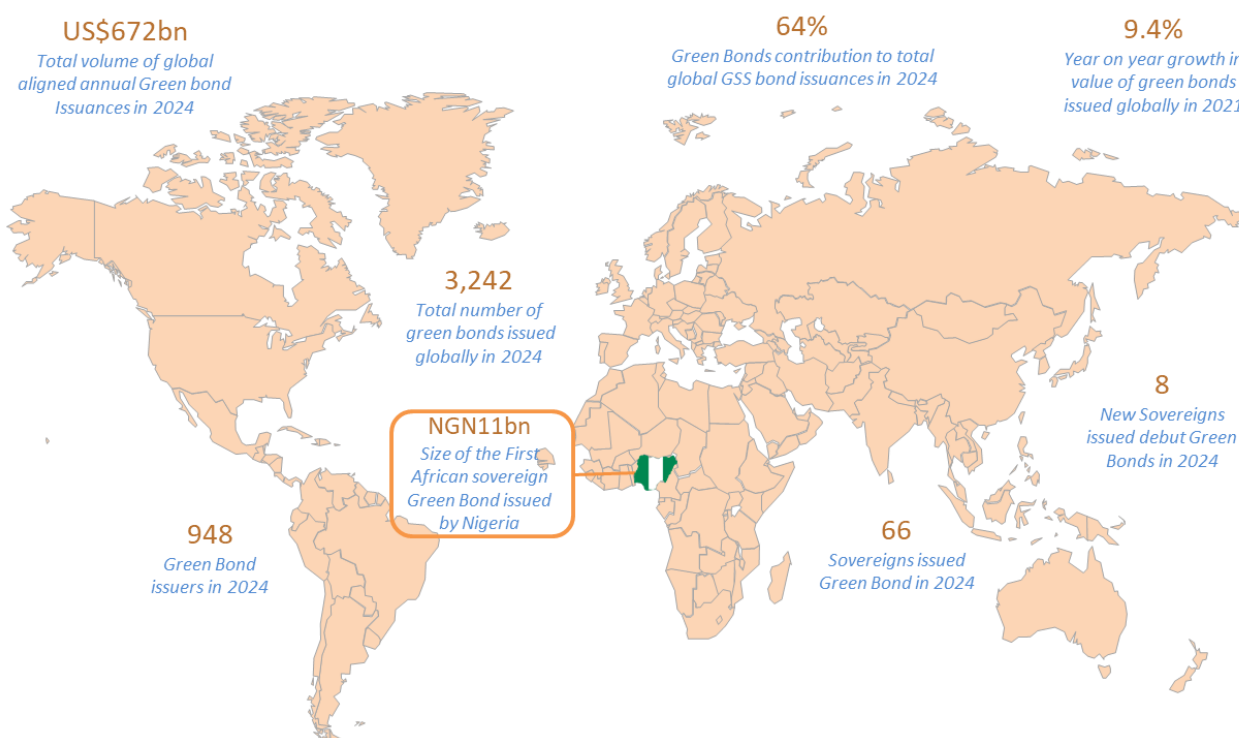
ABOUT GREEN BONDS

1.0 Overview of the Global Green Bond Market

Green bonds are financial instruments for financing or refinancing projects that will contribute positively to the environment and/or climate. A green bond is alternatively known as a climate bond and presents an opportunity to actively manage the environmental footprint of investors' portfolios. Critical characteristics of green bonds include the transparency and reporting requirements to ensure measurable impact of the issuance.

With growing investor emphasis on sustainability, green bonds are one of the fastest growing market segments internationally. The majority of the green bonds issued to date have green "use of proceeds" or asset-linked bonds, which are backed by the issuer's entire balance sheet. The key features of "use of proceeds" are the quality of legal documentation, active monitoring and reporting required throughout the life of the bond.

Global Green Bond Statistics⁴



Green bonds can be issued by governments, banks, municipalities or corporations and can be applied to any debt format, including private placement, securitization, covered bond, and sukuk. Developed and developing countries face rising financial challenges from climate change and green bonds present highly acceptable means of financing key infrastructure projects - railways, roads, airports, buildings, energy and water infrastructure, while at the same time achieving positive returns for the environment and society.

By design, all the projects financed by green bonds have positive, climate-friendly spillovers, mitigating the downside risks of traditional fixed income instruments. Also, due to the relatively higher degree of allocation transparency, investors can also quantify the benefits of investing in them using accessible environmental impact metrics.

2.0 Global Standardisation Efforts⁵

In the absence of uniform standards, a number of general principles and certification programs have been developed, of which the most used currently are the Climate Bonds Standard ("CBS") by the Climate Bonds Initiative and the Green Bond Principles ("GBP" or the "Principles").

⁴ Sources: Climate Bonds Initiative, The Global Treasurer, CHD research

⁵ Source: IFC, a member of the World Bank Group

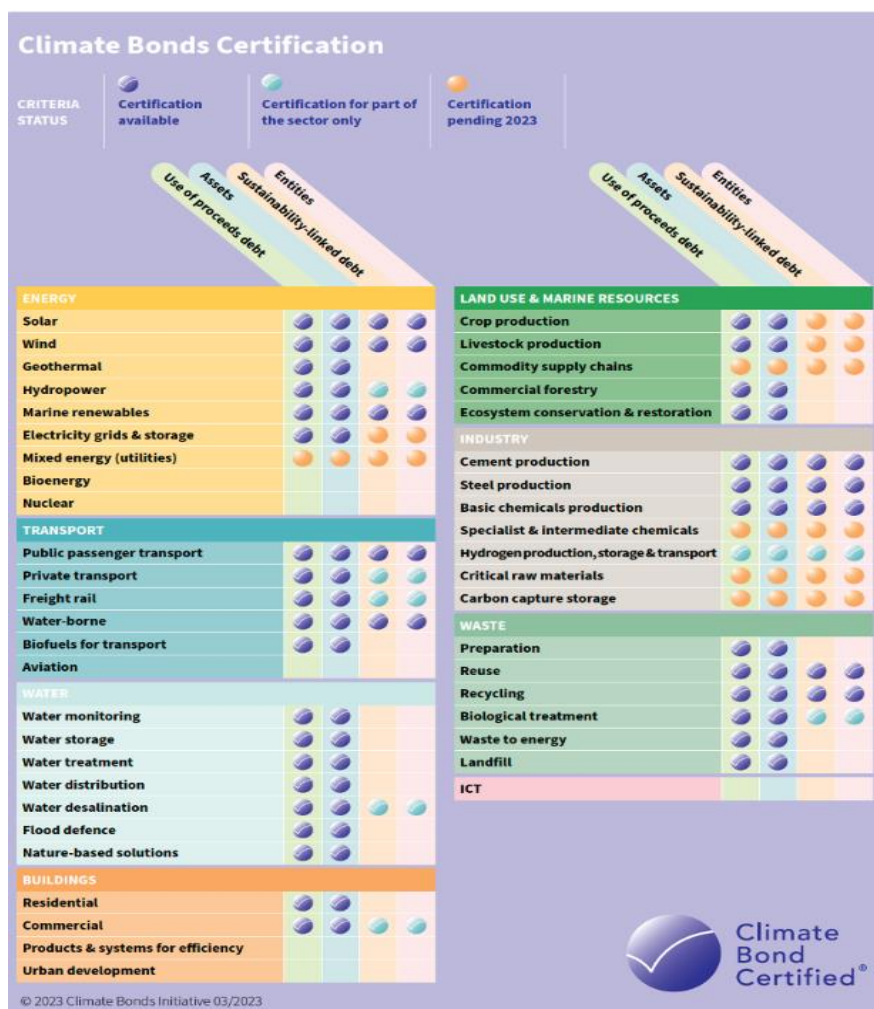
ABOUT GREEN BONDS

2.1 Climate Bonds Standard

The Climate Bonds Standard and Certification Scheme (the “Scheme”) is a trade-like labelling scheme for bonds and it comprises of amongst others the CBS and the Climate Bonds Taxonomy. Rigorous scientific criteria ensure that it is consistent with the 2 degrees Celsius warming limit in the Paris Agreement. The scheme is used globally by bond issuers, governments, investors and financial markets to prioritise investments which genuinely contribute to addressing climate change.

The Climate Bonds Taxonomy is a guide to climate aligned assets and projects and helps issuers to understand the key investments that will deliver a low carbon economy. The Climate Bonds Taxonomy is grounded in the latest climate science and has been developed through an extensive multi-stakeholder approach, leveraging the work of our technical and industry working groups. The Taxonomy aims to encourage and be an important resource for common green definitions across global markets, in a way that supports the growth of a cohesive thematic bond market that delivers a low carbon economy.

2.2 Green Bond Taxonomy – Eligible Assets⁶



3.0 Green Bond Principles

The Green Bond Principles (the “Principles”) are a set of voluntary guidelines that have been developed by a group of investors, issuers and underwriters. They are relatively non-prescriptive and are designed to encourage the growth of the global green bond market without imposing overly obstructive barriers to entry. The Principles do not provide specific

⁶ Source: www.climatebonds.net/standard/taxonomy

ABOUT GREEN BONDS

environmental impact targets or impose limits on the categories of projects and activities that can be financed by green bonds. Instead, their purpose is to promote integrity in the development of the green bond market by clarifying the approach for issuance of a green bond. The Principles are coordinated by the International Capital Market Association. There are currently over one hundred (100) members of the Principles, all of whom have issued, underwritten or placed, or invested in a green bond.

The Green Bond Principles consist of five (5) summary components:

3.1 Use of Proceeds

The Principles explicitly recognize several broad categories of potential eligible green projects, including but not limited to renewable and sustainable energy, energy efficiency (including efficient buildings), sustainable waste management, sustainable land use (including sustainable forestry and agriculture), biodiversity conservation, clean transportation, sustainable water management, green building (including commercial real estate development) and climate change adaptation.

3.2 Process for Project Evaluation and Selection

This addresses the decision-making process to determine which projects will be funded. The issuer should set up a transparent process to determine how the projects fit within the eligible green projects' categories identified, it should determine the criteria under which projects will be eligible for use of the green bond proceeds, and should specify the environmental sustainability objectives of those projects.

3.3 Management of Proceeds

This addresses handling of funds that await investment. The Principles encourage transparency in tracking the proceeds from the green bonds via either allocation to a specific sub-portfolio, or use of an auditor or another third party.

3.4 Reporting

This addresses frequency of reports on use of proceeds, project descriptions, and expected environmental impact. Reporting on projects or assets financed with information on environmental and/or social impacts of the projects.

3.5 External Review

The Principles also recommend that issuers use external assurance to confirm alignment with the key features of green bonds and identifies three (3) possible assurance or audit methods:

- Second party opinions on the selection process used by the issuer to select the projects for investment;
- Unrelated third-party certification/verification of the green bonds; and
- Use of an auditor to verify certain aspects of the green bond proceeds, such as the internal tracking method and allocation of funds.

4.0 Green Bond Development in Nigeria

In 2015, Nigeria prepared its intended Nationally Determined Contributions ("iNDCs") with support from the United Nations Development Programme ("UNDP") and Ricardo Energy & Environment. Following approval by President Muhammadu Buhari and submission to the United Nations Framework Convention on Climate Change ("UNFCCC"), Nigeria presented its iNDCs at the 21st Annual Conference of the Parties held in December 2015 in Paris, France.

Nigeria has been actively engaged in international climate policy negotiations since it became a Party to the UNFCCC in 1994. Nigeria is host to a number of Clean Development Mechanism projects, as well as projects financed by the Adaptation Fund. To ensure an effective national response to the significant and multi-faceted impacts of climate change, Nigeria adopted a comprehensive strategy, as well as a number of specific policies.

ABOUT GREEN BONDS

4.1 Nationally Determined Contributions

In November 2015, Nigeria's iNDCs were approved by President Muhammadu Buhari, after which the Federal Government of Nigeria (FGN) endorsed the Paris Agreement in September 2016, reiterating the Nigerian Government's commitment to tackling climate change issues. The FGN proceeded to implement Nigeria's iNDCs, through various initiatives aimed at sustainably growing Nigeria's economy, while reducing carbon pollution. The policies and measures set out in the iNDCs are development-focused on various sustainable themes including; poverty alleviation, increase in social welfare and inclusion, as well as improvement of individual well-being, which includes a healthy environment.

Through energy, transportation, and agricultural projects that would cut carbon emissions and mitigate the effects of climate change in the country, such as desertification, flooding, erosion, and erratic rainfall, Nigeria has committed to reducing carbon emissions by 20 percent unconditionally and 45 percent with international support, by 2030. Achieving the iNDCs requires the implementation of various projects in different sectors of the economy, which would need to be financed.

4.2 FGN Green Bond Issuances

Following Nigeria's endorsement of the Paris Agreement on September 21, 2016, the FGN proceeded to issue a ₦10.69 billion 13.48% Fixed Rate Green Bond (the "FGN Green Bond") in 2017 as part of several initiatives aimed at reversing the negative effects of climate change.

Proceeds from the FGN Green Bond were channelled to finance eligible projects in the 2017 Appropriation Act, as qualified according to the Federal Ministry of Environment's Green Bond guidelines and international green bond taxonomies, including the Principles and CBS. The FGN Green Bond placed Nigeria as the first country in Africa to issue a Green Bond, and created a benchmark for further issuance across the African continent.

At the end of the second quarter of 2019 (13 June 2019), the FGN issued its second series of the FGN Green Bonds to the tune of ₦15.00 billion. The bond was oversubscribed and the proceeds from the issuance were allocated to twenty-three (23) eligible projects cutting across five (5) iNDC sectors from the 2018 FGN's Appropriation Act. The projects were approved by the **Inter-Ministerial Committee on Climate Change (ICCC)** and implemented by various Ministries, Departments and Agencies (MDAs), including: The projects were approved by the Inter-Ministerial Committee on Climate Change (ICCC) and implemented by various Ministries, Departments and Agencies (MDAs), including:

- Afforestation Programme – under the Federal Ministry of Environment
- Renewable Energy Sector – under the Federal Ministry of Power
- Transport sector – under Ministry of Transport & The Federal Capital Territory Administration
- Agriculture sector – under Ministry of Agriculture
- Water sector – under Ministry of Water Resources

In June 2025, the FGN successfully issued its Series III Green Bond, raising ₦47.36 billion which was 1.83x oversubscribed. The issuance marked the largest sovereign green bond in Nigeria to date and reinforces FGN's strong commitment to sustainable finance. Proceeds from the Series III issuance are being deployed towards climate-aligned projects across key NDC sectors, further supporting the FGN's broader climate commitments and transition to a low-carbon economy.

4.3 Corporate Green Bond Issuances in Nigeria

In addition to the FGN issuances, a few private sector issuances have been recorded, including the US\$50 million 5-year Green Eurobond and ₦15 billion 5-year Green Bond by Access Bank Plc in 2022 and 2019, respectively; the ₦6.32 billion 10-year and ₦8.5 billion 8.5-year Green Bond issuances by North South Power Company Limited in 2021 and 2019, respectively; and the ₦3 billion 7-year Green Bond issuances by OneWattSolar Limited in 2021.

As at June 2025, Nigeria's Green Bond market capitalisation was estimated to be about ₦71.75 billion.

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

A. OVERVIEW

The Lagos State Government in line with its long-term development plan and climate action plan, has decided to consolidate and extend its commitment to environmental sustainability by developing a framework to guide green financing in the State. The Lagos State Government Green Bond Framework (the “Framework”) collects and summarises the characteristics of the current and future Green Bonds to be issued by the state government leveraging the Lagos State Climate Action Plan (2021 – 2025), as well as the commitments and impact to be fulfilled by the Green Bonds. It outlines how the Lagos State Government intends to allocate and manage Green Bonds for new financing or the re-financing of projects under the state development plan consistent with its vision of a sustainable low-carbon and climate-resilient economy. The Framework has been developed following the highest standards of the Green Bond market and is aligned with the 2021 Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA) and the Climate Bond Initiative (CBI) Taxonomy. Hence, it rests on the core values of transparency, disclosure, and reporting.

The Framework details the four components of the GBP, which are:

- i. Use of Proceeds;
- ii. Project Evaluation and Selection Process;
- iii. Management of Proceeds; and
- iv. Reporting; plus, an approach to External Reviews.

The State’s Ministry of Finance is the body in charge of the implementation of the Green Bond Framework. The Framework applies to current and future Lagos State Green Bonds and may be updated by the State Ministry of Finance (MoF) and the Debt Management Office (DMO) as needed. These amendments may be done to reflect market developments, including changes to the CBI Taxonomy and the ICMA GBP, with the aim of adapting to, and aligning with, best market practices. Amendments will be subject to review by an external verifier unless minor in nature.

B. USE OF PROCEEDS

The proceeds of Green Bonds will be used exclusively to finance or refinance projects that meet the eligibility criteria defined under the “Eligible Green Categories” in the table below. These are projects intended to promote Lagos State’s transition to a low carbon, climate resilient and environmentally sustainable economy as set forth in the States Climate Action Plan and Nigeria’s Nationally Determined Contributions (NDCs). Such projects are defined as “Eligible Projects” or “Eligible Green Projects” under the Framework and should be within Lagos State.

The Lagos State government has identified a series of climate actions to reduce emissions, adapt to and build resilience to climate change impacts. Hence, all eligible projects and green assets shall contribute to both or either of the following sets of the state climate change objectives in line with the state’s target of achieving net zero by 2050.

- i. **Mitigation:** This refers to efforts to reduce or prevent the emission of Greenhouse Gases (GHGs). The priority sectors for climate change mitigation according to the Lagos Climate Action Plan are: Energy, Waste, and Transport accounting for 55.1%, 25.3%, and 19.6% of total GHG emissions in the State.
- ii. **Adaptation:** These are actions to adjust to actual or expected future climate. The goal is to reduce risks from the harmful effects of climate change and increase the adaptive capacity of Lagos State residents. Based on the Climate Action Plan, 5 goals and 26 action points have been outlined to form a comprehensive strategy to reduce sensitivity, mitigate risks, increase adaptive capacity, and build resilience to climate change impacts.

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

C. ELIGIBILITY CRITERIA

Eligible Green categories refers to projects which contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, clean transportation, renewable energy, and pollution prevention and control. These green projects include assets, investments, and other related and supporting expenditures that may relate to more than one category and/or environmental objective.





Eligible green projects may include:

- Operational expenditures (funding for state agencies, local authorities, and companies instrumental to deploying the state’s climate and environmental strategy)
- Tax expenditures (subsidies and tax exemptions)
- Investments in real assets (land, energy efficiency, infrastructure, etc.) and maintenance costs for public infrastructure
- Intangible assets (research and innovation, human capital, and organisation)
- Capital transfers to public or private entities
- Funding for scientific purposes and international transfers in support of the eligible green expenditures can be included, as appropriate






To ensure that Eligible Green Projects are timely and relevant, only expenses occurring no earlier than two fiscal years prior to the issuance, the fiscal year of issuance, and no later than two fiscal years following the fiscal year of issuance will be considered.

The table below identifies the categories of Eligible Green Projects and maps out the relevant ICMA Green Bond Principles project categories and the relevant Sustainable Development Goals (SDGs). It provides high-level information as well as a non-exhaustive list of subcategories and example expenditures.






Table 1: Eligible green project categories

S/N	ICMA Green Project Category	Eligible Green Expenditures	Environmental	UN SDG Project Categories
1	Renewable Energy	<ul style="list-style-type: none"> • Measures supporting the development, deployment, and distribution of renewable energies, such as solar, wind, geothermal • Measures supporting the development of hydropower, as well as refurbishment, operation, or maintenance of existing hydroelectric facilities, including small-scale hydropower less than 25MW. <p>Green eligible expenditures include:</p> <ul style="list-style-type: none"> • Installation of solar energy system for existing offices, schools, general hospitals, health centres, and streets in Lagos State. 	<p>Climate change mitigation</p> <p>Reduction of greenhouse gas emission</p> <p>Natural resource conservation</p> <p>Provision of long-term low-carbon infrastructure</p>	   









THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

S/N	ICMA Green Project Category	Eligible Green Expenditures	Environmental	UN SDG Project Categories
		<ul style="list-style-type: none"> New School Buildings powdered with Solar energy Hydroelectric power 		
2	Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> Measures supporting reforestation and afforestation, the conservation or restoration of nature, climate-smart farming, and agricultural practices. Environmentally-sustainable agriculture; environmentally-sustainable animal husbandry; climate smart farm inputs, such as biological crop protection or drip irrigation; environmentally sustainable fishery and aquaculture; environmentally sustainable forestry, including afforestation or reforestation; and preservation or restoration of natural resources <p>Green Eligible expenditures include:</p> <ul style="list-style-type: none"> Sustainable management of land change Tree Planting projects across the State Sustainable forest management Creation of urban forest parks Establishment of Central Logistics and Agricultural Produce hub 	<p>Climate change adaptation</p> <p>Climate change mitigation</p> <p>Biodiversity preservation</p> <p>Natural resource conservation</p>	    

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

S/N	ICMA Green Project Category	Eligible Green Expenditures	Environmental	UN SDG Project Categories
3	Climate Change Adaptation	<ul style="list-style-type: none"> Measures enhancing resiliency and managing risks associated with the effects of climate change, including flooding, wildfires, drought, and extreme weather events. Measures supporting the monitoring and prediction of weather and environmental conditions. Measures supporting community monitoring of climate change, outreach and capacity building, risk assessments, risk mitigation, and increasing preparedness. <p>Green eligible expenditures include:</p> <ul style="list-style-type: none"> Early warning systems for floods and other natural disaster/hazards Flood mitigation projects Drainage system upgrades & management Flood defence projects Design and deployment of information support systems, such as climate observation and early warning systems 	<p>High adaptive capacity to climate change impacts</p> <p>Climate resilient infrastructure</p>	    

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

S/N	ICMA Green Project Category	Eligible Green Expenditures	Environmental	UN SDG Project Categories
4	Sustainable water and wastewater management	<ul style="list-style-type: none"> Financing and supporting water and wastewater treatment and management projects including sustainable infrastructure for clean and/or drinking water, wastewater treatment aimed at improving water quality, distribution efficiency, and conservation Investment in infrastructural development that promotes sustainable urban drainage systems and river training and other forms of flooding mitigation <p>Green eligible expenditures include:</p> <ul style="list-style-type: none"> Construction or upgrade of and research on sustainable infrastructure to improve access to drinking water Construction and upgrade of sustainable wastewater management infrastructure including transport, treatment, and disposal systems Flood defence systems against riverine inundations, including reservoirs/pumping stations to control flow of water 	<p>Water resources conservation</p> <p>Climate change adaptation and resilience</p> <p>Pollution prevention</p>	   
5	Pollution prevention and control	<ul style="list-style-type: none"> Measures supporting the reduction of air pollutants and greenhouse gas emissions, including carbon capture, utilization, and storage (subject to exclusionary criteria) Measures supporting the development of waste management activities such as waste prevention, waste reduction and recycling <p>Green eligible expenditures include:</p> <ul style="list-style-type: none"> Smart buildings: Building projects developed from recycled materials 	<p>Efficient sustainable waste management</p> <p>Climate change mitigation</p> <p>Pollution prevention</p>	   

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

S/N	ICMA Green Project Category	Eligible Green Expenditures	Environmental	UN SDG Project Categories
		<ul style="list-style-type: none"> Waste prevention and minimisation Waste reuse and recycling Waste disposal Waste collection hubs 		

In line with legal and regulatory requirements, all eligible projects/green assets under the green bond must demonstrate compliance with all the fiscal, environmental and climate change policies, laws, regulations and strategic priorities of Nigeria and Lagos State. These includes the Lagos State THEMES agenda, the Lagos State Development Plan (2052), Lagos Climate Action Plan (2020 - 2025), Lagos Resilience Strategy and Lagos State Electricity Policy (2021), Lagos State Public Finance Management Law (2015) and Lagos State Debt Management Office Law (2008). At the national level, the relevant laws and policies include the Nigeria Sustainable Bond Framework (2025), Nigeria Climate Change Act (2021), the Nigeria Energy Transition Plan (2022), the updated Nigeria NDCs (2021), National Action Plan on Gender and Climate Change (2022), SEC Green Bond Issuance Rules (2018), and the National Renewable Energy and Energy Efficiency Policy (2015).

D. GREEN PROJECT EVALUATION AND SELECTION

Governance

For effective governance, accountability and transparency, the Lagos State Government will set up a Green Bond Committee (GBC) to evaluate the assets and/or projects submitted by the various Ministries, Departments and Agencies (MDAs) and shortlist those that are consistent with the eligibility criteria as stated in the Framework. The selected assets and/or projects will be communicated to the MoF for approval and inclusion in the expenditures that will be funded through the net proceeds of the green financing instruments.

The overall responsibilities of the members of the GBC are to:

- Establish and implement the Green Bond Framework as well as update the Framework where necessary;
- Ensure that adequate processes are in place for selecting and evaluating eligible green expenditures as well as reporting on allocated proceeds;
- Take responsibility for the management of the Green Bond Register through the lifetime of Green Bond issuances for the effective and transparent allocation of the net proceeds of all Green Bonds;
- Ensure that the net proceeds are solely used for the financing of Eligible Green Projects as defined in the Use of Proceeds section of the Framework;
- Identify and assess eligible green expenditures in accordance with the selection criteria in the framework;
- Provide a final list of eligible green expenditures to the MoF for approval;
- Identify and assess environmental and social impacts and benefits while evaluating and monitoring green investments;
- Prepare the allocation and impact reports as well as coordinate input from relevant stakeholders;
- Advise on the management of proceeds and assess budget commitments, ensuring they are not double counted;
- Serve in additional advisory roles, as necessary, pertaining to green projects and assets.

The Green Bond Committee will include representatives from the following MDAs:

1. Ministry of Finance
2. Ministry of Economic Planning and Budget
3. Ministry of Environment

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

4. Ministry of Energy and Mineral Resources
5. Ministry of Transportation
6. Ministry of Agriculture
7. Debt Management Office (DMO)
8. Special Committee on Rehabilitation of Public Schools (SCRPS)
9. Lagos Waste Management Authority (LAWMA)
10. Lagos Metropolitan Area Transport Authority (LAMATA)
11. Lagos State Parks and Gardens Agency
12. Office of Sustainable Development Goals (SDGs) and Investment
13. State Treasury Office

On a bi-annual basis, the GBC in collaboration with the MoF will review the allocation of the proceeds of the green bonds raised for eligible green projects/assets and determine if any changes are necessary. If a project is cancelled, postponed, or otherwise become ineligible, MoF will replace the project with another eligible green project/asset, in coordination with the GBC and other relevant government department(s).

The relevant ministries will be responsible for monitoring the implementation of eligible projects and notifying the GBC of any potential legal controversies. The GBC will analyse any controversies and, on this basis, may choose to recommend the removal of projects from eligible green projects/assets.

Criteria for selecting eligible green projects

The selection of eligible green expenditures is based on the criteria set out in the Framework, which is overseen by the Green Bond Committee with support from the relevant MDAs and other experts.

To ensure a transparent methodology for assessing and selecting Eligible Green Projects, the following set of criteria has been defined:

1. Eligible green projects must fall into the categories specified in Section B (Use of Proceeds) and must clearly communicate their environmental, social and climate-related risks and benefits.
2. Eligible green projects will have to be in full compliance with the fiscal, environmental and climate change legislative frameworks-policies, laws, regulations and strategies of Lagos State.
3. Project/assets must have clear positive environmental, social and climate-related benefits but may also have negative impacts on the environment and biodiversity (such as disruption of the ecosystem, etc.). Any expenditure where its negative impacts outweigh its positive benefits will not be eligible. The impacts will be measured in line with the metrics stated in Section G (Reporting).
4. Expenditures from budgets older than two fiscal years prior to the issuance of any Green Bond will not be eligible.
5. Project/asset will only be considered when there is no risk of 'double-counting' by being eligible for inclusion in another financing instrument. Expenditures that are being financed by dedicated funding (both internal and external) are excluded from the eligible green expenditures.

Selection process of eligible green projects

The members of the GBC are responsible for identifying, evaluating, and selecting eligible green projects/assets with approval for disbursement to be obtained from the Ministry of Finance.

Annually, or when required during the year, the members of the GBC will initiate a process to identify new potential eligible green expenditures and prepare an initial list of potential green assets/projects for evaluation of eligibility. Based on the findings of the evaluation process, the GBC will select new eligible green expenditures and submit the selection

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

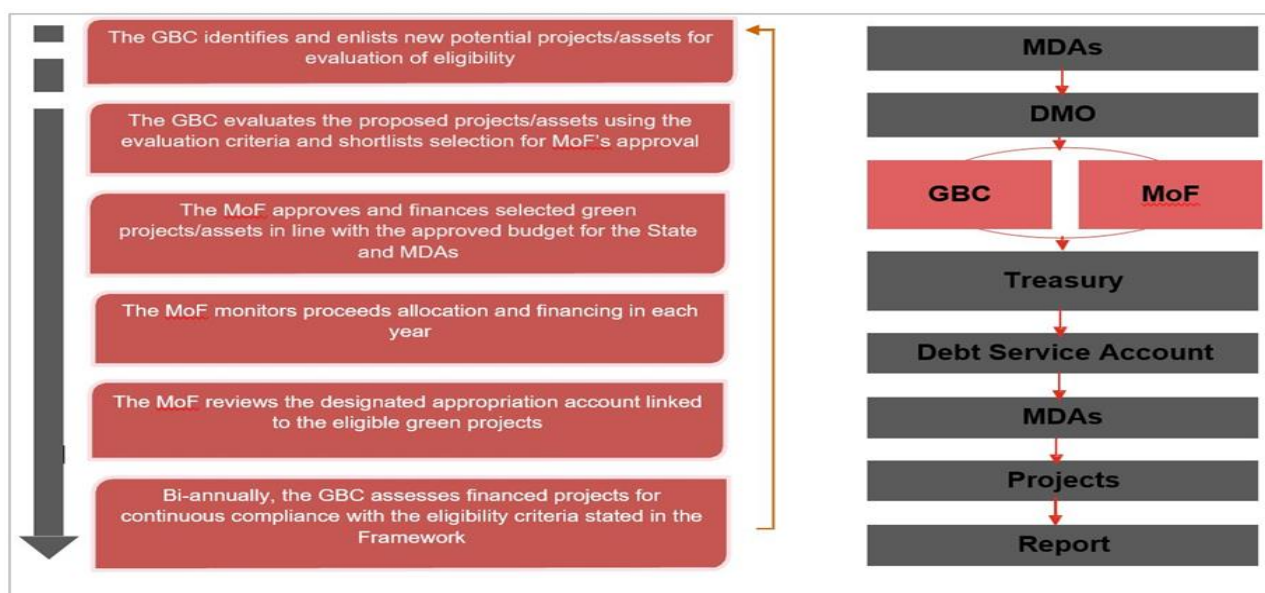
to the MoF for approval and disbursement. The MoF will approve expenditures that are consistent with the definition of Eligible Green Projects and are also under the approved annual budget of the MDAs and the State.

Furthermore, the MoF will keep track of how proceeds from the Green Bond issuance are allocated in each year and any remaining Eligible Green Projects that would be eligible to be financed by the issuance of Green Bonds in the subsequent year in accordance with the eligibility criteria in the Framework.

The Eligible Green Projects will be linked to a dedicated appropriation account in the government, apart from tax expenditures. Through these accounts, each sub-category of eligible green expenditures can be tracked and managed consistently over time.

Annually, the Ministry of Finance will review the appropriation account linked to the current Eligible Projects to report on the amounts corresponding to the expenditures. The members of the GBC will also review if the assets/projects still comply with the eligibility criteria outlined in the Framework. Figure 1 below shows a diagrammatic representation of the evaluation, selection, approval, and review process.

Figure 1: This is an annual cycle of evaluation, selection, approval and review



The Lagos State Government realises the need to balance the State's developmental needs and the intersection between ambitious decarbonisation/ensuring a just transition and economic opportunity for indigenes and residents of Lagos. Therefore, the following projects/assets and activities will be excluded from the eligible projects/asset categories:

- Exploration and production of fossil fuels;
- Burning of fossil fuels as the unique source of power generation or hybrid plants with a fossil- related backup higher than 15%;
- Rail infrastructure dedicated to the transportation of fossil fuels;
- Generation of nuclear power;
- Large-scale hydropower plants (>25MW capacity) and concentrated solar power;
- Electricity transmission infrastructure and electricity systems where an average of 25% or more is fossil-fuel-generated;
- Alcohol, weapons, tobacco, gaming, or palm oil industries;
- Production or trade in any product or activity deemed illegal under national laws or regulations or international conventions and agreements;
- Activities/projects associated with child labour/forced labour; and
- Deforestation, degradation of natural forest

E. EXTERNAL REVIEW

Pre-issuance Verification and Certification

The Ministry of Finance is to engage an institution with the requisite expertise to provide pre-issuance certification prior to the first issuance of a bond under the Framework. The appointed verifier will validate the accuracy and completeness of the eligibility criteria, project selection, the allocation of the Green Bond proceeds and management process, and the selected eligible green assets/projects in line with ICMA GBP and the CBI Standards on Green Bonds issuance.

The certification process will provide the investors with the credibility of the expected environmental benefits of the green project categories and the alignment of the Framework with the ICMA Green Bond Principles (2021) and the CBI Standards.

Post-issuance Assurance

The Lagos State Ministry of Finance will also engage an independent external auditor to provide the post-issuance assurance on the annual Impact Report, in line with the CBI. This will verify the conformity of the financing of the eligible projects/assets with the actual use of proceeds, ongoing eligibility of the projects and assets, use of funds not yet allocated, and the adequacy of and output from Lagos State internal systems. The assurance report will be made publicly available on the MoF website.

F. MANAGEMENT AND TRACKING OF THE GREEN BOND PROCEEDS (POST-ISSUANCE)

The net proceeds of the Green Bonds issued under the Framework will be allocated to eligible projects within twelve (12) months after the bond issuance. The MoF will seek to allocate the Green Bond net proceeds to projects/assets related to the fiscal year of issuance or two fiscal years preceding and/or following the fiscal year of issuance, subject to expenditure availability, target issuance size, and other considerations.

The MoF will be responsible for the issuance of the Green Bonds on behalf of the Lagos State Government and the management of the Green Bond net proceeds. The Green Bond proceeds will be deposited to a dedicated Consolidated Debt Service Account of the State and managed in the same way as funds raised through conventional government debt issuances. The proceeds will be administered by the MoF and on a bi-annual basis, the MoF, in collaboration with the GBC, will monitor the level of realised eligible green projects/assets and determine the allocation of the Green Bond net proceeds towards eligible green projects/assets.

For efficient monitoring and accountability of the net proceeds, a Green Bond register will be created by the DMO and MoF to track the allocation of the net proceeds from the issuance of the Green Bonds. The Register will track metrics such as:

- A description of the Green Bond projects/assets including the applicable eligibility category, project location, and other relevant information on the project/asset
- A detailed summary of the investment and asset/project ownership, covering borrower name, use of proceeds, financing amount, amount of loan drawn and outstanding, and loan maturity
- Estimated environmental benefits of the eligible green projects/assets.

Pending the full allocation of the Green Bond proceeds to eligible green projects/assets, the MoF will manage the unallocated proceeds in line with the State's Public Finance Management law and update the Green Bond register as necessary.

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

The allocation of the Green Bond proceeds to eligible green expenditures will be reviewed bi-annually and reported in accordance with Section G (Reporting).

G. REPORTING

The Lagos State Ministry of Finance and the Ministry of Environment will publish annual allocation and impact reports detailing the net proceeds disbursement and environmental & social impact, respectively. This is to communicate the progress of the use of proceeds from the issued Green Bond to investors, as well as the positive impacts delivered, for transparency and accountability. The Ministry of Finance will be responsible for consolidating the allocation and impact reports and will be supported by the Lagos State Ministry of Environment, Debt Management Office, the Office of the Lagos State Accountant General and the Office of SDGs and Investment. The reports on the Green Bond progress will be published on the Lagos State Ministry of Finance website.

Allocation reporting

The Lagos State Ministry of Finance will provide up-to-date information in the annual report on the allocation and use of proceeds until full allocation, starting a year after the issuance of the Green Bond. This information will be provided on an annual basis in the case of material developments that may arise. The annual report will include the following:

- A summary of the eligible green projects/assets to which the Green Bond proceeds have been allocated and a brief description of the project categories;
- A detailed explanation of the amounts allocated to each eligible green project;
- The remaining balance of unallocated proceeds at the end of the reporting period;
- Percentage of proceeds allocated for refinancing existing, and financing new and future green projects;
- Percentage of co-financing where relevant;
- A statement confirming the conformity of the use of proceeds of the issued Green Bond to the Framework.

In the case where confidentiality agreements or competitive considerations limit the extent of details that can be made publicly available, the information may be presented in generic terms.

Impact reporting

The Lagos State Ministry of Finance, supported by the Lagos State Ministry of Environment, will also publish an annual impact report. The report will provide details on the positive environmental impacts of the assets/projects financed with the Green Bond use of proceeds, as well as the social benefits, where available. The impact report will provide information on the following:

- Environmental impact indicators related to the eligible green project/assets to which the Green Bond proceeds have been allocated; or,
- Using case studies outlining qualitative and/or quantitative metrics to discuss eligible green projects/assets impacts where appropriate.

The impact reports will be updated annually, until full allocation of the net proceeds of the issued Green Bond(s) is achieved. Additional updates may also be made due to the delay in the publication of specific environmental metrics. The approach to impact reporting may also be updated over time to align with emerging reporting standards and practices. Examples of potential environmental impact indicators per green project category are shown in the table below. This list is non-exhaustive and may be updated in the future.

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

Table 2: Indicative sample Impact indicators for reporting

Green Category	Example Impact Indicators
Renewable Energy	<p><i>Environmental Impact Metrics</i></p> <p>Annual greenhouse gas emissions reduced/avoided in tonnes of carbon dioxide (CO₂) equivalent</p> <p>Capacity of renewable energy plants constructed or rehabilitated (kWh/mWh produced)</p> <p><i>Social Co-Benefits</i></p> <ul style="list-style-type: none"> • Number of households and businesses supported to transition to low-carbon energy sources • Number of households benefited
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p><i>Environmental Impact Metrics</i></p> <p>Annual greenhouse gas emissions reduced/avoided in tonnes of carbon dioxide (CO₂) equivalent</p> <p>Number of trees planted</p> <p>Hectares of land improved or conserved</p> <p>Number of species benefitted</p> <p><i>Social Co-Benefits</i></p> <ul style="list-style-type: none"> • Number of jobs created or supported
Climate Change Adaptation	<p><i>Environmental Impact Metrics</i></p> <ul style="list-style-type: none"> • Number of flood defence projects • Total new surface of green areas opened to the public (m²) • Total green reclaimed degraded land (m²) • Number of communities that have completed hazard mapping, risk assessments, or adaptation plans • Number of kilometres of coastline better protected • Total reclaimed coastal land protected and reclaimed from seawater intrusion (m²) • Number of structural and/or natural assets with an improved structural capacity to adapt to climate change, disasters, and weather <p><i>Social Co-Benefits</i></p> <ul style="list-style-type: none"> • Number of jobs created • Number of beneficiaries (communities) from adaptation projects • Number of buildings better protected from flood and other climatic issues
Sustainable Water and Wastewater Management	<p><i>Environmental Impact Metrics</i></p> <ul style="list-style-type: none"> • Total annual estimated volume of water managed • Total annual estimated volume of water saved • Percentage reduction in water waste • Number of efficient pumps installed • Length (km) of new sewage pipes installed

THE LAGOS STATE GOVERNMENT GREEN BOND FRAMEWORK

Green Category	Example Impact Indicators
	<ul style="list-style-type: none"> • Number of newly built reservoirs/flood defence systems • Number of studies (research) • Number of wastewater systems • Number of wastewater projects invested in <p><i>Social Co-Benefits</i></p> <ul style="list-style-type: none"> • Number of jobs created • Number/percentage of communities impacted • Number of schools, SMEs, and institutions impacted
<p>Pollution Prevention and Control</p>	<p><i>Environmental Impact Metrics</i></p> <ul style="list-style-type: none"> • Annual greenhouse gas emissions reduced/avoided in tonnes of carbon dioxide (CO₂) equivalent • Reduction of air pollutants • Amount of waste disposed of, reused, or recycled (tonnes or in % of total waste) <p><i>Social Co-Benefits</i></p> <ul style="list-style-type: none"> • Number of jobs created • Number/percentage of communities undertaking solid waste management improvement projects • Number of SMEs/projects supported

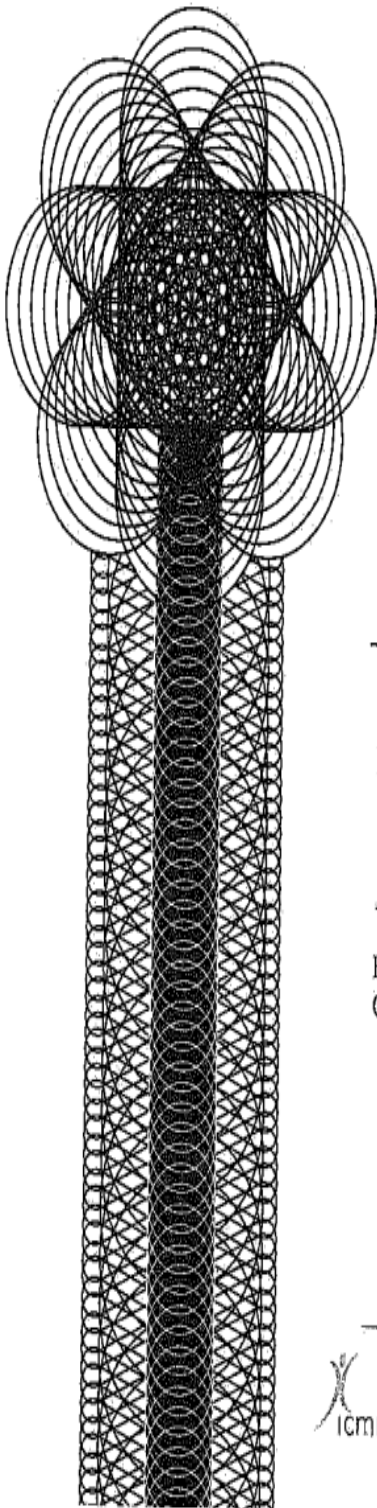
H. EXTERNAL REVIEW

Pre-issuance Verification and Certification

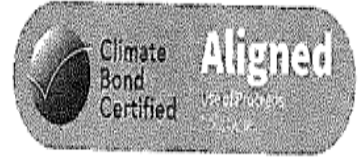
The Ministry of Finance is to engage an institution with the requisite expertise to provide pre-issuance certification prior to the first issuance of a bond under the Framework. The appointed verifier will validate the accuracy and completeness of the eligibility criteria, project selection, the allocation of the Green Bond proceeds and management process, and the selected eligible green assets/projects in line with ICMA GBP and the CBI Standards on Green Bonds Issuance.

The certification process will provide the investors with the credibility of the expected environmental benefits of the green project categories and the alignment of the Framework with the ICMA Green Bond Principles (2021) and the CBI Standards.

In fulfilment of the above requirement, the Lagos State Government has engaged Augusto & Co Limited to provide the pre-issuance verification of the Green Bond Framework in preparation for the CBI certification. The certification will be confirmed within one year of issuing the bond to maintain the Climate Bond Certification. The verification report is accessible on the MoF website.



Certification



This is to certify that the

#14.815bn Green Bond

Issuance Programme 4 Series 3

Issued by

Lagos State Government

Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

29 April 2025

Sean Kidney
C.E.O., Climate Bonds Initiative



CALSTRS IIGCC



Climate Bonds

SCHEDULE I – USE OF PROCEEDS

The estimated net issue proceeds of the Green Bonds - being ₦14,475,324,746.87, following the deduction of the offer costs of ₦339,675,253.13 representing 2.2928% of the gross issue proceeds - will be utilized for purposes of financing the commencement and/or completion of the projects listed below:

S/N	MINISTRIES, DEPARTMENTS AND AGENCIES	PROJECT CATEGORY	PROJECT COST (₦)	PAYMENT FROM NET PROCEEDS (₦)*
1	Ministry of Energy & Mineral Resources	Renewable Energy	6,486,494,461.06	5,126,556,036.38
2	Lagos State Parks and Gardens Agency	Environmentally sustainable management of living natural resources and land use	30,000,000.00	29,734,889.23
3	Special Committee on Rehabilitation of Public Schools (SCRPS)	Renewable Energy	432,752,713.25	428,928,466.44
4	Office of Drainage & Water Resources	Climate Change Adaptation	5,047,672,221.85	1,742,901,907.15
		Sustainable water and wastewater management		
5	Ministry of Agriculture	Environmentally sustainable management of living natural resources and land use	1,300,000,000.00	1,288,511,866.70
6	Lagos Metropolitan Area Transport Authority (LAMATA)	Renewable Energy	6,747,044,000.00	5,858,691,580.97
Sub-Total			20,043,963,396.16	14,475,324,746.87
Transaction Costs				339,675,253.13
Total				14,815,000,000.00

**Being the actual amount that will be apportioned for the execution of the projects based on the net Bond proceeds, following the deduction of the offer costs*

SCHEDULE I – USE OF PROCEEDS

DETAILED DESCRIPTION OF THE PROJECTS

S/N	Project Description	Project Cost (NGN)	Amount Paid to Date (NGN)	Current Completion Level (%)	Allocation from Net Bond Proceeds (NGN)	Estimated Completion Period (Months)	Expected Completion Level (%)
Ministry of Energy & Mineral Resources							
1	Solar PV Rooftop Solution as an alternative power supply - Pilot: Office of the Deputy Governor and the Ministry of Energy & Mineral Resources	100,000,000.00	Not yet awarded	Not yet awarded	49,558,148.72	3 Months	50%
2	Solar PV Rooftop Solution as an alternative power supply - Alausa Campus Phase 1	210,000,000.00	Not yet awarded	Not yet awarded	208,144,224.62	12 Months	99%
3	Procurement and Installation of Solar Power Equipment for Agbowo Maternity and Child Centre	58,831,487.02	Not yet awarded	Not yet awarded	58,311,591.66	12 Months	99%
4	Procurement and Installation of Solar Power Equipment for Ketu General Hospital	58,831,487.02	58,831,487.02	100%	58,311,591.66	1 Month	100%
5	Procurement and Installation of Solar Power Equipment for Isolo General Hospital	58,831,487.02	Not yet awarded	Not yet awarded	58,311,591.66	12 Months	99%
6	Provision of solar power system solution to additional 100 schools in disadvantaged rural, riverine and peri-urban areas of the State - Lagos Solar Project Phase 2	3,500,000,000.00	Not yet awarded	Not yet awarded	3,469,070,410.36	9 Months	99%
7	Replacement of battery bank back-up system on the Y2014 Lagos Solar Project - provision of Solar power system solutions to 175 Secondary Schools & 11 Primary Health Centres (PHCs) in rural, riverine and peri-urban areas of the State	2,500,000,000.00	Not yet awarded	Not yet awarded	1,224,848,477.70	12 Months	49%
		6,486,494,461.06			5,126,556,036.38		
Lagos State Parks and Gardens Agency							
8	Continuous tree planting exercises at various locations within the State	10,000,000.00	Not yet awarded	Not yet awarded	9,911,629.74	12 Months	99%
9	Creation of an Urban Forest Park within the State	15,000,000.00	Not yet awarded	Not yet awarded	14,867,444.62	6 Months	99%

S/N	Project Description	Project Cost (NGN)	Amount Paid to Date (NGN)	Current Completion Level (%)	Allocation from Net Bond Proceeds (NGN)	Estimated Completion Period (Months)	Expected Completion Level (%)
10	Planting of trees at newly constructed/rehabilitated roads	5,000,000.00	Not yet awarded	Not yet awarded	4,955,814.87	12 Months	99%
		30,000,000.00			29,734,889.23		

Special Committee on Rehabilitation of Public Schools (SCRPS)							
11	Solar street lighting for Tolu Complex - 161 units - redistributed to six districts - District I (30 units), District II (25 units), District III (26 units), District IV (26 units), District V (26 units) and District VI (28 units)	80,912,562.50	Not yet awarded	Not yet awarded	80,197,536.11	6 Months	99%
12	2023 Solar grids for modular constructions for the remaining 5 districts	351,840,150.75	Not yet awarded	Not yet awarded	348,730,930.33	6 Months	99%
		432,752,713.25			428,928,466.44		
Ministry of Environment (Office of Drainage Services)							
13	Construction of Adeponle/ Baba Sala Street/ System 5 Channel Collector Drain, Ajeromi Ifelodun LGA	185,481,138.87	153,535,853.13	100%	56,140,594.49	12 Months	100%
14	Construction of Collector Drain to De-flood Ebenezer Street and its Adjoining streets to Alaka Apena Channel, Ajeromi, Ifelodun LGA	90,292,858.63	67,830,895.13	80%	31,323,228.41	12 Months	90%
15	Construction of Collector Drain to De-flood Nwamah/Eziagwu and its community to Baale Okoya Channel Ajeromi Ifelodun	77,480,445.81	73,447,059.86	100%	26,878,512.19	6 Months	100%
16	Construction of Saka Emiabata Collector Drain, Amuwo Odofin	188,265,251.15	112,959,150.69	65%	65,310,541.21	12 Months	70%
17	Construction of CBN Estate collector drain, Amuwo Odofin	216,891,408.01	222,166,676.27	95%	75,241,156.58	6 Months	100%
18	Construction of Gafaru Collector Drain, Ijegun	358,146,017.82	307,308,677.65	70%	124,243,375.30	12 Months	80%
19	Construction of Aiyedun Badmus Olanrewaju collector drain Alimosho Phase II	295,392,348.02	177,235,408.81	85%	102,473,685.40	12 Months	95%

S/N	Project Description	Project Cost (NGN)	Amount Paid to Date (NGN)	Current Completion Level (%)	Allocation from Net Bond Proceeds (NGN)	Estimated Completion Period (Months)	Expected Completion Level (%)
20	Construction of Nurudeen Adesoye collector drain off Akeem Odumosu street, Ashipa Ayobo	81,311,636.41	48,786,981.85	20%	28,207,579.19	12 Months	40%
21	Construction of Akinpetide Collector Drain, Abaranje Road	98,181,065.16	859,780.68	90%	34,059,702.80	12 Months	100%
22	Completion of Construction of Baruwa Collector drain, Ifako Ijaiye	214,416,611.06	178,265,703.00	90%	74,382,632.09	6 Months	95%
23	Construction of Collector Drain at Oke - Afa, Okokomaiko, Iba LCDA	155,904,535.19	93,542,721.11	70%	54,084,380.99	12 Months	86%
24	Construction of Drain at Tunbosun Oluwaseyi street, Ishashi Ojo	123,833,021.54	123,701,272.78	100%	42,958,547.08	12 Months	100%
25	Construction of Layi Oyekanmi to Adeoyo collector drain, Mushin	24,112,653.50	14,467,592.10	100%	8,364,849.28	12 Months	100%
26	Construction of Poro Boge Collector Drain	189,088,070.22	214,794,961.20	100%	65,595,982.94	12 Months	100%
27	Erosion Control at Yewa Street, Igbogbo, Ikorodu	166,111,921.03	99,666,978.07	70%	57,625,395.01	12 Months	85%
28	Construction of Oremeru Collector Drain, Igbogbo, Ikorodu	43,755,298.96	26,253,179.38	20%	15,179,021.29	12 Months	40%
29	Construction of Okegbegun/babs Sherif Collector	217,007,872.30	294,123,044.39	100%	75,281,558.86	12 Months	100%
30	Linning of Kokoro Abu channel Phase II, Ikorodu LGA	396,898,590.02	238,139,154.01	17%	137,686,915.46	12 Months	40%
31	Linning of Olushola Ashaye/ Oriola Winco Channel, Ketu-Alapere, Kosofe	100,147,464.93	94,799,472.87	100%	34,741,860.73	12 Months	100%
32	Construction of Atiba/Oki Lane/ Mende Villa Olector Drain, Mende, Kosofe	265,578,470.11	274,027,640.52	80%	92,131,041.23	12 Months	95%
33	Construction of Oluwajoba/ Ayo/ Aina Obe Streets Collector Drain, Ketu Alapere	182,717,460.63	109,630,476.38	76%	63,385,973.61	12 Months	85%
34	Construction of Collector drain at Ajao estate, Anthony Kosofe	62,102,506.85	59,033,828.31	100%	21,543,796.89	12 Months	100%
35	Construction of Drain at Isheri North Residential Scheme, Kosofe	82,162,781.28	77,831,487.96	100%	28,535,838.45	12 Months	100%
36	Erosion Control in Ogudu Residential scheme, Ogudu, Kosofe LGA	31,843,689.84	19,106,213.90	56%	11,046,800.22	12 Months	75%
37	Construction of WhiteSand Collector, Lekki, Eti-Osa	276,768,470.00	256,650,617.89	87%	96,012,930.98	12 Months	95%

S/N	Project Description	Project Cost (NGN)	Amount Paid to Date (NGN)	Current Completion Level (%)	Allocation from Net Bond Proceeds (NGN)	Estimated Completion Period (Months)	Expected Completion Level (%)
38	Completion of Seaside-Mega Estate Collector Drain	496,628,185.64	297,976,911.38	35%	172,283,814.38	12 Months	50%
39	Construction of Osapa Nicon Collector Drain, Lekki	117,455,048.04	111,577,959.38	100%	40,745,983.17	12 Months	100%
40	Construction and dredging of Abraham Adesanya System 63 drainage channel, Phase II	237,012,574.79	142,207,544.87	55%	82,221,331.01	12 Months	75%
41	Construction of Binukonu Collector Drain, Surulere	72,684,826.04	43,610,895.62	100%	25,214,877.93	12 Months	100%
		5,047,672,221.85	3,933,538,139.19		1,742,901,907.15		
Ministry of Agriculture							
42	Production of 200,000 coconut seedlings @N500 per seedling	100,000,000.00	No payment made	Yet to commence	99,116,297.44	12 Months	99%
43	Production of 500,000 coconut seedlings @N500 per seedling	250,000,000.00	No payment made	Yet to commence	247,790,743.60	12 Months	99%
44	Production of 800,000 coconut seedlings @N500 per seedling	400,000,000.00	No payment made	Yet to commence	396,465,189.75	12 Months	99%
45	Production of 500,000 coconut seedlings @N500 per seedling	250,000,000.00	No payment made	Yet to commence	247,790,743.60	12 Months	99%
46	Implementation Activities (Study, surveys etc)	50,000,000.00	No payment made	Yet to commence	49,558,148.72	24 Months	99%
47	Strengthening of LASCODA (upgrading of nurseries)	250,000,000.00	No payment made	Yet to commence	247,790,743.60	12 Months	99%
		1,300,000,000.00	-		1,288,511,866.70		
Lagos Metropolitan Area Transport Authority (LAMATA)							
48	LAMATA Place Solar Plant	2,003,300,000.00	Not yet awarded	Yet to commence	1,985,596,786.59	18 months	99%
49	Abule Egba Bus Terminal Solar Power	1,688,700,000.00	Not yet awarded	Yet to commence	1,673,776,914.85	18 months	99%
50	Ajah Bus Terminal	1,688,700,000.00	Not yet awarded	Yet to commence	1,673,776,914.85	18 months	99%
51	Ikeja Terminal Solar power	742,944,000.00	Not yet awarded	Yet to commence	401,421,004.63	18 months	54%
52	Ojota Terminal Solar power	623,400,000.00	Not yet awarded	Yet to commence	124,119,960.06	18 months	20%
		6,747,044,000.00			5,858,691,580.97		
		20,043,963,396.16	3,933,538,139.19		14,475,324,746.87		

SCHEDULE II – COUPON AND PRINCIPAL AMORTISATION PAYMENT SCHEDULE

Period	Bond Obligation Repayment Dates	Semi-annual Interest Payment (R'000)	Principal Repayment (R'000)	Total Repayment (R'000)	Principal Obligation Outstanding (R'000)
Payment 1	May 20, 2026	(1,185,200,000)	-	(1,185,200,000)	14,815,000,000
Payment 2	Nov 20, 2026	(1,185,200,000)	-	(1,185,200,000)	14,815,000,000
Payment 3	May 20, 2027	(1,185,200,000)	-	(1,185,200,000)	14,815,000,000
Payment 4	Nov 20, 2027	(1,185,200,000)	-	(1,185,200,000)	14,815,000,000
Payment 5	May 20, 2028	(1,185,200,000)	(2,019,512,447)	(3,204,712,447)	12,795,487,553
Payment 6	Nov 20, 2028	(1,023,639,004)	(2,181,073,443)	(3,204,712,447)	10,614,414,110
Payment 7	May 20, 2029	(849,153,129)	(2,355,559,318)	(3,204,712,447)	8,258,854,792
Payment 8	Nov 20, 2029	(660,708,383)	(2,544,004,064)	(3,204,712,447)	5,714,850,728
Payment 9	May 20, 2030	(457,188,058)	(2,747,524,389)	(3,204,712,447)	2,967,326,340
Payment 10	Nov 20, 2030	(237,386,107)	(2,967,326,340)	(3,204,712,447)	-
Total		(9,154,074,682)	(14,815,000,000)	(23,969,074,682)	

APPENDIX I: EXTRACT FROM THE STATE EXECUTIVE COUNCIL RESOLUTION



LAGOS STATE GOVERNMENT

ISSUANCE OF SERIES III GREEN BONDS AND SERIES IV BONDS - UNDER THE ₦1,000,000,000,000 (ONE TRILLION Naira) DEBT AND HYBRID INSTRUMENTS ISSUANCE PROGRAMME ("DAHI ISSUANCE PROGRAMME")

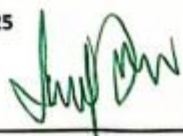
RESOLUTION OF THE LAGOS STATE EXECUTIVE COUNCIL

At a meeting of the Executive Council ("the EXCO") of the Lagos State Government ("the State") held at The Council Chambers, Lagos House, Alausa on the 10th day of February, 2025, the following were duly passed as resolutions of the EXCO:

1. Pursuant to Section 9 of the Bonds, Notes and other Securities Law 2008 of Lagos State ("the Law") - and the authority conferred on the EXCO by the Lagos State House of Assembly ("LAHA") (LAHA Resolution dated the 7th day of October, 2022) - the State be and is hereby authorised, through the Lagos State Debt Management Office, to issue a Series III Green Bond of up to ₦14,815,000,000.00 (Fourteen Billion, Eight Hundred and Fifteen Million Naira) ("Series III Green Bond") and Series IV Bond of up to ₦200,000,000,000.00 (Two Hundred Billion Naira) ("the Series IV Bond") (together "the Issuances") under the existing ₦1,000,000,000,000 (One Trillion Naira) DAHI Issuance Programme.
2. The Series III Green Bond and the Series IV Bond are to be issued either by way of offer for subscription, public offering, book build, private placement or other methods or a combination of methods at such coupon or interest rates, within such maturity period as may be determined by the Honourable Commissioner for Finance and the State's Financial Adviser/Issuing Houses and approved by the relevant regulatory authorities.
3. The Financial Adviser/Lead Issuing House - Chapel Hill Denham - is hereby designated as having primary responsibility for the Issuances and the Book Build for the Issuances (in the event that a book build method is undertaken).
4. The EXCO be and is hereby authorised to submit the requisite documents, as may be required from time to time and deemed appropriate for the purposes of obtaining the requisite Irrevocable Standing Payment Order for purposes of securing the State's repayment of the obligations under the Series III Green Bond and Series IV Bond.
5. The Honourable Commissioner for Finance is hereby authorised to enter into all such agreements, appoint such professional parties and advisers as may be necessary to execute the Issuances and take all necessary steps and do all acts to give effect to these EXCO resolutions, including complying with the directives of the applicable regulatory authorities and subject to the procurement of all relevant regulatory approvals.
6. His Excellency (Mr Governor), the Honourable Commissioner for Finance and the Honourable Commissioner for Justice/Attorney-General of Lagos State be and are hereby authorised to approve, sign and execute all documentation relating to the Issuances.

Dated this ^{15th} Day of ^{July} 2025


Mr Babajide Olusola Sanwo-Olu
Governor


Mr Lawal Pedro (SAN)
Attorney-General



LAGOS STATE GOVERNMENT



LAGOS STATE
HOUSE OF ASSEMBLY

LSHA/LM/C/50/VOL.III/288

21st August, 2025.

The Honourable Commissioner,
Ministry of Finance
The Secretariat,
Alausa, Ikeja,
Lagos.

**RESOLUTION OF THE LAGOS STATE HOUSE OF ASSEMBLY AFFIRMING
THE ISSUANCE OF INSTRUMENTS BY THE LAGOS STATE GOVERNMENT
UNDER THE N1 TRILLION DEBT AND HYBRID INSTRUMENTS PROGRAMME
AND ISSUANCE OF SERIES III GREEN BONDS AND SERIES IV BONDS:**

RESOLUTION OF THE HOUSE

1. The Lagos State House of Assembly ("the House of Assembly") having duly considered the request of the Lagos State Government ("Lagos State") at its sitting of Tuesday, 4th October, 2022 unanimously passed Resolutions in respect of the establishment of the #1 Trillion Debt and Hybrid Instruments Issuance Programme ("DAHI Programme").
2. The unanimous decision of the House of Assembly was consequently communicated to the Honourable Commissioner for Finance via a letter dated 7th October, 2022 – Ref LSHA/LM/C/49/Vol. II/582.
3. Pursuant to the resolutions passed on October 4, 2022, and having also unanimously authorised the Lagos State Executive Council ("ExCO") to do all acts pertaining to the issuance of instruments under the DAHI Programme.
4. The House of Assembly hereby resolves to confirm and affirm the authority granted to the EXCO to proceed with all matters in respect of issuances under the DAHI Programme including the authority to obtain an irrevocable Standing Payment Order as regulatorily required in respect of the issuances under the DAHI Programme, subject to the fulfilment of all regulatory requirements.

5. The House of Assembly notes the following issuances that are to be undertaken by Lagos State:
 - **Series III Green Bond Issuance - #14,815,000,000 (Fourteen Billion, Eight Hundred and Fifteen Million Naira); and**
 - **Series IV Bond Issuance – up to #200,000,000,000.00 (Two Hundred Billion Naira)**
6. The foregoing Resolutions be transmitted to the relevant regulatory authorities, including the Securities and Exchange Commission for purposes of securing all required approvals for the said issuances.
7. The foregoing Resolutions are hereby forwarded to you for your information and further action, please.
8. Please accept my best regards for your esteemed person and Office.


O. B. Onafeko
Clerk of the House

Lagos State Government of Nigeria

Long-Term Rating:

Aa-

A municipal with very good financial condition and strong capacity to meet its obligations as and when they fall due relative to all other issuers in the same country.

Short-Term Rating:

A1+

RATING RATIONALE

Agusto & Co. hereby affirms the "Aa-" (long-term) and "A1+" (short-term) ratings assigned to the Lagos State Government ("Lagos State", "Lagos", "the State" or "LASG"). The ratings reflect Lagos State's good and sustainable internally generated revenue (IGR), bolstered by its broad and diversified economy, expanding tax base and improving tax administration and collection system. The ratings also consider the State's increasing share of Value Added Tax (VAT) receipts and statutory allocations from the Federation Account Allocation Committee (FAAC), reflecting its status as Nigeria's primary commercial and economic centre. The assigned ratings are further supported by LASG's acceptable expenditure structure, characterised by sustained capital investments in infrastructure and social services, alongside effective control of recurrent costs. In addition, the ratings are upheld by the State's strong capacity to meet financial obligations promptly, underpinned by its good cash-generating profile and sustained access to funding lines from the domestic capital market and financial institutions. However, the ratings are constrained by LASG's increasing public debt and exposure to unhedged foreign currency loans, which elevate susceptibility to exchange rate shocks. Nonetheless, we recognise that most of these external loans are concessionary, with long maturities, low interest rates and extended moratoriums, which collectively help moderate the State's annual debt service requirements.

Outlook: Stable

Issue Date: 3 November 2025

Expiry Date: 30 September 2026

Previous Rating: Aa-

INSIDE THIS REPORT

Rating Rationale	1
Municipal Profile	4
Financial Condition	8
Outlook	13
Financial Summary	15
Rating Definitions	17

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Lagos State, also referred to as the "Centre of Excellence", was established on 27 May 1967. The State was formerly Nigeria's administrative capital until 12 December 1991. Located in the southwest region and covering 3,577 square kilometres, Lagos represents only 0.4% of Nigeria's land mass. As Nigeria's economic nucleus and commercial hub, the State contributes over 20% of the nation's Gross Domestic Product (GDP). Due to its limited land area, economic activities in Lagos are predominantly service-oriented. Consequently, the services sector—dominated by trade, telecommunications, transport, financial institutions, information and technology—made up approximately 91.6% of Lagos State's GDP in 2024, while the industrial and agricultural sectors accounted for 7.9% and 0.5%, respectively¹.

In the financial year ended 31 December 2024 (FY 2024), Lagos State's total revenue (excluding grants) grew by 91% to ₦2.3 trillion, mainly driven by higher IGR and the rise in the State's share of value-added tax (VAT) receipts and other centrally collected revenue (statutory allocation). Consistent with prior years, IGR remained the State's primary income source, contributing over 67% of total revenue, while VAT and statutory allocations accounted for 19% and 14%, respectively. IGR increased by 75% to ₦1.5 trillion, supported by improved collections from PAYE, withholding tax, direct assessments, and higher earnings from licences, fines and fees. Statutory allocations

¹ Lagos Economic Development Update (LEDU) 2025

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RATING ANNOUNCEMENT

GCR affirms Lagos State Government's ratings of AA_(NG)/A1_(NG); Outlook Stable

Rating action

Lagos, 18 July 2025 - GCR Ratings (GCR) has affirmed the national scale long-term and short-term issuer ratings of AA_(NG) and A1_(NG) respectively accorded to Lagos State Government. Concurrently, GCR has affirmed the national scale long-term issue rating of AA_(NG) accorded to each of Lagos State Government's programme 3 series II (tranches II & IV) bond, series III bond, series IV bond and programme 4 series I fixed rate bond issuances. Similarly, GCR has affirmed the national scale long-term issue rating of AA_(NG) accorded to Lagos State Infrastructure Sukuk SPV Plc's series II forward-ijarah sukuk. The outlook on the issuer and issue ratings remains stable.

Rated entity/issue	Rating class	Rating scale	Rating	Outlook
Lagos State Government	Long-term issuer	National	AA _(NG)	Stable
	Short-term issuer	National	A1 _(NG)	
NGN38.77Bn programme 3 series II tranche II fixed rate bond	Long-term issue	National	AA _(NG)	Stable
NGN5.3368Bn programme 3 series II tranche IV fixed rate bond	Long-term issue	National	AA _(NG)	Stable
NGN100Bn programme 3 series III fixed rate bond	Long-term issue	National	AA _(NG)	Stable
NGN137.3288Bn programme 3 series IV fixed rate bond	Long-term issue	National	AA _(NG)	Stable
NGN1158n programme 4 series I fixed rate bond	Long-term issue	National	AA _(NG)	Stable
NGN19.8158n programme 4 series II forward-ijarah sukuk	Long-term issue	National	AA _(NG)	Stable

Rating rationale

The ratings of Lagos State Government (Lagos State or the state) underscore its robust and well diversified economy, which supports strong internally generated revenue (IGR) and financial autonomy with limited reliance on federal transfers. However, the ratings are constrained by infrastructural backlogs, strained socioeconomic indices and weak leverage metrics due to elevated borrowing and downside currency risk.

Lagos State is Nigeria's commercial and economic hub, with a diverse and robust internal economy contributing about 20% of the national GDP. The state's economic landscape is dominated by a buoyant services industry accounting for about 90% of economic output. The strong economic base has positioned the state as the top investment destination in Nigeria, with higher wealth levels as indicated by GDP per capital trending above the national average. Lagos State provides economic and social opportunities for Nigerians which continues to drive an influx of migrants. This trend has placed substantial pressure on the existing infrastructure, with the backlog persistently widening and causing weaker socio-economic indices relative to the national average. Nevertheless, we have factored in the state's accelerated capital spending, as spend on critical infrastructural projects almost doubled to NGN1,077 billion in fiscal year 2024 at a budget implementation rate of 93% (fiscal 2023: 75%). We expect the state to sustain the capex momentum supported by strong internal cash generating capacity and access to a diverse external funding base.

Lagos state has reported consistently strong IGR progression, reflecting the broad tax base, with limited reliance on volatile federal transfers compared to peers. IGR increased by 105% to c. NGN2 trillion in the year to 31 December 2024 on the back of improved collection efficiency. Likewise, the state earned higher value added tax (VAT) inflows from the general

Lagos State Government of Nigeria

Up to ₦14.8 Billion Series III: 5-Year Fixed Rate Green Bond Due 2030 under the ₦1 Trillion Debt and Hybrid Instruments Issuance Programme

Issue Rating:

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.

Issue Date: 10 September 2025

Expiry Date: 30 September 2026

**This Issue rating is indicative and subject to change at any time. However, a final rating will be based on receipt of all duly executed contractual agreements.*

The final issue rating will be subject to annual monitoring and review on the anniversary of the Bond.

Lagos State Rating: Aa-

Expiry Date: 30 September 2025

INSIDE THIS REPORT	
Rating Rationale	1
Overview of the Green Financing Structure	4
Issuer's Financial Condition	5
Transaction Structure	6
Outlook	9
Financial Summary	11
Appendix	13
Rating Definition	15

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RATING RATIONALE

Agusto & Co. hereby assigns an indicative "Aa" rating to the Lagos State Government's ("Lagos State", "Lagos", "LASG", "the Issuer" or "the State") proposed ₦14.8 Billion Series III: 5-Year Fixed Rate Green Bond Due 2030 ("Series III", "the Issue" or "the Green Bond") under its ₦1 Trillion Debt and Hybrid Instruments Issuance Programme ("DAHI" or "the Programme"). The assigned rating reflects our assessment of Lagos State's strong capacity to service the Series III Bond obligations (coupon and principal) jointly from the Consolidated Debt Service Account (CDSA) to be funded monthly from internally generated revenue (IGR) remittances and the issuance of an Irrevocable Standing Payment Order (ISPO) to be approved by the Federal Ministry of Finance.

The rating is further reinforced by LASG's strong fiscal health, driven by steady cash flows (with IGR making up an average of 71% of total receipts over the past three years) and supplemented by statutory allocations. The assigned rating is also supported by the State's track record of meeting local-currency obligations and maintaining disciplined spending. We also take cognisance of the Green Bond Certification obtained under the Climate Bonds Standard Certification Scheme in April 2025, affirming the Issue's conformity with the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and alignment with the objectives of the Paris Agreement on climate change. Nevertheless, the rating is constrained by the State's growing debt burden, especially its unhedged foreign-currency exposures, which has increased vulnerability to exchange-rate volatility. These risks are, however, tempered by LASG's modest debt-service-to-revenue ratio, owing to the concessional terms and extended maturities of a substantial portion of its debt portfolio.

Lagos State Government intends to issue up to ₦14.8 billion Series III Green Bond as part of an aggregate issuance of ₦214.8 billion under the DAHI in the third quarter of 2025 to finance identified green projects in the State. The coupon for the Series III Bond will be determined through a book-building process and payable semi-annually over the five-year tenor. The principal will be subject to a 24-month moratorium from the Issue Date, after which it will be amortised on a semi-annual basis over the remaining three years.

The Series III Green Bond obligations will be jointly serviced from monthly deductions from the Lagos State CDSA as well as the issuance of an ISPO (to be) approved by the Federal Ministry of Finance authorising monthly deductions from the State's share of statutory

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APPENDIX VI: EXTRACT FROM THE GREEN BOND RATING REPORT (GCR)



CREDIT RATING ANNOUNCEMENT

GCR assigns an indicative issue rating of AA-(NG)(IR) to Lagos State Government's up to N14.815bn Programme 4 Series III Green Bonds; Outlook Stable

Rating Action

Lagos, 04 November 2025 - GCR Ratings (GCR) has assigned an indicative long term credit rating of AA-(NG)(IR) to Lagos State Government's proposed up to N14.815bn Series III Senior Unsecured Fixed Rate Green Bonds, with the Outlook accorded as Stable.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook / Watch
Up to NGN14.8bn Series III Senior Unsecured Green Bonds	Long Term Issue	National	AA-(NG)(IR)*	Stable Outlook

*An Indicative Rating is denoted by an 'IR' suffix to indicate that a credit rating has been accorded based on review of final draft documentation and expectations regarding final documentation. The Indicative Rating is expected to convert to a final credit rating subject to the receipt of final documentation in line with GCR's expectations. Typically, this suffix will be used when awaiting the finalization of notes for a debt or program issuance. In this case, once the final documents are available the IR suffix may be removed. We expect the rating to convert upon regulatory approval, within the next 180 days.

Rating Rationale

Lagos State Government of Nigeria (the state or the issuer) is in the process of raising NGN14.8 billion in Series III Senior Unsecured Fixed Rate Green Bonds (the bonds). The indicative rating assigned to the bonds reflects the national scale long-term rating of the issuer. GCR affirmed the issuer's national scale long-term senior unsecured rating at AA-(NG) in July 2025. Please see [GCR affirms Lagos State Government's ratings of AA-\(NG\)/A1+\(NG\); Outlook Stable – GCR Ratings](#) for full details on the issuer's ratings.

The state has recently obtained the requisite approvals to raise the bonds, from the Nigerian capital market, under its NGN1 trillion debt and hybrid issuance programme registered in May 2023. The bonds shall constitute direct unconditional, unsubordinated, senior and unsecured obligations of the issuer and rank pari-passu in all respects with all other bonds issued by the issuer under the programme. The proceeds are intended to be utilised for funding various socio-economic infrastructural projects, particularly sustainability and environmental-related projects. The bonds shall have a five-year tenor, maturing in 2030.

Coupon payment and principal repayment obligations on the bonds will be serviced through monthly transfers from the state's consolidated debt service account (CDSA) and irrevocable standing payment order (approved by the Federal Ministry of Finance) into a Sinking Fund. The monthly funding will commence immediately following the bonds issuance. During the first 24 months, about N69.6m shall be deducted from CDSA, and this shall increase to N385m for the remaining 36 months to the maturity, while N200m will be remitted from ISPO deductions on Lagos State Government monthly federal account allocation disbursement. The CDSA and ISPO remittances into the Sinking Fund shall be utilised for servicing both the bond coupon and principal repayments on a semi-annual basis and other obligations in respect of the bonds.

Based on our analysis of the expected inflows (as reflected in the draft Series III pricing supplement), both inflows will only provide 1x coverage of semi-annual interest payments during the moratorium period and 1x cumulative debt service

APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED

The information in this section is a summary of certain provisions of the Series III Trust Deed. This summary should be read in conjunction with and is qualified in its entirety by reference to all the provisions of the Series III Trust Deed and the Programme Trust Deed. A copy of the Series III Trust Deed is available for inspection at the registered office of the trustees.

1. CURRENCY, FORM, DENOMINATION AND TITLE

1.1. Currency, Form and Denomination

- 1.1.1. The Series 3 Green Bonds shall be in registered, and dematerialized form, in denominations of N1,000.00 (one thousand Naira) with a minimum initial subscription of N10,000,000.00 (Ten Million Naira) and in integral multiples of N1,000.00 (One Thousand Naira) thereafter. The Series 3 Green Bonds shall be fixed-rate bonds or any combinations thereof all of which shall be denominated in Naira.
- 1.1.2. The Series 3 Green Bonds will be delivered to the Bondholders in dematerialised (uncertificated, book-entry) form which shall be registered with a separate securities identification code with the CSD. The Bondholders may deal in the Series 3 Green Bonds in accordance with the CSD procedures and guidelines.

1.2. Title

- 1.2.1. The title to the Series 3 Green Bonds will pass only by registration in the Register and CSD as holders of the Series 3 Green Bonds from time to time.
- 1.2.2. The Bondholder (or his legal representative) shall (except as otherwise required by law or as ordered by a court of competent jurisdiction) be deemed and regarded as the legal and beneficial owner of the Series 3 Green Bonds registered in his name for all purposes including but not limited to the repayment of the Principal Amount and payment of premium (if any) and Coupon, whether or not it is overdue and regardless of any notice of ownership, trust, or any other interest in it, any writing thereon by any person, and no person will be liable for so treating the Bondholder.
- 1.2.3. Statements issued by the CSD as to the aggregate number of such Series 3 Green Bonds standing to the credit of 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, the Joint Trustees and the Registrar as the legal and beneficial owner of such aggregate number of Series 3 Green Bonds for all purposes.
- 1.2.4. All payments made to the Bondholder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Series 3 Green Bonds.

1.3. Listing

The Series 3 Green Bonds shall be listed on the Exchange, or any other securities exchange as may be determined by the Issuer, subject to Applicable Laws.

1.4. Register

- 1.4.1. The Registrar will maintain a register (the "Register") of Bondholders in respect of the Series 3 Green Bonds at its office and a copy thereof shall be made available for inspection at the registered office of the Issuer. The Register shall contain the following information:
 - 1.4.1.1. the names and addresses of the Bondholders for the time being of the Series 3 Green Bonds;
 - 1.4.1.2. the amount of units of the Series 3 Green Bonds held by each registered Bondholder;

APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED

- 1.4.1.3. the date at which the names of each registered Bondholder are entered in respect of the Series 3 Green Bonds standing in his name;
 - 1.4.1.4. the securities account number of the Series 3 Green Bonds Bondholders;
 - 1.4.1.5. all transfers and redemptions of the Series 3 Green Bonds;
 - 1.4.1.6. the duration of the investment and the expected date of redemption;
 - 1.4.1.7. the date on which the investor ceases to be a Bondholder; and
 - 1.4.1.8. other details that the Joint Trustees and Registrar may consider necessary.
- 1.4.2. A single individual registered Series 3 Green Bond certificate will be issued to each Bondholder in respect of its registered holding of the Series 3 Green Bonds. Each individual registered Series 3 Green Bond certificate will be serially numbered with an identifying number which will be recorded also on the Register. All payments made to the Bondholder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Series 3 Green Bonds.

2. STATUS OF THE SERIES 3 GREEN BONDS

- 2.1. The Series 3 Green Bonds shall constitute direct, unsecured, senior and unconditional obligations of the Issuer and shall rank *pari passu* and without any preference among themselves and equally with other existing obligations of the Issuer. The payment obligations of the Issuer in respect of Principal Amount and Coupon Amount thereon shall, save for such obligations as may be preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured indebtedness and monetary obligations of the Issuer, present and future.
- 2.2. Amounts payable in respect of the Series 3 Green Bonds shall constitute an obligation by the Issuer to pay to the Bondholders to the extent of the amounts received and retained (after deduction of statutory fees and all other SEC-approved expenses) by or for the account of the Issuer pursuant to the Series 3 Green Bonds.

2.3. Tenor

The tenor of the Series 3 Green Bonds shall be 5 (five) years.

3. Transfer

- 3.1. The Series 3 Green Bonds are transferable in amounts or integral multiples of an amount of N1,000 (one thousand Naira). The Series 3 Green Bonds shall be transferred on the Exchange in accordance with the rules and regulations of the Exchange. Bondholders who wish to trade the Bonds on the Exchange may do so after the Bonds have been listed on the Exchange.
- 3.2. The transferor shall be deemed the holder of the Series 3 Green Bonds until the transferee's name is entered in the Register in respect thereof.
- 3.3. **Closed Periods**
No Bondholder may require the transfer of a Bond to be registered during the period of 21 (twenty-one) days preceding the due date for any repayment of Principal Amount or payment of Coupon on that Series 3 Green Bonds during which the Register will be closed.

APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED

4. PAYMENT OF COUPON AND REPAYMENT OF PRINCIPAL AMOUNT

- 4.1. Principal Amount repayments in respect of the Series 3 Green Bonds shall be amortized evenly following the Moratorium Period in accordance with the Amortization Payment Schedule.
- 4.2. The Issuer shall ensure that the relevant Coupon Amount shall be paid on each Coupon Payment Date up to and including the Maturity Date.
- 4.3. The Coupon payable on the Series 3 Green Bonds shall be 16% per annum.
- 4.4. Every payment made to the Bondholders pursuant to this Condition shall be made in Naira.
- 4.5. The Sinking Fund Account shall be funded by monthly deductions in accordance with the ISPO and the CDSA to ensure the payment obligations of the Issuer in connection with the Series 3 Green Bonds on each relevant Payment Date are met.
- 4.6. The Joint Trustees shall apply the monies in the Sinking Fund Account for payment of the Coupon Amount and Principal Amount to the Bondholders on the Coupon Payment Date by transferring same to the Registrar. Payment of the Principal Amount and Coupon Amount shall be made through the offices of the Registrar.
- 4.7. Every payment made to the Sinking Fund Account shall be made within the stipulated time to ensure that the full amount thereof shall be at the effective disposal of the Bondholders by the relevant Payment Date. Where the Payment Date falls on a non-Business Day, the payment shall be due and payable on the immediately following Business Day.

5. ESTABLISHMENT OF THE SINKING FUND ACCOUNT

- 5.1. The Joint Trustees shall, not later than 5 (Five) Business Days from the Issue Date, establish the Sinking Fund Account to be held and managed by the Joint Trustees. The Joint Trustees shall keep and maintain the Sinking Fund Account for as long as the Series 3 Green Bonds remain outstanding.
- 5.2. The Sinking Fund Account shall be funded by monthly deductions in accordance with the ISPO and the CDSA to ensure the payment obligations of the Issuer in connection with the Series 3 Green Bonds on each relevant Payment Date.
- 5.3. The sum of ₦200,000,000.00 (Two Hundred Million Naira), shall be credited into the Sinking Fund Account on a monthly basis from the CDSA for the purpose of payment of Principal Amount, Coupon Amount, Joint Trustee's fees and other expenses.
- 5.4. The money standing to the credit of the Sinking Fund Account no later than 5 (Five) Business Days before any Payment Date shall not be less than the sum due on such Payment Date.
- 5.5. The Issuer shall no later than 11:00 am on the Business Day immediately succeeding the date on which payments were made under Condition 5.4 send a payment confirmation or other acceptable form of notification to the Joint Trustees and the Joint Trustees shall confirm that the payment has been made into the Sinking Fund Account.
- 5.6. The Joint Trustees shall utilize the funds in the Sinking Fund Account to effect payments to the Bondholders on each Payment Date.

APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED

- 5.7. The Joint Trustees shall at the expense of the Issuer immediately notify the Issuer:
- 5.7.1. If by the close of seven (7) Business Days before the Payment Date (the 'Relevant Date') the full amount from the ISPO and CSDA has not been received into the Sinking Fund Account; or
 - 5.7.2. if they have received the full amount of any sum payable in respect of the Series 3 Green Bonds, that they have received the full amount required for payment to the Bondholders and the Issuer is immediately discharged of any payment obligations then due.
- 5.8. In the event of a shortfall in the Sinking Fund, to discharge the Issuer's debt service obligations under this Series 3 Trust Deed, the shortfall shall be paid from the State Consolidated Revenue Fund and assets of the State with the approval of the House of Assembly.
- 5.9. Upon receipt of the notification specified in Condition 5.7.1, the Issuer shall, not later than five (5) Business Days before the Payment Date, remit sufficient funds into the Sinking Fund Account to meet such shortfall in accordance with the provision of Condition 5.7.1.
- 5.10. **Management of the Sinking Fund Account**
- a. The Joint Trustees are hereby appointed to manage the Sinking Fund Account in accordance with Applicable Law, the Programme Trust Deed and this Deed, and the Joint Trustees hereby agree to manage the Sinking Fund Account accordingly.
 - b. The Joint Trustees shall stand possessed of the Sinking Fund Account upon trust, subject to the provisions of the Programme Trust Deed and this Deed and shall not deal with the Sinking Fund Account except in accordance with the Programme Trust Deed, this Deed and Applicable Law.
 - c. Upon request, the Joint Trustees shall prepare and deliver to the Issuer appropriate quarterly periodic reports including bank statements, in respect of the management of the Sinking Fund Account.
 - d. Upon payment to the Bondholders of all amounts outstanding under this Series 3 Green Bonds, and the settlement and performance of the Issuer's obligations under the Issue Documents, the Joint Trustees shall remit to the Issuer such sums (if any) remaining in the Sinking Fund Account.

6. APPLICATION OF PROCEEDS

- 6.1. All monies standing to the credit of the Sinking Fund Account as at the Payment Date shall be applied by the Joint Trustees in the following order of priority, (the "Priority of Payments") (in each case only if and to the extent that payments of a higher priority have been made in full):
- 6.1.1. payment of all Statutory Obligations (where applicable);
 - 6.1.2. payment of all costs, charges, expenses and liabilities incurred and payments made in or about the execution of this Deed (as applicable) including the Joint Trustees' fees, annual listing fees, annual ratings agencies' fees; Project Monitoring Consultant's Fees, costs and expenses other (as may be agreed from time to time between the Issuer and the Joint Trustees);
 - 6.1.3. payment of the Coupon and premium (where applicable) owing on the bonds pari passu, in proportion to the amount due to the Bondholders, without preference or priority;
 - 6.1.4. payment of any outstanding Principal Amount pari passu in proportion to the amount held by each Bondholder without preference or priority; and

APPENDIX VII: EXTRACT OF THE SERIES III TRUST DEED

- 6.1.5. the excess cash flow (if any) shall be paid to the Issuer.

Provided that Fees, costs, charges, expenses and interest (in respect of late payment) if any, that is charged by any, attorney, agent or other person appointed by the Joint Trustees pursuant to this Deed shall be for the account of the Issuer.

7. REDEMPTION VALUE AT MATURITY

- 7.1. The final redemption value for each unit of the Series 3 Green Bonds as of the Maturity Date shall be ₦1,000.00 (One Thousand Naira) (Redemption Value).

- 7.2. The Redemption Value shall be paid by the Issuer to the Bondholders on the Maturity Date.

7.3. **Mode of Redemption of Series 3 Green Bonds**

Prior to the Maturity Date of the Series 3 Green Bonds, the Joint Trustees shall instruct the Registrar to pay to each Bondholder on the Maturity Date, the amount payable to him in respect of the redemption of the Series 3 Green Bonds together with all interest accrued and yet unpaid thereon. If on the Maturity Date, any Series 3 Bondholder shall fail, refuse or be unable to accept payment of the redemption moneys payable in respect thereof, the Joint Trustees shall hold such moneys in trust for such Bondholder and interest on such Green Bonds shall cease to accrue as from the Maturity Date and the Issuer shall thereby be discharged from all obligations in connection with such Green Bonds. The Joint Trustees shall not be responsible for the safe custody of such moneys or interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Joint Trustees.

8. (RE)PAYMENTS

- 8.1. Repayments of the Principal Amount and payment of the Coupon Amount in respect of the Green Bonds will be made in Naira and by credit to the specified bank account of the Bondholder or by cheques/warrants drawn on a bank duly licensed by the CBN and mailed by registered post to the address of record of any Bondholder that does not specify a bank account. The Principal Amount and Coupon Amount on Green Bonds due on the relevant Payment Date will be paid to the Bondholder shown on the Register of Series 3 Green Bonds and/or whose names are shown in the records of the CSD at the close of business twenty-one (21) days immediately preceding each Payment Date (the "Record Date"). The Bondholder shall be the only person entitled to receive payments in respect of Series 3 Green Bonds and the Issuer will be discharged by payment to, or to the order of, the Bondholder in respect of each amount so paid.

- 8.2. If the due date for payment of any amount in respect of the Series 3 Green Bonds is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the next Business Day unless the next Business Day falls on the next calendar month, in which case the due date will be the first preceding day that is a Business Day, and the Bondholder shall not be entitled to any further Coupon or other payment in respect of any such delay. For the purpose of this paragraph, "Business Day" means any day on which banks are open for business in Lagos, Nigeria and in the case of transfer to or from an account held by a non-resident Bondholder, in the place where such bank account is maintained.

- 8.3. Any reference in these Conditions to Coupon in respect of the Series 3 Green Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Clause 6 (Payment of Coupon and repayment of Principal) or under any undertaking or covenant given in addition.

- 8.4. The Series 3 Green Bonds shall be deemed redeemed and the obligations of the Issuer discharged on repayment to the Joint Trustees, on behalf of Bondholders, of the Principal Amount on the Series 3 Green Bonds to the Bondholders whose names appear on the Bond Register on the Record Date. Payment by the Issuer to the Joint Trustees shall be a legal discharge of the liability of the Issuer towards the Bondholders from all obligations in connection with the Series 3 Green Bonds

APPENDIX VIII: EXTRACT FROM THE REPORTING ACCOUNTANT'S REPORT



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ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS

The Lagos State Government
The Secretariat
Obafemi Awolowo way
Ikeja
Lagos State
Nigeria.

Sir,

ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF THE LAGOS STATE GOVERNMENT FOR THE THREE YEARS ENDED 31 DECEMBER 2022, 2023, AND 2024 REGARDING THE STATE'S UP TO N14.815 BILLION SERIES 3 ISSUANCE AND UP TO N200 BILLION SERIES 4 ISSUANCE.

We have reviewed the audited financial statements of the Lagos State Government that comprises of the statement of financial position as at 31 December 2022, 2023, and 2024, the statement of financial performance and the statement of cash flows in respect of the proposed N14.815 billion Green bond and N200 billion conventional bond issuance ("The Offer"). The Office of the Auditor General expressed a true and fair view on the financial statements of the Lagos State Government for the years ended 2022, 2023, and 2024.

State's Responsibility for the Financial Statements

Lagos State Government ("LASG", or "The State") is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and for such internal control as the State determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the financial position of Lagos State Government as at 31 December 2022, 2023, and 2024, and their financial performance and cash flows for the years then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

This report is solely for the use of the Executive of Lagos State Government and other relevant parties to the Offer. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & young.

Yours faithfully,

Olufemi O. Alabi
FRC/2021/PRO/ICAN/004/00000024748
For: Ernst & Young
Lagos, Nigeria

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

OPINION OF THE AUDITOR GENERAL OF THE STATE ON THE AUDITED ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2024



LAGOS STATE GOVERNMENT

AUDIT CERTIFICATE

The financial statements of Lagos State Government for the year ended 31st December 2024 set out on pages 10 to 107 of this report, which have been prepared on the basis of Accounting Policies set out on pages 15 to 25, have been audited under my supervision as required by Section 125 of the 1999 Constitution of the Federal Republic of Nigeria [as amended], and Sections 25 and 26 of the Audit Law [as amended] Ch.A13 Laws of Lagos State, 2015, and Public Finance Management Law Ch.P15, Laws of Lagos State, 2015.

Auditor General's Responsibility

It is my statutory responsibility to form an independent opinion based on my audit of the financial statements and to report my opinion thereon.

Basis of Opinion

The audit was conducted in accordance with International Standards on Auditing and INTOSAI Auditing Standards, and relevant laws and regulations covering Public Sector practice. It includes examinations on a test basis, of evidence relevant to the figures disclosed in the financial statements.

The audit was planned and performed to obtain all information and explanations considered necessary for reasonable assurance that the financial statements are free from material misstatements. To this end, I have obtained all the information and explanations that I required.

Opinion

In my opinion, the Financial Statements of Lagos State Government for the year ended 31st December 2024, show a true and fair view of the State's financial performance, the cash flow and the financial position available as at that date.

It is necessary to state that Lagos State Government has consistently complied with the extant guidelines and provisions stipulated by the International Public Sector Accounting Standards [IPSAS] since its adoption in 2016 except for full consolidation of its Subsidiaries, Associates and Joint Ventures as required by IPSAS 35; as a result, the Lagos State Government is not able to make an explicit statement of its full compliance with Accrual Basis IPSAS. The Financial Statements contained herein are therefore referred to as the Accrual IPSAS-based Financial Statements of Lagos State Government for the financial year ended 31st December, 2024.

M. J. Adetola
State Auditor-General

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies, adopted by the Issuer in preparation of its financial statements:

1 Basis of Accounting

The accounting framework of the Lagos State Government focuses on reporting the budgetary activities of the government for the financial year as laid down in the Appropriation Law.

The transitional financial statements of the Issuer have been prepared using the accrual basis in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) 33 – ‘First time adoption of accrual IPSAS’ and in accordance with Sections 13 and 14 of Lagos State Public Finance Law 2011 while the office of the Accountant General of Lagos State is empowered to choose the basis of reporting.

2 Presentation of the financial Statements

Details of general and specific funds are disclosed by the way of notes in the financial statements of the Issuer.

3 Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses.

4 Inventory

Inventories are stated at the lower of cost, current replacement cost and net realizable value.

5 Financial Instrument

The Issuer classifies financial assets in the following categories: at fair value through surplus or deficit, held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired.

The Issuer classifies its financial liabilities at fair value through surplus or deficit and at amortised cost. Classification of financial liabilities is based on the nature or characteristic of the instrument. The office of the Accountant General determines the classification of its financial assets and liabilities at initial recognition.

6 Foreign Currency Transactions

Foreign currency transactions throughout the year are converted into Naira at the applicable Central Bank of Nigeria (CBN) rate of exchange at the date of the transactions. Foreign currency balances as at the year-end are valued at the exchange rates prevailing at that date.

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

STATEMENT OF FINANCIAL PERFORMANCE

In thousands of Naira	2024	2023	2022	2021	2020
Revenue					
Revenue from Non-Exchange Transactions					
Taxation Income	1,037,580,821	679,416,572	506,032,441	426,898,806	359,062,218
Levies, Fees and Fines	123,192,110	71,935,929	64,796,112	59,633,437	30,959,474
Statutory Allocation	769,454,681	329,692,942	233,101,105	193,834,285	183,318,609
Grants	3,951,963	12,254,938	5,361,304	3,890,084	23,297,649
Other Revenue from Non-exchange Transactions	49,299,358	33,575,294	23,856,170	10,368,461	16,274,837
Sub-Total	1,983,478,933	1,126,875,675	821,545,900	694,625,073	612,912,787
Revenue from Exchange Transactions					
Income from Other Services	64,562,682	61,431,497	57,020,574	53,295,385	28,182,565
Capital Receipts	253,310,369	29,980,306	31,418,662	19,214,610	13,927,938
Investment Income	10,045,039	5,134,249	5,836,130	2,305,992	715,558
Interest Income	8,152,527	1,208,057	1,737,073	1,388,937	2,824,976
Sub-Total	336,070,617	97,754,109	96,012,439	76,204,924	45,651,037
Total Operating Revenue	2,319,549,548	1,224,629,784	929,159,573	770,829,998	658,563,824
Expenses					
Wages, Salaries and Employee Benefits	264,143,329	192,250,317	152,503,955	146,506,990	146,382,953
Grants and Other Transfers	34,428,871	26,468,611	21,265,072	20,749,030	17,854,381
Subvention to Parastatals	189,369,216	128,379,291	98,386,735	88,716,995	64,739,661
General and Administrative Expenses	302,550,690	200,347,542	136,518,986	137,803,773	81,482,983
Total Operating Expenses	790,492,106	547,445,761	408,674,747	393,776,787	310,459,978
Surplus for the Period, before Capital Items, Foreign Exchange Losses and Public Debt	1,529,057,442	677,184,022	520,484,826	377,053,210	348,103,846
Capital Expenditure	323,924,656	314,276,460	230,544,581	214,028,463	201,717,468
Public Debt Charges	167,176,297	127,638,102	114,854,577	71,809,540.00	56,881,730
Net (Gain)/Loss on Foreign Exchange Transactions	716,808,894	555,418,654	20,375,651	31,216,312	120,008,937
Depreciation	152,903,614	140,443,016	136,831,409	124,398,243	117,159,235
Net (Gain)/Loss on Damaged Assets	-	-	52,341	106,894	-
Damaged Assets	-	-	-	-	5,490,787
Sub-Total	1,360,813,461	1,137,776,232	502,658,558	441,559,452	501,258,157
Surplus/Deficit for the period	168,243,981	(460,592,208)	17,826,268	(64,506,242)	(153,154,311)

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

In thousands of Naira	2024	2023	2022	2021	2020
Assets					
Current Assets					
Cash and cash equivalents	425,370,209	218,079,807	74,362,279	82,894,933	76,334,742
Receivables from Exchange Transactions	-	301,875	302,068	20,000	20,000
Receivables from Non-exchange Transactions	33,429,728	27,302,734	24,773,029	26,263,131	23,623,994
Inventory	16,444,764	10,319,457	8,116,753	4,845,369	4,170,930
Sub-Total	475,244,700	256,003,873	107,554,129	114,023,433	104,149,666
Non-current Assets					
Available-for-sale Investments	245,233,894	136,881,852	71,067,829	65,567,467	59,978,963
Investment in Joint Venture	28,636,906				
Other Financial Assets	2,810,871	22,652,013	28,679,804	24,968,880	23,830,621
Retirement Benefit Obligations	5,513,057				
Property, Plant and Equipment	4,156,519,399	3,192,802,153	3,044,020,771	2,741,172,484	2,360,167,407
Sub-Total	4,438,714,127	3,352,336,018	3,143,768,404	2,831,708,831	2,443,976,991
Total Assets	4,913,958,828	3,608,339,891	3,251,322,533	2,945,732,264	2,548,126,657
Liabilities					
Current liabilities					
Payables and Other Liabilities	88,434,644	154,530,512	198,930,098	64,607,078	47,917,520
Public Funds	5,395,363	1,367,607	428,026	429,576	482,501
Public Debt(Borrowings)	239,194,888	212,207,096	161,568,242	178,942,489	90,044,475
Finance Lease Obligations	4,270,203	4,401,103	4,034,539	1,242,797	1,747,553
Sub-Total	337,295,098	372,506,317	364,960,905	245,221,940	140,192,049
Non-current Liabilities					
Public Debt (Borrowings)	2,565,053,022	1,891,009,379	1,170,929,540	983,407,164	917,419,663
Finance Lease Obligations	15,515,555	17,141,308	15,112,138	1,279,393	2,053,679
Retirement Benefit Obligations	-	7,530,046	14,588,148	11,475,383	15,066,885
Sub-Total	2,580,568,577	1,915,680,733	1,200,629,826	996,161,940	934,540,227
Total liabilities	2,917,863,675	2,288,187,050	1,565,590,731	1,241,383,880	1,074,732,276
Net Assets					
Accumulated Surplus	1,754,866,005	1,186,770,989	1,618,163,973	1,642,280,917	1,416,415,418
Available-for-sale reserve	241,229,147	133,381,852	67,567,829	62,067,467	56,978,963
Sub-Total	1,996,095,152	1,320,152,842	1,685,731,803	1,704,348,384	1,473,394,381
Total Net Assets and Liabilities	4,913,958,828	3,608,339,891	3,251,322,533	2,945,732,264	2,548,126,657

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

STATEMENT OF CHANGES IN NET ASSETS

In thousands of Naira	Accumulated Surplus	Available for Sale reserve	Total reserve
Balance at 1 January 2024			
Actuarial Gains/(Losses)	1,186,770,989	133,381,852	1,320,152,844
State government contribution to defined benefit plan	(3,294,168)	-	(3,294,168)
Adjustment for External loan Liability	(3,041,195)	-	(3,041,195)
Adjustment for Internal loan Liability	4,251,537	-	4,251,537
Newly recognised Asset	-	-	-
Opening Cash balances of parastatals	2,713,180	-	2,713,180
Change in Fair Value Available-for sale Financial Assets	-	107,847,295	107,847,295
Recognition of New Class of PPE	399,221,681	-	399,221,681
Adjustment for Payables	-	-	-
Surplus/(Deficit) for the Period	168,243,981	-	168,243,981
Balance at 31 December 2024	1,7754,866,005	241,229,147	1,996,095,155
Balance at 1 January 2023	1,618,163,973	67,367,829	1,685,731,803
Actuarial Gains/(Losses)	(2,394,741)	-	(2,394,741)
Newly recognised assets	-	-	-
Opening Cash balances of parastatals	8,096,102	-	8,096,102
Change in Fair Value Available-for-sale Financial Assets	-	65,814,024	65,814,024
Adjustments for Payables	23,497,863	-	23,497,863
Surplus/(deficit) for the period	(460,592,208)	-	(460,592,208)
Balance at 31 December 2023	1,186,770,989	133,381,852	1,320,152,844
Balance at 1 January 2022	1,649,765,092	62,067,467	1,711,832,559
Actuarial Gains/(Losses)	(20,496,989)	-	(20,496,989)
Federal Inland Revenue Tax Liability	(28,930,397)	-	(28,930,397)
Change in Fair Value Available-for-sale Financial Assets	-	5,500,362	5,500,362
Surplus/(deficit) for the period	17,826,268	-	17,826,268
Balance at 31 December 2022	1,618,163,973	67,567,829	1,685,731,803
Balance at 1 January 2021	1,416,415,418	56,978,963	1,473,394,381
Actuarial Gains/(Losses)	(5,198,764)	-	(5,198,764)
Newly recognised assets	295,570,505	-	295,570,505
Change in Fair Value Available-for-sale Financial Assets	-	5,088,504	5,088,504
Adjustments for Payables	-	-	(64,506,242)
Surplus/(deficit) for the period	(64,506,242)	-	(64,506,242)
Balance at 31 December 2021	1,642,280,917	62,067,467	1,704,348,384
Balance at 1 January 2020	1,387,531,487	46,665,926	1,434,197,413
Actuarial Gains/(Losses)	892,887	-	892,887
Newly recognised assets	101,222,731	-	101,222,731
Change in Fair Value Available-for-sale Financial Assets	-	10,313,037	10,313,037
Adjustments for Payables	79,922,624	-	79,922,624
Surplus/(deficit) for the period	(153,154,311)	-	(153,154,311)
Balance at 31 December 2020	1,416,415,418	56,978,963	1,473,394,381

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS

In thousands of Naira	2024	2023	2022	2021	2020
Cash flows from operating activities					
Receipts					
Revenue from Non-exchange Transactions:					
Net Tax Receipts	1,036,652,527	678,127,782	506,308,187	427,584,690	356,771,632
Levies, Fees and Fines	123,192,110	71,935,929	64,796,112	59,633,437	30,959,474
Statutory Allocation	769,454,681	329,692,942	233,101,105	193,834,285	183,318,609
Grants	3,951,963	12,254,938	5,361,304	3,890,084	23,297,649
Other Revenue from Non-exchange Transactions	49,299,358	33,575,294	23,856,170	10,368,461	16,274,837
Exchange Gain (Realised)	26,424,596	22,611,717	230,533	1,074,714	1,432,013
Sub-Total	2,008,975,235	1,148,198,602	833,653,411	696,385,671	612,054,214
Revenue from Exchange Transactions:					
Income from Other Services	64,562,682	61,431,497	57,020,574	53,295,385	28,182,565
Capital Receipts	253,310,369	29,980,306	31,418,662	19,214,610	13,927,938
Investment Income	10,045,039	5,134,249	5,836,130	2,305,992	715,558
Interest Income	8,152,527	1,208,057	1,737,073	1,388,937	2,824,976
Changes in Other Receivables	(6,330,698)	(4,121,186)	2,231,841	(9,301,848)	(1,595,696)
Sub-Total	329,739,919	93,632,923	98,244,280	66,903,076	44,055,341
Total Receipts	2,338,715,154	1,241,831,524	931,897,695	763,288,745	656,109,553
Payments					
Wages, Salaries and Employee Benefits	277,987,820	199,411,904	168,711,178	153,535,508	170,757,709
Contribution to Gratuity and Pension Fund	-	-	-	-	-
Grants and Other Transfer Payments	-	-	-	-	-
Subvention of Parastatals	195,551,395	133,060,247	102,923,109	90,300,512	67,809,488
Lease Rental Payments	-	-	-	-	-
General and Administrative Expenses	350,822,760	236,508,425	153,343,314	154,667,722	100,270,930
Payment to Suppliers	(254,650)	2,202,703.67	3,271,384	674,439	1,093,971
Movement in Payables	56,495,865	11,301,723	(105,392,623)	(16,689,557)	(4,297,133)
Exchange difference on Foreign Exchange Transactions	-	-	-	-	-
Payment Public Debt Charges	163,578,751	127,405,945	94,050,653	66,878,934	50,874,606
Total Payments	1,044,181,941	709,890,947	416,906,915	449,367,558	386,509,571
I) Net Cash Flows from Operating Activities	1,294,533,210	531,940,577	514,990,779	313,921,187	269,599,982
Cash Flows from Investing Activities					
Purchase and Construction of Assets	(1,077,387,669)	(598,367,061)	(651,897,686)	(424,468,173)	(304,936,589)
(increase)/Decrease in Bond Sinking Fund	19,841,142	6,027,791	(3,710,924)	(1,138,256)	(7,376,920)
(Increase)/Decrease in receivables	-	-	-	-	-
Movement in Payables	-	-	-	-	-
Revaluation loss on special deposit	-	-	-	-	-
II) Net Cash Flows Used in Investing	(1,057,546,527)	(592,339,270)	(655,608,610)	(425,606,429)	(312,313,509)

APPENDIX IX: HISTORICAL FINANCIAL INFORMATION

In thousands of Naira	2024	2023	2022	2021	2020
Cash Flows from Financing Activities					
Proceeds from Borrowings	216,103,201	378,483,612	318,023,628	280,604,556	235,988,822
Repayment of Borrowings	(252,540,419)	(183,403,075)	(186,443,152)	(162,306,198)	(149,832,631)
Movement in Public Funds	4,027,757	939,581	(1,550)	(52,925)	48,497
Parastatals opening cash balances	2,713,180	8,096,102			
III) Net Cash Flows used in Financing	(29,696,281)	204,116,220	131,578,926	118,245,433	86,204,688
Net Cash Flow [I]+[II]+[III]	207,290,402	143,717,528	(9,038,904)	6,560,191	43,491,161
Increase/decrease in Cash and its Equivalent					
Closing Cash and Equivalent	425,370,209	218,079,807	74,362,279	82,894,933	76,334,742
Less: Opening Cash and its Equivalent	218,079,807	74,362,279	83,401,183	76,334,742	32,843,581
Increase/(decrease) in Cash and its Equivalent	207,290,402	143,717,528	(9,038,904)	6,560,191	43,491,161



LAGOS STATE GOVERNMENT

June 27, 2025

The Managing Director
Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi, Lagos

MATERIAL ADVERSE CHANGE STATEMENT - LAGOS STATE GOVERNMENT UP TO ₦14,815,000,000 (FOURTEEN BILLION, EIGHT HUNDRED AND FIFTEEN MILLION NAIRA) SERIES III GREEN BOND ("SERIES III GREEN BOND")

Except as disclosed in this Pricing Supplement, there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the finances of the Issuer.

In addition, during the twelve (12) calendar months immediately preceding the date of filing an application with the Securities and Exchange Commission for the registration of this Pricing Supplement, Lagos State Government did not breach any terms and conditions in respect of borrowed monies, which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies.

The Issuer accepts responsibility for the information contained in this Pricing Supplement, which contains all information that is material in the context of the Series III Green Bond Issuance.

SIGNED for and on behalf of the Issuer
Lagos State Government:

A handwritten signature in black ink, appearing to read 'Abayomi Oluyomi', written over a faint circular stamp.

Mr. Abayomi Oluyomi
Honourable Commissioner of Finance

APPENDIX XI: OTHER DISCLOSURES

DISCLOSURE ON CLAIMS, LITIGATIONS AND MATERIAL CONTRACTS

The extract of the Solicitors Opinion issued by the Solicitors to the Issue - Banwo & Ighodalo and Sofunde, Osakwe, Ogundipe & Belgore - in connection with the issuance of the Series III Bonds by the Issuer is set out below:

Material Contracts Summary

In the context of the contemplated transaction, a materiality threshold of ₦150,000,000 (One Hundred and Fifty Million Naira) (the “Materiality Threshold”) was adopted to identify the relevant material contracts entered into by the State between August 5, 2022 and June 4, 2025 (the “Relevant Period”). Based on our review, we observed that in the ordinary course of governance, the State through its ministries, departments and agencies has, in the Relevant Period, entered into 325 (three hundred and twenty-five) Contracts above the Materiality Threshold in connection with various projects being implemented across the State. These excludes contracts relating to financial indebtedness incurred by the State during the Relevant Period. The solicitors to the Issue are of the opinion that:

- i. the contracts were entered into in the ordinary course of governance; and
- ii. the terms of the contracts do not affect the ability of the State to discharge its obligations under the Transaction

Claims and Litigation Summary

In the context of the transaction contemplated under the Series 3 Green Bond issuance, a materiality threshold of ₦150,000,000.00 (One Hundred and Fifty Million Naira) (the “Materiality Threshold”) was set by the Solicitors to the Issue to determine material litigations.

From the review of the schedule of litigation matters provided to the Solicitors to the Issue as at June 20, 2025, the State is currently involved in Fifty-Seven (57) cases within and above the Materiality Threshold. The total claims in the cases against the State and its agencies amount to approximately ₦456,070,498,331.26 (Four Hundred and Fifty-Six Billion, Seventy Million, Four Hundred and Ninety-Eight Thousand, Three Hundred and Thirty-One Naira, Twenty-Six Kobo), comprising general/exemplary damages, special damages, and monetary judgments.

Of the 57 reviewed cases, five (5) judgments have been awarded against the State, amounting to ₦2,796,364,768.64 (Two Billion, Seven Hundred and Ninety-Six Million, Three Hundred and Sixty-Four Thousand, Seven Hundred and Sixty-Eight Naira, Sixty-Four Kobo). Notices of appeal have been filed in four (4) of the five (5) cases, and the State is taking steps to appeal the remaining judgment. The Solicitors to the Issue note that failure to diligently prosecute these appeals could result in enforcement of the judgments; however, they are of the opinion that if properly pursued, such liabilities may be mitigated or extinguished.

Additionally, five (5) high-value cases were identified, with combined claims totalling approximately ₦405,433,111,592.62 (Four Hundred and Five Billion, Four Hundred and Thirty-Three Million, One Hundred and Eleven Thousand, Five Hundred and Ninety-Two Naira, Sixty-Two Kobo). The Solicitors to the Issue are of the view that these claims are unlikely to crystallize in full or materially impact the transaction, given that:

- General and exemplary damages are awarded at the discretion of the court, based on the actual injury suffered, and are rarely granted in the magnitude claimed;
- Special damages must be specifically pleaded and proven. Most of the claimants failed to provide adequate documentary evidence to substantiate the amounts claimed as special damages; and
- Given the current stage of proceedings, litigation timelines, and the State’s demonstrated willingness to defend and appeal adverse judgments, it is likely that the Transaction will either be concluded before the conclusion of these cases, or the potential liabilities which the State may be exposed to on account of the cases, are unlikely to crystallize at once and impact the State negatively.

Based on the information made available to the Solicitors to the Issue in connection with the review, the Solicitors to the

APPENDIX XI: OTHER DISCLOSURES

Issue are of the considered opinion that there is no material litigation or judgment pending against the State, or to the knowledge of its officials, that:

- i. may adversely affect the State's ability to observe its duties under the Series 3 Bonds;
- ii. restrains or enjoins the issuance or the sale of the Series 3 Bonds;
- iii. in any way contests, challenges or affects the validity of the Series 3 Bonds nor are there any proceedings or actions on the State's issuance of the Series 3 Bonds; or
- iv. affects the validity of the pledge or application of any monies or security provided for the payment of the Series 3 Bonds.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuer and the Issuing Houses as listed on page 7 to 8 of this Pricing Supplement during the hours of 8:00 am and 5:00 pm (both times inclusive) on any Business Day from the date of this Pricing Supplement, throughout the Validity Period:

- The Bonds Law;
- The resolution of the Lagos State Executive Council approving the Programme;
- The resolution of the Lagos State House of Assembly approving the Programme;
- The State's most recently published annual public accounts (including its annual statement of revenue and expenditure);
- The State's most recent annual budget as presented to the Lagos State House of Assembly;
- Letter from the Solicitors to the Issue on the outstanding claims, litigations and material contracts involving the State;
- The schedule of claims and litigation involving the Issuer together with the opinion of the Solicitors to the Issued prepared in connection therewith;
- The Shelf Prospectus issued in respect of the Programme;
- The Programme Trust Deed issued in respect of the Programme;
- This Pricing Supplement issued in connection with the Series III Bonds;
- The Series Trust Deed issued in connection with the Series III Bonds;
- The Vending Agreement issued in connection with the Series III Bonds;
- The Reporting Accountant's Report on the consolidated financial statements of the State for the years ended 31 December 2020, 2021, 2022, 2023 and 2024;
- The written consents of the Parties referred to in this Pricing Supplement;
- Other material contracts (as applicable); and
- Letter from the SEC approving the registration of this Pricing Supplement.

The above-listed documents, which have been filed with the SEC, are incorporated by reference in this Pricing Supplement.

RELATIONSHIP BETWEEN THE STATE & ADVISERS

There is no relationship between the Issuer and any of its Advisers.

MATERIAL CONTRACTS

Lagos State Government entered into the following agreements in respect of the outstanding issuances:

- A Programme Trust Deed dated 30 December 2016;
- A Series II Tranche II Trust Deed dated August 2017;
- A Vending Agreement dated August 2017;
- A Series II Tranche IV Trust Deed dated January 2018;

APPENDIX XI: OTHER DISCLOSURES

- A Series III Trust Deed dated 29 January 2020;
- A Series III Vending Agreement dated 29 January 2020;
- A Series IV Trust Deed dated 20 December 2021;
- A Series IV Vending Agreement dated 20 December 2021;
- A Programme Trust Deed dated 23 May, 2023;
- A Series I Trust Deed dated 23 May 2023;
- A Series I Vending Agreement dated 23 May 2023;
- A Declaration of Trust Deed in respect of the Forward Ijarah Sukuk dated 23 May 2023
- A Master Forward Lease (Ijarah) Agreement dated 23 May 2023;
- A Purchase Undertaking Deed in respect of the Forward Ijarah Sukuk dated 23 May 2023;
- A Vending Agreement in respect of the Forward Ijarah Sukuk dated 23 May 2023;
- A Service Agency Agreement in respect of the Forward Ijarah Sukuk dated 23 May 2023; and
- A Shariah Advisory Agreement in respect of the Forward Ijarah Sukuk dated 23 May 2023;

CONSENTS

The under listed parties have given and have not withdrawn their written consents to the issue of this Pricing Supplement, with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

Representatives of the Lagos State Executive Council	Mr. Babajide Olusola Sanwo-Olu Mr. Abayomi Samson Oluyomi Mr. Lawal Pedro, SAN Dr. Shefiu Abiodun Muritala
Lead Issuing House / Bookrunner	Chapel Hill Denham Advisory Limited
Joint Issuing Houses / Bookrunners	SFS Financial Services Limited Kedari Capital Limited NSL Capital Partners Limited Stanbic IBTC Capital Limited United Capital Plc
Solicitors to the Issue	Banwo & Ighodalo Sofunde, Osakwe, Ogundipe & Belgore
Solicitors to the Issuer	Africa Law Practice NG & Company G. Elias Olaniwun Ajayi LP
Trustees	Apel Capital & Trust Limited ARM Trustees Limited Cedrus Trustees Limited First Trustees Limited Sterling Asset Management and Trustees Limited

APPENDIX XI: OTHER DISCLOSURES

	STL Trustees Limited
	UTL Trust Management Services Limited
Stockbrokers	Bancorp Securities Limited Lead Securities and Investment Limited MBC Securities Limited Nigerian Stockbrokers Limited Readings Investment Limited Sigma Securities Limited
Reporting Accountant	Ernst & Young
Registrars	Meristem Registrars & Probate Services Limited
Receiving Banks	Access Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Polaris Bank Limited
Rating Agencies	Agusto & Co. Limited Global Credit Ratings Co. Limited

APPENDIX XII: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through the Issuer, Joint Issuing Houses/Book Runners to the Issue.

- 1.1. The Book Building period commences on **November 6, 2025** and concludes on **November 13, 2025**. Orders must be for a minimum of ₦10,000,000.00 (Ten Million Naira) and in integral multiples of ₦1,000.00 (One Thousand Naira) thereafter.
- 1.2. The amount indicated on the commitment form (“Commitment Form”) by a Participant (“Participation Amount”) and the rate within the price range indicated in the Commitment Form by a Participant (“Bid Coupon Rate”) should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement. Photocopies or scanned copies of the Commitment Form will not be accepted.
- 1.3. By completing the Commitment Form, each Participant hereby agrees that the order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4. Participants may place an order for the Bonds at any price within the price range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.5. A corporate Participant should affix its official seal in the box provided for it and state its incorporation (RC) number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6. Upon the completion and submission of the Commitment Form, the participant is deemed to have authorised the Issuer and the Joint Issuing Houses/Book Runners to effect the necessary changes in the Shelf Prospectus as would be required for the purposes of filing an application for the clearance and registration of the final Pricing Supplement with the SEC. The Commitment Form shall be considered as the application form for the purposes of registration of the final Pricing Supplement with the SEC.
- 1.7. Participants shall have the option to make a maximum of three orders on a single Commitment Form and such options shall not be considered as multiple applications.
- 1.8. The Commitment Form presents the Participant with the choice to bid for up to three optional Bid Coupon Rates within the price range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and will not be cumulated.
- 1.9. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- 1.10. The Issuer, in consultation with the Book Runners, reserves the right not to proceed with the Issue at any time including after the Book Building opening date but before the Allotment Date without assigning any reason therefore but subject to obtaining clearance from the SEC.
- 1.11. All application monies will be retained in a separate interest yielding account with the Receiving Bank pending allotment (the “Issue Proceeds Account”).

APPENDIX XII: PROCEDURE FOR APPLICATION AND ALLOTMENT

2. Payment Instructions

Successful Participants should ensure that payment of the Participation Amount is received on the Signing Ceremony Date via RTGS into the following designated Issue Proceeds Accounts domiciled with the Receiving Banks:

Bank	Account Name	Account Number
Access Bank Plc	Chapel Hill Denham/Lagos State Green Bond	1956885147
First Bank of Nigeria Limited	Chapel Hill Denham/Lagos State Green Bond	2047641602
First City Monument Bank Limited	Chapel Hill Denham/Lagos State Green Bond	2007457365
Polaris Bank Limited	Chapel Hill Denham/Lagos State Green Bond	1790324744

3. Allocation/Allotment

3.1 On the Pricing Date⁷, the Joint Issuing Houses/Book Runners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.

3.1 The Representatives of the Lagos State Government Executive Council and the Joint Issuing Houses/Book Runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.

3.2 Upon clearance of the final Pricing Supplement by the SEC, allotment of Bonds shall be effected in a dematerialised (uncertificated) form. **Participants are mandatorily required to specify their Bank Verification Number, FMDQ Client Business Partners Identification Number and the name of their FMDQ Depository Participant⁸ or CSCS Account Number and Clearing House Number (CHN) for a Bond Account in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialized form shall be effected not later than 15 (fifteen) Business Days from the Allotment Date.**

4 Bank Account Details

4.1 Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.

4.2 Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.

4.3 Failure to provide correct bank account details could result in delays in credit of such payments or the issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Joint Issuing Houses, the Receiving Bank, the Trustees and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same

⁷ Being the date on which the book build closes and the price at which the Bonds will be issued is determined

⁸ An institution that is a duly registered member of FMDQ Depository Limited

FORM OF COMMITMENT

FORM OF COMMITMENT

FOR ELIGIBLE INVESTORS ONLY

BOOK BUILD PERIOD	
OPENS	CLOSES
06/11/2025	13/11/2025

Lagos State Government
₦14,815,000,000 5-Year 16%
Series III

Fixed Rate Green Bonds (2025/2030)

Under the ₦1,000,000,000,000 Debt and Hybrid Instruments Issuance Programme

Lead Issuing House/Bookrunner



CHAPEL HILL DENHAM
 Advisory RC 1381308

Joint Issuing House/Bookrunners:



RC 672560



RC 761231



RC 1172392



Stanbic IBTC
 Capital

RC 1031358



United Capital

RC 444999

OFFERING BY WAY OF BOOK BUILD

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Investors must carefully follow all instructions as applications which do not comply with the instruction may be rejected. If in any doubt, consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance.

All Sections of this Form must be completed (as applicable) PLEASE USE BLOCK LETTERS

QUALIFIED INVESTOR (PLEASE TICK P)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
<input type="checkbox"/> High Net Worth Investors	/ / 2 0 2 5	
<input type="checkbox"/> Fund Managers	DECLARATION	
<input type="checkbox"/> Pension Fund Administrators	R I/We hereby confirm that I am/we are eligible persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.	R I/We note that the Issuer and the Issuing Houses/Bookrunners are entitled in their absolute discretion to accept or reject this Order.
<input type="checkbox"/> Insurance Companies		
<input type="checkbox"/> Investment/Unit Trusts		
<input type="checkbox"/> Market Makers	R I/we hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the Coupon Rate to be discovered through the Book Building Process.	R I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms of this Pricing Supplement
<input type="checkbox"/> Staff Schemes		
<input type="checkbox"/> Trustees/Custodians		
<input type="checkbox"/> Multilateral and Bilateral Institutions	R I/We authorise you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below.	
<input type="checkbox"/> Hedge Funds		

PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below).

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will be not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000.00 (Ten Million Naira) and in multiples of ₦1,000.00 (One Thousand Naira) thereafter.

ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 THOUSAND THEREAFTER)												BID COUPON RATE
IN FIGURES	₦											
IN WORDS												

ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 THOUSAND THEREAFTER)												BID COUPON RATE
IN FIGURES	₦											
IN WORDS												

ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 THOUSAND THEREAFTER)												BID COUPON RATE
IN FIGURES	₦											
IN WORDS												

PLEASE TURN OVER TO COMPLETE THIS FORM

FORM OF COMMITMENT

FORM OF COMMITMENT (REVERSE SIDE)

INVESTOR DETAILS (INDIVIDUAL/CORPORATE/JOINT) *(Please use one box for one alphabet leaving one box blank between first word and second)*

SURNAME/CORPORATE NAME																									
FIRST NAME (FOR INDIVIDUALS ONLY)													OTHER NAMES (FOR INDIVIDUALS ONLY)												
JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)													OTHER NAMES (FOR JOINT APPLICANT ONLY)												
CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)																									
ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT																									

E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY)

Please credit my/our Investor's Account as detailed below to the extent of the Bonds allotted on the FMDQ Depository(Q-eX)/CSCS:

FMDQ DEPOSITORY PARTICIPANT BPID No*:		CLIENT BPID No*:	
PARTICIPANT'S CSCS ACCOUNT No:		CHN (CLEARING HOUSE NUMBER):	

BANK DETAILS (FOR E-PAYMENTS)

BANK NAME		BRANCH	
ACCOUNT No:		CITY/STATE	
BANK VERIFICATION NO(S): (of Account Signatories)			
TAX IDENTIFICATION NUMBER			

SIGNATURES

SIGNATURE	2ND SIGNATURE (CORPORATE/JOINT)	SEAL & RC. No.
NAME OF AUTHORISED SIGNATORY <i>(Corporates only):</i>	NAME OF AUTHORISED SIGNATORY <i>(Corporates/Joint):</i>	
DESIGNATION <i>(Corporate only):</i>	DESIGNATION <i>(Corporate only):</i>	

STAMP OF BOOKRUNNER/SELLING AGENT

* Business Partners Identification Number