

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER, OR AN INDEPENDENT INVESTMENT ADVISER. Investing in this offer involves risks. For information about risk factors which should be considered by prospective Retail Investors, Qualified Institutional Investors and High Net-Worth Investors, please refer to the section on "Risk Factors" on pages 38-41.



(RC 8707452)

(Incorporated as a Special Purpose Vehicle by the Nigerian Bulk Electricity Trading PLC)

₦4,000,000,000,000

(FOUR TRILLION NAIRA)

## MULTI-INSTRUMENT ISSUANCE PROGRAMME

(Established pursuant to the Approval of the Federal Executive Council dated August 13, 2025)

Guaranteed by the full faith and credit of the Federal Government of Nigeria



## SHELF PROSPECTUS

Under this ₦4,000,000,000,000 (Four Trillion Naira) Multi-Instrument Issuance Programme (the "Programme"), NBET Finance Company PLC (the "Issuer") may from time to time issue debt instruments, including bonds, sukuk, and other debt instruments (the "Instruments"), in separate series/tranches, in amounts, at such prices, and on terms to be set out in the Applicable Pricing Supplement (as defined in this document). The Instruments under the Programme will be guaranteed by the Federal Government of Nigeria in accordance with the terms specified in the Deed of Guarantee dated December 1, 2025. The Instruments issued under the Programme may be listed for trading on the Nigerian Exchange Limited ("NGX") and the FMDQ Securities Exchange Limited ("FMDQ Exchange").

In accordance with the provisions of the Investment and Securities Act 2025 ("ISA" or the "Act"), neither this Shelf Prospectus nor the Instruments are required to be registered or cleared under the ISA or regulations of the Securities and Exchange Commission of Nigeria (the "SEC" or the "Commission"). This Shelf Prospectus is to be read and construed in conjunction with any Pricing Supplement thereto and all documents which are incorporated herein, by reference and, in relation to any tranche or series (as defined herein) of instruments, together with the applicable Pricing Supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus. Copies of this Shelf Prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses.

This Shelf Prospectus has been reviewed and approved by the Board of Directors of the Issuer and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. No instrument will be allotted or issued on the basis of this Shelf Prospectus read together with any Supplementary Prospectus or Pricing Supplement later than 3 (three) years from the date of this Shelf Prospectus ("Validity Period") unless the Validity Period is extended.

Lead Issuing House & Lead Financial Adviser



Joint Financial Adviser

Joint Issuing Houses



**THIS SHELF PROSPECTUS IS DATED 14 DAY OF JANUARY 2026**

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

[www.nbet.com.ng](http://www.nbet.com.ng); [www.dmo.gov.ng](http://www.dmo.gov.ng)

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## IMPORTANT NOTICE

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This Shelf Prospectus has been prepared on behalf of NBET Finance Company Plc in connection with its ₦4,000,000,000,000 (Four Trillion Naira Only) Multi-Instrument Issuance Programme for the purpose of giving information to prospective investors in respect of the Instruments described herein.

This Shelf Prospectus contains particulars which are necessary for the purpose of giving information with regards to the Programme, subject to any waivers granted.

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

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme:

- a. is intended to provide the basis of any credit or other evaluation; or
- b. should be considered as a recommendation by either the Issuer or any of the parties to the Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme should purchase the Instruments

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

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

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

The distribution of this Shelf Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Instruments come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Shelf Prospectus and the offer or sale of Instruments in the United States of America, the United Kingdom and certain other jurisdictions. The Issuer does not represent that this Shelf Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

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

### **Amendments to the Shelf Prospectus**

The Issuer, in the event of any significant change, material error or inaccuracy relating to information included in this Shelf Prospectus which is capable of affecting the assessment of the Instruments, shall prepare an addendum to this Shelf Prospectus for use in connection with any subsequent issue of Instruments under the Programme.

### **Forward-Looking Statements**

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

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer’s or Sponsor’s actual results of operations, financial condition, liquidity, and the development of the industry in which the Sponsor operates may differ materially from those expressed or implied in the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect, imprecise, or incapable of being realized.

Neither the Issuer nor Sponsor is obliged to, nor do they intend to, update, or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer, the Sponsor, the Issuing Houses or persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor in the Instruments should not place undue reliance on these forward-looking statements.

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

- a. overall political, economic and business conditions in Nigeria;
- b. economic and political conditions in international markets, including governmental changes;
- c. changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- d. changes in government regulations, especially those pertaining to the Sponsor’s industry;
- e. competitive factors in the industries in which the Sponsor and its customers operate;
- f. interest rate fluctuations and other capital market conditions;

- g. the effects of, and changes in, fiscal, monetary and trade policies, and currency fluctuations;
- h. technological changes;
- i. hostilities and disruption in Nigeria;
- j. the timing, impact and other uncertainties of future actions; and
- k. other national emergencies

The list above is not exhaustive. The sections of this Shelf Prospectus titled “Risk Factors” contain more detailed discussions of the factors that could affect the Sponsor’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

## DEFINITION OF TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

|                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Applicable Law”</b>                                                                                             | Any law, statute, treaty, byelaw, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any regulatory authority, delegated or subordinate legislation or notice of any regulatory authority, which is binding and enforceable on or against the Issuer or the subject matter of, or any party to any of the Issue Documents |
| <b>“Applicable Pricing Supplement” or “Pricing Supplement” or “Supplementary Shelf Prospectus” or “Final Terms”</b> | The document(s) to be issued pursuant to this Shelf Prospectus which shall indicate the final terms and conditions of a specific Series or Tranche of Instruments issued under the Programme and read in conjunction with the Shelf Prospectus                                                                                                                                         |
| <b>“Bonds”</b>                                                                                                      | Any bonds that will be issued by the Issuer from time to time under the Programme in accordance with the terms of this Shelf Prospectus and any subsequent Applicable Pricing Supplement/Supplementary Shelf Prospectus                                                                                                                                                                |
| <b>“Book Building”</b>                                                                                              | 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 Retail Investors, Qualified Institutional Investors and High Net-Worth Individuals.                                                                                                                                    |
| <b>“Book Runner(s)”</b>                                                                                             | The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Instruments being sold by way of Book Building or any other methods as specified in the Applicable Pricing Supplement                                                                                                                                                                     |
| <b>“Business Day(s)”</b>                                                                                            | 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                                                                                                                                                                                                                                 |
| <b>“CAC”</b>                                                                                                        | Corporate Affairs Commission                                                                                                                                                                                                                                                                                                                                                           |
| <b>“CAMA”</b>                                                                                                       | Companies and Allied Matters Act 2020 (and every statutory modification and re-enactment thereof for the time being in force)                                                                                                                                                                                                                                                          |
| <b>“CBN”</b>                                                                                                        | Central Bank of Nigeria                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Certificate”</b>                                                                                                | A bond certificate or sukuk certificate or other certificate (as may be applicable to an Instrument) issued by the Issuer through the Registrar to the holder of such Instrument, whether in electronic form or otherwise, as evidence of the ownership of Instruments under the Programme, which shall be in the form set out in the Programme Trust Deed                             |
| <b>“CIT”</b>                                                                                                        | Companies Income Tax                                                                                                                                                                                                                                                                                                                                                                   |

|                                               |                                                                                                                                                                                                                                                                                                                                 |
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| <b>“CITA”</b>                                 | Companies Income Tax Act Cap C21, LFN, 2004 as amended by the Companies Income Tax (Amendment Act No. 11 of 2007), the Finance Acts and the Nigeria Tax Act, 2025                                                                                                                                                               |
| <b>“CGT”</b>                                  | Capital Gains Tax                                                                                                                                                                                                                                                                                                               |
| <b>“Conditions” or “Terms and Conditions”</b> | Terms and conditions in accordance with which the Instruments will be issued, set out in the section headed “Terms and Conditions of the Instruments” in this Shelf Prospectus, the Programme Trust Deed and the relevant Series Trust Deeds                                                                                    |
| <b>“Coupon”</b>                               | The interest payable on the Bonds to Instrument Holders as specified in the Applicable Pricing Supplement or a supplement to the Shelf Prospectus from (and including) the date on which such Bond starts to bear Coupon or, if no such date is specified therein, the Issue Date (other than in relation to Zero Coupon Bonds) |
| <b>“Coupon Commencement Date”</b>             | The date on which the Coupons on each Bond starts accruing to Bondholders as specified in the Applicable Pricing Supplement                                                                                                                                                                                                     |
| <b>“Coupon Payment Date”</b>                  | The date or dates specified as such in the Applicable Pricing Supplement, on which coupon is to be paid to the Instrument Holders                                                                                                                                                                                               |
| <b>“Coupon Period”</b>                        | The period from (and including) a Coupon Payment Date to (but excluding) the next Coupon Payment Date                                                                                                                                                                                                                           |
| <b>“Coupon Rate” or “Rental Rate”</b>         | The rate or rates (expressed as a percentage per annum) of interest, rental payment or profit payable in respect of the Instruments specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions of the applicable Pricing Supplement                                           |
| <b>“CSCS” or the “Clearing System”</b>        | Central Securities Clearing System Plc                                                                                                                                                                                                                                                                                          |
| <b>“CSD”</b>                                  | CSCS or FMDQ Depository Limited or any central securities depository registered or recognized by SEC and appointed by the Issuer or as may be specified in the Applicable Pricing Supplement                                                                                                                                    |
| <b>“Daily Official List”</b>                  | A publication of FMDQ or NGX, published daily, providing information on all securities quoted on its Exchange                                                                                                                                                                                                                   |
| <b>“Declaration of Trust”</b>                 | The deed of declaration of trust between the Issuer and the Delegate Trustees, supplementing the provisions of the Programme Trust Deed, appointing the Delegate Trustees with regards to the issuance of a Sukuk under the Programme.                                                                                          |
| <b>“Distribution”</b>                         | The Coupon, Profit or other distribution due on the Instruments issued under the Programme as may be specified in the Applicable Pricing Supplement                                                                                                                                                                             |
| <b>“DMO”</b>                                  | Debt Management Office, Nigeria                                                                                                                                                                                                                                                                                                 |

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| <b>“Delegate Trustees” or “Sukuk Trustees”</b> | The trustee appointed by the Issuer to act as its agent in its capacity as Issuer for any Sukuk issuance under the Programme                                                                                                                                                                         |
| <b>“DisCos” or “Distribution Companies”</b>    | Electricity Distribution Companies, duly licensed by the Nigerian Electricity Regulatory Commission                                                                                                                                                                                                  |
| <b>“Dissolution Date”</b>                      | as the case may be: (a) the Scheduled Dissolution Date; or (b) any Optional Dissolution Date                                                                                                                                                                                                         |
| <b>“Dissolution Distribution Amount”</b>       | In relation to each Certificate Sukuk: means the amount of the Sukuk Holders’ capital investment in the Sukuk, being the aggregate Principal Amount for that Series of Sukuk, and for each Sukuk Holder, the amount proportionate to the value of the Sukuk Holder's investment in the Trust Assets. |
| <b>“Dissolution Event”</b>                     | All such events as are defined as dissolutions events under the Programme Trust Deed and particularly set out in the relevant Series Trust Deed                                                                                                                                                      |
| <b>“Event of Default”</b>                      | All such events of default as are defined under the Programme Trust Deed and as stated in a Series Trust Deed                                                                                                                                                                                        |
| <b>“Exchange”</b>                              | The FMDQ or the NGX or any other securities exchange recognized by the Commission                                                                                                                                                                                                                    |
| <b>“Federal Executive Council” or “FEC”</b>    | The executive council of the Federal Government of Nigeria                                                                                                                                                                                                                                           |
| <b>“FEC Approval”</b>                          | Approval of the Federal Executive Council dated August 13, 2025                                                                                                                                                                                                                                      |
| <b>“Federal Government” or “FGN”</b>           | Federal Government of Nigeria                                                                                                                                                                                                                                                                        |
| <b>“Finance Acts”</b>                          | The Finance Act 2019, the Finance Act 2020, the Finance Act, 2021, the Finance Act 2023, and as amended by the Nigeria Tax Act, 2025 together with any subsequent amendments                                                                                                                         |
| <b>“Fixed Rate Bonds”</b>                      | Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds                                                                                                                                                               |
| <b>“Floating Rate Bonds”</b>                   | Bonds in respect of which interest is to be calculated and paid on a floating rate basis in accordance with a variable benchmark rate as prescribed in the Applicable Pricing Supplement.                                                                                                            |
| <b>“FMDQ”</b>                                  | FMDQ Securities Exchange Limited                                                                                                                                                                                                                                                                     |
| <b>“FMoF”</b>                                  | Federal Ministry of Finance                                                                                                                                                                                                                                                                          |
| <b>“GasCos”</b>                                | Gas Suppliers                                                                                                                                                                                                                                                                                        |
| <b>“GenCos” or “Generation Companies”</b>      | Power Generation Companies, duly licensed by the Nigerian Electricity Regulatory Commission                                                                                                                                                                                                          |
| <b>“Green Bond”</b>                            | Bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement, the proceeds                                                                                                                                                                               |

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | of which are to be applied towards projects or other uses with positive environmental impact                                                                                                                                                                                                                                                                                                                                 |
| <b>“Guarantor”</b>                           | Federal Government of Nigeria                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“High Net Worth Individuals” or “HNI”</b> | As defined in the SEC Rules                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Interest Period”</b>                     | Interest Period as defined in the Applicable Pricing Supplement                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Instrument”</b>                          | The registered instruments issued under the Programme including but not limited to Bonds, Sukuk or any other type of debt instruments or securities that will be issued by the Company from time to time in accordance with the terms of the Shelf Prospectus and any applicable Pricing Supplement, with the maximum aggregate Principal Amount not exceeding ₦4,000,000,000,000 (Four Trillion Naira)                      |
| <b>“Instrument Holder”</b>                   | Any registered owner or beneficial owner of Instruments or other debt securities to be issued under the Programme                                                                                                                                                                                                                                                                                                            |
| <b>“ISA”</b>                                 | Investments and Securities Act 2025                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Issue Date”</b>                          | The date for any particular Series of Instruments, or such other date as may be specified in the Applicable Pricing Supplement on which an Instrument is issued                                                                                                                                                                                                                                                              |
| <b>“Issue Documents”</b>                     | <p>The documents required to be executed and delivered in connection with the issue of the Instruments include:</p> <ul style="list-style-type: none"> <li>– the Programme Trust Deed</li> <li>– each Series Trust Deed</li> <li>– each Series Vending Agreement</li> <li>– this Shelf Prospectus</li> <li>– Pricing Supplement</li> <li>– Deed of Guarantee</li> <li>– In the case of Sukuk, the Sukuk Documents</li> </ul> |
| <b>“Issue Price”</b>                         | The price at which an Instrument is issued as specified in the Applicable Pricing Supplement                                                                                                                                                                                                                                                                                                                                 |
| <b>“Issuer” or the “Company”</b>             | NBET Finance Company Plc, a special purpose public limited liability company incorporated under the laws of Nigeria with registration number 8707452                                                                                                                                                                                                                                                                         |
| <b>“Issuing Houses”</b>                      | CardinalStone Partners Limited, the Joint Issuing Houses and any other issuing houses(s) that may be appointed by the Issuer                                                                                                                                                                                                                                                                                                 |
| <b>“Joint Financial Adviser”</b>             | Africa Finance Corporation                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Joint Issuing Houses/Book Runners”</b>   | Comercio Partners Capital Limited, Cordros Advisory Services Limited, Coronation Merchant Bank Limited, Emerging Africa Capital Advisory Limited, FSDH Capital Limited, Iron Global                                                                                                                                                                                                                                          |

|                                                                      |                                                                                                                                                                                                                                                                                                                                                           |
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|                                                                      | Markets Limited, Meristem Capital Limited, Renaissance Securities (Nigeria) Limited and United Capital Plc                                                                                                                                                                                                                                                |
| <b>“Joint Trustees” or “Trustees”</b>                                | Afrinvest Trustees Limited appointed in accordance with the Programme Trust Deed to enforce the terms and conditions of the Programme and such other Trustees that may be appointed from time to time by the Issuer                                                                                                                                       |
| <b>“Lead Issuing House/Book Runner”</b>                              | CardinalStone Partners Limited or any other Issuing House designated as such by the Issuer from time to time                                                                                                                                                                                                                                              |
| <b>“LFN”</b>                                                         | Laws of the Federation of Nigeria 2004                                                                                                                                                                                                                                                                                                                    |
| <b>“Maturity Date”</b>                                               | The date on which any principal amount, final instalment amount or final coupon or rental amount, as defined in the relevant Series Trust Deed or the Declaration of Trust, becomes due and payable.                                                                                                                                                      |
| <b>“Multi-Instrument Debt Issuance Programme” or the “Programme”</b> | The ₦4,000,000,000,000 (Four Trillion Naira) Multi-Instrument Issuance Programme being undertaken by the Issuer as described in this Shelf Prospectus, pursuant to which the Issuer may issue series and/or tranches of Instruments from time to time, provided however that the aggregate value does not exceed ₦4,000,000,000,000 (Four Trillion Naira) |
| <b>“Naira”, “NGN” or “₦”</b>                                         | The Nigerian Naira                                                                                                                                                                                                                                                                                                                                        |
| <b>“NBS”</b>                                                         | National Bureau of Statistics                                                                                                                                                                                                                                                                                                                             |
| <b>“NBET” or the “Sponsor” or “Sponsoring Agency”</b>                | Nigeria Bulk Electricity Trading Plc                                                                                                                                                                                                                                                                                                                      |
| <b>“NERC”</b>                                                        | Nigerian Electricity Regulatory Commission                                                                                                                                                                                                                                                                                                                |
| <b>“NGX”</b>                                                         | The Nigerian Exchange Limited, the securities exchange subsidiary of The Nigerian Exchange Group Plc                                                                                                                                                                                                                                                      |
| <b>“Nigeria”</b>                                                     | The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly                                                                                                                                                                                                                                                                   |
| <b>“OTC”</b>                                                         | Over the Counter                                                                                                                                                                                                                                                                                                                                          |
| <b>“Paying Agent”</b>                                                | Central Bank of Nigeria                                                                                                                                                                                                                                                                                                                                   |
| <b>“Payment Account”</b>                                             | In relation to a Series of Instruments, an account opened by the Issuer, in the name of, managed and controlled by the Trustee(s) and into which the Issuer shall make payments in accordance with the terms of that Series                                                                                                                               |
| <b>“PenCom”</b>                                                      | National Pension Commission                                                                                                                                                                                                                                                                                                                               |
| <b>“PFA”</b>                                                         | Pension Fund Administrator                                                                                                                                                                                                                                                                                                                                |
| <b>“PIT”</b>                                                         | Personal Income Tax                                                                                                                                                                                                                                                                                                                                       |

|                                               |                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“PITA”</b>                                 | Personal Income Tax Act Cap, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011), the Finance Acts and the Nigeria Tax Act, 2025                                                                                                                                                                   |
| <b>“Principal Amount”</b>                     | The nominal amount of each Instrument as specified in the Applicable Pricing Supplement                                                                                                                                                                                                                                            |
| <b>“Profit”</b>                               | Profit or rent due on the Sukuk issued under the Programme as may be specified in the applicable Final Terms                                                                                                                                                                                                                       |
| <b>“Programme Trust Deed”</b>                 | The Deed dated [.] 2026 constituting the Instrument between Issuer and the Trustees                                                                                                                                                                                                                                                |
| <b>“Qualified Investors”</b>                  | The Qualified Institutional Investors and High Networth Individuals                                                                                                                                                                                                                                                                |
| <b>“Qualified Institutional Investors”</b>    | Institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms              |
| <b>“Rating”</b>                               | Instruments issued under this Programme will adopt the rating of the Guarantor                                                                                                                                                                                                                                                     |
| <b>“Record Date”</b>                          | The date on which the list of Instrument Holders is extracted from the Register for the purpose of making Coupon or Distribution payments                                                                                                                                                                                          |
| <b>“Receiving Banks”</b>                      | Access Bank Plc and Wema Bank Plc and any other bank that may be appointed by the Issuer from time to time                                                                                                                                                                                                                         |
| <b>“Redemption Amount”</b>                    | The aggregate Principal Amount and any applicable distribution outstanding in respect of an Instrument on the Maturity Date as specified in the Applicable Pricing Supplement                                                                                                                                                      |
| <b>“Register”</b>                             | The Register of Instrument Holders kept at the specified office of the Registrar at Plot 9 Amodu Ojikutu Street, Victoria Island Lagos in which shall be entered the names, addresses of each Instrument Holder and the particulars, transfers and redemption of Instruments held by each Instrument Holder in a Series or Tranche |
| <b>“Registrar”</b>                            | Coronation Registrars Limited or any other person so appointed by the Issuer from time to time                                                                                                                                                                                                                                     |
| <b>“S4”</b>                                   | Scripless Securities Settlement System of the Central Bank of Nigeria                                                                                                                                                                                                                                                              |
| <b>“SEC Rules” or “Rules and Regulations”</b> | The Rules and Regulations of the Securities and Exchange Commission issued pursuant to the ISA as may be amended from time to time                                                                                                                                                                                                 |
| <b>“SEC” or the “Commission”</b>              | Securities & Exchange Commission                                                                                                                                                                                                                                                                                                   |

|                                           |                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Securities Broker”</b>                | Futureview Securities Limited                                                                                                                                                                                                                                                                                                                                           |
| <b>“Series”</b>                           | Series of Instruments together with any further Tranche or Tranches of Instruments which are: <ul style="list-style-type: none"> <li>– expressed to be consolidated and form a single series; and</li> <li>– are identical in all respects (including as to listing) except for their respective Issue Dates, Distribution Payment Dates and/or Issue Prices</li> </ul> |
| <b>“Series Trust Deed”</b>                | A Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, NBET Plc and the Trustee(s) with regards to a specific Series or Tranche and empowering the Trustee(s) to hold, administer and manage the applicable assets                                                                                                    |
| <b>“Share Trustee”</b>                    | Sankore Securities Limited                                                                                                                                                                                                                                                                                                                                              |
| <b>“Shelf Prospectus” or “Prospectus”</b> | This Prospectus that the Issuer has prepared in accordance with the ISA, which contains details of the Programme                                                                                                                                                                                                                                                        |
| <b>“CBN Sinking Fund”</b>                 | The account established with the CBN, pursuant to the Programme Trust Deed, to be administered by the DMO and NBET, into which payments from the FGN Contributions and other repayment sources may be deposited for the purpose of the repayment of the Principal Amount and Distribution under the Programme                                                           |
| <b>“Solicitors to the Issue”</b>          | Olaniwun Ajayi LP                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Solicitors to the Issuer”</b>         | ENR Advisory Limited                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Sukuk Document”</b>                   | All agreements and documents (including the Declaration of Trust) which are to be prepared or executed specifically in relation to the issuance of the Sukuk under the Programme                                                                                                                                                                                        |
| <b>“Sukuk Holder”</b>                     | a person in whose name a Certificate is registered in the relevant register maintained by the Registrar (and in the case of joint Certificate holders, the first named thereof), as holder of the Sukuk Certificates                                                                                                                                                    |
| <b>“Sukuk”</b>                            | Shariah compliant instruments issued by the Issuer or the Trustee (as applicable) from time to time, pursuant to the Programme Trust Deed and the applicable Series Trust Deed, which represent an undivided ownership interest in the Trust Assets, proportionate to the value of the Sukuk Holder's investment in the Trust Assets                                    |
| <b>“Tranche”</b>                          | Instruments which are identical in all respects                                                                                                                                                                                                                                                                                                                         |
| <b>“Transaction Documents”</b>            | The Shelf Prospectus, Pricing Supplement, Programme Trust Deed, the relevant Series Trust Deed and all related documents issued from time to time in respect of an Instrument issuance herein                                                                                                                                                                           |

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Trust Asset(s)”</b>         | Any and all property, real or personal, tangible or intangible with respect to (i) the Instruments or one or more of any Series thereof, the (ii) covenants and obligations of the Issuer to the Instrument holders Instrument Holders; (iii) rights to and associated with receiving payments of Coupon and repayment of Principal Amounts; (iv) all rights of Instrument holders under the Issue Documents and Applicable Laws, (v) rights to payments and other forms of obligations which at any time constitute all or part of or are included in the proceeds derived from any of the foregoing, and (vi) all present and future claims, demands, causes of action and choses in action in respect of any or all of the foregoing, and (vii) all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing |
| <b>“Trust Deeds”</b>            | The Programme Trust Deed and the Series Trust Deed(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Validity Period”</b>        | A period expiring three (3) years from the date of this Shelf Prospectus or such extended period, during which instruments may be issued under the Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“VAT”</b>                    | Value Added Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Vesting Contract”</b>       | The wholesale contract between NBET and Discos, under which NBET sells the electricity it buys from GenCos under Power Purchase Agreements (PPAs) to the Discos                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Zero Coupon Bond”</b>       | A Bond that does not pay periodic coupons, is issued at a discount to its face value and pays the full-face value upon maturity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Zero Coupon Instrument”</b> | An Instrument issued at a discount to its face value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## DECLARATION BY THE ISSUER



**NBET Finance Company Plc.**

**11 November 2025**

### DECLARATION BY THE ISSUER

The Shelf Prospectus has been prepared on our behalf with a view to providing information and disclosures on NBET Finance Company PLC ("the Issuer") to prospective investors in connection with the Programme and the investment in the securities to be issued thereon.

On behalf of the Board of Directors of the Issuer, we hereby make the following declarations to the best of our knowledge and belief:

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

Signed for and on behalf of  
**NBET Finance Company PLC**  
by its duly authorised representatives:

Titi Odunfa Adeoye  
Director

Femi Akinwale  
Director

No. 1 Nnewi Street, Area 2, Garki, Abuja, FCT.

## DECLARATION BY THE SPONSOR

|                                                                                   |                                                                                   |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|  |  |
| NIGERIAN BULK ELECTRICITY TRADING PLC                                             |                                                                                   |
| OFFICE OF THE MANAGING DIRECTOR                                                   | NB/002657                                                                         |

October 30, 2025

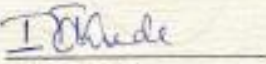
**DECLARATION BY THE SPONSOR**

The Shelf Prospectus has been prepared on our behalf with a view to providing information and disclosures on Nigerian Bulk Electricity Trading PLC (the "Sponsor") in connection with the Programme and the investment in the securities to be issued thereon.

On behalf of the Board of Directors of the Sponsor, we hereby make the following declarations:

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

Signed for and on behalf of  
The Nigerian Bulk Electricity Trading PLC  
by its duly authorised representatives:

|                                                                                     |                                                                                      |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|  |  |
| Johnson Arinminayo FCA, CFAN<br>Ag. Managing Director/ CEO                          | Itohan Ehiede<br>General Manager,<br>Guarantees & Risk Management                    |

2nd & 3rd Floors, NERC Headquarters, Plot No. 1387, Cadastral Zone A00, Central Business District, Abuja, FCT

☎ 07046662555 ✉ office@nbet.com.ng 🌐 www.nbet.com.ng

## **PRICING SUPPLEMENTS**

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Following the publication of this Shelf Prospectus, Applicable Pricing Supplement(s) shall be prepared by the Issuer, for each series of Instruments issued under the Programme.

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

The Issuer declares, to the best of its knowledge and honest belief, that no material facts have been omitted from nor is there any material misstatement in this Shelf Prospectus, which would make any statement contained herein misleading or untrue. In the event of any significant new matter, material mistake or inaccuracy relating to the information included in this Shelf Prospectus which is capable of affecting the assessment of the Instruments, the Issuer will prepare an addendum to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issuances of Instruments.

## PARTIES TO THE PROGRAMME

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### Representatives of the Guarantor

**Mr. Wale Edun**

Honourable Minister of Finance and Coordinating Minister of the Economy of Nigeria

**Ms. Patience Oniha**

Director-General of the Debt Management Office, Nigeria

**Mrs. Olu Verheijen**

Special Adviser to the President on Energy

### Representatives of the Sponsoring Agency

**Dr. Sulaiman Muhammad Argungu, OFR**  
Chairman of the Board

 27/01/26

**Mr. Johnson Akinawo, FCA**  
Ag. Managing Director/CEO

 27/01/26

### Representatives of the Issuer

**Mrs. Odunfa-Adeoye Titilope Temitayo**  
Director



**Mr. Akinwale Olufemi Folajimi**  
Director



Professional Parties to the Offer

**Lead Financial Adviser**

CardinalStone Partners Limited  
5, Okotie Eboh Street,  
Ikoyi, Lagos

Onyebachi Obyeni  


**Joint Financial Adviser**

Africa Finance Corporation  
3a Osborne Road,  
Ikoyi, Lagos

FOR FAGBULE  


**Lead Issuing House**

CardinalStone Partners Limited  
5, Okotie Eboh Street,  
Ikoyi, Lagos

**Joint Issuing Houses**

Comercio Partners Capital Limited  
1, Admiralty Way  
Lekki Phase 1  
Lagos, Nigeria

 SERVE US HERE

Cordros Advisory Services Limited  
21, 70, 110 Norman Williams Street  
Ikoyi, Lagos  
Nigeria

WALE AGIRYANWA  


Coronation Merchant Bank Limited  
10 Amodu Ojikutu Street  
Victoria Island, Lagos  
Nigeria

Paul Abegban  


Emerging Africa Capital Advisory Limited  
25A, Bourdillon Road  
Ikoyi, Lagos  
Nigeria

TONI SANMI  
F: FADEKEMI  
OLUGBEMI  


FSDH Capital Limited  
UAC House (4th Floor)  
1/5 Odunlami Street  
Lagos Island,  
Nigeria

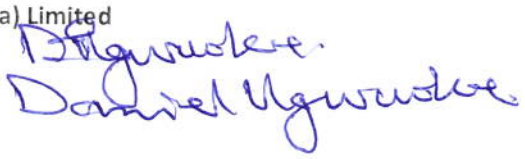
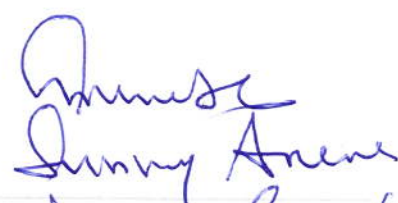
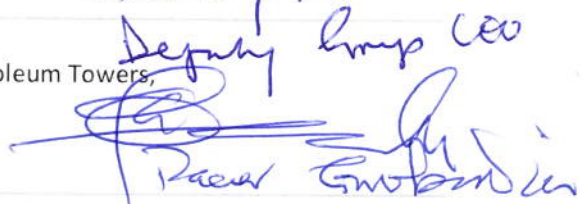
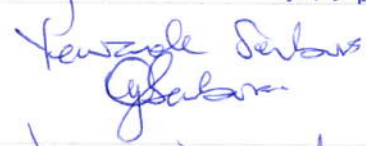
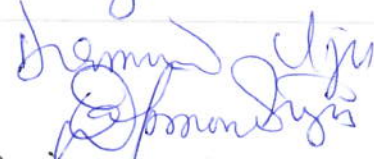
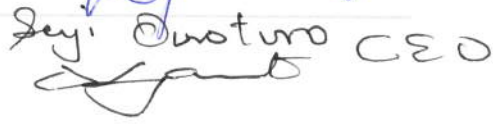
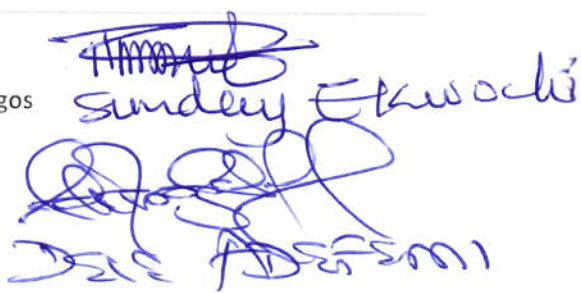
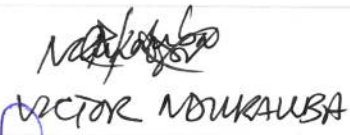
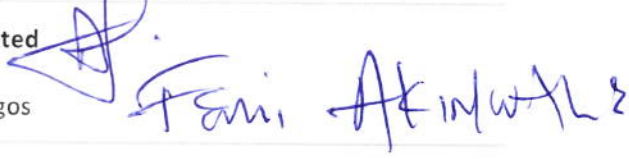
 Abimbola Kasi

Iron Global Markets Limited  
5C (1), Adekunle Lawal Street  
Ikoyi, Lagos  
Nigeria

Adedeji Adeboye  
A. Adedokun  


Meristem Capital Limited  
20A Gerrard Road  
Ikoyi 106104  
Lagos, Nigeria

  
SULAIMAN ADEDOKUN

|                         |                                                                                                                                                                                                            |                                                                                                          |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                         | <b>Renaissance Securities (Nigeria) Limited</b><br>The Wings Office Complex<br>6th Floor, Level 11, East Tower<br>The Wings Office Complex<br>17A Ozumba Mbadiwe Road<br>Victoria Island, Lagos<br>Nigeria | <br>Daniel Ugwuoke     |
|                         | <b>United Capital PLC</b><br>3rd and 4th Floor, Afriland Towers<br>97/105 Broad Street<br>Lagos, Nigeria                                                                                                   | <br>Sunny Anene        |
| Solicitor to the Issuer | <b>ENR Advisory Limited</b><br>3rd floor, South Atlantic Petroleum Towers,<br>1 Adeola Odeku Street,<br>Victoria Island, Lagos,<br>Nigeria                                                                 | <br>Deputy Group CEO   |
| Solicitor to the Issue  | <b>Olaniwun Ajayi LP</b><br>Plot L2, Adunola House,<br>401 Close, Banana Island<br>Ikoyi, Lagos, Nigeria                                                                                                   | <br>Kenneth Odeh       |
| Securities Broker       | <b>Futureview Securities Limited</b><br>22, Oju-Olobun Street,<br>Off Idejo Street, Victoria Island,<br>Lagos                                                                                              | <br>Oluwalaye         |
| Registrars              | <b>Coronation Registrars Limited</b><br>Plot 9 Amodu Ojikutu Street<br>Victoria Island, Lagos<br>Nigeria                                                                                                   | <br>Seyi Olaturo CEO |
| Receiving Banks         | <b>Access Bank PLC</b><br>14/15, Prince Alaba Abiodun<br>Oniru Road, Victoria Island, Lagos<br>Nigeria                                                                                                     | <br>Sunday Ekwochi   |
|                         | <b>Wema Bank PLC</b><br>Wema Towers, 54 Marina<br>Lagos Island, Lagos<br>Nigeria                                                                                                                           | <br>ADEEMI           |
| Bond Trustee            | <b>Afrinvest Trustees Limited</b><br>27 Gerrard Road<br>Ikoyi, Lagos, Nigeria                                                                                                                              | <br>VICTOR NDUKAUBA  |
| Share Trustee           | <b>Sankore Securities Limited</b><br>33B Cameron Road,<br>Ikoyi, Lagos 106104, Lagos                                                                                                                       | <br>Femi Akinwale    |

## THE PROGRAMME

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This Shelf Prospectus is being issued in compliance with the provisions of ISA and the listing requirements of the relevant Exchanges and contains particulars in compliance with the requirements of the ISA for the purpose of giving information to the public with regards to the Programme. In the event that any issue under the Programme is to be listed, an application will be made to NGX for the admission of such Instruments to NGX's Daily Official List or the FMDQ for admission to FMDQ's Daily Quotation List (or to any other SEC approved exchange, as determined by the Issuer).

The Issuer represents that it has taken all reasonable care to ensure that the information concerning the Issuer, the Sponsoring Agency and the Guarantor (collectively the "Parties") which is contained in this Shelf Prospectus is true and accurate in all material respects on the date of this Shelf Prospectus and that as of the date hereof there are no other material facts in relation to the Parties, the omission of which would make misleading any statement herein.

### LEAD ISSUING HOUSE AND BOOKRUNNER

**CardinalStone Partners Limited**



### JOINT ISSUING HOUSES/BOOKRUNNERS



### NBET FINANCE COMPANY PLC (RC 87074552)

(A Special Purpose Vehicle incorporated for the purpose of undertaking the capital raise to finance the settlement of legacy power sector debt to GenCos)

are authorised to distribute this Shelf Prospectus in respect of the

**₦4,000,000,000,000**

**(FOUR TRILLION NAIRA)**

### MULTI-INSTRUMENT ISSUANCE PROGRAMME

The Shelf Prospectus must be read in conjunction with the Applicable Pricing Supplement / Supplementary Prospectus to be issued by the Issuer from time to time within the Validity Period.

**This Shelf Prospectus contains:**

1. on page 13, the declaration by the Issuer to the effect that it did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and/or an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of this Shelf Prospectus;
2. on page 73, details of material claims and litigation commenced against the Issuer and Sponsoring Agency during the 12 calendar months immediately preceding the date of this Shelf Prospectus.

This Shelf Prospectus shall remain valid until the expiry of the Validity Period or to the extent that excerpts contained herein have a validity period, and the Shelf Prospectus may be updated on an ongoing basis by way of a Supplementary Shelf Prospectus. This Shelf Prospectus (and any amendments thereto) can be obtained from the offices of the Issuer (through the Sponsoring Agency), the Issuing Houses and is also available electronically on [www.nbet.com.ng](http://www.nbet.com.ng), and [www.dmo.gov.ng](http://www.dmo.gov.ng).

## OVERVIEW OF THE PROGRAMME

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This section provides summary information on aspects of the Programme and characteristics of the Instruments to be issued under the Programme. This summary is neither exhaustive, nor does it purport to be a complete or professional review of the investment opportunity regarding the purchase of the Instruments, which you may currently be considering. This summary should be read as an introduction to this Shelf Prospectus, as such, it should be read in conjunction with the remainder of the Shelf Prospectus, the Supplementary Prospectus and/or Applicable Pricing Supplement. Investors should read the entire Shelf Prospectus carefully, especially the risks involved in investing in the Debt Instruments which are discussed under the section titled “Risk Factors”.

### Background

In a bid to reduce the significant debt within the Nigerian power sector, the FGN under the administration of His Excellency, President Bola Ahmed Tinubu, GCFR, established the Presidential Power Sector Debt Reduction Committee (“PPSDRC or Committee”), and charged it with the responsibility of developing a comprehensive and fiscally responsible strategy aimed at settling the debt owed to Generation Companies (GenCos) by NBET (“Legacy Debt”), and to improve the efficiency and overall attractiveness of the power sector in Nigeria.

In line with the recommendation of the Committee, the Federal Executive Council (FEC), by a FEC Approval dated August 13, 2025, approved the establishment of a ₦4 trillion Power Sector Debt Reduction Programme (the “Debt Reduction Programme” or “Programme”) to be sponsored by NBET, to settle the Legacy Debt.

The Federal Government, through the Debt Reduction Programme, seeks to implement a structured, transparent and market-aligned debt resolution mechanism that will restore investor confidence, improve sector liquidity and support sustainable electricity generation capacity. The strategy is anchored on three pillars:

- Establishment of a ₦4 trillion Power Sector Debt Programme to settle verified unpaid invoices owed to the Generation Companies from February 2015 to March 2025;
- Execution of Settlement Agreements with agreed discounts on Legacy Debt owed to participating GenCos; and
- A centralized, coordinated approach to prevent future debt accumulation

### Purpose

The Power Sector Debt Programme is primarily intended to resolve the Legacy Debt owed to GenCos and thereby enable the GenCos settle the debts owed to GasCos, and other market participants in the Nigerian power sector. These unpaid obligations which stem from years of under-remitted payments by DisCos, inadequate tariffs and shortfalls in government subsidies have led to a crippling liquidity crisis, discouraging further investments and weakening the overall electricity supply chain.

By restructuring these debts (backed by the government and needed industry reforms), the objective is to clean up the balance sheets of key stakeholders, particularly GenCos and the Distribution Companies (DisCos), enhance industry liquidity and promote further investments in the sector. This will improve creditworthiness, enable better planning and operations, and unlock new capital for infrastructure upgrades, metering, and generation expansion.

### Use of Proceeds

The Issuer shall utilize the net proceeds of the issuance of the Instruments primarily to settle the outstanding Legacy Debt due from NBET to the GenCos for the period between February 2015 to March 2025.

## STRUCTURE OF THE PROGRAMME

The following diagram sets out the transaction structure underpinning the Debt Reduction Programme and the issuance of the Instruments under the Programme. This diagram is qualified in its entirety by reference to more detailed information appearing in each of the Transaction Documents and the Applicable Pricing Supplement.

### Structure of the Programme

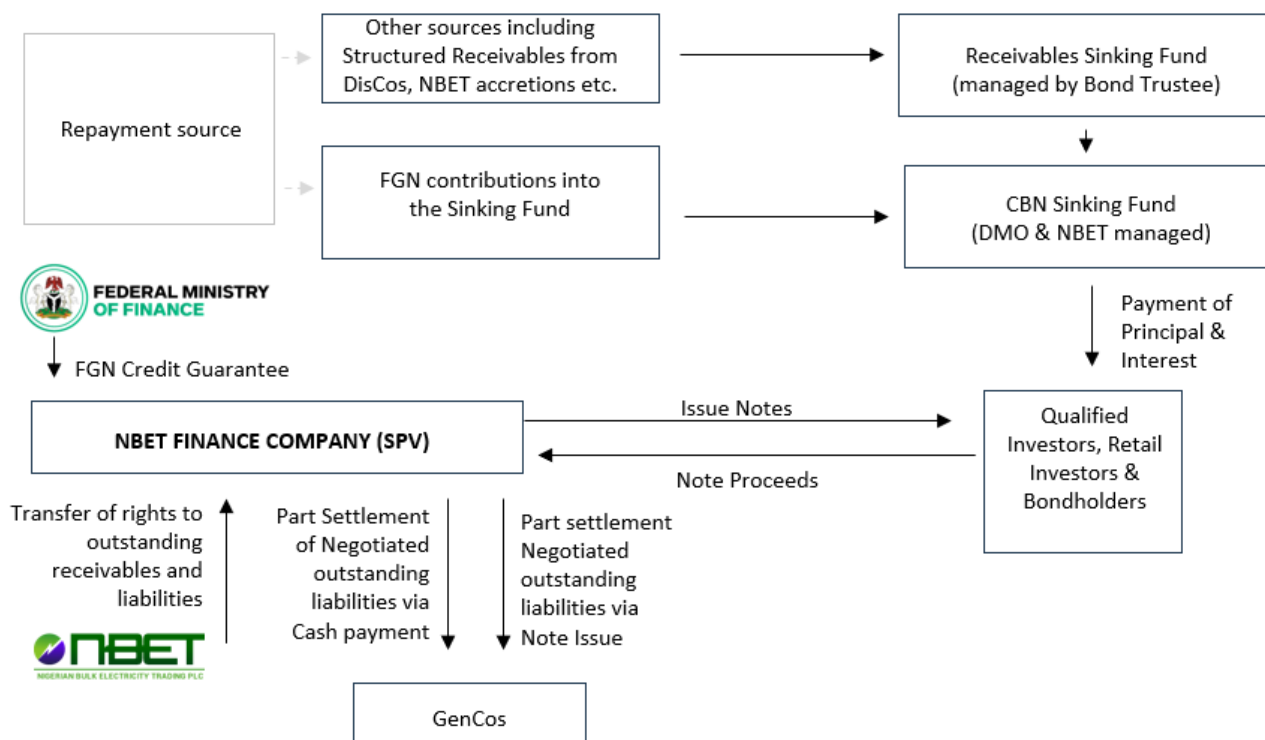


**Figure 1. The Structure of the Transaction**

### Transaction Structure Note

- Incorporation:** NBET Finance Company PLC is incorporated to facilitate issuance of Instruments under the Debt Reduction Program in line with the overall transaction design and statutory requirements for public issuances. The share capital of the Issuer is held in trust by Share Trustees for the beneficial interest of NBET.
- Assignment of Receivables & Novation of Liabilities:** Receivables due to NBET from the DisCos are assigned to the SPV. In return, the SPV assumes NBET's existing payment obligations to the GenCos through the novation of liabilities under the Power Purchase Agreements (PPAs). This arrangement allows creation of corresponding assets in the SPV from which it expects to generate future benefits that are applicable towards the settlement of debt obligations under the Programme.

Also, by transferring both NBET's obligations under the PPAs and the receivables from the Vesting Contracts to the SPV, this Transaction sets the ground for a sustainable solutions to the liquidity and efficiency issues within the broader power sector.

3. **Issuance of Instruments:** This multi-instrument issuance programme facilitates the issuance of Bonds, Sukuk and other applicable debt instruments suited to the overall objective of the Issuer.
4. **FGN Guarantee:** Instruments issued under this Programme are backed by the full faith and guarantee of the Federal Government of Nigeria. Documented in a Deed of Guarantee, the FGN agrees to irrevocably and unconditionally guarantee the Issuer's payment obligations to the Trustees, for the benefit of the Instrument Holders.
5. **Settlement of GenCos:** In line with the agreed terms of a substantive settlement agreement negotiated between NBET, the SPV and the respective GenCos, settlement of outstanding liabilities will be made to GenCos through a combination of cash payments and Instruments issued under the Programme. This settlement agreement forms the basis for the use of proceeds and ensures that the transaction is distinct from the general obligation bond of the Government.
6. **Repayment:** Payment to Instrument Holders will be made primarily through an established CBN sinking fund managed by the DMO and NBET and supplemented by a Receivables Sinking Fund Contribution managed by the Trustee. These Sinking Fund Accounts shall be funded from the following sources:
  - a. **FGN Contribution:** Monthly payments into the CBN Sinking Fund through the Federal Ministry of Finance, from FGN Contributions
  - b. **Other Sources:** Contributions into the Receivables Sinking Fund include receivables from the Discos and other power sector initiatives which will be managed by the Trustees

## DESCRIPTION OF THE ISSUER

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### Overview

The Issuer was incorporated as an SPV following the Resolution reached at the Federal Executive Council on Wednesday 13th August, 2025 to approve the phased implementation of a Presidential Power Sector Bond / Financial Reforms Programme and Related Matter.

The Issuer whose shares are held by an independent Share Trustee is a vehicle through which the government aim to resolve long-standing power sector debts and restore market liquidity as part of an overall strategy to restore efficiency and investors' confidence in the Power Sector.

### Ownership Structure

The Issuer was incorporated with a minimum issued share capital of ₦25,000,000,000 divided into 25,000,000,000 ordinary shares of ₦1 each with 24,999,999,000 (Twenty-Four Billion, Nine Hundred and Ninety-Nine Million, Nine Hundred and Ninety-Nine Thousand) units of ordinary shares held by Sankore Securities Limited RC: 165127 and 1 unit of ordinary share held by Olufemi Akinwale, held in trust for the beneficial interest of NBET.

### Profile of Director(s)

#### **Mrs. Titilope Temitayo Odunfa-Adeoye**

Titi Odunfa-Adeoye is the Founder and Group Chief Executive Officer of Sankore Investments, an investment firm providing strategy, products, and technology to individuals and institutions. With over two decades of experience in investment strategy and wealth management, she specializes in asset allocation and portfolio optimization, with a strong focus on alternative assets such as venture capital, real estate, and agriculture. Titi is an active venture and angel investor across sectors that impact wealth building in Africa. Prior to founding Sankore, she held roles at Goldman Sachs, KPMG Consulting, PricewaterhouseCoopers, and Zenith Capital. She holds an MBA from Harvard Business School, a BBA in Accounting (summa cum laude) from Howard University, and is a Certified Public Accountant.

#### **Mr. Olufemi Folajimi Akinwale**

Femi Akinwale is an investment and wealth management professional with over 15 years of experience in portfolio advisory, client relationship management, and trust administration. He currently serves as Senior Vice President for Client Engagement at Sankore, where he oversees high-net-worth portfolios, succession planning, and strategic product development. Olufemi has successfully managed corporate and individual trust portfolios with assets under management exceeding ₦25 billion and has led major partnerships, mergers, and business development initiatives worth over ₦50 billion. Prior to joining Sankore, he held key roles in business development and project management within the financial services and technology sectors, including CreditRegistry Plc and Flexmore Technologies (a subsidiary of Intercontinental Bank Plc). He holds a B.Sc. in Sociology from the University of Ibadan and is a SEC-registered Sponsored Individual. His expertise spans wealth advisory, investment strategy, and corporate governance

### Employees

The Issuer has no employees.

### Indebtedness

The Issuer has no indebtedness as at the date of this Shelf Prospectus other than that which the Issuer has incurred or shall incur in relation to the issuance contemplated herein.

### Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material adverse change or any

development reasonably likely to involve any material adverse change in the condition (financial or otherwise) of the Issuer.

*Financial Information*

Since the date of the incorporation, the Issuer has not undertaken any business or commenced operations. A statement of affairs of the Issuer and no financial statements have been compiled or published as at the date of this Shelf Prospectus.

*Claims and Litigation*

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

## DESCRIPTION OF THE SPONSOR

---

The Nigerian Bulk Electricity Trading Plc (NBET) with RC 903079 was incorporated on 29 July 2010 as a public limited liability company, wholly owned by the Federal Government of Nigeria with two institutional shareholders with the following stakes: The Bureau of Public Enterprise (BPE) has 80% stake and The Ministry of Finance Incorporated (MOFI) has 20% stake.

It was established pursuant to the provisions of the Electric Power Sector Reform Act (EPSRA) 2005, which unbundled the Power Holding Company of Nigeria (PHCN) and set in motion the privatization of the generation and distribution segments of the electricity industry and commenced operations on 23 August 2011.

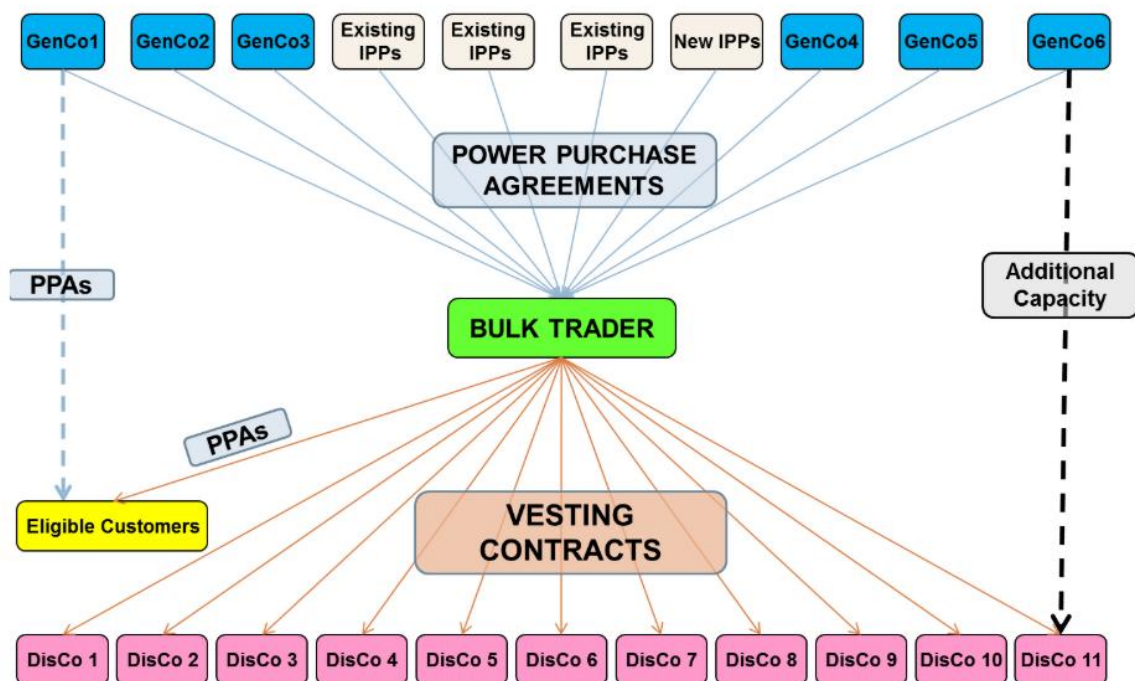
NBET was conceived as a transitional institution to support the development of Nigeria's electricity market. It was created to operate as a credible and financially robust counterparty that could enter into long-term Power Purchase Agreements (PPAs) with independent power producers (IPPs) and government-owned generation companies. By doing so, NBET offered confidence to investors and developers in a newly liberalized but still fragile market.

NBET began trading with commencement of the Transactional Electricity Market (TEM). NBET acts as an intermediary between the Power Generation Companies (GenCos) and Electricity Distribution Companies (DisCos) through PPAs and Vesting Contract. To this extent, NBET ensures that GenCos are paid through the prime source of revenue which is the payment receipts from the DisCos for energy sales under applicable Vesting Contracts.

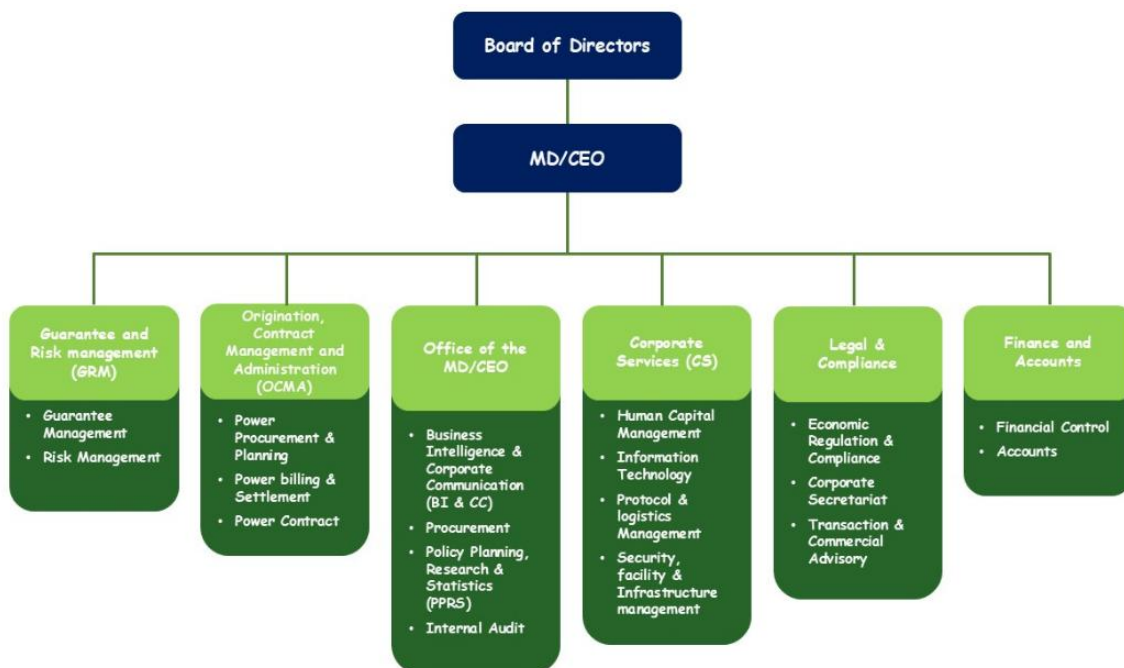
The objects of the company as set out in its Memorandum of Association are:

- To undertake the business of trading in the wholesale electricity market as bulk purchaser and bulk seller of electricity and ancillary services pursuant to the Electric Power Sector Reform Act 2005.
- To take over the contract management and obligations of the Federal Government of Nigeria under existing Power Purchase Agreements (PPAs).
- To assume active obligations in the gas sector pursuant to its designated role as the Federal Government of Nigeria's anchor for gas supply guarantees.
- To do all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them.

## The Business Operation Model



## The Organizational Structure



## **Profile of the Board of Directors**

NBET is governed by a Board of Directors that ensures strategic oversight and alignment with national energy policy. The Board includes:

### **Chairman – H.E Dr. Sulaiman Muhammad Argungu, OFR.**

In 2024, Dr. Argungu was appointed Chairman of the Board of Directors of the Nigerian Bulk Electricity Trading Plc (NBET). As Chairman, he provides strategic guidance to the board and management, ensuring NBET fulfills its mandate of stabilizing the Nigerian Electricity Supply Industry (NESI) by serving as a credible off-taker of electricity from generation companies and selling to distribution companies. His leadership reflects a commitment to transparency, accountability, and the implementation of reforms that will enhance investor confidence and drive sustainable growth in the power sector.

Since assuming office, Dr. Argungu has articulated his vision for NBET, emphasizing efficiency, sustainable innovation, and enhanced collaboration across the electricity value chain. His stewardship aligns with the Federal Government's "Renewed Hope" agenda, positioning NBET as a cornerstone for power sector transformation.

Dr. Argungu is a recipient of the Officer of the Order of the Federal Republic (OFR), one of Nigeria's esteemed national honours, awarded in recognition of his service and contributions to national development.

### **Ag. Managing Director/ CEO NBET – Johnson Akinawo, FCA, CFAN**

Mr. Akinawo is an APMG-Certified PPP Professional (2018) and has undertaken extensive strategic executive courses at Wharton Business School, University of Pennsylvania, Harvard Law School, University of Florida, London Business School, Aarhus University, Denmark and the Lagos Business School, Pan African University.

## SUMMARY OF THE PROGRAMME

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*The following information should be read in conjunction with the full text of this Shelf Prospectus. The information provided below is a summary of the key features of the proposed Instruments to be issued under the Programme and a description of the Issuer. This summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, the Supplementary Prospectus (as applicable), the Applicable Pricing Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.*

- |          |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b> | <b>Issuer</b>                | NBET Finance Company Plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>2</b> | <b>Sponsoring Agency</b>     | <p>Nigerian Bulk Electricity Trading Plc (“NBET”)</p> <p>NBET is a wholly owned subsidiary of the FGN, incorporated in 2010 to undertake the business of trading in the wholesale electricity market as bulk purchaser and bulk seller of electricity and ancillary services pursuant to the Electric Power Sector Reform Act 2005.</p> <p>As a central counter-party in the Nigerian electricity market, NBET is entitled to receivables from DisCos in relation to electricity resold to the relevant DisCos under Vesting Contracts with the DisCos.</p> <p>The receivables due to NBET from the DisCos will be assigned to the Issuer along with the novation of existing liabilities due to the GenCos as at March 2025. This arrangement which transfers NBET’s obligations (the “<b>Obligations</b>”) under the Power Purchasing Agreements (“<b>PPAs</b>”) and the receivables from the Vesting Contracts to the Issuer. This framework sets the groundwork for a sustainable solution to the liquidity and efficiency issues within the Nigerian power sector.</p> |
| <b>3</b> | <b>Guarantee</b>             | The Instruments under the Programme shall be guaranteed by the Federal Government of Nigeria and as such, have the full faith and credit of the FGN.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>4</b> | <b>Guarantor</b>             | Federal Government of Nigeria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>5</b> | <b>Programme Description</b> | <p>The ₦4,000,000,000,000 (Four Trillion Naira) Multi-Instrument Issuance Programme pursuant to which the Issuer may issue Series or Tranches of Instruments from time to time, up to a maximum aggregate outstanding Principal Amount of ₦4,000,000,000,000 (Four Trillion Naira).</p> <p>The Programme covers the issuance of callable Bonds, Senior or Subordinated and/or Unsecured Bonds, Fixed Rate Bonds, Floating Rate Bonds, Sukuks, Green Bonds, Fixed Rate Sukuk, Reverse Floating Bonds, Zero Coupon Bonds and any combinations thereof, with a minimum tenor of 1 year, all of which shall be denominated in Naira.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                        |

No Instrument shall be offered on the basis of this Shelf Prospectus or a Pricing Supplement after the expiration of the three (3) year Validity Period of the Shelf Prospectus, except where such period is otherwise extended. The Instruments shall be constituted by the Programme Trust Deed and the relevant Series Trust Deed(s) or Declaration of Trust (in respect of the Sukuk). The provisions of the Programme Trust Deed shall apply separately and independently to the Instruments, provided that any terms and conditions relevant to additional Instruments, if any, under the Programme shall be governed by the relevant Series Trust Deed(s) or Declaration of Trust, in the case of Sukuk. If issuing Sukuk, the Issuer may issue Sukuks directly or where the transaction exigency requires, Sukuk may be issued through special purpose vehicle(s), subject to obtaining requisite regulatory approvals.

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|-----------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>6</b>  | <b>Nature of Instruments</b>        | <p>The Instruments under the Programme shall constitute a combination of cash bonds, non-cash bonds, and sukuk.</p> <p>Other than the consideration for each of the Instruments (cash and non-cash), all the Instruments shall rank pari passu without any preference of one above another.</p>                                                                                                        |
| <b>7</b>  | <b>Cash Bonds</b>                   | These shall be Instruments issued under the Programme for cash to Retail Investors, Qualified Institutional Investors and High Net Worth Investors.                                                                                                                                                                                                                                                    |
| <b>8</b>  | <b>Non-Cash Bonds</b>               | These shall be Instruments issued under the Programme by the Issuer directly to GenCos to discharge the debt obligations owed to the GenCos (constituting the Legacy Debt) which were novated to the Issuer by NBET, in whole or part.                                                                                                                                                                 |
| <b>9</b>  | <b>Method of Issue</b>              | <p>Instruments under this Programme may be issued by way of a Book Build, Public Offer, Private Placement and/ or any other such methods or combination of methods as described in the relevant Pricing Supplement/Supplementary Prospectus issued for each Series or Tranche.</p> <p>Each series or tranche would be a combination of cash and non-cash bonds</p>                                     |
| <b>10</b> | <b>Type of Instruments</b>          | Instruments issued under the Programme may be interest bearing or non-interest bearing, as disclosed in the relevant Pricing Supplement / Supplementary Prospectus.                                                                                                                                                                                                                                    |
| <b>11</b> | <b>Interest Bearing Instruments</b> | The Issuer may issue interest bearing Instruments in the form of Conventional Bonds, Green Bonds, and any other type of interest-bearing Instruments, as disclosed in the relevant Pricing Supplement/Supplementary Prospectus. Interest may be at a Fixed or Floating Rate (and may vary during the lifetime of the relevant Series) as specified in the Pricing Supplement/Supplementary Prospectus. |

|           |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>12</b> | <b>Non-Interest-Bearing Instruments</b>                              | <p>The Issuer may issue non-interest-bearing Instruments in the form of Ijarah Sukuk, Murabahah Sukuk, Musharaka Sukuk, Mudharabah Sukuk or such other instruments as will be regarded as being in compliance with the principles of Shari'ah Law.</p> <p>The Issuer may also issue Zero Coupon Instruments at a discount to par value, which will not bear interest. Where Instruments are non-interest bearing, the Applicable Pricing Supplement/Supplementary Prospectus and the other Transaction Documents shall be compliant with all relevant requirements in relation to the issuance of non-interest bearing securities.</p>                                                                                                                                                                                                                                   |
| <b>13</b> | <b>Programme Size</b>                                                | <del>₦</del> 4,000,000,000,000 (Four Trillion Naira)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>14</b> | <b>Programme Tenor</b>                                               | Three years from the date of this Shelf Prospectus, unless otherwise extended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>15</b> | <b>Issuance in Series</b>                                            | Instruments may be issued in Series and each Series may comprise one (1) or more Tranches. The Instruments in each Series will be subject to identical terms except that the Issue Date and/or Maturity Date, the Issue Price, Profit or Coupon or Rental Commencement Dates (as applicable) may be different. Details applicable to each Series or Tranche will be specified in the relevant Pricing Supplement / Supplementary Prospectus. A Series may only be comprised of Instruments in registered form.                                                                                                                                                                                                                                                                                                                                                           |
| <b>16</b> | <b>Use of Proceeds</b>                                               | The Issuer shall utilize the net proceeds of the issue of the Instruments primarily for the settlement of outstanding Legacy Debt due to GenCos.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>17</b> | <b>Oversubscription &amp; Additional Allotment of Non-Cash Bonds</b> | <p>Oversubscription may be absorbed at the discretion of the Issuer.</p> <p>The Issuer reserves the right to increase the size of the Non-Cash Bonds to be issued to the Gencos under any Series or accommodate additional allotment of the Non-Cash Bonds to the GenCos as may be required.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>18</b> | <b>Status of the Instruments</b>                                     | <p>The Instruments are backed by the full faith and credit of the FGN and constitute direct, unconditional and unsecured indebtedness of the Issuer and will rank pari passu, without any preference among themselves, with all the present and future unsecured and unsubordinated indebtedness of the Issuer, save only for such indebtedness as may be preferred by mandatory provisions of Applicable Law; provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other indebtedness and, in particular, shall have no obligation to pay such other indebtedness at the same time or as a condition of paying sums due on the Bonds and vice versa</p> <p>The Instruments qualify as securities in which Trustees may invest under the Trustee Investments Act, 2004 (as may be</p> |

amended).

The Instruments under the Programme have been declared as allowable instruments for investment of PFA assets by PenCom with a waiver granted on the requirements for two credit ratings and a PenCom Compliance Certificate to invest.

The Instruments under the Programme have been granted Liquid Asset Status by the Central Bank of Nigeria and as such, the Instruments shall have the following features:

- the Instruments are eligible as collateral for financing or lending or repurchase (repo) transactions with the CBN;
- the Instruments are assigned zero risk weighting for the purpose of computing Capital Adequacy Ratios by Deposit Money Banks, Specialised Banks and Other Financial Institutions (collectively referred to as Banks and Other Financial Institutions); and
- the Instruments are discountable by Banks and Other Financial Institutions

**19 Issuing Houses/Book Runners**

CardinalStone Partners Limited, Comercio Partners Capital Limited, Cordros Advisory Services Limited, Coronation Merchant Bank Limited, Emerging Africa Capital Advisory Limited, FSDH Capital Limited, Iron Global Markets Limited, Meristem Capital Limited, Renaissance Securities (Nigeria) Limited and United Capital Plc and any other Issuing House(s) appointed from time to time either in relation to the Programme or for a specific Series issued under the Programme

**20 Limited Recourse**

Each Sukuk of a particular Series or Tranche will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Sukuk except to the extent that funds for that purpose are available from the relevant Trust Assets.

Sukuk Holders have no recourse to any assets of the Trustee (and/or its directors, officers or agents in their capacity as such) (other than the relevant Trust Assets) or the Delegate Trustees or any of their respective directors, officers, employees or agents in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished

**21 Trustees**

Afrinvest Trustees Limited or any other Trustee appointed by the Issuer

**22 Registrars**

Coronation Registrars Limited and/or such other registrars as may be specified in the Applicable Pricing Supplement

**23 Listing**

Instruments may be listed on a recognized securities exchange such as NGX, the FMDQ and/or any other relevant securities exchange as specified in the relevant Pricing Supplement/

|           |                                             |                                                                                                                                                                                                                                                                                                                                  |
|-----------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                                             | Supplementary Prospectus subject to the listing requirements of the relevant Exchange.                                                                                                                                                                                                                                           |
| <b>24</b> | <b>Trading &amp; Liquidity</b>              | Instruments may be traded on OTC or on any recognized trading platform between qualified market counterparties. All trading of Instruments by Holders will be subject to the rules of the relevant trading platform and CSD.                                                                                                     |
| <b>25</b> | <b>Maturity Date</b>                        | The Instruments may be issued with such maturities as indicated in the relevant Pricing Supplement/Supplementary Prospectus, subject to such minimum or maximum maturities as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency. |
| <b>26</b> | <b>Currency</b>                             | The Instruments shall be denominated in Nigerian Naira (₦)                                                                                                                                                                                                                                                                       |
| <b>27</b> | <b>Guarantor Rating</b>                     | The Instruments are not rated by any credit rating agency. However, the Instruments are a direct obligation of the Federal Government of Nigeria, and it reflects its credit rating.                                                                                                                                             |
| <b>28</b> | <b>Issue Price</b>                          | The Instruments may be issued at their Principal Amount or at a premium or discount to their Principal Amount, as specified in the Applicable Pricing Supplement                                                                                                                                                                 |
| <b>29</b> | <b>Denomination</b>                         | The Instruments will be issued in such denominations as may be agreed between the Issuer and the Issuing Houses and as specified in the Applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements                                                                               |
| <b>30</b> | <b>Distribution</b>                         | Holders are entitled to receive periodic distribution amounts representing the income due (Coupon, profit, rental or return rate, as applicable) on the outstanding amount of the Instrument as specified in the Applicable Pricing Supplement/Supplementary Prospectus.                                                         |
| <b>31</b> | <b>Frequency</b>                            | The frequency of Distribution or any other monies due on the Instruments shall be specified in the relevant Pricing Supplement/Supplementary Prospectus for the Instruments being issued.                                                                                                                                        |
| <b>32</b> | <b>Day Count Convention:</b>                | As stipulated in the Applicable Pricing Supplement/Supplementary Prospectus                                                                                                                                                                                                                                                      |
| <b>33</b> | <b>Events of Default</b>                    | The events of default under this Programme are as specified in the Series Trust Deeds (or Deed of Declaration of Trust).                                                                                                                                                                                                         |
| <b>34</b> | <b>Form of Instruments /Transferability</b> | The Instruments shall be issued in registered form and shall be transferable. Unless otherwise specified in the final terms of any Series, the Instruments shall be issued in uncertificated (dematerialized or book entry) form, which shall be registered with a separate securities identification code with the CSD          |

The issue and ownership of the Instruments will be effected and evidenced by the particulars of the Instruments being entered in the Register by the Registrar and the instruments being

|           |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                                                            | electronically registered in the CSD accounts of the Instrument Holders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>35</b> | <b>CSD</b>                                                 | CSCS or FMDQ Depository Limited or any central securities depository as may be specified in the applicable Pricing Supplement/Supplementary Prospectus. The Instruments will only be credited to the designated CSD accounts of the Holder(s). Any Holder who does not have a valid CSD account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CSD account number from the stockbroker.                                                                                                                                      |
| <b>36</b> | <b>Tenor</b>                                               | The Instruments will have such maturities as may be agreed between the Issuer and the Issuing Houses, subject to such minimum or maximum maturities as may be allowed or required from time to time by any laws or regulations applicable to the Issuer. The tenor of a particular series of Instruments shall be specified accordingly in the Applicable Pricing Supplement                                                                                                                                                                                          |
| <b>37</b> | <b>Interest and Principal Payment</b>                      | The Issuer shall pay interest and principal on each Series to unit holders on the dates stated in the Applicable Pricing Supplement.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>38</b> | <b>Principal Redemption</b>                                | Instruments may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement/Supplementary Prospectus. Each Series will be redeemed on the date(s) specified in the Applicable Pricing Supplement                                                                                                                                                                                                                                                                              |
| <b>39</b> | <b>Early Redemption</b>                                    | Early redemption will be permitted only to the extent specified in the Applicable Pricing Supplement and then only subject to any applicable legal or regulatory limitations                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>40</b> | <b>Redemption Amounts</b>                                  | The Applicable Pricing Supplement will specify the redemption amount or, if applicable the basis for calculating the redemption amounts payable                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>41</b> | <b>Taxation</b>                                            | See “ <i>Tax Considerations</i> ” on pages 36 and 37 of this Shelf Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>42</b> | <b>Pricing Supplement / Supplementary Shelf Prospectus</b> | The commercial terms of each issue of Instruments will be set forth in the Applicable Pricing Supplement/Supplementary Prospectus which will (i) define the legal terms of the issuance, (ii) act as a mechanism for listing the Instruments, and (iii) set out any other terms which may be applicable to the issue of Instruments. Where there is any inconsistency between the terms of an Applicable Pricing Supplement/Supplementary Prospectus and this Shelf Prospectus, the terms of the Applicable Pricing Supplement/Supplementary Prospectus will prevail. |
| <b>43</b> | <b>Governing Law</b>                                       | The Programme and the transactions contemplated thereunder including all Transaction Documents will be governed by the Laws of the Federal Republic of Nigeria.                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>44</b> | <b>Terms and Conditions</b>                                | The terms and conditions applicable to each Series (the “ <b>Terms and Conditions</b> ”) will be specified in the relevant Series Trust Deed (Declaration of Trust, where a Sukuk issuance), applicable Pricing Supplement / Supplementary Prospectus. The Terms and                                                                                                                                                                                                                                                                                                  |

Conditions applicable to the Programme will therefore be those set out on pages 65 and 66 hereof as supplemented, modified or replaced by the Applicable Pricing Supplement/ Supplementary Prospectus.

**45 Transaction Documents**

- Shelf Prospectus
- Programme Trust Deed
- Applicable Pricing Supplement
- Series Trust Deed
- Series Vending Agreement
- Deed of Guarantee
- Custody Agreement (where applicable); and

any other agreement executed in connection with any Series or Tranche of Instruments issued pursuant to this Shelf Prospectus.

In relation to the Sukuk, subject to the Final Terms, there may be additional documents such as a Lease Agreement, Agency Agreement, Murabaha Agreement, Declaration of Trust (together with all documents, notices of request to purchase, offer notices, acceptances, notices, and confirmations delivered or entered into as contemplated in connection with the relevant Series).

**46 Other Terms and Conditions**

Terms applicable to each Series as specified in the Pricing Supplement other than those specifically contemplated under this Shelf Prospectus, subject to compliance with all relevant applicable laws and regulations.

## TAX CONSIDERATIONS

*Please note that this information about the tax-exempt status of bonds and income accruing there from is meant to serve only as a guide and should not be considered as or deemed to be tax advice which can be acted upon by an investor. Investors are advised to seek specific tax advice regarding investment in the Bonds from their professional tax advisers. Any prospective investor who is in any doubt as to his/her tax position should consult his/her own professional advisers as to the consequences of an investment in the Instruments issued under the Programme in view of his/her peculiar circumstances. The Issuer, Issuing Houses or Issuer's tax advisers shall not be liable to any prospective investor in any manner for placing reliance upon the contents of this section.*

By virtue of the provisions of the CITA, income accruing in, derived from, brought into, or received in Nigeria that is not subject to tax under the Capital Gains Tax Act, Petroleum Profits Tax Act and Personal Income Tax Act, in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Where an interest becomes due from the issuer to a bondholder, the issuer is required at the date when payment is made or credited, whichever occurs first, to deduct 10% withholding tax and remit the amount deducted to the appropriate tax authorities. If the bondholder is a person who is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly), the 10% withholding tax rate in the domestic tax laws would apply, except where the 10% rate exceeds the maximum rate stated in the relevant treaty. In that instance, the maximum rate specified in the relevant treaty would apply. For a non-resident bondholder and persons subject to income tax under the PITA such as individual bondholders, the withholding tax when paid over to the appropriate tax authorities, shall be the final tax due on the interest payment.

However, the above provisions are subject to certain exceptions. Interest payments on bonds issued by the FGN qualify for the exemptions granted under the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the **CIT Order**), and the Personal Income Tax Act, (as amended by the Personal Income Tax (Amendment) Act 2011, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023) (**PITA**). While several exemptions under the CIT Order were time bound and expired after 10 years, the exemption applicable to bonds issued by the FGN was not subject to the sunset provision and remains in force. Similarly, the exemption under the PITA, which applies to individual bondholders, is not time limited. Consequently, interest payable on FGN bonds is exempt from income tax (including withholding tax) in the hands of individual investors.

The Programme is sponsored by a wholly owned FGN entity, with no private participation. Additionally, the bonds shall be repaid from FGN contributions remitted into the CBN Sinking Fund established under the Programme. The Programme is also backed by an FGN guarantee, pledging the full faith and credit of the Federal Government for the repayment of both principal and interest. By a letter dated 12th December 2025 with Ref. No. FMF/OHMF/FIRS/PSDRP/02 (the **Exemption Confirmation Letter**), the Federal Ministry of Finance, classified the Instruments issued under the Programme as Federal Government securities, for the purpose of benefitting from the CIT Order and stated that any income derived from the Instruments will be exempt from all taxes. This treatment reflects the Government's current administrative approach and remains subject to judicial interpretation and changes in applicable law or administrative practice, which may result in such income becoming taxable as it relates to corporate investors.

In relation to Sukuk, the Non-Interest Finance (Taxation) Regulations, 2022 (NIFT Regulations) provide that sukuk represents a non-interest variant of a debt instrument and therefore for the purposes of taxation shall be treated in the same manner as a conventional bond under the applicable tax law. Accordingly, Sukuk issued to individual investors under the Programme should benefit from the existing exemptions available to the Bonds under the Programme. Corporate investors are also expected to benefit from the Exemption Confirmation Letter which extends the CIT Order to the Instruments issued under the Programme. As described above, this treatment is subject to judicial interpretation and changes in applicable law or administrative practice.

In relation to VAT, the Value Added Tax Act provides that securities are not “goods” for VAT purposes. Accordingly, transactions involving the Bonds do not constitute supplies of goods or services and are therefore not subject to VAT. As it pertains to CGT, the Capital Gains Tax Act exempts from chargeable gains any gains accruing to a person upon the disposal of Nigerian government securities, stocks, or shares. Bondholders are expected to benefit from the tax treatment set out in the Exemption Confirmation Letter which classifies the Instruments issued under the Programme as government securities and exempt from CGT any chargeable gains derived by a Bondholder on the disposal of the Bonds. As described above, this treatment is subject to judicial interpretation and changes in applicable law or administrative practice.

On 26 June 2025, the President signed into law, four tax bills aimed at establishing a unified fiscal and legislative framework for taxation in Nigeria. These Acts comprise of the Nigeria Tax Act (**NTA**), the Nigeria Tax Administration Act (**NTAA**), the Nigeria Revenue Service (Establishment) Act, and the Joint Revenue Board (Establishment) Act (together the **Tax Reform Acts**). The Tax Reform Acts take effect from 01 January 2026 (**Effective Date**).

The NTA preserves the exemptions conferred on FGN issuances by the CITA Order and PITA, and exempts money and securities from VAT. In addition, the Exemption Confirmation Letter classifies the Instruments issued under the Programme as an FGN issuance. Accordingly, any income or gains derived by the Bondholders in respect of the Instruments after the Effective Date, will not be subject to any tax. As stated above, this treatment is subject to judicial interpretation and changes in applicable law or administrative practice.

*Except as otherwise indicated, this summary only addresses Nigerian tax legislation as in effect and in force at the date of this Shelf Prospectus, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. This summary does not constitute advice on tax to any actual or prospective investor in the Instruments issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attached to a subscription or purchase of the Instruments under the Programme. The Issuer may engage with the Federal Inland Revenue Service to obtain confirmation of the tax-exempt status of the Instruments under the Programme. Any actual or prospective purchaser or subscriber of the Instruments issued under the Programme who intends to ascertain his/her/its tax position should seek independent professional advice from his/her/its preferred tax professional advisers as to the tax consequences arising from subscribing to or purchasing the Instruments bearing in mind his/her/its peculiarities.*

*The Issuer, Sponsor and the Issuer’s Professional Advisers shall not be liable to any actual or prospective investor in the Instruments issued under this Programme in any manner for placing reliance on the contents of this section.*

## RISK FACTORS

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*Prospective investors should consider the following risk factors, alongside the detailed information set out in other parts of this Shelf Prospectus prior to making any investment decision. The Issuer believes that the factors described below represent some of the key risks inherent in investing in Instruments issued under the Programme. However, the inability of the Issuer to pay principal, interest, or other amounts on or in connection with any Instrument may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding Instruments issued under the Programme comprise an exhaustive list of the risks inherent in investing in such Instruments. All prospective investors should seek independent advice from their financial advisors ahead of investing in the Instruments issued under this Programme.*

### **Risk Factors of investing in Nigeria**

**Economic Risk** - Emerging markets like Nigeria, often exhibit higher levels of economic volatility compared to developed economies. The Nigerian economy is largely dependent on crude oil production which has, in the past, been affected by incessant security crisis and political disturbances in the Niger Delta region. Up until recently, activities in this region have been volatile affecting the entire spectrum of the oil and gas industry.

Factors such as fluctuations in commodity prices (especially oil in Nigeria's case), currency depreciation, and inflationary pressures can significantly impact economic stability. For instance, Nigeria's reliance on oil exports makes its economy vulnerable to global oil price fluctuations, which can affect government revenues and fiscal policies. These markets experience structural inefficiencies and challenges in infrastructure, which can hinder economic growth and investment returns. In Nigeria, challenges such as inadequate transport networks, unreliable power supply, insecurity, and other bottlenecks escalate business operating costs and dampen investor confidence.

**Political Risk** – Nigeria's political, economic, and social climate has been characterized by political, social, and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in the country.

In recent years, Nigeria has experienced considerable unrest, terrorism, and political and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly in the northern region, which has a predominantly Muslim population, and the southern region, which has a predominantly Christian population. These regional affiliations have in the past contributed to, and may continue to contribute to, political and religious tension, which can also lead to social unrest. Insurgent activities in the north-east region of the country have also resulted in social and economic damage. Despite the recent successes in combating insurgent groups, the risk of insurgents regrouping remains.

**Social Risk** - Investing in Nigeria presents numerous opportunities, but it also comes with social risks that can impact businesses and investors. One of the foremost concerns is social unrest, driven by various factors such as economic disparities, high unemployment rates, and dissatisfaction with government services. These issues often manifest in protests, strikes, and civil unrest, which can potentially disrupt business operations and investor confidence.

Economic disparities in Nigeria are stark, with a significant wealth gap between different segments of the population. The concentration of wealth in the hands of a few exacerbates social tensions, contributing to feelings of marginalization and inequality among the populace. This disparity not only fuels discontent but also increases the likelihood of social unrest as marginalized groups seek to voice their grievances and demand change.

## **Risk Factors relating to the Instruments**

**Industry Risk** - Despite recent moves towards cost-reflective tariffs, electricity tariffs in Nigeria still do not fully reflect the true cost of supply, especially for customers in lower service bands and those covered by political or social subsidies. The major issues are under-recovery of costs by Discos, high reliance on estimated billing especially for unmetered customers which often results in disputes and non-payment, the inability of DisCos to collect full revenues leads to partial remittance to NBET which in turn spirals into an industry-wide liquidity issue as GenCos and GasCos are not able to receive full payment.

## **Risks Relating to the Issuer**

**No Business Operations or Significant Assets** - The Issuer is a special purpose vehicle with no business other than issuing the Instruments for the settlement of liabilities to the GenCos. The Issuer has no assets other than the assigned receivables of the Sponsoring Agency. The Issuer has the obligation under the Programme Trust Deed to pay such amounts of principal and interest and additional amounts (if any) as are due in respect of the Instruments.

## **Risk Relating to Sukuk Issued Under the Programme**

The Risk peculiar to the Sukuk will also be impacted by the structure of the Sukuk. Additional risk factors may be provided in the relevant Pricing Supplement.

**The Certificates are limited recourse obligations of the Trustee** - The Certificates are not debt obligations of the Trustee, instead, each Certificate represents an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Trustee is limited to the Trust Assets of the relevant Series or Tranche and the proceeds of the Trust Assets of the relevant Series or Tranche are the sole source of payments on the Certificates of that Series. Upon the occurrence of a Dissolution Event, the sole rights of the Trustee and/or the Delegate Trustee (acting on behalf of the Certificate holders of the relevant Series or Tranche of Certificates) will be against the Issuer to perform its obligations under the Transaction Documents. Certificate holders will have no recourse to any assets of the Trustee (other than the Trust Assets), the Delegate Trustee, or (to the extent that it fulfils all of its obligations under the Transaction Documents) the Issuer in respect of any shortfall in the expected amounts due on the Certificates. Certificate holders will also not be able to petition for, institute or join any other person in, instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Delegate Trustee, the Issuer or any of their respective directors, officers, employees, or agents as a consequence of any shortfall or otherwise.

The Issuer will be obliged to make certain payments under the Transaction Documents directly to the Delegate Trustee or the Trustee, and the Delegate Trustee will have direct recourse against the Issuer to recover such payments due under the Transaction Documents. After enforcing or realising the rights in respect of the Trust Assets in respect of a Series or Tranche of Certificates and distributing the net proceeds of such Trust Assets in accordance with the relevant Transaction Documents, the obligations of the Delegate Trustee in respect of that Series or Tranche of Certificates shall be satisfied, neither the Delegate Trustee nor any Certificate holder may take any further steps against the Trustee or the Issuer to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Delegate Trustee or any Certificate holder have any right to cause the sale or other disposition of any of the Trust Assets other than as contemplated in the Transaction Documents. The sole right against the Issuer shall be to enforce its obligation under the Transaction Documents.

**Shari'ah non-compliance risk in the case of a Sukuk issuance** - While the Sukuk is to remain Shari'ah complaint at all times until maturity, there are however different views in Islamic commercial

jurisprudence which could mean that the Sukuk may be considered Shari'ah compliant to some and not others. The Sukuk will be structured by Shariah advisers with expertise in Islamic finance, under the guidance of their Shari'ah board in conformity with regulatory guidelines.

The structure adopted for the Sukuk will be in compliance with international standards prescribed by bodies such as the Council of the Islamic Fiqh Academy of the Organization of Islamic Conference (OIC), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Islamic Financial Services Board (IFSB) and the Institute of Islamic Liquidity Management (IILM).

None of the Issuer, the Trustee, the Issuing Houses, other professional advisers on the transaction, or the Delegate Trustee makes any representation as to the Shari'ah compliance of any Series or Tranche and potential investors are reminded that, as with any Shari'a views, differences in opinion are possible. Potential investors should obtain their own independent Shari'ah advice as to whether the Transaction Documents and any issue of Certificates will meet their individual standards of compliance and should also make their own determination as to the future tradability of the Certificates on any secondary market. Questions as to the Shari'ah permissibility of the Transaction Documents or the tradability of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

**Changes in regulations may affect the Sukuk** - Sukuk are governed by the laws of the Federal Republic of Nigeria and applicable Islamic law of commercial transactions and are issued based on the existing legal framework as at the date of this Shelf Prospectus. The Company has, to the extent necessary, obtained regulatory clarification from relevant fiscal and monetary authorities as regards the status of the Sukuk. However, there are no precedents on how the laws would be applied by the courts.

It is equally possible that there would be future changes in Nigerian law, administrative practices, or judicial decisions; the impact of which may not be quantifiable or predetermined at present. Nevertheless, Nigerian securities laws have been stable in the last decade and a material change that may affect the Sukuk appears unlikely.

**Rental Rate Risk** - Although the Sukuk typically has a fixed rental rate, changes in conventional interest rates may adversely affect the price of the Sukuk on the relevant exchanges. In a high-interest rate environment, investors seeking a yield higher than the fixed rate on the Sukuk will offer a lower price on the relevant stock or securities exchange. Consequently, the yield on the Sukuk may fall below the rate unless the Sukuk is held until maturity.

**A secondary market may not develop or be maintained for the Certificates** - The Certificates of any Series or Tranche may have no established trading market when issued, and one may never develop. If a market for the Certificates does develop, it may not be very liquid. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### **Risk Relating to Green Bonds Issued Under the Programme**

**Green Evaluation risk in the case of a Green Bond issuance** - The proceeds from the issuance of a Green Bond would be exclusively applied to finance or refinance in part or in full new and/or existing projects that align with the requirements of the SEC Rules and Green Bond Principles specified by the NGX. However, investors' expectations regarding investing in a Green Bond may differ from the stated use of proceeds. The Company will in accordance with the requirements of the SEC, appoint an independent party to conduct a green evaluation and provide an opinion on the environmental benefit generated by the issuance in line with green market standards. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Green Bonds. Any such opinion or certification is only current as at the date that opinion is issued. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or

otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Green Bonds will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Green Bonds.

If the Green Bonds are at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

Each prospective investor in the Green Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its investment in the Green Bonds is fully consistent with its financial needs, objectives, and condition, complies and is fully consistent with all investment policies, guidelines, and restrictions applicable to it and is a fit, proper, and suitable investment for it.

**Difficulty in benchmarking the Green Bonds** - The limited issuance of Green Bonds by the Federal Government and other corporate entities in Nigeria may result in the Green Bonds not being properly priced in the market. As of the date of this Shelf Prospectus, the only Green Bonds in the market are those issued by the Federal Government, Access Bank Plc and NSP-SPV Power Corp PLC (a subsidiary of North South Power Company Limited). This restricts the assessment of the Green Bonds on a peer performance basis, which may be factored into pricing and affect the value of the Green Bonds.

**There is the risk that verification/certification of bonds as a Green Bond may be withdrawn** - Green Bonds are required under the SEC Rules to be certified in order to be admitted for listing or trading on any stock or securities exchange. In the event that the certification or verification is withdrawn or suspended subsequent to the issuance of the Green Bonds, this will have a material adverse effect on the value of the Green Bonds and/or adverse consequences for investors.

## OVERVIEW OF THE GUARANTOR

*The information included in this section has been sourced and extracted from publicly available records including websites of international organizations as well as regional and governmental agencies believed to be reliable but is not guaranteed to be accurate and complete. The Issuer has relied on the accuracy of this information without independent verification and makes no representation as to its accuracy*

### 1.1. Overview of the Guarantor

#### 1.1.1. Country Overview

The Federal Republic of Nigeria is the most populous country in Africa, with an estimated population of approximately 235 million as of 2024. Strategically located in West Africa, Nigeria spans an area of 923,768 sqkm<sup>2</sup> and shares borders with the Republic of Niger to the north, Chad to the northeast, Cameroon to the east, and Benin to the west. The country's southern border lies along the Atlantic Ocean.

Nigeria is a federal republic comprising 36 states and the Federal Capital Territory, with Abuja serving as the political and administrative capital. Lagos, the largest city, functions as the nation's primary commercial and financial center. English is the official language and is widely used in government, education, and commerce, serving as a unifying medium among the country's more than 250 ethnic groups and nearly 500 indigenous languages.

According to the International Monetary Fund (IMF), Nigeria's nominal Gross Domestic Product (GDP) is estimated at US\$188.27 billion as at April 2025, positioning it as the fourth-largest economy in Africa. The Nigerian economy is characterized by a gradually diversifying structure, with the services sector contributing approximately 50% of GDP, followed by industry (29.7%) and agriculture (20.3%). This evolving sectoral composition reflects the government's ongoing efforts to reduce the economy's historical dependence on crude oil revenues.

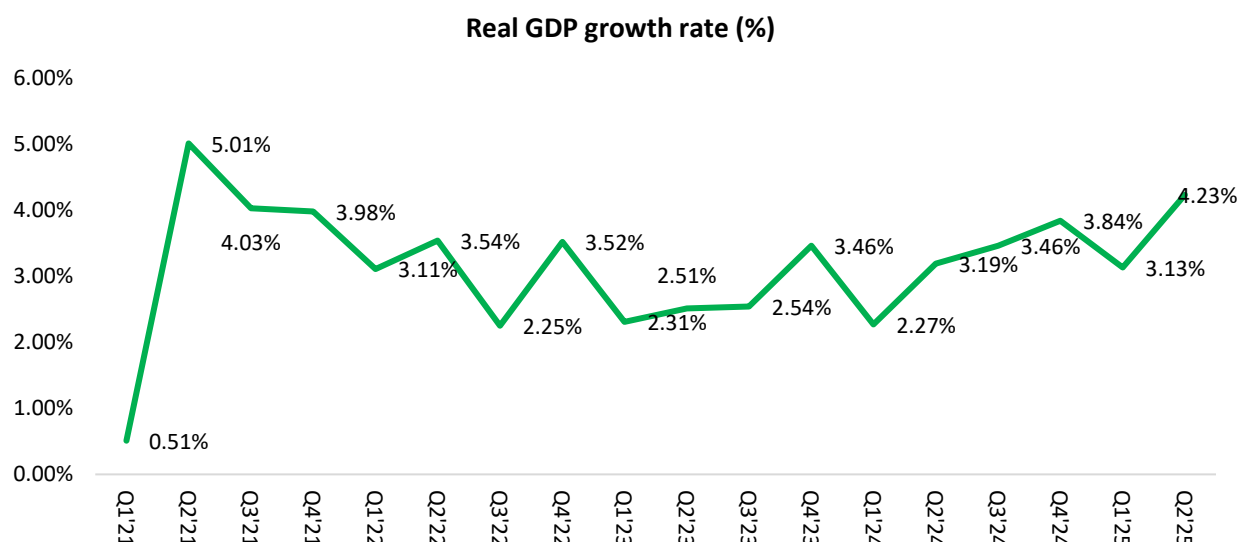
Despite the declining share of oil in national output which is currently around 6% of GDP, Nigeria remains Africa's largest crude oil producer. The petroleum sector continues to represent a significant share of export earnings (over 70%) and government revenues (more than 50%). Crude oil exports also serve as a vital source of foreign exchange, supporting imports of essential goods and industrial inputs.

#### 1.1.2. Economic Overview

##### Gross Domestic Product (GDP)

According to the NBS, Nigeria's GDP expanded by 4.23% year-on-year (YoY) in Q2- 2025, this growth rate is higher than the 3.48% recorded in Q2-2024. In Q2-2025, aggregate GDP stood at N100.73 trillion in nominal terms. This performance is higher when compared to the second quarter of 2024 which recorded aggregate GDP of N84.48 trillion, indicating a year-on-year nominal growth of 19.23%.

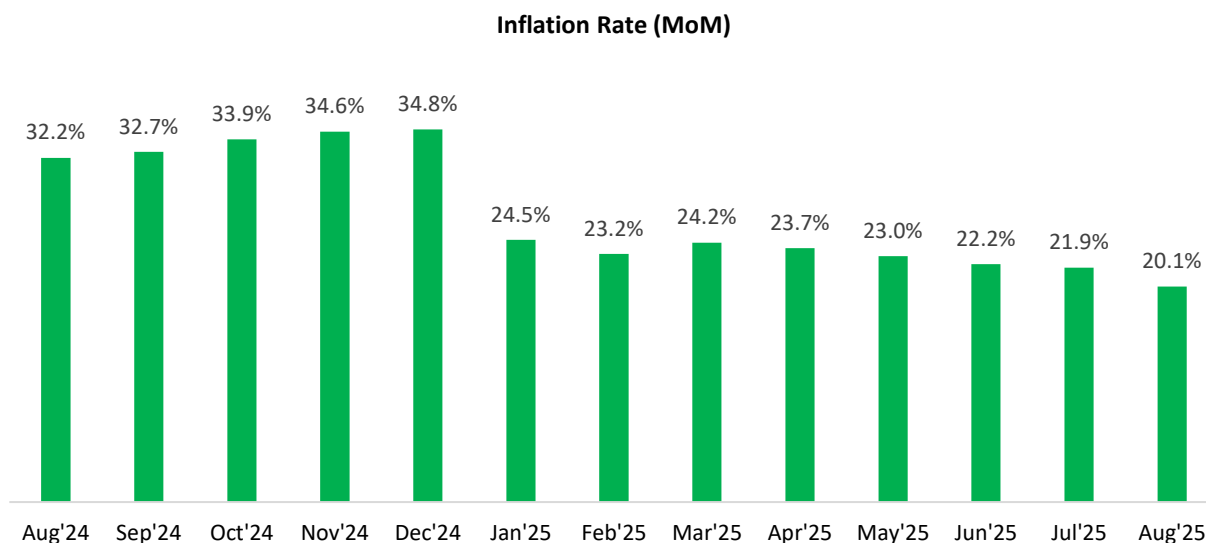
Figure 3: Real GDP growth rate (Q1 2021 – Q2 2025)



### Inflation

The September 2025 Consumer Price Index (CPI) report from the NBS indicated a month-on-month headline inflation rate of 18.02% down from 20.12% recorded in August 2025. This decline is supported by a strengthening currency, stable energy prices and reduced shocks to food output. As such, both core and food inflation indices have moderated by 1.0ppt and 0.87ppt, respectively to 20.3% YoY and 21.95 YoY.

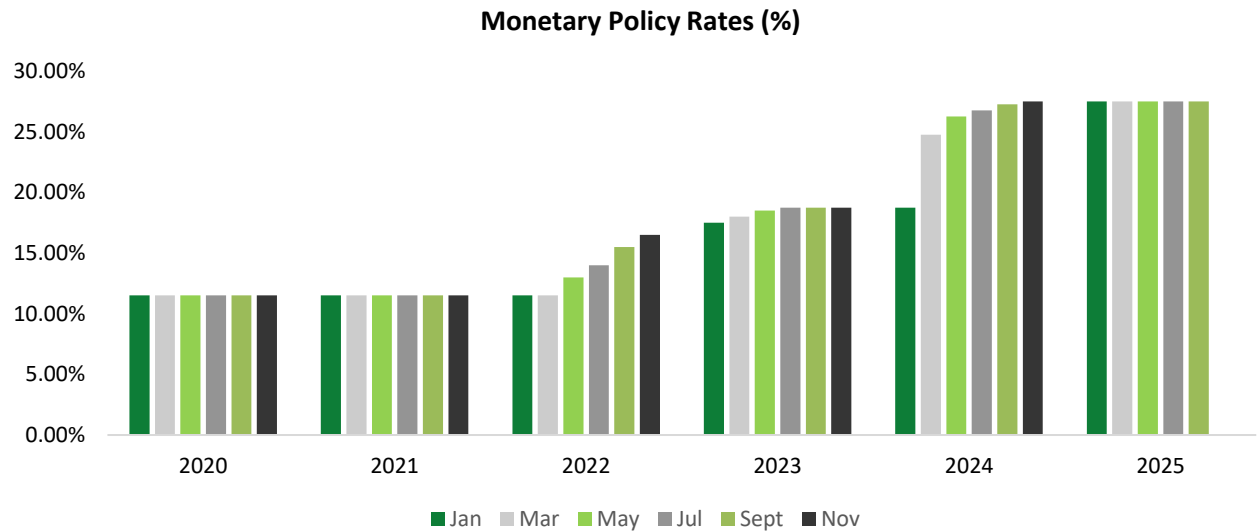
Figure 4: Headline inflation moderates YoY



### Interest Rates

The Monetary Policy Rate (MPR) representing the benchmark interest rate, is a key tool the CBN uses to regulate economic activities and stabilize the financial system. At the last meeting of the CBN held in September 2025, the Monetary Policy Committee (“MPC”) cut the Monetary Policy Rate (MPR) to 27% from 27.50%. The MPC also maintained the asymmetric corridor at +250/-250 bps, reduced the cash reserve ratio for Commercial Banks to 45% and maintained cash reserve ratio for Merchant Banks at 16% and held the liquidity ratio at 30%.

Figure 5: Monetary Policy Rates (Jan 2020 – Sept 2025)

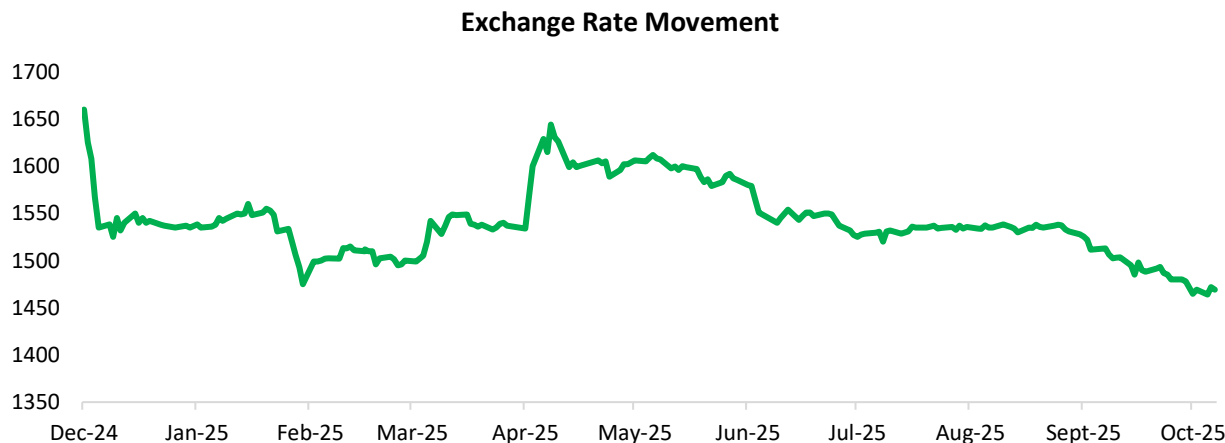


**Exchange Rate**

Nigeria operates a managed float exchange rate system which combines elements of both fixed and floating exchange rate regimes. The Central Bank of Nigeria (CBN) plays a pivotal role in managing the country’s exchange rates, primarily to control inflation and stabilize the economy. The exchange rate framework has undergone several significant changes in recent years, reflecting ongoing efforts to stabilize the naira and align the official rate with market realities.

Notably, the CBN has allowed multiple rounds of depreciation to bring the official rate closer to the parallel market rate and reduce pressure on foreign reserves. As of 2025, the naira continues to trade under pressure, though the gap between the official and parallel markets has narrowed compared to prior years. The official Nigerian Foreign Exchange Market (NFEM) rate is currently around ₦1,536–₦1,538 per US\$1, while the parallel market trades at approximately ₦1,545–₦1,550 per US\$1, leaving a premium of about ₦10–₦15. This reflects a more modest differential than in 2023 when the premium fluctuated between 10–40%.

Figure 6: Exchange Rate (Dec 2024 – Oct 2025)



## Fiscal Balance

Nigeria's fiscal position reflects a combination of structural vulnerabilities and measured progress on fiscal consolidation and reform. The government's revenue-to-GDP ratio, which declined from 6.5% in 2020 to a low of 4.2% in 2021, has since shown a gradual recovery, reaching an estimated 6.2% in 2024. This improvement is attributable to sustained efforts to enhance tax administration, broaden the revenue base, and implement key fiscal policy reforms.

Government expenditure has remained elevated in recent years, reflecting ongoing commitments to infrastructure development, social services, and security. Total expenditure rose from 12.1% of GDP in 2019 to 12.5% in 2020, before moderating to 8.8% in 2021 amid fiscal consolidation efforts. Spending subsequently rebounded, reaching an estimated 11.7% of GDP in 2024. Consequently, the fiscal deficit widened from 4.7% of GDP in 2019 to an estimated 5.6% in 2024, primarily due to revenue shortfalls and increased spending needs.

Notably, the removal of the fuel subsidy represents a significant structural adjustment, expected to yield substantial fiscal savings, and reallocate resources towards capital expenditure and social protection programs. Additional reforms including the phased removal of electricity subsidies for select consumer categories and improved non-oil revenue collection are also contributing to enhanced fiscal sustainability and budgetary resilience.

|                             | 2021  | 2022  | 2023  | 2024  |
|-----------------------------|-------|-------|-------|-------|
| Govt revenue (% of GDP)     | 4.2   | 4.8   | 5.0   | 6.2   |
| Govt expenditure (% of GDP) | 8.8   | 9.0   | 9.4   | 11.7  |
| Fiscal balance (% of GDP)   | (4.6) | (4.2) | (4.4) | (5.6) |

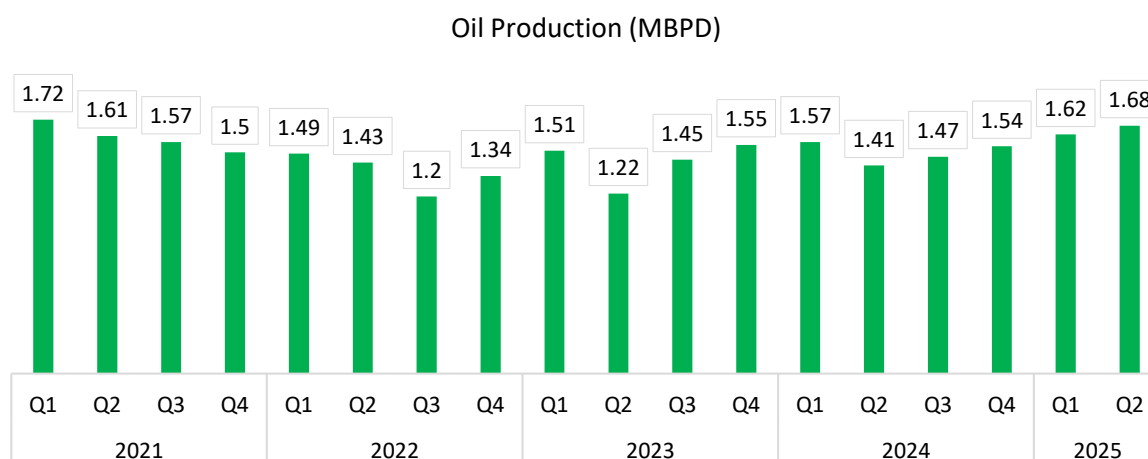
Table 1: Fiscal balance table over the years

## 1.2. Oil and Gas Sector

The Nigerian oil and gas sector is pivotal to the nation's economy, rooted in its discovery in 1956 and subsequent production growth. As Africa's largest oil producer, Nigeria holds a significant global position. The sector spans upstream exploration and production, dominated by international and Nigerian companies like ExxonMobil, Chevron, Total, and Shell. Midstream activities involve crude oil transportation via extensive pipeline networks, while downstream operations focus on refining.

Regulated by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), the largest player in the sector is the NNPC, which manages joint ventures and production-sharing contracts. Despite challenges such as infrastructure deficits, environmental concerns, and the need for diversification, the oil sector remains pivotal, contributing significantly to Nigeria's government's total and government revenue. The average daily crude oil production was recorded at 1.71 million barrels per day (mbpd) in July 2025, (NUPRC) which shows a 9.9% year on year growth from 1.56 million barrels per day (mbpd) in July 2024.

Figure 7: Oil Production change Q-o-Q (Source, NUPRC)



Growth in the contribution of the oil sector to Nigeria’s GDP in the first quarter of 2024 was minimal, with an average daily oil production of 1.41 mbpd as reported by the NBS. This figure is higher than the 1.22 mbpd recorded in the same quarter of 2023. The real growth of the oil sector was 20.46% year-on-year in Q2 2025, indicating an increase of 10.38 percentage points relative to the rate recorded in the corresponding quarter of 2024 (10.08%). However, there was an increase of 18.59 percentage points compared to Q1 2025, which was 1.87%. On a quarter-on-quarter basis, the oil sector recorded a growth rate of 6.07% in Q2 2025. The oil sector contributed 4.05% to the total real GDP in Q2 2025, up from 3.51% in the preceding quarter and 3.97% in the corresponding period of 2023.

#### 1.2.1. Oil and Gas Sector Reforms

The Federal Government aims to reform the oil and gas sector by establishing key regulatory and fiscal policies to encourage investment and boost domestic participation. The enactment of the Nigerian Oil and Gas Industry Content Development Act 2010 has significantly promoted local participation, enabling indigenous companies to take a larger role in the industry. These efforts have resulted in local firms leading drilling and development activities in the upstream segment and driving continuous innovation in the midstream and services segments.

#### Petroleum Industry Act (PIA)

On August 16, 2021, the former president of the Federal Republic of Nigeria, Muhammadu Buhari signed the Petroleum Industry Bill 2021 into law, following its passage by the National Assembly. The Petroleum Industry Act 2021 (as amended) establishes the legal, governance, regulatory, and fiscal framework for the Nigerian petroleum industry, including the development of host communities’ trusts. The Act comprises 5 chapters, 319 sections, and 8 schedules, addressing various aspects such as rights of pre-emption, incorporated joint ventures, domestic base price and pricing framework, pricing formula for gas-based industries, capital allowances, production allowances and cost price ratio limit, petroleum fees, rents and royalty, and the creation of the Ministry of Petroleum Incorporated.

The PIA seeks to:

- ensure good governance and accountability,
- create a commercially oriented national petroleum company, and
- foster a conducive business environment for petroleum operations

To this end, the PIA is divided into five (5) chapters:

**Governance and Institutions:** The objectives of this chapter are to create efficient and effective governing institutions with clear and distinct roles within the petroleum industry, establish a framework for a

commercially oriented and profit-driven national petroleum company, promote transparency, good governance, and accountability in the administration of Nigeria's petroleum resources, and foster a business environment conducive to petroleum operations.

The PIA explicitly segments the Nigerian petroleum industry into upstream, midstream, and downstream sectors. The Nigerian Upstream Regulatory Commission ('the Commission') has been saddled with the responsibility to regulate the upstream sector, while the Nigerian Midstream and Downstream Petroleum Regulatory Authority ('the Authority') will regulate the midstream and downstream sectors. The Minister of Petroleum ('the Minister') holds general supervisory and policy formulating powers over the petroleum industry, and both the Commission and Authority are required to report to him.

**Host Communities Development:** The objectives of this Chapter are to foster sustainable prosperity within host communities, provide direct social and economic benefits from petroleum operations to host communities, enhance peaceful and harmonious co-existence between licensees or lessees and host communities, and create a framework to support the development of host communities.

**Fiscal Framework:** The Petroleum Industry Fiscal Framework (PIFF) is introduced in Chapter 4 of the Act, with the following objectives: establish a progressive fiscal framework that encourages investment in the Nigerian petroleum industry while balancing rewards with risk and increasing revenues to the FGN, provide a forward-looking fiscal framework that is based on core principles of clarity, dynamism, and fiscal rules of general application, establish a fiscal framework that expands the revenue base of the Federal Government, while ensuring a fair return for investors, and simplifying the administration of petroleum tax, and promoting equity and transparency in the petroleum industry fiscal regime.

**Miscellaneous Provisions:** The PIA abolished 10 laws including the Associated Gas Reinjection Act; Hydrocarbon Oil Refineries Act; Motor Spirit Act; NNPC (Projects) Act; NNPC Act (when NNPC ceases to exist), PPPRA Act, Petroleum Equalization Fund Act, PPTA, and Deep Offshore and Inland Basin PSC Act. It amends the Pre-Shipment Inspection of Oil Exports Act while the provisions of certain laws are saved until the termination or expiration of the relevant oil prospecting licenses and mining leases including the Petroleum Act, PPTA, Oil Pipelines Act, Deep Offshore and Inland Basin PSC Act.

### 1.3. Agriculture Sector

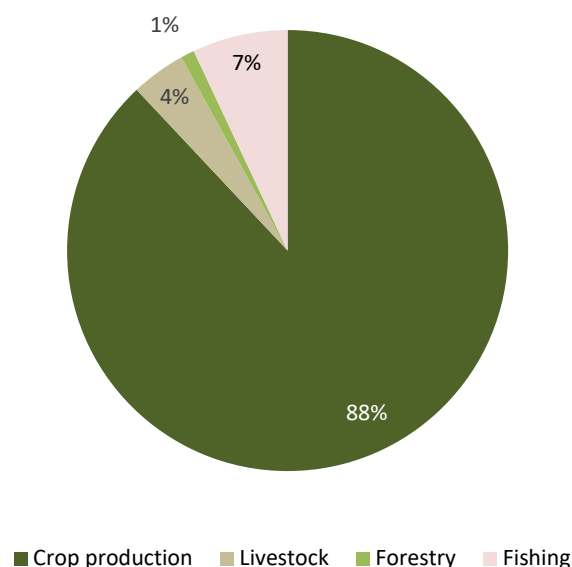
Agriculture is a major driver of economic growth in Nigeria and is of importance in the drive to diversify the Nigerian economy's reliance on oil. The agriculture sector is divided into four subsectors: crop production, livestock, forestry, and fishing. According to the NBS, food inflation surged to 21.97% on a year-on-year basis in June 2025, a significant decline of 18.93% ppts driven by a change in the base year of inflation calculations.

The sector grew by 1.84% year-on-year in nominal terms in Q2 2025, a decrease of 9.71%pt compared to the same quarter in 2024. Compared to the preceding quarter's growth rate of 10.04%, there was a decrease of 8.20%. Crop production remained the major driver of the sector, accounting for 57.06% of the overall nominal value in Q1 2025. The quarter-on-quarter growth stood at 16.13% in Q2 2025. Agriculture contributed 21.04% to nominal GDP in Q2 2025, lower than the 20.86% recorded in Q2 2024 and the 24.63% in Q4 2024.

In real terms, the agricultural sector grew by 2.82% year-on-year in Q2 2025, an increase of 0.22 percentage points from the corresponding period in 2024, and an increase of 2.75 percentage points from the preceding quarter's growth rate of 0.07%. The quarter-on-quarter growth rate was 16.40%. The sector contributed 26.17% to overall GDP in real terms in Q2 2025, lower than the 26.53% contribution in Q2 2024 and higher than the 23.33% contribution in Q1 2025.

Figure 8: Sub-sector of the Nigerian Agricultural Sector (Source, NBS)

### Sub-sector of the Nigerian Agricultural Sector



#### 1.3.1. Proposed Initiatives for driving growth in the agriculture sector

**Grain Reserves and Food Storage:** Modernize and expand agricultural production and enhance strategic grain reserves to strengthen this line of defence against food shortage and enable the Government to maintain stable prices for the most important staples in the country. The FGN will also work with State and Local Governments (through the establishment of another incentive-based Federal Government funding program) to construct fresh produce storage facilities in major marketplaces of major cities and towns to minimize waste and better preserve perishable food items.

**Commodity Boards:** The Government plans to introduce commodity boards to establish minimum prices for strategic crops such as cashew, cocoa, sesame, soya, cassava, yam, rubber, okra, palm kernels, groundnut, and okra. This will guarantee minimum income for farmers, improve certainty, and increase their capacity to produce more of the food staples needed to sustain the nation's growing population. Working with the private sector, the FGN also seeks to deepen the use of commodity exchanges and strengthen their operations in order to ensure even greater transparency and stability.

**Rural Infrastructural Development:** The Government plans to construct farm-to-market roads under the rural infrastructural development programme. The FGN will work with State and Local Governments to establish a federal incentive or counterpart funding scheme to support the construction of vital rural infrastructure.

**Farm Cooperatives:** Local farmers are to be encouraged to form voluntary cooperatives, enabling them to pool their resources so that they can buy or lease modern farming equipment, tools, and fertiliser. Farming cooperatives will also be able to enjoy economies of scale which would otherwise have been out of reach, giving farmers the ability to produce more food at affordable prices. These cooperatives will be given priority regarding government agricultural assistance programs such as extension services. Co-op members will be given tax breaks and credits.

**Access to Finance:** The governance and structure of the Bank of Agriculture (BoA) will be reformed to

enable the bank to fulfil its core mandate to provide farmers with access to low-cost loans. BoA Loans will be strictly limited to farm-related investments and will be primarily directed towards the growth of strategically important crops and shall be carefully monitored. Initiatives such as the Anchor Borrower's Program and agricultural credit guarantee scheme will be expanded and deepened to touch more rural communities and provide more capital per individual participant. Access to finance will give farmers the opportunity to modernise their operations and improve their productivity through the use of mechanised farming tools and modern technology.

**Irrigation and Water Catchment:** The Irrigate Nigeria Project, will be based on a PPP approach. The government shall provide an enabling environment, encouraging the construction of small-scale irrigation and water catchment systems by private sector participants using modern technology and equipment. This Project is expected to boost food production and employment while helping to mitigate the harmful effects of extreme weather cycles and climate change. In addition, participation in the Project will support domestic farmers, produce offtake guarantees, link farmers to markets and food processing plants.

#### **1.4. Financial Services Sector**

The Nigerian financial system encompasses various financial markets including money and capital markets, instruments, and financial institutions, including commercial banks, merchant banks, non-interest banks, microfinance banks, mortgage banks, insurance companies, pension funds, and development finance institutions such as the Urban Development Bank, the Nigerian Agricultural and Rural Cooperatives Bank, Bank of Industry (BOI) and Development Bank of Nigeria (DBN). The system has undergone significant changes in ownership structures, financial instruments, regulatory frameworks, and macroeconomic environments. Commercial banks play a crucial role in mobilizing savings and channeling them into productive investments.

According to data from the NBS, the finance and insurance sector, comprising of financial institutions and insurance subsectors, saw notable growth in Q1 2025, with financial institutions accounting for 90.74% and insurance accounting for 9.26% of the sector's real terms contribution. The sector experienced a substantial year-on-year nominal growth of 21.01%, with financial Institutions growing by 22.82% and Insurance by 5.74%. This growth was 9.97 percentage points higher than Q1-2024 and 6.43 percentage points lower than the previous quarter. The sector's contribution to nominal GDP rose to 3.07% in Q1 2025, up from 3.00% the previous year and 2.70% the prior quarter. In real terms, the sector grew by 15.03% year-on-year, a 13.57 percentage points increase from Q1-2024 and a 9.04 percentage points increase from the previous quarter. The sector's contribution to real GDP was 3.60%, higher than 3.23% in Q1-2024 and 2.46% in Q4-2024.

On March 28, 2024, the CBN raised the minimum capital requirements for banks, with commercial banks needing ₦500 billion, ₦200 billion, and ₦50 billion for international, national, and regional licenses respectively. Merchant banks and non-interest banks also saw increases to ₦50 billion and between ₦10 billion and ₦20 billion. The recapitalization initiative influenced by the significant depreciation of the Naira aims to strengthen financial institutions and align with the current administration's goal of bolstering the economy to reach a GDP of US\$1.0 trillion.

The recapitalization drive is expected to impact the general economy by stabilizing the foreign exchange market, controlling inflation, promoting economic growth, and increasing access to funding through loans. For the banking industry, it will enhance the regulatory framework, bolster banks' balance sheets, improve global competitiveness, and possibly lead to mergers. This monumental reform is a strategic step towards fortifying the banking sector amidst currency fluctuations and economic challenges.

#### **1.5. Power Sector**

According to NBS *Quarterly Gross Domestic Product Report, Q1 2025* (NBS, 2025), the Electricity, Gas, Steam and Air conditioning Supply sector recorded a year-on-year growth of - 23.52% in the first quarter

of 2025. This was 1.89% points lower than the 25.41% growth rate recorded in the corresponding quarter of 2024, and 17.90% points higher than the growth rate of 5.62% recorded in the quarter before. Quarter-on-quarter, the sector recorded a growth rate of -65.18% in Q1 2025. The contribution of Electricity, Gas, Steam and Air Conditioning Supply to Nominal GDP in the first quarter of 2025 was 0.36%, higher than the contribution made in the corresponding quarter of 2024 at 0.35% and lower than its contribution of 0.94% in the quarter before. In real terms, the sector grew by 18.65% in Q1 2025, an increase from the growth rate of 2.49% recorded in the same quarter of 2024. When compared to the immediate past quarter, there was an increase of 26.62% points from -7.97% recorded. On a quarter-on-quarter, the sector grew at a rate of -63.25%. The contribution of this sector to real GDP in the first quarter of 2025 was 0.35%, higher than the 0.30% recorded in Q1 2024 and lower than the 0.76% recorded in Q4 2024.

### **1.5.1. Power Sector Reforms**

#### **Electricity Act 2023**

On 09 June 2023, President Bola Ahmed Tinubu signed into law the Electricity Act 2023 (the “EA 2023”), repealing the Electric Power Sector Reform Act (EPSRA) 2005, Hydroelectric Power Producing Areas Development Commission (Establishment, Etc.) Act 2010 and the Nigerian Electricity Management Services Agency (Establishment, Etc.) Act 2015 and establishing a new comprehensive legal framework for Nigeria's power sector. Key changes include the creation of State Electricity Markets, the separation of the Independent System Operator from the Transmission Service Provider, and the introduction of Trading and Supply Licenses. The EA 2023 aims to enhance power generation, attract investments, and integrate renewable energy into Nigeria's energy portfolio.

#### **Unbundling of the TCN**

On 30 April 2024, the Nigerian Electricity Regulatory Commission (“NERC”) declared its intention to unbundle the Transmission Company of Nigeria (“TCN”) as part of its continuous attempts to revitalize the power industry. In May 2024, the Nigerian Independent System Operator of Nigeria Limited (“NISO”), was incorporated to manage the market and system operation functions previously held by TCN. Notably, this step, which represents a shift in national grid management, complies with the provisions of the EA.

Following the 2013 privatization exercise, TCN was tasked with the dual responsibilities of being a transmission service provider and an independent system operator. The combination of these major responsibilities in one entity has arguably led to the poor performance of transmission networks, markets, and system operations. This poor performance was attributed to inadequate infrastructure, lack of transparency, poor grid management, and low investment. The repealed EPSRA 2005 envisaged that TCN would transfer the function of system operation for the national grid to an Independent System Operator. Hence, the unbundling of TCN is considered necessary to address these challenges and improve access to electricity for Nigerians.

#### **Eligible Customer Policy**

In 2017, the Nigerian government introduced the Eligible Customer Policy, allowing qualified power consumers to purchase electricity directly from generation companies or electricity trader excluding the traditional direct purchase from electricity distribution companies. This policy promotes competition and improves service quality by enabling Generation Companies to supply excess capacity to underserved consumers.

#### **Nigerian Bulk Electricity Trading Company (NBET) Act, 2023**

The NBET Act delineates the regulatory framework for electricity trading in Nigeria, establishing NBET as the institutional trading licensee with the authority to terminate and transfer contracts. This framework aims to create a more competitive and decentralized electricity market. Additionally, NERC is piloting

bilateral arrangements between major DisCos and GenCos to foster a dynamic electricity market.

### **Multi-Year Tariff Order 2020 (MYTO 2020)**

Introduced on 28 August 2020 by NERC (effective date 1 September 2020), MYTO 2020 provides a transparent tariff-setting methodology for Nigeria's power sector. It establishes a predictable tariff trajectory over five years, incorporating inflation, foreign exchange rates, gas prices and operational costs to ensure cost recovery and business sustainability for power sector participants.

## **1.6. Overview of Trade and Reserves**

### **1.6.1. Total Trade**

Nigeria's external trade structure remains predominantly reliant on crude oil and natural gas, which continue to account for the bulk of export earnings. However, recent trends indicate a gradual but meaningful shift toward a more diversified export base, with increasing contributions from agriculture, manufactured goods, and services. This evolving composition reflects the Federal Government's strategic efforts to broaden the economic base and reduce exposure to global commodity price volatility.

Following a contraction in 2019 and 2020 due to global economic disruptions, Nigeria's trade sector recorded a strong recovery, with total trade reaching an estimated US\$194.7 billion in 2024 its highest level in eight years. This rebound was driven largely by a significant expansion in exports, which surged from US\$63.2 billion in 2023 to US\$134.7 billion in 2024. Imports also rose over the same period, increasing from US\$64.3 billion to US\$88.5 billion. Consequently, the trade balance improved markedly, shifting from a deficit of US\$1.1 billion in 2023 to a surplus of US\$46.2 billion in 2024.

In 2024, Nigeria's principal export markets included: India (9.6% of total exports), Canada (9.2%), United States (8.9%), Indonesia (8.0%), Italy (5.0%). On the import side, the leading source countries were; China (27.4% of total imports), India (8.9%), United States (6.8%), United Arab Emirates (5.4%), Netherlands (3.9%)

### **Intra-African Trade**

Nigeria's intra-African trade recorded a significant rebound in 2024, with total trade with African partners rising to US\$18.4 billion, up from US\$8.1 billion in 2023 representing a 127% year-on-year increase. This strong growth reflects improved regional market access under the African Continental Free Trade Area (AfCFTA) framework and a substantial rise in both export and import volumes with other African economies.

Intra-African exports grew markedly to US\$15.7 billion in 2024, up from US\$6.5 billion in the prior year, while imports increased to US\$2.7 billion from US\$1.6 billion over the same period. This performance underscores Nigeria's growing integration within African value chains and the potential for expanded regional trade linkages.

The share of intra-African trade in Nigeria's total external trade improved to 8.3% in 2024, up from 6.4% in 2023. While this represents positive momentum, it remains below the continental average of approximately 14%, highlighting both progress and untapped potential.

### **1.6.2. Reserves**

Nigeria's foreign exchange reserves have experienced notable fluctuations in recent years, shaped by a confluence of global oil market dynamics, volatile capital flows, and domestic macroeconomic policy

reforms. After reaching a recent peak of US\$40.5 billion in 2021, reserves declined to US\$35.6 billion in 2022 and further to US\$26.2 billion in 2023, reflecting a combination of reduced crude oil production, elevated foreign exchange demand, and subdued investment inflows.

In 2024, the reserve position improved significantly, rising to US\$32.7 billion, supported by the implementation of foreign exchange market reforms, increased oil revenues, and a rebound in investor confidence. These gains were, however, partially offset in early 2025 by increased external debt service obligations. Between January and March 2025, reserves declined from US\$40.9 billion to US\$38.3 billion, before stabilizing. Reserves are projected to settle at approximately US\$33.6 billion by year-end 2025, with a modest increase to US\$34.0 billion in 2026.

The Central Bank of Nigeria (CBN) has undertaken a range of structural and market-oriented reforms to enhance the country's external buffer position. Key measures include:

- Foreign exchange backlog clearance
- Market-driven exchange rate reforms
- Improved monetary policy transparency
- Efforts to attract portfolio and foreign direct investment
- Prudent external debt management

These initiatives have helped rebuild confidence in the foreign exchange market and contributed to reserve accumulation. Despite recent improvements, the reserve position remains susceptible to external shocks, particularly fluctuations in global oil prices, elevated external debt service payments, and the volatility of portfolio capital flows.

### **1.7 Current Account Balance**

Nigeria's current account has shown a generally improving trend in recent years, reflecting the combined effects of external recovery, stronger trade performance, and macroeconomic reforms. Following current account deficits of -2.9% of GDP in 2019 and -3.7% in 2020, the balance narrowed significantly to -0.7% in 2021. This adjustment was driven by a recovery in export earnings, modest import growth, and improved competitiveness of Nigerian goods and services in international markets. Beginning in 2022, the current account transitioned into surplus territory, posting 0.4% of GDP in 2022 and 0.8% in 2023, before rising further to an estimated 1.7% of GDP in 2024. This improvement was supported by higher oil receipts, a rebound in non-oil exports, and sustained remittance inflows.

### **1.8 Public Debt**

According to the DMO, Nigeria's total public debt was \$91.46 billion equivalent (₦121.67 trillion or 51% of GDP) as of March 31, 2024. Of the public debt outstanding, the external component amounted to \$42.11 billion, an increase from \$41.69 billion while the domestic component stood at ₦65.65 trillion (\$49.35 billion equivalent) as of March 2024.

The 2020-2023 debt management strategy targeted a 70:30 domestic-to-external debt mix to minimise servicing costs while mitigating FX risk. However, in June 2023, the sharp increase in external borrowings altered the debt mix to 62:38 (domestic-to-external). Domestic debt also grew significantly, reaching ₦59.12 trillion (\$65.73 billion equivalent) in December 2023 compared to ₦27.54 trillion (\$61.4 billion equivalent) in December 2022. The DMO attributed this increase in domestic debt partly to the inclusion of the ₦22.7 trillion CBN ways and means advances.

The DMO's medium-term borrowing strategy (2020-2023) also aimed to shift the domestic debt structure towards a 75:25 mix of long-term to short-term debt, from an actual 62:38 composition as of H1 2023, in an effort to reduce debt servicing costs and rollover risk.

According to the DMO, as of December 31, 2024, Nigeria's total public debt stood at \$94.23 billion

equivalent (₦144.67 trillion). The external debt component increased from \$43.03 billion in September 2024, to \$45.78 billion in December 2024 while domestic debt increased marginally from ₦73.43 trillion to ₦74.38 trillion over the same period.

| Type          | As of December 31 (₦' billions) |                  |                  |                  |                  |                  |                   |
|---------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|               | 2018                            | 2019             | 2020             | 2021             | 2022             | 2023             | 2024              |
| External Debt | 3,478.91                        | 9,022.42         | 12,705.62        | 15,855.23        | 18,702.25        | 38,219.85        | 70,287.53         |
| Domestic Debt | 11,058.20                       | 18,378.96        | 20,209.90        | 23,700.80        | 27,548.12        | 59,120.86        | 74,377.92         |
| <b>Total</b>  | <b>14,537.11</b>                | <b>27,401.38</b> | <b>32,915.51</b> | <b>39,556.03</b> | <b>46,250.37</b> | <b>97,340.71</b> | <b>144,665.45</b> |

The table below provides information regarding the Federal Government of Nigeria's debt service figures for the periods indicated:

| Type          | As of December 31 (₦' billions) |                 |                 |                 |                 |                 |                  |
|---------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|               | 2018                            | 2019            | 2020            | 2021            | 2022            | 2023            | 2024             |
| External Debt | 451.92                          | 1,333.54        | 1,556.21        | 872.26          | 1,078.97        | 943.17          | 7,163.26         |
| Domestic Debt | 1,797.90                        | 1,686.03        | 1,854.69        | 2,054.44        | 2,560.78        | 4,381.21        | 5,869.91         |
| <b>Total</b>  | <b>2,249.82</b>                 | <b>3,019.56</b> | <b>3,410.90</b> | <b>2,926.70</b> | <b>3,639.75</b> | <b>5,324.38</b> | <b>13,033.17</b> |

### 1.9 Domestic Debt

Nigeria's strategy with respect to its domestic debt portfolio is to lengthen its maturity structure, to broaden and deepen the domestic bond market through the introduction of a variety of government securities, to use technology to aid the effective and efficient issuance and trading of domestic bonds and to improve the regulatory framework for effective operation of the bond market. Accordingly, in line with efforts to broaden the FGN's securities basket, the DMO launched a number of offers namely, the FGN Savings Bond, Domestic FGN US Dollar Bond, the FGN Diaspora Bond (under the category of external debt), the FGN Sukuk, the FGN Green Bond and Promissory Bonds.

#### Composition

Domestic debt consists primarily of:

- Treasury Bills, typically with a tenor of one year or less: 91-, 182- and 364-day Nigerian Treasury Bills;
- FGN Bonds, which are currently issued in tenors of 5, 7, 10 and 20 years, and treasury bonds, which are legacy debt instruments with tenor range of between 13 years and 23 years (new securities under this category are no longer issued);
- FGN Savings Bonds, which are currently issued in tenors of 2 and 3 years on monthly basis;
- FGN Sukuk I, II & III issued at an initial maturity of 7 years while FGN Sukuk IV, V and VI issued at an initial maturity of 10 years, and FGN Sukuk VII issued at initial maturity of 7 years;
- FGN Green Bond Series I & II issued at a maturity of 5 years and 7 years, respectively; and
- Promissory Bonds of 1-, 2- and 3-year tenor

Short-term debt comprises of debt with maturities of 365 days and below. Medium-term debt is defined as debt having a remaining maturity greater than one year and less than or equal to three years. Long-

term debt is defined as debt having a remaining maturity greater than three years. The table below sets out information regarding the composition of FGN's domestic debt by instrument, as of the dates indicated:

| Type                   | As of December 31 (₦ billions) |                  |                  |                  |                  |                  |                  |
|------------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                        | 2018                           | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             |
| FGN Bonds              | 9,334.74                       | 10,524.16        | 11,830.26        | 13,963.21        | 16,421.56        | 44,260.22        | 55,436.13        |
| Nigeria Treasury Bills | 2,735.97                       | 2,651.51         | 2,720.44         | 3,786.13         | 4,422.72         | 6,522.00         | 12,351.12        |
| Nigeria Treasury Bonds | 150.99                         | 125.99           | 100.99           | 75.99            | 50.99            | -                | -                |
| FGN Savings Bond       | 10.75                          | 12.67            | 12.29            | 16.42            | 27.51            | 39.18            | 72.87            |
| FGN Sukuk              | 200.0                          | 200.0            | 362.56           | 612.56           | 742.56           | 1,092.56         | 1,392.56         |
| FGN Green Bond         | 10.69                          | 25.69            | 25.69            | 25.69            | 15.00            | 15.00            | 15.00            |
| Promissory Bonds       | 331.27                         | 732.62           | 971.66           | 762.54           | 530.03           | 1,329.06         | 1,542.19         |
| <b>Total</b>           | <b>12,774.4</b>                | <b>14,272.64</b> | <b>16,023.89</b> | <b>19,242.56</b> | <b>22,210.36</b> | <b>53,258.01</b> | <b>57,066.19</b> |

## 2.0 Debt Sustainability

Nigeria's public debt profile has evolved significantly in recent years, reflecting rising financing needs, shifting macroeconomic conditions, and exchange rate realignment. The country's total public debt stock has expanded in both nominal and relative terms, with the debt-to-GDP ratio increasing from 17.3% in 2017 to an estimated peak of 55.4% in 2024. This ratio is projected to moderate to 44.9% in 2025 and further to 42.2% in 2026, in line with ongoing fiscal consolidation efforts and a more stable exchange rate outlook.

The expansion of public debt has been driven primarily by increased capital expenditure commitments, the implementation of key economic reforms, and exchange rate depreciation that has affected the valuation of foreign-denominated liabilities. While the debt stock has risen, Nigeria's public debt remains within sustainable bounds relative to both regional and global benchmarks.

### External Debt as a share of GDP

Nigeria's external debt-to-GDP ratio has risen substantially over the past decade, reflecting increased borrowing requirements to meet developmental priorities and address fiscal pressures. Following a period of relative stability at 17.3% of GDP in 2017, the ratio remained largely unchanged through 2019, before beginning a gradual upward trend.

In 2020, the external debt-to-GDP ratio rose to 20.2%, reaching 28.5% by 2023, as the government mobilised external financing to support recovery and macroeconomic reforms. A significant increase is projected in 2024, with the ratio estimated to reach 55.4%, primarily due to exchange rate adjustments and the revaluation of foreign-currency-denominated debt.

However, this is expected to moderate to 44.9% in 2025 and further to 42.2% by 2026, supported by ongoing fiscal consolidation, enhanced revenue mobilisation, and a more stable macroeconomic environment.

### External debt service as a share of revenue

Nigeria's debt service-to-government revenue ratio has risen sharply in recent years, underscoring increasing fiscal pressures and the urgency of broad-based revenue reforms. The ratio increased from 36.1% in 2017 to 65.7% in 2021, before surging to 92.4% in 2023, driven by rising debt obligations and constrained revenue performance.

In 2024, the ratio is projected to peak at an estimated 184.4%, primarily reflecting elevated debt service costs and the impact of exchange rate adjustments on external debt repayments. It is expected to moderate to 138.8% in 2025, in line with anticipated improvements in domestic revenue mobilisation and fiscal consolidation efforts.

Table 2: Macroeconomic indicators over the years

|                               | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------------------------|-------------|-------------|-------------|-------------|
| Real GDP Growth (%)           | 3.6         | 3.3         | 2.8         | 3.1         |
| Inflation, annual average %   | 17.0        | 18.8        | 24.7        | 29.8        |
| Current account % of GDP      | (0.7)       | 0.4         | 0.8         | 1.7         |
| Total reserves ex gold, US\$m | 40,476      | 35,564      | 26,228      | 32,666      |
| Gross reserves                | 6.107       | 7.198       | 5.539       | 5.9         |

## INDUSTRY OVERVIEW

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*The information included in this section has been sourced and extracted from publicly available records including websites of international organizations as well as regional and governmental agencies believed to be reliable but is not guaranteed to be accurate and complete. The Issuer has relied on the accuracy of this information without independent verification and makes no representation as to its accuracy.*

### **Global Power Sector Overview**

Global power sector is amid a rapid growth phase, driven by energy transition, decarbonization efforts, technological innovation, and policy reforms. Global electricity demand continues to rise steadily, projected to grow by 2.5%-3% annually through 2030, driven by urbanization, economic growth, electrification of transport, heating, and industrial processes, and growing digital and data centre power needs.

### **Sub-Saharan Africa Overview**

Sub-Saharan Africa (SSA) remains the least electrified region in the world. As of 2024; only about 50% of Sub-Saharan Africans have access to electricity (~600m people), grid reliability is very poor, over 80% of businesses rely on diesel generators. The regional electrification rate hovers around 50%, with wide variation in:

- a. Urban access: c.75-80%
- b. Rural access: c.30% or lower in many countries

### **Nigerian Power Sector Overview**

Nigeria is the largest electricity market in SSA by population and economic output, yet also one of the most energy deficient. Nigeria's Power Sector was privatized in 2013, creating a tripartite value chain.

#### **a. Generation**

GenCos are private entities who are tasked with producing electricity from gas, hydro, and renewable energy sources. Electricity generated is fed into the national grid via the transmission company. GenCos enter into Power Purchase Agreements (PPAs) with NBET as offtakers of electricity which they in turn sell to DisCos. There are over 24 GenCos in Nigeria with major players like Geregu, Ughelli (Transpower), Kainji/Jebba, Egbin, Sapele, Afam and Delta Power Plants etc

#### **b. Transmission**

The TCN is responsible for transporting the electricity from the GenCos to the DisCos and international customers like Benin and Niger. In line with market reforms, the system operation functions of TCN have been unbundled into the (NISO), which manages grid stability, dispatch, and market operations. TCN retains ownership of transmission assets and maintenance responsibilities. Both TCN and NISO are government-owned, regulated by NERC and oversight from the Ministry of Power.

#### **c. Distribution**

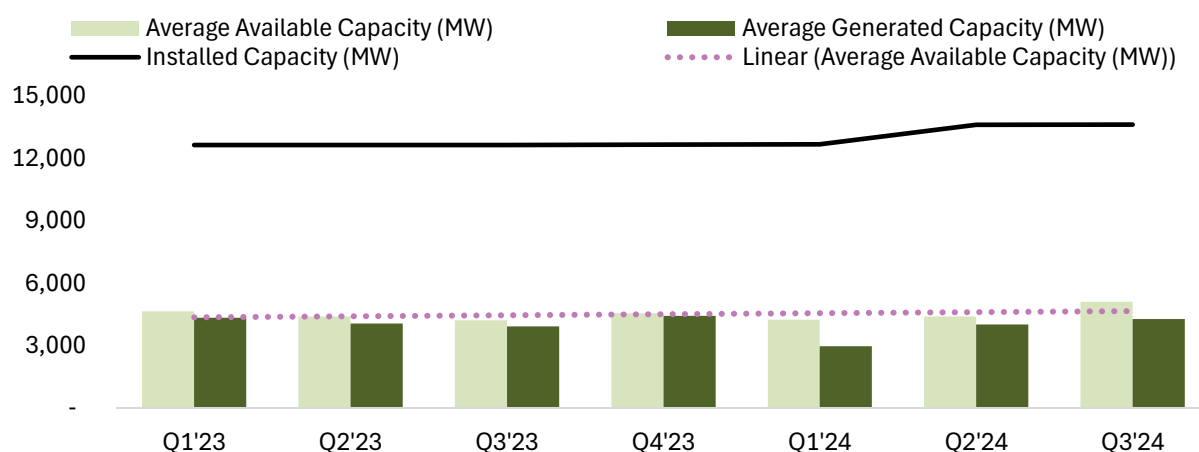
The DisCos are the customer facing arm of the chain, they own and operate distribution systems. DisCos are responsible for ensuring the connection of willing customers to their networks and carrying out activities such as installing and maintaining post-paid and pre-paid meters, billing customers, collecting electricity payments, etc. There are 11 distribution companies in Nigeria and are regulated by NERC, players like Ikeja Electric, Eko Electric, Abuja Electric, Kano, Kaduna, Port Harcourt, Enugu, Benin, Jos, Yola, and Sokoto etc. The EA 2023 envisages the restructuring of electricity distribution by paving the way for the unbundling of distribution licenses into distinct supply and distribution components. A major turning point in Nigeria's electricity sector is the decentralisation of regulatory authority from the federal government to the states. This shift was constitutionally enabled by the

Fifth Alteration (No. 33) Bill of 2022, signed into law in March 2023. The amendment removed electricity from the Exclusive Legislative List of the 1999 Constitution, thereby empowering state governments to legislate on electricity matters within their jurisdictions. Prior to this reform, states could only regulate electricity in off-grid areas, limiting their ability to drive local energy solutions. The constitutional amendment thus laid the foundation for a more competitive and decentralized electricity market.

Building on this legal framework, the EA 2023 granted states the authority to enact their own electricity laws and establish state electricity regulatory commissions (SERCs) and provide guidelines for NERC to transfer regulatory oversight to SERCs. These state-level bodies now have the power to license operators, set tariffs, and oversee electricity generation, transmission, and distribution within the states. According to the Forum of Commissioners for Power and Energy in the Leadership News, as of October 2025, 23 states have passed enabling laws, and 14 have received formal regulatory transfers from NERC, with more joining monthly.

With a population of over 220 million, Installed Capacity is c.13,000 MW, Average Available Capacity c.3,500 – 5,000 MW. Although sector installed capacity was mostly flat year over year in 2024, average energy generated improved by a marginal 2.2% to 4,280 MW in Q3'24 from 4,189 MW in 2023. This improvement was in spite of the challenges of grid collapses, infrastructure vandalism, liquidity constraints, and gas supply shortages in the period.

Figure 9: Nigeria is currently underutilizing installed capacity in power sector



Source: NERC, CardinalStone Research

In 2025, structural reforms and market-driven efficiencies are expected to reshape the sector. Notably, the shift to bilateral trading should allow generation companies (GenCos) to sell power directly to distribution companies (DisCos), easing liquidity pressures and improving cash flow. Further tariff adjustments are also expected as the government looks to reduce electricity subsidies, while other initiatives aim to close the metering gap and improve revenue collection. Key initiatives expected to drive efficiency and liquidity in the sector include;

### 1. Bilateral trading transition to drive efficiency and capacity expansion

Following ongoing industry discussions regarding NBET's continued role in the NESI, the NERC renewed NBET's initial 10-year license upon its expiration in August 2021, but for a shorter term of three (3) years. In its decision, NERC noted that NBET's role has discouraged the transition to bilateral contracting between DisCos and GenCos, thereby exposing the Federal Government to revenue shortfall risks beyond

the scope of the approved subsidy.

The EA 2023 mandates NERC to steer the development of NESI from its current transitional electricity market stage to such stages of the market provided in the Market Rules or amendment to such rules as NERC may approve. Section 7(2) of the EA 2023 provides that for the purposes of section (1) and preparatory to the initiation of medium-term and long-term Electricity Market stages as recognized under this EA, the NERC shall by its directive and within such period as may be specify, direct NBET Pls, the trading licensee holding the licence for the bulk procurement and bulk sale of electricity and ancillary services, to, in accordance with its licence, cease to enter into contracts for the purchase and resale of electricity and ancillary services and novate its existing contractual rights and obligations to other licensees.

In July 2024, the NERC issued the "Order on the Transition to Bilateral Trading in the Nigerian Electricity Supply Industry (NESI)," marking a shift from a centralized bulk trading system to a competitive bilateral market. This reform is designed to enhance market competition by reducing the role of the Nigerian Bulk Electricity Trading (NBET) Plc as the intermediary and allowing GenCos to engage directly with DisCos.

A key feature of this transition is the adoption of "take-or-pay" contracts, which guarantee payments for off-take obligations, fostering market certainty and discipline. This mechanism allows DisCos to optimize energy procurement and enhance supply quality. However, NBET may continue managing long-term contracts with select GenCos, including Azura Power Ltd, Omotosho Power Plc, Olorunsogo Power Plc, Agip Oil Company Ltd, and Shell Petroleum Development Company of Nigeria Ltd, which will either run their course or be renegotiated.

This strategic reform aims to foster a more competitive and efficient electricity market in Nigeria, reduce the government's fiscal exposure to market risks, and encourage direct contractual relationships between electricity producers and distributors. The move would also address the industry's persistent liquidity challenges, which resulted in GenCos receiving less than 40.0% of their FY'24 power supply invoices. Notwithstanding the liquidity crisis, the average available capacity rose by 12.3% from December 2023 to Q3'24.

The introduction of bilateral contracts, supported by the supplementary Multi- Year Tariff Order (MYTO), also offers significant growth potential for power- generating companies. These reforms are expected to support revenue stability, improve cash flow management, strengthen cost recovery, and incentivize capacity expansion. These changes were made to (i) decentralize bulk electricity trading in Nigeria and (ii) reduce fiscal risks to the FGN.

## **2. Multiple metering initiatives to enhance power distribution**

As of September 2024, c.46.2% of the 13.3 million registered electricity customers across the 12 DisCos had been metered, up from 44.5% in Q3'23. In Q3'24, the number of meters installed rose by 256.0% QoQ to 184,507, largely driven by the Meter Asset Provider (MAP) framework, which accounted for 96.9% of installations. This progress has improved revenue collection efficiency, with DisCos collecting N1.19 trillion of the N1.54 trillion billed as of 9M'24, reflecting a 77.3% collection efficiency.

Since DisCos are the primary revenue collectors in the electricity value chain, their ability to collect and remit payments to NBET or directly to GenCos is vital for maintaining sector liquidity.

To sustain the positive momentum and address the metering gap, the Nigerian government, through the Ministry of Power and NERC, has introduced the initiatives below:

- **The Meter Acquisition Fund (MAF):** In June 2024, the NERC introduced the Meter Acquisition

Fund (MAF) to address a metering deficit exceeding 7 million customers. The MAF allows DisCos to access long-term financing for meter acquisition and deployment. The MAF is funded through market revenues and contributions from DisCos, and it provides a credible revenue stream that can be leveraged to secure long-term financing for meter procurement and installation. In June 2021 NERC approved NGN 21 billion under the Tranche A of the MAF scheme for meter procurement. The funds were apportioned pro rata based on DisCos' contributions during the April 2024 market settlement cycle. All meters installed under the MAF are free to customers with no upfront payment required.

- **The Presidential Metering Initiative (PMI):** In November 2023, President Bola Ahmed Tinubu approved the Presidential Metering Initiative (PMI) to bridge Nigeria's metering gap and improve power sector efficiency. At its inception, the PMI aimed to deploy over 5 million smart meters by 2027 to eliminate estimated billings. The federal government ear-marked NGN700 billion for the initiative, funded through monthly deductions from the federation account. The plan aims to distribute 2 million meters annually.
- **The World Bank-funded Distribution Sector Reform Program (DISREP):** Launched in February 2021 with \$500 million in initial funding, DISREP is a World Bank-supported initiative under the Federal Government's Power Sector Recovery Program (PSRP) to revitalize Nigeria's electricity distribution sector. In June 2023, the World Bank approved additional financing to strengthen the PSRP, improve distribution performance, attract private investment, and ensure reliable, affordable electricity. Aided by DISREP, the Minister of Power, Adebayo Adedun, announced the procurement of 1.3 million meters in 2024, noting that deployment of the meters will be between December 2024 and Q2'25.

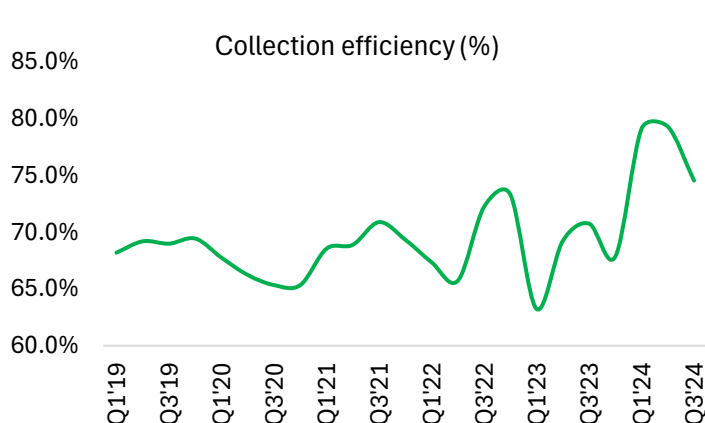


Figure 10: Collection efficiency peaked at 79.3% in Q2'24

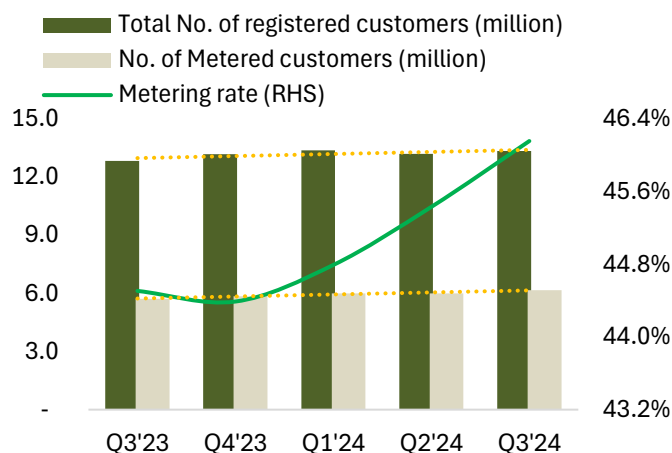


Figure 11: Improvements in metering rate (%) in 2024

Source: NERC, CardinalStone Research

### 3. Pressure from gas cost to subsist in 2025

Gas-fired power plants account for 70.0%–80.0% of Nigeria's electricity generation, but consistent supply remains a challenge due to GenCos' liquidity issues and suppliers' concerns over pricing. These issues have forced gas suppliers to prioritize international LNG markets over domestic commitments, a situation that has created significant setbacks for the power value chain. To address the pricing issue and improve gas availability, the NMDPRA ("Nigerian Midstream and Downstream Petroleum Regulatory Authority" raised the natural gas price for GenCos from \$2.18 to \$2.42 per MMBtu in April 2024. This decision resulted in a significant increase in the operating costs for power generating companies.

Despite the increase, domestic gas prices are lower relative to prices in Ghana, South Africa, and Egypt. We see latitude for further price hikes as the NMDPRA seeks to make prices competitive, incentivize upstream producers, and address domestic supply challenges. Elsewhere, gas availability for domestic use can be improved by a strategic clampdown on gas flaring, which sees c.8.0% of total gas output go to waste on an annual basis, given data over the last five years.

Figure 12: Gas prices \$/mmbtu in Nigeria vs African peers

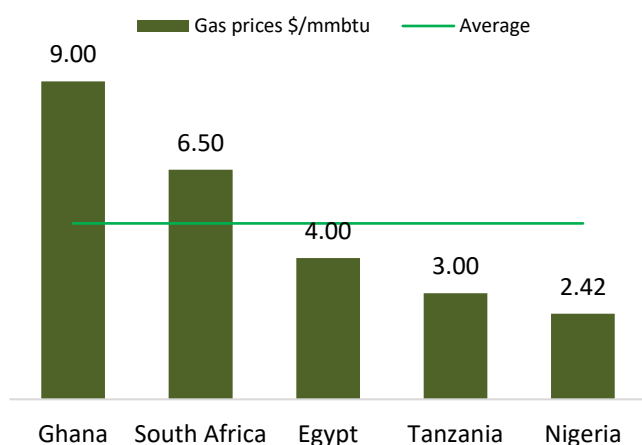
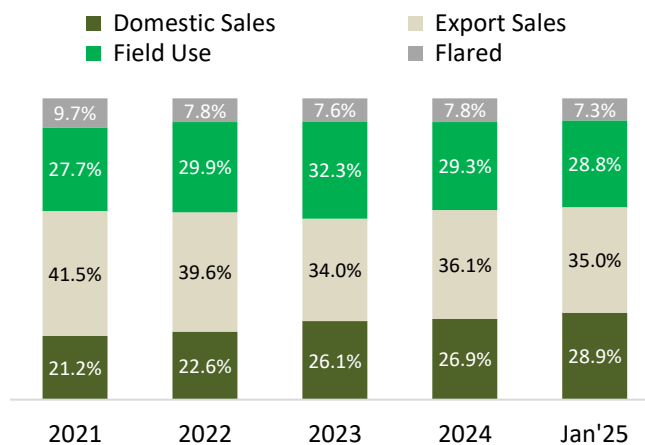


Figure 13: c.28.9% of gas output is domestically



Source: Egypt Oil & Gas, Africa Oil & Gas, CardinalStone Research Source: NUPRC, CardinalStone Research

#### 4. Possible tariff review in 2025

NESI's cost-reflective tariff framework allows for periodic adjustments based on economic conditions. Given financial pressures on GenCos and DisCos, upward tariff revisions across customer bands (i.e. possibly in the form of partial or full removal of electricity subsidies) are likely in 2025. Already, the NERC has eliminated electricity subsidies for customers under the Band A classification resulting in a tariff increase from NGN66.00 per kilowatt hour (kWh) to NGN209.50/ kWh currently. This adjustment aimed to alleviate the substantial financial burden on the Government, which, as of November 2024, had expended approximately N1.90 trillion on electricity subsidies, with projections indicating that this figure may have escalated to N2.40 trillion by the end of 2024.

For the remaining electricity bands, the Federal Government has announced plans to regularize the electricity tariffs, citing the current inequitable tariff gap between band A and other band classes. Ultimately, we expect a gradual shift to fully cost-reflective tariffs over three years, with the transition to this framework starting in 2025.

Table 3: Average tariff (N/Kwh) across DisCos as of July 2024

| Band/Tariff Class | Abuja  | Benin  | Eko    | Enugu  | Ibadan | Ikeja  | Jos    | Kaduna | Kano   | P.Harcourt | Yola   |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|
| Band A            | 209.50 | 209.50 | 209.50 | 209.50 | 209.50 | 209.50 | 209.50 | 209.50 | 209.50 | 209.50     | 209.50 |
| Band B            | 71.88  | 65.44  | 63.05  | 64.05  | 68.82  | 59.57  | 64.27  | 65.92  | 68.18  | 68.18      | 66.26  |
| Band C            | 59.56  | 55.62  | 50.88  | 51.40  | 55.08  | 49.75  | 56.76  | 53.17  | 50.36  | 50.36      | 55.43  |
| Band D            | 48.53  | 44.83  | 39.67  | 43.97  | 44.23  | 40.61  | 49.53  | 42.74  | 42.39  | 42.39      | 53.29  |
| Band E            | 48.53  | 44.83  | 39.66  | 43.78  | 44.17  | 40.60  | 49.03  | 42.74  | 42.35  | 42.35      | -      |

Source: NERC, CardinalStone Research

Figures in Figure 6 capture average tariffs across MD-1, MD-2, and Non-MD

*MD-1: LV Maximum Demand connection, (commercial and small industrial)*

*MD-2: MV/HV Maximum Demand (11/33kv) connection, (large commercial and industrial)*

*Only Abuja and Ikeja discos have an A-MD2 Special tariff class for bilateral power customers.*

*Non-MD: Single or three-phase connections, (residential and small commercial shops)*

## 5. More state-led electricity markets to be established in 2025

In 2024, the NERC initiated the transfer of regulatory oversight to state governments in line with the EA, which permits states to regulate interstate electricity activities. According to the Forum of Commissioners for Power and Energy, as of October 2025, 23 states have passed enabling laws, and 14 have received formal regulatory transfers from NERC, with more joining monthly. As of October 2025, NERC has completed the transfer of regulatory oversight to 10 states: Enugu, Ekiti, Ondo, Imo, Oyo, Edo, Kogi, Lagos, Ogun, Niger, Bayelsa, Nasarawa, and Cross River.

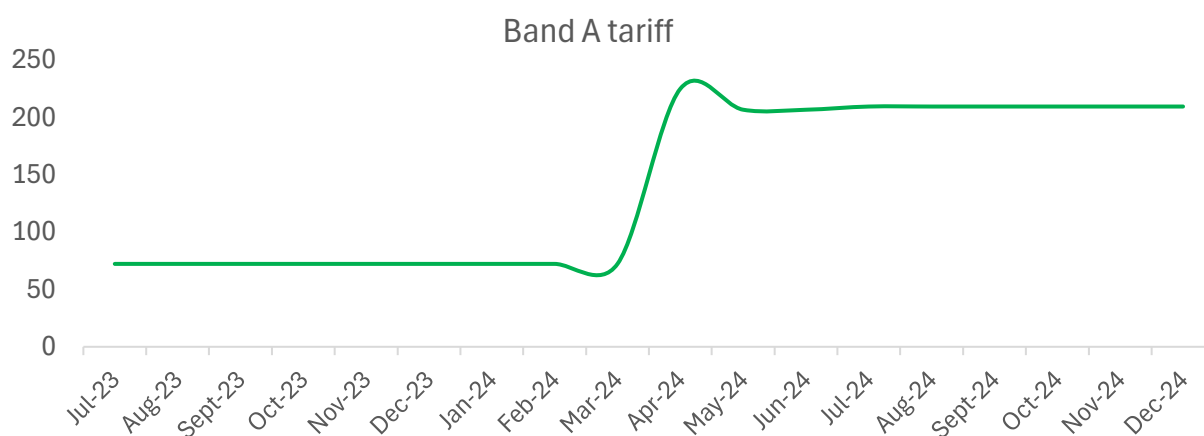
We expect more states to establish their electricity markets, enabling tailored solutions for local generation and distribution. This decentralization aligns with the government's goal to improve efficiency within the NESI.

## 6. Grid-targeted initiatives and investments to bear fruits in mid to long-term

The 12 national grid collapses in 2024 were caused by ageing infrastructure, insufficient investment, poor maintenance, vandalism, and power imbalances. According to NERC, the grid operates within voltage ( $330\text{kV} \pm 5.0\%$ ) and frequency ( $50\text{Hz} \pm 0.5\%$ ) limits—deviations can cause power degradation or black-outs.

In response to concerns over grid collapses, the Federal Government and TCN are implementing a comprehensive grid overhaul supported by the Presidential Power Initiative (PPI) and partnerships with the World Bank and AfDB. The EA 2023 promotes decentralization, we expect the rise of state-operated grids, reducing reliance on the national grid and improving system stability.

Figure 14: Band A tariff adjustments in 18 months (N/Kwh)



Source: NERC, TCN, CardinalStone Research

## 7. Growing development in renewable energy

Nigeria's renewable energy sector is undergoing a transformative shift, driven by strategic policy frameworks and increasing international support. At the heart of this transition is the Renewable Energy

Master Plan (REMP) which seeks to elevate the share of renewables—such as wind, solar, biomass, and small hydro—in Nigeria's energy mix to 23.0% by 2025 (vs 21.0% in 2023). Complementing the REMP is the Nigerian Energy Transition Plan (ETP), a strategic roadmap to expand renewable energy capacity, reduce reliance on fossil fuels, and achieve net-zero emissions by 2060. To realize these ambitious goals, the ETP estimates a required investment of \$1.9 trillion (by 2060), which is \$410 billion above the typical spending estimate. Given these significant financial needs, the government and Development Finance Institutions (DFIs) will likely introduce new funding schemes to accelerate renewable energy adoption. A major boost to Nigeria's renewable energy ambitions came in September 2024, when the World Bank approved a \$1.57 billion loan for Nigeria, including \$500 million for the Sustainable Power and Irrigation Project, which aims to deploy solar mini-grids, expand smart metering infrastructure, and support climate-resilient agriculture.

### **NIGERIAN CAPITAL MARKET**

The Nigerian Capital Market (the “Market”) consists of equity and debt markets. The equity market comprises shares of quoted Nigerian companies. The debt capital market consists of state and federal government bonds, corporate bonds, supranational bonds, notes, debentures and their derivatives, Nigerian Treasury Bills, Treasury Bonds, commercial papers, and other debt instruments. The Market is principally regulated by the Securities and Exchange Commission (SEC).

The Domestic Bond Market (DBM) is principally regulated by the ISA and the SEC Rules and Regulations made pursuant to the ISA. The DBM comprises of bonds issued by the Federal Government (and its agencies), state governments, and corporate entities. Sovereign Bonds were already in existence before Nigeria’s independence in 1960. However, DBM became active in 2003 following the establishment of the Debt Management Office in 2000, which took concerted initiatives to resuscitate and develop the FGN Bond market.

### **The Securities and Exchange Commission (“SEC”)**

The SEC is the agency responsible for the regulation of the Nigerian Capital Market. It is established pursuant to Section 1 of the ISA, with its functions defined in Section 3 of the ISA. The SEC undertakes supervisory oversight of the capital market to ensure the protection of investors, maintain a fair, efficient, and transparent market and reduce systemic risk. It regulates and registers stock and commodity exchanges, capital market operators, venture capital funds and collective investment schemes.

### **The Nigerian Exchange Limited (“NGX”)**

The Nigerian Exchange Limited, formerly Nigerian Stock Exchange (“NSE”) was established in 1960 and began operations in 1961 as the Lagos Stock Exchange. In December 1977, the Lagos Stock Exchange was renamed the NSE and currently has 13 branches (apart from the NGX’s head office). The NGX, offers listing, trading, licensing and similar services for both equities and debt and acts as the largest securities exchange in Nigeria. NGX, as a self-regulatory organization, is empowered to make rules and regulations to guide its members and their conduct. In carrying out its rule making function, NGX seeks to promote just and equitable principles of trade, remove impediments to and improve the mechanism of a free and open market. The listing of securities for trading on the Exchange is carried out pursuant to applicable laws and regulations, including CAMA, the ISA, the Rules and Regulations of the SEC, as well as NGX rules and regulations, including but not limited to the NSE 2015 Rule Book. This regulatory framework supplies the conditions for governments and companies seeking to list their instruments on the Exchange. As of October 2025, there are 147 equities, 56 debt securities, and 12 exchange- traded products listed on the NGX.

### **Central Securities Clearing System PLC (“CSCS”)**

Central Securities Clearing System Plc was incorporated in 1992, as a subsidiary of the then NSE to provide central clearing services for securities quoted on the NGX and It began operations in 1997. All securities listed on the NGX must have their certificates deposited in the CSCS before transactions can take place on the floors of the NGX. CSCS provides computerized registration, clearing, settlement, and delivery of securities in a centralized form thereby reducing the cost and time involved in processing trades on the NGX. It settles transactions within “T+3” or “T+2” days (depending on the securities) and serves as a central clearing point for book-entry trading of instruments listed on the NGX.

**FMDQ Securities Exchange Limited (“FMDQ Exchange”)**

FMDQ Exchange was launched in November 2013, bringing together Nigeria’s fixed income and currency operations under a single market governance structure by promoting market development in the Nigerian OTC financial markets, with a primary focus on the capital markets— fixed income (money, repos, commercial papers, treasury bills, and bonds), currencies and derivatives. FMDQ Exchange presently provides the platform on which all secondary market trading activities for debt securities are executed. As a SEC registered but self-regulated organization, FMDQ Exchange is responsible for enforcing Members’ compliance with its Rules, Guidelines, Agreements, and all other regulations, as well as monitoring and enforcing compliance by issuers of listed or quoted securities.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

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*The following is the text of the terms and conditions which, (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement (the “Final Terms”), and, save for the italicized text) will be incorporated by reference into the Instruments and will be endorsed on the back of each Bond Certificate issued in respect of the Bonds issued under the Programme.*

*Further information with respect to the Instruments of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Instruments. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.*

*The provisions of the terms and conditions set out below (the “Conditions”) which are applicable to the Instruments issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Instruments shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

*The Instruments are constituted by a Programme Trust Deed (the “Programme Trust Deed”) dated [•] between NBET Finance Company PLC (as Issuer), Nigerian Bulk Electricity Trading Plc (as Sponsor) and Afrinvest Trustees Limited (as Trustee, which expression shall include all Persons for the time being acting as trustee under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series.*

*The Instrument Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the Trustee at 27 Gerrard Road, Ikoyi, Lagos and at the specified offices of the Registrar, Coronation Registrars Limited at Plot 9 Amodu Ojikutu Street, Victoria Island, Lagos*

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

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

### **1. Form, Denomination and Title**

- 1.1. Unless otherwise specified in any Final Terms, the Instruments shall be issued in dematerialised form in denominations specified in the Final Terms relating to the relevant Series and registered with a separate securities identification code with the CSD.
- 1.2. The Instruments may be issued at once or may be issued in separate Tranches which together with other Tranches, may form a Series; Provided that they are identical in all respects (including as to noting) except for their respective issue dates, Coupon Commencement Dates, and/or issue prices.

- 1.3. The Coupon Rate applicable to any Series of Bonds may be specified as being fixed rate or floating rate and the amount of Coupon payable in respect of such Instrument shall be determined in accordance with, the applicable Final Terms.
- 1.4. In the case of Sukuks, the applicable Rental Rate and Distribution obligations of the Issuer shall be as provided in the applicable Final Terms.
- 1.5. A Series of Instruments may be listed on the Exchanges, subject to Applicable Laws and the listing requirements of the relevant Exchange.
- 1.6. The title to the Instruments shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Instrument Holders and (in relation to a Instrument) Holder means the person in whose name a Instrument is registered. Title to the Instruments will pass in accordance with the rules of the CSD .
- 1.7. Except as may subsequently be agreed between the Parties in a Series Trust Deed, the Instrument Holder (or his/her legal representative) shall be deemed and regarded as the legal and beneficial owner of the Instruments registered in his name for all purposes including but not limited to the payment of the Principal Amount and Coupon.
- 1.8. The records of the Register as to the aggregate number of such Instruments standing to the credit of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Instrument Trustee as the legal and beneficial owner of such aggregate number of Instruments for all purposes.

## 2. Repayment

The principal on the Instruments will be repaid in accordance with the terms of the relevant Series agreed in the relevant Series Trust Deed on such Instruments.

## 3. Redemption

- 3.1 *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Instruments on such dates as specified in the relevant Series Trust Deed.
- 3.2 *Redemption by Instalments:* The Instruments may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Instruments until fully redeemed at the Maturity Date.
- 3.3 *Redemption Prior to Maturity/Early Redemption*
  - 3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Instruments upon giving the Holders of the Instruments to be redeemed, a minimum of thirty (30) days and maximum of sixty (60) days' notice of its intention to do so ("Early Redemption").
  - 3.3.2 The Issuer shall only redeem the Instruments on a Payment Date and not otherwise.
  - 3.3.3 At the expiration of the notice in Instrument Condition 3.3.1 above, the Issuer shall be entitled and bound to redeem the Instruments in respect of which such notice has been given. Such notice shall state the amount of the Instrument due for redemption and the condition under which such redemption is to be effected.
  - 3.3.4 Upon Early Redemption, the Issuer shall, (upon the expiration of the redemption notice), be obliged to pay the Instrument Holders the outstanding principal and accrued interest.
  - 3.3.5 The Issuer shall not incur any penalty on account of Early Redemption.
- 3.4 The Issuer shall be entitled to a 5 (five) day period from the service of the redemption notice within which it can cancel the redemption process without the application of any further Distribution.

- 3.5 The sum payable on the Maturity Date is the Redemption Amount which unless otherwise provided in the Final terms of a Series, is the outstanding sum in respect of each Instrument, together with any applicable Distribution at the time of redemption, and any amount(s) rolled over from previous years.
- 3.6 Upon redemption, the obligations of the Issuer in respect of any such Instruments shall be discharged.

#### **4. Purchase, Redemption and Cancellation of Instruments**

##### **4.1 *Purchase of Instrument***

The Issuer may at any time and from time to time purchase any part of the Instruments through the Exchanges on which the Instruments are listed, but not otherwise. All purchases and sales of Instruments may be made by way of an offer for subscription, private treaties and/or over-the-counter.

##### **4.2 *Cancellation***

- 4.2.1 All Instruments which are redeemed in accordance with the provisions of the Deed shall be cancelled and such Instruments may not be reissued or resold to other Instrument Holders.
- 4.2.2 Prior to the Maturity Date, all Instruments so cancelled shall not be subject to any additional Coupon or other payment in respect of such cancellation.
- 4.2.3 All Instruments so cancelled shall thereafter be forwarded to the Issuer and the obligations of the Issuer in respect of any such Instruments shall be discharged. For so long as the rules of the Exchanges require, the Issuer shall promptly inform the Exchanges of the cancellation of any Instruments under this Condition.

##### **4.3 *Re-issue***

Where the Issuer has redeemed, cancelled, or repurchased any Instrument(s) in accordance with this Condition 4 (*Purchase, Redemption and Cancellation of Instruments*), the Issuer shall not re-issue such Instrument(s).

#### **5. Status of the Instruments**

The Instruments shall constitute direct, general, and irrevocable obligations of the Issuer. The payment obligations of the Issuer under the Instruments and in respect of principal and any applicable Distributions on the Instruments shall at all times rank at least equally with all unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

#### **6. Negative Pledge**

For as long as any of the Instruments are outstanding, the Issuer shall not, without the prior written consent of the Instrument Trustee, directly or indirectly secure any other financial indebtedness represented by Instruments (excluding Instruments issued under the Programme) or any other debt securities which are, or are capable of being, traded, noted or listed on any stock exchange or over-the-counter or similar securities market unless otherwise stated in the applicable Final Terms to a Series

#### **7. Distributions**

The Fixed Rate Instruments and Floating Rate Instruments of any Series will bear Coupon from (and including) the Coupon Payment Date (or the Coupon Commencement Date in respect of the first Coupon Period only) at the Coupon Rate and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the applicable Final Terms to a Series. The

Coupon payable on the Instruments of any Series for a period other than a full Interest Period shall be determined in the manner specified in the Final Terms.

**7.1 *Coupon on Fixed Rate Instruments***

Coupon on Fixed Rate Instruments shall be paid on the Coupon Payment Dates specified in the applicable Final Terms.

**7.2 *Coupon on Floating Rate Instruments***

7.2.1 The Floating Rate Instruments (shall bear Coupon on its principal amount on such basis as may be described in the Pricing Supplement or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2 Coupon on the Floating Rate Instruments shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the Floating Rate Instruments will be determined in the manner specified in the Final Terms.

**7.3 *Zero Coupon Instruments***

Zero Coupon Instruments shall not bear Coupons on its Principal Amount, and no Coupons shall be payable by the Issuer in respect of such Zero-Coupon Instruments.

**7.4 *Sukuks***

The Distributions applicable to each Sukuk issuance under a Series shall be as provided for in the applicable Final Terms.

**8. *Transmission***

8.1 In the case of the death of a Instrument Holder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Instrument.

8.2 Any person becoming entitled to the Instruments in consequence of the death, bankruptcy, winding-up or dissolution of the Instrument Holder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Instrument Condition or of his title as the Instrument Holder shall think sufficient, be regarded as the Instrument Holder of such Instruments, or subject to the preceding Conditions as to transfer, may transfer the same.

**9. *Sinking Fund***

The Issuer shall ensure that no later than the date specified in the applicable Final Terms, a Sinking Fund is established under the management and control of the DMO and NBET, and to be funded on a monthly basis with the CBN Sinking Fund Contributions and monies held in the Receivables Sinking Fund (as when due), for the purpose of repayment of the Principal Amount, Coupon and Profits under this Programme.

**10. *Method of Payment of Principal, Coupon and Premium***

10.1 Payment of the Principal Amount, Coupon or Profits due on all or any part of the Instrument shall be as provided in the applicable Final Terms.

**11. *Trusts***

11.1 Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Instrument Holder of any Instrument as the absolute owner of such

Instrument and shall not be bound to take notice or see to the execution of any trust whether express, implied, or constructive to which any Instrument may be subject.

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

## **12. Freedom from Equities**

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

## **13. Transfer of Instruments**

- 13.1 The Instruments shall be transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.
- 13.2 Transfers of the Instruments shall be by an instrument in writing in the form approved by Issuer and the Instrument Trustee.
- 13.3 The Instruments shall be transferred on the Exchanges in accordance with its rules.
- 13.4 Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Instruments until the name of the transferee is entered in the Register.
- 13.5 Every instrument of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the Transferor or his right to transfer the Instrument and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.
- 13.6 The Issuer and the Registrar shall retain all instruments of transfer after registration.
- 13.7 Registration of any Instrument transfer shall not be carried out within fifteen (15) days ending on the due date for any payment on that Instrument.

## **14. Notices**

### **14.1 *Notices to the Instrument Holders***

- 14.1.1. All Notices to the Instrument Holders will be valid if sent via email to the Instrument Holders at their respective email addresses provided to the Instrument Trustee. Any Notice sent pursuant to this provision shall be deemed to have been given on the second day after being so mailed.
- 14.1.2. Any Notice, or other communication to the Instrument Holders will be validly delivered to the Instrument Holders if given to the Instrument Trustee hereunder by sending the same through the post in a prepaid letter addressed to the Instrument Trustee at its registered offices in Nigeria or email.
- 14.1.3. Any Notice or other document duly served on or delivered to any Instrument Holder under these conditions shall (notwithstanding that such Instrument Holder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Instrument registered in the name of such Instrument Holder as sole or joint holder unless before the day of

posting (or if it is not sent by post before the day of service or delivery) of the Notice or document his name has been removed from the register as the holder of the Instrument and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or claiming through or under him) in the Instrument.

- 14.1.4. Any Notice shall be deemed to have been served on the 5th day following the day which the letter containing the Notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the Notice or the Notice itself was properly addressed, stamped and posted. Any Notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

#### *14.2. Notices from the Instrument Holders*

Notices to be given by any Instrument Holder shall be in writing and given by lodging the same, with the Trustee.

### **15. Events of Default**

- 15.1 If any of the Events of Default occur and is continuing, the Trustee at its discretion shall, and if so requested in writing by Majority Holders of the Instruments or if so directed by an Extraordinary Resolution, give written Notice to the Issuer at its specified office that an Event of Default has occurred:

- 15.1.1 *Non-Payment*: default by the Issuer in the payment when due of the Redemption Amount, and the continuance of any such default for a period of 10 (ten) Business Days, in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days period (as the case may be), the Issuer satisfies the Instrument Trustee that:

15.1.1.1 such sums (Withheld Amounts) were not paid (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Instrument Trustee or the relevant Instrument Holder; or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days (as the case may be) by independent legal advisers acceptable to the Instrument Trustee; or

15.1.1.2 Such Withheld Amounts were not paid pursuant to an agreement made in connection with Instrument Condition 15.1.1.1 above.

- 15.1.2 *Cross-Default*: If any financial indebtedness of the Issuer of a value exceeding N10,000,000,000.00 (Ten Billion Naira) (or its equivalent in any other currency) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within ten (10) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later;

- 15.1.3 *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its other obligations under the Trust Deed, which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of 30 (thirty) days (or such longer period as the Instrument Trustee may reasonably determine is not materially prejudicial to the interests of the Instrument Holders) after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Instrument Trustee (except where such default is not,

in the reasonable opinion of the Instrument Trustee after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required);

- 15.1.4 *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of N1, 000, 000, 000.00 (One Billion Naira) and such distress, attachment, execution or other legal process is not discharged or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a receiver is appointed over any material assets of the Issuer and such event is certified in writing by the Trustee to be in their opinion materially prejudicial to the interests of the Instrument Holders. PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within (10) Business Days of becoming aware of the Order or action;
- 15.1.5 *Seizure/Compulsory Acquisition of Assets*: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer;
- 15.1.6 *Insolvency*: the Issuer is, or is deemed by law, or a court of competent jurisdiction to be unable to pay its debts as they fall due; or stops or suspends payment of a substantial part of its debts;
- 15.1.7 *Inability to Pay Debts*: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties;
- 15.1.8 *Cessation of Business*: if the Issuer ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business or merges or consolidates with any other entity without the prior written consent of the Trustee;
- 15.1.9 *Material Adverse Change*: If a Material Adverse Change has occurred; and
- 15.1.10 *Obligations Unenforceable*: any of the Instruments or the Trust Deed is or becomes wholly or partly void, voidable, or unenforceable.

## **16. Enforcement**

At any time after the occurrence of an Event of Default which is continuing, the Instrument Trustee may, in its discretion, institute proceedings and or take other actions against or in relation to the Issuer or any other person as it may think fit to enforce the obligations of the Issuer under the Instruments.

## **17. Proceeding Against the Issuer**

Only the Instrument Trustee may enforce the performance of the Issuer's obligations under this Deed. Subject to the provisions of CAMA, no Instrument Holder or a person claiming through a Instrument Holder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

## **18. Taxation**

All payments of principal, coupon and any other sum due in respect of the Instruments shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any Authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Instrument Holders as a result thereof.

**19. Prescription**

Claims against the Issuer for payment in respect of the Instruments shall be time-barred and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal Amount and the Coupon due on such Instruments.

**20. Meetings of Instrument Holders**

The rights and duties of the Instrument Holders in respect of attendance at meetings of Instrument holders are set out in the Schedule 2 (*Provisions for Meetings of Instrument Holders*). Decisions taken at Instrument Holders' meetings may only be exercised by the Trustee in accordance with this Deed or under these Conditions. For the avoidance of doubt, the Conditions can only be amended with the consent of the Parties as that term is defined in this Trust Deed.

**21. Governing Law and Dispute Resolution**

21.1 This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

21.2 In the event of any dispute arising out of or in relation to the interpretation of this Deed, the performance of this Deed, or the breach of this Deed (a "**Dispute**"), the Parties shall endeavor to resolve such Dispute through direct negotiation.

21.3 Notwithstanding Condition 21.2 above, any and all Disputes and controversies arising out of or in connection with this Deed which are not resolved through direct negotiation within ten (10) Business Days shall be referred to the Parties' senior management for resolution.

21.4 If the senior management are not able to resolve such Disputes within an additional fifteen (15) Business Days or any other period expressly provided for in this Deed or as agreed between the Parties, the Dispute shall be referred to and finally settled by arbitration under the rules of arbitration of the Regional Centre for International Commercial Arbitration and shall be resolved under the Rules for Arbitration of the Regional Centre for International Commercial Arbitration, Lagos (the "**Rules**").

21.5 The arbitration tribunal shall consist of three (3) arbitrators, one appointed by the Trustee, a second appointed by the Issuer, and the third arbitrator who shall preside over the Panel, shall be appointed by the two (2) arbitrators so appointed. In the event that the two arbitrators appointed by the Trustee and the Issuer respectively do not agree on the appointment of such third arbitrator, or if the Trustee or the Issuer fail to appoint their respective arbitrator within ten (10) Business Days after the declaration of a dispute, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed the third Arbitrator shall convene an arbitrators meeting and act as Chairman at the same.

21.6 The place and seat of the arbitration shall be Lagos, Nigeria, and the language to be used in the arbitral proceedings shall be English.

21.7 The arbitral award shall be final and binding on the Parties and shall be lieu of any other remedy, and judgment rendered on the award may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.

21.8 The Party to bear the cost of the arbitration shall be determined by the arbitral award and the award shall include consequential, indirect, or punitive damages. Notwithstanding, each Party shall, however, bear its lawyer's fees.

21.9 This Condition 21 incorporates the Rules except where they conflict with its express terms.

21.10 Notwithstanding the provisions of this Condition 21, a Party shall have the right to seek interim relief against another Party through the Nigerian courts to protect its rights and interests, or an arbitral award made pursuant to arbitration proceedings brought under the Deed.

## GENERAL INFORMATION

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### Authorization

The Issuer has obtained all necessary consents, approvals, and authorizations in connection with the establishment of the Programme and the issue of the Instruments thereunder prior to the date of this Shelf Prospectus.

### Listing of Instruments

Each Series or Tranche of the Bonds/Instrument will be admitted to the daily official list of the NGX and/or the daily quotations list of the FMDQ Exchange for trading.

### Clearing Settlement System

The Instruments will be accepted for clearance through the S4, CSCS and/or FMDQ Depository. The applicable symbol code and ISIN for each Tranche or Series will be specified in the applicable Pricing Supplement. All transactions in such Instruments shall be cleared and settled electronically in accordance with the rules and operating procedures of the S4, CSCS and/or FMDQ Depository. Transactions will normally be effected for settlement not earlier than three (3) working days after the date of trade. Subject as aforesaid, each Series or Tranche of such Instruments will be issued, cleared, and transferred in accordance with the Terms and Conditions and will be settled through authorized participants who will follow the electronic settlement procedures prescribed by the S4, CSCS and/or FMDQ Depository. The S4, CSCS and/or FMDQ Depository authorised participants include banks, securities brokers and dealers, regulators, and other professional financial intermediaries. The Issuer has no responsibility for the proper performance by S4, CSCS, FMDQ or authorized participants of their obligations under their respective rules and operating procedures.

If the Instruments are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the Applicable Pricing Supplement.

### Conditions for Determining Price

The price and amount of the Instruments to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions.

### Claims & Litigations of the Issuer

The Issuer, as confirmed by the Solicitor to the Transaction has no on-going, threatened or pending arbitration, litigation, administrative or regulatory proceedings, investigations or hearings or any other governmental action brought or likely to be brought against the Issuer. There are also no outstanding settlements, arbitral awards, judgements, rulings, injunctions, or other decrees or order made in favour of or against the Issuer.

### Claims & Litigations of the Sponsor

The Solicitor to the Transaction confirms that there are no outstanding settlements, arbitral awards, judgments, rulings, injunctions, or other decrees or orders made in favor of or against the issuer. The Solicitor also confirms that there are no litigations or other dispute resolution claims that may adversely affect the Transaction, or the Issuer's ability to perform its obligations in relation to the Transaction.

### Material Contracts

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

- a. A Programme Trust Deed among NBET Finance Company Plc, Nigerian Bulk Electricity Trading Plc (NBET) and Afrinvest Trustees Limited in connection with the Programme.

- b. A Settlement Agreement among NBET Finance Company Plc, Nigerian Bulk Electricity Trading Plc and the Generation Companies (GenCos) detailing the final terms of the substantive claims of each GenCo
- c. A Deed of Novation Agreement between NBET Finance Company Plc and Nigerian Bulk Electricity Trading Plc and the Generation Companies (GenCos) transferring all NBET's obligations to the SPV
- d. Assignment of Receivables Agreement between NBET Finance Company Plc and Nigerian Bulk Electricity Trading Plc transferring all NBET's rights and receivables from DisCos between March 2015 and December 2023 to the SPV

#### **Cost and Expenses**

All approved costs and expenses of issuing the Instruments including professional fees and cost of printing will be settled by the Issuer.

#### **Documents available for Inspection**

Copies of the following documents may be inspected at the offices of the Issuing Houses, Trustee and Legal Advisers specified on pages 16 to 18, during normal business hours on any Business Days within the offer period from 8:00a.m. to 5:00p.m. (WAT) during the offer period:

- 1. The Shelf Prospectus dated 14 January 2026
- 2. The Applicable Pricing Supplement 14 January 2026
- 3. The Programme Trust Deed dated 14 January 2026
- 4. The Series Trust Deed dated 14 January 2026
- 5. FGN Deed of Guarantee dated December 1, 2025
- 6. Letter from the CBN granting liquidity status to the Bonds dated December 18, 2025
- 7. Letter from the PenCom dated October 1, 2025, confirming that the bond qualifies as securities in which PFAs may invest
- 8. SEC approval letter / waiver dated October 23, 2025
- 9. Tax Exemption Confirmation Letter December 12, 2025
- 10. Board Resolution of the Sponsor dated October 31, 2025 authorizing the Debt Issuance Programme
- 11. Board Resolution of the Issuer dated November 3, 2025 authorizing the Debt Issuance Programme

Electronic copies of the above-mentioned documents can be accessed at [dmo.gov.ng](https://dmo.gov.ng) and [nbet.com.ng](https://nbet.com.ng)

**(THIS DOCUMENT IS ISSUED FOR PRICE DISCOVERY PURPOSES ONLY – RED HERRING)**

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 No. 29, 2007. **Investing in this offer involves risks. For information concerning certain Risk Factors which should be considered by prospective Qualified Institutional Investors and High Net-worth Investors, please refer to the section on risk factors in the Shelf Prospectus.**

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities & Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0) 94621168



**RC: 8707452**

**Offer for Subscription  
(By way of a Book Build)  
of**

**₦590,000,000,000 Series I: 7-Year [●] % Fixed Rate Bonds due [●]**

**(being offered to Qualified Institutional Investors, High Net Worth Individuals and Generation Companies)**

**Under a ₦4,000,000,000,000 Multi-Instrument Debt Issuance Programme**

**Book Build Open: [●]**

**Book Build Close: [●]**

This Pricing Supplement has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or "SEC") in connection with the issue of ₦590,000,000,000 Bonds under the ₦4,000,000,000,000 Multi-Instrument Debt Issuance Programme ("the Programme") established by NBET FINANCE COMPANY PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [.] and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. 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 Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

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

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information regarding the Securities being issued hereunder (the "Series I Bonds" or "Bonds"). An application will be made to the FMDQ Securities Exchange and/or the Nigerian Exchange Limited for admission of the Bonds to the platform(s). The Bonds now being issued will upon admission to the platform(s) as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security which Pension Fund Administrators may invest pension funds and assets, under Section 86 of the Pension Reform Act 2014.

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 and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, 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.

**Lead Issuing House**



**Joint Issuing Houses**



**THIS PRICING SUPPLEMENT IS DATED [.] 2026**

**THIS PRICING SUPPLEMENT WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:**

[www.nbet.com.ng](http://www.nbet.com.ng) [www.dmo.gov.ng](http://www.dmo.gov.ng)

*The information provided below is a summary of the key features of the Series [●] Bonds to be issued under the Programme and a description of the Offer. This summary does not purport to be complete and is taken from, 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.*

|                                                     |                                                                                                                                              |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer:</b>                                      | NBET FINANCE COMPANY PLC                                                                                                                     |
| <b>Description:</b>                                 | Up to ₦590,000,000,000 Series I: 7-Year [.] % Fixed Rate Bonds due [●] under the ₦4,000,000,000,000 Multi-Instrument Debt Issuance Programme |
| <b>Series Number:</b>                               | 1                                                                                                                                            |
| <b>Currency:</b>                                    | Nigerian Naira (NGN)                                                                                                                         |
| <b>Aggregate Nominal Value or Principal Amount:</b> | ₦ [●]                                                                                                                                        |
| <b>Issue Price:</b>                                 | At par at NGN1,000 per unit of the Bond and on a fully paid Basis                                                                            |
| <b>Minimum Subscription Amount:</b>                 | Minimum of NGN5,000,000.00 (i.e., 5,000 units @ NGN1,000/unit) and in multiples of NGN1,000,000.00 thereafter                                |
| <b>Unit of Issue:</b>                               | ₦1,000 per unit                                                                                                                              |
| <b>Coupon Rate:</b>                                 | [.]                                                                                                                                          |
| <b>Gross Proceeds:</b>                              | [.]                                                                                                                                          |
| <b>Net Proceeds:</b>                                | [●]                                                                                                                                          |
| <b>Allotment Date:</b>                              | [.]                                                                                                                                          |
| <b>Issue Date:</b>                                  | [.]                                                                                                                                          |
| <b>Coupon Commencement Date:</b>                    | Coupon shall accrue from the issue date                                                                                                      |
| <b>Tenor:</b>                                       | [●] Years                                                                                                                                    |
| <b>Maturity Date:</b>                               | [●]                                                                                                                                          |
| <b>Principal Moratorium:</b>                        | N/A                                                                                                                                          |
| <b>Coupon Basis:</b>                                | Semi-annually in arrears                                                                                                                     |
| <b>Redemption Basis:</b>                            | Amortized semi-annually                                                                                                                      |

|                               |                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ranking:</b>               | The Bonds are backed by the full faith and credit of the FGN, are unconditional, unsubordinated and secured indebtedness of the Issuer and shall at all times rank pari passu and without any preference among themselves, and pari passu with all other senior unconditional, unsubordinated and unsecured indebtedness of the Issuer, present and future. |
| <b>Use of Proceeds:</b>       | The net proceeds of the debt instrument and its accretion shall be used to settle outstanding Legacy debt owed to the GenCos                                                                                                                                                                                                                                |
| <b>Source of Repayment:</b>   | The Principal and Coupon on the Bonds are payable from FGN contribution into the Sinking Fund managed by the DMO and NBET, structured receivables from DisCos, and other sources as may be approved from time to time by the FGN.                                                                                                                           |
| <b>Subscription of Bonds:</b> | Subscriptions will be made via submission of subscription forms through the Issuing Houses.                                                                                                                                                                                                                                                                 |
| <b>Oversubscription:</b>      | Oversubscription may be absorbed, and additional bonds issued at the discretion of the Issuer (see further “Issuer’s Right on Subscription” on page 31 of the Shelf Prospectus).                                                                                                                                                                            |
| <b>Paying Agent:</b>          | Central Bank of Nigeria                                                                                                                                                                                                                                                                                                                                     |
| <b>Method of Issue:</b>       | By Way of a Book Build                                                                                                                                                                                                                                                                                                                                      |
| <b>Offer Period:</b>          | [●]                                                                                                                                                                                                                                                                                                                                                         |
| <b>Events of Default:</b>     | As outlined in Condition 15 (Page 46) of the Programme Trust Deed                                                                                                                                                                                                                                                                                           |
| <b>Risk Factors:</b>          | See “Risk Factors” on pages 38 to 41 of the Shelf Prospectus                                                                                                                                                                                                                                                                                                |

## PROVISIONS RELATING TO COUPON PAYABLE

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### Fixed Rate Bonds Provision

|                                |                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------|
| <b>Coupon Rate:</b>            | [●] %                                                                               |
| <b>Coupon Payment Date(s):</b> | [●], and payable on [●] and [●] of each year up to and including the Maturity Date. |

|                                                                                     |                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Interest Amount:</b>                                                             | As applicable for each Coupon Period (Interest accumulated between each Coupon Payment Dates)                                                                                                                                                                                                          |
| <b>Day Count Fraction:</b>                                                          | Actual/Actual (Actual number of days in a month/ Actual number of days in a year).                                                                                                                                                                                                                     |
| <b>Business Day Convention:</b>                                                     | 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. |
| <b>Business Day:</b>                                                                | Any day (except Saturdays, Sundays, and public holidays declared by the FGN) on which banks are open for business in Nigeria.                                                                                                                                                                          |
| <b>Other terms relating to method of calculating interest for Fixed Rate Bonds:</b> | Not applicable                                                                                                                                                                                                                                                                                         |

#### PROVISIONS RELATING TO REDEMPTION

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|                                              |                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Basis of Redemption:</b>                  | Amortized semi-annually                                                                                                                                                                                                                                                                                                                                            |
| <b>Redemption Amount(s):</b>                 | See the Coupon and Principal Amortization Payment Schedule (in page 22 of the Series [●] Pricing Supplement).                                                                                                                                                                                                                                                      |
| <b>Final Redemption Amount of each note:</b> | ₦1,000.00 (One Thousand Naira)                                                                                                                                                                                                                                                                                                                                     |
| <b>Form of Bonds:</b>                        | The Series I Bonds will be issued in electronic registered, and dematerialized form via digitalized platforms created for the Series I Bonds.                                                                                                                                                                                                                      |
| <b>Bond Certificates</b>                     | The certificates of allotment shall be dematerialized and issued in electronic form to the S4, CSCS and/or FMDQ accounts of the Bondholders                                                                                                                                                                                                                        |
| <b>Status of the Bonds:</b>                  | The Series I Bonds are backed by the full faith and credit of the FGN and the Bonds and any relative Coupons constitute direct, unconditional and unsecured indebtedness of the Issuer and shall at all times rank pari passu, without any preference among themselves, with all other present and future unsecured and unsubordinated indebtedness of the Issuer, |

save only for such indebtedness as may be preferred by mandatory provisions of Applicable Law; provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other indebtedness and, in particular, shall have no obligation to pay such other indebtedness at the same time or as a condition of paying sums due on the Bonds and vice versa

Qualifies as “securities” in which the PFAs may invest under the Pension Act

Qualifies as “securities” in which trustees may invest under the Trustee Investments Act

**Registrars:** Coronation Registrars Limited

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

#### **DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS**

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**Method of Distribution:** Fixed price offer for subscription

**Clearing System:** Central Securities Clearing System, operated by the Central Securities Clearing System PLC, Scripless Securities Settlement System of the Central Bank of Nigeria, and/or FMDQ Depository Limited

**Bond 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”). No cash deposits will be accepted under this transaction.

**Listing:** To be listed and admitted for trading on the NGX and the FMDQ Exchange.

**Selling and Transfer Restrictions:** There are no restrictions in Nigeria on free transferability of the securities. The offering and sale of the Bonds is subject to all Applicable Laws. The Bonds constitute a domestic borrowing of the FGN, as such, the sale of the instruments is restricted to the Issuer’s jurisdiction. No advertisements may be placed with radio, broadcast or cable stations or newspapers with circulation outside Nigeria or over the internet specifically targeting persons resident outside Nigeria or making offers or invitation to treat to, or

soliciting subscriptions from, such persons. No advertising, press conferences or press releases or other publicity concerning roadshows or visits outside Nigeria should be made to any individual or group of individuals outside Nigeria.

## GENERAL INFORMATION

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|                              |                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rating:</b>               | The Bonds constitute a direct obligation of the FGN and bears its credit rating as a Guarantor                                                                                                                                                                                                                                                                                  |
| <b>Indebtedness:</b>         | The Issuer has no indebtedness as at the date of this Shelf Prospectus other than that which the Issuer has incurred or shall incur in relation to the issuance contemplated herein.                                                                                                                                                                                            |
| <b>Taxation:</b>             | The Bonds will qualify as securities issued by the FGN and as such will be exempted from CITA, personal income tax, capital gains tax, and value added tax, as per the Exemption Confirmation Letter issued by the Minister of Finance dated 12 December 2025 and incorporated by reference in this Shelf Prospectus.                                                           |
| <b>Governing Law:</b>        | The Bonds will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.                                                                                                                                                                                                                                                                     |
| <b>Right of Bondholders:</b> | Refer to page 15 of the Programme Trust Deed                                                                                                                                                                                                                                                                                                                                    |
| <b>Liquid Asset Status:</b>  | <p>The Bonds qualify as eligible instruments and liquid assets for the computation of liquidity ratios of Deposit Money Banks and other financial institutions under the supervision of the Central Bank of Nigeria.</p> <p>The Bonds have zero risk weighting for the purpose of computing capital adequacy ratio by Deposit Money Banks and other financial institutions.</p> |