TSL SPV PLC

₦12 Billion 10-Year 10% Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond

Due 2030 Under the ₦50 Billion Bond Issuance Programme

2025 Corporate Bond Rating Report

Agusto&Co.

Research, Credit Ratings, Credit Risk Management

TSL SPV Plc.

₦12 Billion 10-year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2030 under the ₦50 Billion Medium Term Note Programme

Issue Rating:

Aaa

Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner.

Outlook: Stable
Issue Date: 8 January 2026
Expiry Date: 6 October 2026

The Issue rating is subject to annual monitoring and review.

Previous Issue rating: Aaa

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RATING RATIONALE

Agusto & Co. hereby affirms the **"Aaa"** rating assigned to TSL SPV Plc's ("TSL SPV" or "the Issuer") ₦12 Billion 10-Year 10% Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2030 ("Series 1 Bond", "the Bond" or "the Issue") under the ₦50 Billion Medium Term Note Programme. This rating affirmation is based on the subsisting irrevocable, unconditional, and enforceable guarantee provided by Infrastructure Credit Guarantee Company Limited ("InfraCredit" or "the Guarantor"), ensuring the timely payment of coupon and principal obligations on the Bond. The Guarantor is rated "Aaa" by Agusto & Co with a stable outlook.

On 6 October 2020, TSL SPV Plc issued a ₦12 billion Ten-Year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond. The Bond carries a 10% fixed coupon rate, payable semi-annually throughout its tenor. Following the expiration of the 24-month moratorium, scheduled principal repayments commenced on 6 April 2023. Both principal and interest payments are structured on a semi-annual basis for the remainder of the Bond's term. The net proceeds of the Bond were passed through to Transport Services Limited ("TSL", "the Sponsor" or "the Company"), who in turn, utilised the approximately ₦11 billion (93%) to repay short-term borrowings previously taken to acquire fleet assets comprising 170 truck heads, 170 trailer flatbeds and 45 rigid trucks. A further ₦600 million (5.1%) was deposited into the Debt Service Reserve Account, while ₦192.5 million (1.6%) was used to acquire additional vehicles.

As at 15 December 2025, the Issuer had disbursed an aggregate of ₦9.7 billion to Series 1 Bondholders, comprising ten semi-annual coupon payments amounting to ₦5.2 billion and six instalments of principal redemption totalling ₦4.5 billion. All payments were made as and when due, without recourse to the InfraCredit guarantee. The next scheduled coupon and principal repayment is due on 6 April 2026. According to the Bond Trustee's report dated 15 December 2025, the Issuer remained in full compliance with all covenants and undertakings stipulated in the Trust Deed, with no recorded breaches.

Based on the irrevocable and unconditional guarantee provided by InfraCredit, we hereby attach a **stable** outlook to TSL SPV Plc's ₦12 Billion 10-Year 10% Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2030. However, our rating and outlook on the Bond will be revised to

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reflect changes in the rating of the Guarantor.

This rating report should be read in conjunction with Agusto & Co.'s Issuer Rating Report for Infrastructure Credit Guarantee Company Limited

Figure 1: Strengths, Weaknesses, Opportunities and Challenges

Strengths

- Irrevocable and unconditional guarantee provided by InfraCredit
- Strong financial condition of the Guarantor
- Guarantor's good profitability performance
- Guarantor's good shareholders' support
- Guarantor's growing and diversified funding base
- Financial flexibility afforded by the early redemption clause of the Bond

Weaknesses

- Sponsor's thinning profit margins amid high operating and finance costs
- Sponsor's high leverage
- Sponsor's elevated debt profile

Opportunities

- Demand for last-mile delivery services to support the expanding e-commerce sector.
- Urbanization driving demand for efficient transportation and logistics services to support expanding supply chains
- Growing demand for temperature-controlled logistics services by the pharmaceutical, healthcare and food processing industries
- Opportunity to provide cross-border transportation services leveraging the African Continental Free Trade Agreement

Challenges

- Poor road infrastructure resulting in increased vehicle maintenance cost, delays and general reduction in productivity
- Persistent depreciation of the Nigerian currency and FX illiquidity resulting in cost escalations on imported spare parts
- Significant risks to the safety of goods and personnel due to escalating insecurity

BOND STRUCTURE & ADEQUACY OF PAYMENT ACCOUNT

On 6 October 2020, TSL SPV Plc issued a ₦12 billion 10-year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond. The issuance forms part of the Issuer's ₦50 Billion Medium Term Note Programme. The Bond carries a 10% fixed coupon rate, payable semi-annually throughout its tenor, while scheduled principal repayments commenced on 6 April 2023 following the expiration of a 24-month moratorium. Both principal and interest payments are structured on a semi-annual basis for the remainder of the Bond's term.

The net proceeds of the Bond were passed through to Transport Services Limited ("TSL", "the Sponsor" or "the Company"), who in turn, utilised the approximately ₦11 billion (93%) to repay short-term borrowings previously taken to acquire fleet assets comprising 170 truck heads, 170 trailer flatbeds and 45 rigid trucks. A further ₦600 million (5.1%) was deposited into the Debt Service Reserve Account, while ₦192.5 million (1.6%) was used to acquire additional vehicles.

The Series 1 Bond is secured by an unconditional and irrevocable guarantee provided by InfraCredit, ensuring timely payment of all scheduled principal and coupon amounts due under the terms of the Deed of Guarantee. In the event of a call on the guarantee, InfraCredit is required to settle all amounts due no later than the applicable scheduled payment date or, where applicable, the expiry of any grace period granted to the Issuer.

The Bond represents a direct, unconditional, senior obligation of the Issuer and is expected to be serviced primarily from the operating cash flows of the Sponsor, with recourse to the InfraCredit guarantee if necessary. All payment obligations under the Bond rank pari passu with all other existing or future unsubordinated and unsecured financial obligations of both the Issuer and the Guarantor. Agusto & Co.'s rating of the Series 1 Bond is based solely on the credit profile of the Guarantor.

In compliance with the Trust Deed, the Issuer maintains a designated payment account with Access Bank PLC, held in the name of and under the exclusive control of the Bond Trustee, solely for the purpose of servicing obligations under the Series 1 Bond. The account is funded from the Sponsor's operating cash flows in accordance with the funding waterfall stipulated in the Trust Deed. Specifically, the Issuer is required to deposit not less than 50% of the next scheduled coupon and/or principal repayment at least one month prior to the relevant payment date, with the balance deposited no later than ten (10) business days before such payment date, ensuring a 100% prefunding of the amount due on each payment date.

However, where the payment account is not fully funded with the scheduled principal and/or coupon at least ten (10) business days prior to a payment date, the Bond Trustee is mandated to issue a demand notice to InfraCredit. Upon receipt of such notice, the Guarantor is required to ensure that the payment account is fully funded by the payment date, thereby enabling the timely settlement of all amounts due to Bondholders in accordance with the provisions of the Deed of Guarantee.

As at 15 December 2025, TSL SPV Plc had disbursed an aggregate of ₦9.7 billion to Series 1 Bondholders, comprising ten semi-annual coupon payments amounting to ₦5.2 billion and six instalments of principal redemption totalling ₦4.5 billion. All payments were made as and when due, without recourse to the InfraCredit

guarantee. The next scheduled coupon and principal repayment is due on 6 April 2026. According to the Bond Trustee's report dated 15 December 2025, the Issuer remained in full compliance with all covenants and undertakings stipulated in the Trust Deed, with no recorded breaches. Furthermore, in the event of any adverse pressure on the Sponsor's cash flows during the remaining tenor of the Bond, the Guarantor is assessed to have sufficient financial capacity to meet the debt service obligations and ensure uninterrupted payments to Bondholders.

GUARANTORS' PROFILE

Infrastructure Credit Guarantee Company Limited ("InfraCredit" or "the Guarantor") was established on 20 October 2016, commenced operations in January 2017, and subsequently became a public company limited by shares on 12 December 2024. The principal activity of InfraCredit is to provide credit enhancement and issue credit guarantees for eligible infrastructure projects across various sectors, including power, transportation, ICT, renewable energy, agriculture, and social infrastructure, as approved by the Company's Board of Directors.

InfraCredit plays a significant role in Nigeria's infrastructure finance ecosystem by providing credit guarantees that enhance issuer creditworthiness, lower borrowing costs, and attract long-term institutional capital. The Guarantor supports the deepening of Nigeria's domestic debt capital market and contributes to bridging the country's significant infrastructure financing gap.

InfraCredit was formed through a partnership between the Nigeria Sovereign Investment Authority (NSIA) and GuarantCo Management Company Limited. InfraCredit's capital structure comprises core capital and subordinated capital. The core capital, funded by key equity sponsors such as NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited, Leadway Assurance and AIICO Insurance PLC, offers "first loss" protection to guarantee beneficiaries. The Guarantor's subordinated capital, a liquid yet unsecured tier of funding, includes a $61.5 million investment from the German Government via KfW and $25.3 million in unsecured subordinated loan facilities from the African Development Bank, bolstering InfraCredit's capacity to fulfil its mandate.

In 2025, InfraCredit completed a ₦27.13 billion private placement, and admitted Mobilist (a UK government-backed investor), Access ARM Pensions and CardinalStone Pensions as new shareholders. To further strengthen its capital base and create exit options for investors, InfraCredit listed its shares on the NASD OTC Securities Exchange on 6 March 2025.

The Company's Board of Directors comprises diverse nationals, reflecting strong corporate governance, leadership effectiveness and relevant Industry experience. InfraCredit operates from its corporate headquarters located at 1 Adeyemo Alakija Street, Victoria Island, Lagos.

SPONSOR'S PROFILE

Transport Services Limited ("TSL", "the Sponsor" or "the Company") was incorporated on 18 September 2001 as a private limited liability company operating within the transportation, logistics and supply chain management sector. TSL operates under the broader TSL Group structure, with Transport Services Limited serving as the core operating entity, complemented by TSL Logistics Limited, which focuses on petroleum terminal operations and supply chain infrastructure. The Group's operating model is supported by strategic industry partnerships and a diversified service offering across logistics and energy infrastructure segments.

The Company commenced operations in 2002 with a modest fleet and has since recorded significant growth through sustained asset acquisition, expansion of service capacity and deepening relationships with corporate clients. TSL provides business-to-business (B2B) dedicated contract trucking services, business-to-consumer (B2C) spot hire and ad hoc logistics services, as well as petroleum terminal and infrastructure management services. Headquartered in Lagos, the Company's operational footprint spans over 40 approved inter-state routes across southern Nigeria. In addition, through its logistics subsidiary, the TSL Group manages nine petroleum terminal facilities across Nigeria and Ghana, with a combined storage capacity of approximately 500,000 metric tonnes and associated petroleum product pipeline infrastructure spanning about 169 kilometres.

TSL is positioned as an emerging pan-African logistics and supply chain solutions provider, with integrated capabilities spanning road transportation and energy logistics infrastructure. The Company's strategic priorities include safety leadership, technology-enabled operations, and customer-centric service delivery tailored to the requirements of corporate and industrial clients. Operational execution is supported by a fleet of over 840 vehicles, including tankers and flatbeds designed to accommodate diverse logistics needs. This asset base is complemented by specialised engineering and technical personnel, in-house maintenance facilities, structured driver training programmes, and comprehensive safety management systems.

The Sponsor enjoys sustained logistics contracts with blue-chip clients across the oil and gas, FMCG, construction, and agro-allied sectors. The Company's focus on long-term contractual arrangements, disciplined fleet and cost management, and customer diversification underscores a pragmatic approach to operational and revenue risk management.

OUTLOOK ON BOND REPAYMENT

The transportation and logistics sectors are central to Nigeria's economic activity, supporting trade, commerce, and supply chain efficiency across a broad range of industries. The combined freight, logistics and transport operators are experiencing steady growth globally, driven by rising demand from e-commerce, manufacturing, retail, and intra-regional trade. The Nigerian industry forecasts indicate continued expansion, with the freight and logistics market projected to grow from an estimated $10.95 billion in 2025 to approximately $15.05 billion by 2030, implying a compound annual growth rate (CAGR) in excess of 6.5%. Notwithstanding this positive outlook, sector growth remains constrained by structural challenges across the logistics value chain, including infrastructure deficiencies, regulatory inefficiencies and elevated operating costs, which continue to moderate the pace and quality of expansion.

Road transportation continues to dominate goods movement in Nigeria, accounting for the majority of freight haulage and last-mile distribution activities. The segment faces notable operational headwinds, including inadequate and deteriorating road infrastructure, multiplicity of formal and informal levies, elevated accident rates, rising security risks and escalating fuel costs. Notwithstanding these constraints, road transport is expected to remain the dominant mode of cargo movement over the medium term, as alternative transport modes remain constrained by limited network coverage, capacity and operational readiness. However, rail transport and inland waterways are gradually emerging as complementary modes, with the potential to ease road congestion and reduce overall logistics cost. The extent to which these alternatives achieve material penetration remains contingent on the timely completion of key infrastructure projects, sustained policy support and improvements in operational efficiency. Continued policy reforms, targeted public and private infrastructure investment, and technological innovation will be critical to enhancing service quality, cost competitiveness and sector resilience.

Transport Services Limited derives the majority of its revenue from haulage services provided to corporate clients across key sectors, including oil and gas, mining, construction, agro-allied industries, and fast-moving consumer goods (FMCG). The Company's client base includes established corporates such as Flour Mills of Nigeria Plc, Lafarge Africa Plc, Nigerian Breweries Plc, PZ Cussons, Total Nigeria, OVH Energy and Axxela, providing a degree of revenue diversification and counterparty quality. The Sponsor expanded operational capacity following the reconditioning of 150 trucks, which has supported increased service delivery.

In the near term, revenue growth is expected to be underpinned by the long-term nature of the Sponsor's haulage contracts and incremental capacity from the ongoing overhauling of its fleet. Therefore, we expect TSL to continue to generate sufficient earnings and cash flows to meet debt service obligations on Series 1 Bond. In the event that the Sponsor is unable to fully meet its obligations to Series 1 Bondholders, the Guarantor possesses adequate financial capacity to step in and continue to honour the Bond's payment obligations. Accordingly, the risk of default on the Series 1 Bond is very low, primarily reflecting the irrevocable guarantee provided by Infrastructure Credit Guarantee Company Limited (InfraCredit) in respect of the Issuer's ongoing obligations to Bondholders.

Based on the aforementioned, we attach a **stable** outlook to TSL SPV PLC's ₦12 Billion 10-Year 10% Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2030. However, our rating and outlook on the Series 1 Bond will be revised accordingly to reflect changes in the guarantee structure or the Guarantor's credit profile.

INFRACREDIT'S FINANCIAL SUMMARY

Infrastructure Credit Guarantee Company Limited

	STATEMENT OF FINANCIAL POSITION AS AT	31 December 2022 ₦'Millions		31 December 2023 ₦'Millions		31 December 2024 ₦'Millions	
	ASSETS						
1	CASH & EQUIVALENTS	2,961	1.4%	2,524	0.7%	7,156	1.4%
2	GOVERNMENT SECURITIES	67,570	32.7%	129,985	35.4%	234,61	44.3%
3	PLACEMENTS WITH FINANCIAL INSTITUTIONS	3,358	32.7%	5,178	35.4%	31,858	44.3%
4	OTHER DEBT SECURITIES	4,727	1.6%	27,297	1.4%	23,254	6.0%
5	QUOTED/EQUITY INVESTMENTS (NET)						
6	**CASH & MARKETABLE SECURITIES**	**78,617**	**35.8%**	**164,984**	**37.5%**	**296,883**	**51.6%**
7	NET GUARANTEE FEES RECEIVABLE	6,521	3.2%	8,675	2.4%	8,770	1.7%
8	OTHER ASSETS	807	0.4%	1,236	0.3%	2,766	0.5%
9	FIXED ASSETS AND INTANGIBLES	460	0.2%	540	0.1%	825	0.2%
10	**TOTAL ASSETS**	**86,405**	**41.9%**	**175,434**	**47.8%**	**309,244**	**58.4%**
11	**TOTAL COMMITMENTS**	120,003	58.1%	191,840	52.2%	220,539	41.6%
12	**TOTAL ASSETS & COMMITMENTS**	**206,408**	100.0%	**367,274**	100.0%	**529,783**	100.0%
	CAPITAL & LIABILITIES						
13	TIER 1 CAPITAL (CORE CAPITAL)	**43,845**	**21.2%**	**92,940**	**25.3%**	**158,205**	**29.9%**
14	TIER 2 CAPITAL	32,987		68,107		134,415	
15	TOTAL OTHER LIABILITIES	9,574	4.6%	14,387	3.9%	16,624	3.1%
16	**TOTAL CAPITAL & LIABILITIES**	86,405	25.9%	175,434	29.2%	309,244	33.0%
17	TOTAL COMMITMENTS	120,003	58.1%	191,840	52.2%	220,539	41.6%
18	**TOTAL CAPITAL, LIABILITIES & COMMITMENTS**	**206,408**	100.0%	**367,274**	100.0%	**529,783**	100.0%

Infrastructure Credit Guarantee Company Limited

	INCOME STATEMENT FOR THE YEAR ENDED	31 December 2022 ₦'Millions		31 December 2023 ₦'Millions		31 December 2024 ₦'Millions	
19	GUARANTEE FEE INCOME	1,950	21%	3,514	7%	5,208	7.5%
20	GUARANTEE FEE EXPENSE	(298)	-3%	(642)	-1%	(1,506)	-2.2%
21	IMPAIRMENT CHARGE	-		-		-	
22	**NET GUARANTEE FEE**	**1,652**	**18%**	**2,872**	**6%**	**3,702**	**5.3%**
23	INVESTMENT INCOME	3,155	35%	4,891	10%	13,466	19.4%
24	OTHER INCOME/EXPENSES	4,024	44%	42,748	84%	50,753	73.1%
25	**OPERATING INCOME**	**8,831**		**50,511**		**67,922**	
26	PERSONNEL EXPENSES	(1,480)	(16%)	(2,059)	(4%)	(3,585)	-5.2%
27	DEPRECIATION EXPENSES	(108)	(1%)	(133)	(0%)	(147)	-0.2%
28	OTHER OPERATING EXPENSES	(965)	(11%)	(1,272)	(2%)	(2,632)	-3.8%
29	**TOTAL OPERATING EXPENSES**	(2,552)	(28%)	(3,464)	(7%)	(6,363)	-9.2%
30	PROFIT (LOSS) BEFORE TAXATION	**6,279**	**69%**	**47,047**	**92%**	**61,559**	**88.7%**
31	TAX (EXPENSE) BENEFIT	**64,135**		**(668)**		**(698)**	-1.0%
32	PROFIT (LOSS) AFTER TAXATION	**6,343**	69%	**46,379**	92%	**60,860**	87.7%
33	**NET REVENUE**	**8,831**		**50,511**		**67922**	
34	NON-OPERATING INCOME (EXPENSE) - NET						
	ADDITIONAL INFORMATION						
35	TYPE OF INSTITUTION	**DGGI**		**DGGI**		**DGGI**	
36	AUDITORS	KPMG		KPMG		KPMG	
37	OPINION	CLEAN		CLEAN		CLEAN	
36	NUMBER OF OFFICES	1		1		1	
37	CONTINGENT CAPITAL (₦'MILLIONS)	19,075		22,475			
38	CALLABLE CAPITAL (₦'MILLIONS)	-		-		-	
39	REALISABLE CAPITAL (₦'MILLIONS)	62,920		115,415		158,205	

RATING DEFINITIONS

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

Rating Category Modifiers

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

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