



RC: 1158788

VALENCY AGRO NIGERIA LIMITED

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦20,000,000,000 (TWENTY BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME

Valency Agro Nigeria Limited ("**Valency**" or the "**Issuer**" or the "**Company**"), a limited liability company incorporated in Nigeria, established this ₦20,000,000,000 (Twenty Billion Naira) Commercial Paper Issuance Programme (the "**CP Programme**" or "**Programme**") on 08 January 2021, under which Valency may from time to time issue Commercial Paper notes ("**CP Notes**" or "**Notes**"), denominated in Nigerian Naira or in such other currency(ies) as may be agreed between the Issuer and the Dealer and/or the Arrangers (as defined in the section entitled, "*Summary of the Programme*", in separate series or tranches subject to the terms and conditions ("**Terms and Conditions**") contained in this Programme Memorandum (the "**Programme Memorandum**").

Each Series or Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement (as defined herein) applicable to such series or tranche (the "**Applicable Pricing Supplement**"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦20,000,000,000 (Twenty Billion Naira) over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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

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

The Notes issued under this Programme will be issued in dematerialised form and may be registered, quoted and traded via the FMDQ Securities Exchange Limited ("**FMDQ Exchange**" or the "**Exchange**") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of Commercial Papers as may be prescribed by the Central Bank of Nigeria ("**CBN**") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as Registrars and Clearing Agent for the Notes.

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

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the "CBN Guidelines") and the FMDQ Exchange Commercial Paper Registration and Quotation Rules (the "**Rules**") in force as at the date thereof. This document is important and should be read carefully. If any recipient is in doubt about its content or the actions to be taken, such recipient should kindly consult his/her banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of the Issuer and they individually and jointly accept full responsibility for the accuracy of all information contained in this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information or make any statement herein misleading or untrue.

Arranger and Dealer
Issuing, Collection and Paying Agent



RC: 264978

This Programme Memorandum is dated 08 January 2021

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GLOSSARY OF DEFINED TERMS

Except where expressed otherwise, the following definitions shall apply throughout this document.

“Agency Agreements”	The issuing, paying and collection agency agreement dated 08 January 2021 and entered into between the Issuer and the Issuing, Paying and Collection Agent (IPCA)
“Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
“Arranger” and/or “Dealer”	FBNQuest Merchant Bank Limited
“Authorised Participants”	Dealing Members of the FMDQ Securities Exchange Limited who are licenced members authorised to make market in securities admitted to trade on the FMDQ Exchange platform
“Board” or “Directors”	Board of Directors of Valency Agro Nigeria Limited
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
“CBN”	Central Bank of Nigeria
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 th September 2019, and the CBN Circular of 12 th July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time
“Central Securities Depository” or “CSD”	means a specialist financial institution holding commercial papers either in certificated or uncertificated (<i>dematerialised</i>) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
“CSCS”	Central Securities Clearing System PLC
“CITA”	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007)
“Collection and Paying Agent” or “CPA”	FBNQuest Merchant Bank Limited or a deposit money bank appointed by the Issuer to perform the functions of collecting and paying funds from/to investors on behalf of the Issuer
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	The Commercial Paper issued by the Issuer under the CP Programme from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD.
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed “Terms and Conditions of the Notes”
“Court”	Federal High Court of Nigeria
“CP Programme” or “Programme”	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦20,000,000,000 (Twenty Billion Naira)
“CSD Rules”	The rules and operating procedures for the time being of the relevant CSD
“Day Count Fraction”	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement
“Dealer Agreement”	The Dealer Agreement dated 08 January 2021 and entered into between the Issuer and the Dealer

GLOSSARY OF DEFINED TERMS

"Dealers"	FBNQuest Merchant Bank Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Dealing Member"	An FMDQ Exchange-licensed member authorised to make market in securities admitted to trade on the FMDQ platform
"Deed of Covenant"	The Deed of Covenant dated 08 January 2021 which shall take effect as a deed poll by the Issuer for the benefit of the holders of the Notes
"Event of Default"	Means an event of default by the Issuer as set out in Condition 6 of the "Terms and Conditions of the Notes"
"Eligible Investor" or "EI"	An investor that is not a QII as defined in FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FIRS"	Federal Inland Revenue Service
"FMDQ Depository" or "FMDQD"	FMDQ Depository Limited
"FMDQ Exchange"	means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licenced by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration and trading of debt securities
"FMDQ Exchange Rules"	The Commercial Paper Registration and Quotation Rules of FMDQ Exchange dated July 2020 (as may be amended from time to time) and includes rules, guidelines, membership agreements, market bulletins and such other regulations with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Force Majeure"	Means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, protests, curfews, national emergency, riot, insurrection, war, embargo, legislation, acts of God, acts of terrorism, epidemics, pandemics, outbreak of diseases and industrial unrest
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"LFN"	Laws of the Federation of Nigeria
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme
"Material Adverse Change"	Means a material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "₦"	The Nigerian Naira
"NIBOR"	The Nigerian Inter-bank Offered Rate

“Noteholders”	Mean the several persons for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
“Outstanding”	means, in relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> (i) those Notes which have been redeemed pursuant to these Conditions (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Agency Agreement and (iii) those Notes which have become void under the provisions of the Agreement
“Payment Account”	The account held with the Collection and Paying Agent into which the Issuer will pay monies due and payable on the Maturity Date in respect of the Notes and from which payments due on the Notes shall be paid as and when due to the Noteholders.
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme”	The ₦20,000,000,000 (Twenty Billion Naira) CP programme established by the Issuer which allows for the multiple issuance of Notes from time to time
“Programme Memorandum”	This information memorandum dated 08 January 2021 which sets out the aggregate size and broad terms and conditions of the CP Programme
“Redemption Amount”	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
“Redemption Date”	Means in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
“Register”	A register or such registers as shall be maintained by the Registrar in which are recorded details of Note holders
“Registrar”	The Central Securities Depository or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
“Relevant Currency”	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
“Relevant Date”	The payment date of any obligation due on the Notes
“Relevant Last Date”	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
“SEC”	The Securities and Exchange Commission
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“Special Resolution”	A resolution passed by at least three-fourths (3/4) majority of the total number of Noteholders at any point in time
“The NSE”	The Nigerian Stock Exchange
“Tranche”	Notes which are identical in all respects
“Unique Identifier”	A code specifically designated/assigned to identify a CP

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“Valency” “Issuer”, or the “Company”	Valency Agro Nigeria Limited
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of overdue payment

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦20,000,000,000 (Twenty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

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

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

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

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

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

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

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

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

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

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

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

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

The information contained in this section is a summary of certain aspects of the Programme and the principal features of the Commercial Papers; and the related Programme Documents. This summary does not contain all of the information that you should consider before investing in any particular Series of Commercial Papers under this Programme nor does it purport to be complete. Therefore, it should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented in the remainder of this Programme Memorandum and to the detailed provisions of each of the Programme Documents and the applicable Pricing Supplement. Investors should read the entire Programme Memorandum carefully, especially the risks involved in investing in any particular Series of Commercial Papers under this Programme which are discussed under “Risk Factors”:

Issuance of Commercial Papers

The Issuer will issue Commercial Papers from time to time which at any point in time the amount in issue and outstanding will not exceed the maximum amount of ₦20,000,000,000 (Twenty Billion Naira) under the Commercial Paper Issuance Programme.

Subject to provisions of the applicable Pricing Supplement on the use of Proceeds under each Series of the Commercial Papers, the proceeds of the Commercial Papers will be used to support Valency’s short-term financing requirements.

A summary of the documentation governing the Commercial Papers to be issued under the Programme are listed below:

1. This Programme Memorandum outlining material information on the Issuer;
2. The Pricing Supplements outlining material information on the Issuer; as well as the final pricing terms relating to each Series of Commercial Papers;
3. The Deed of Covenant to provide for the framework and general terms and conditions of the Commercial Papers to be issued under each Series;
4. Any other supplemental document designated to apply to the Commercial Papers.

Limited Recourse Obligations

Each issuance by Valency under a Series will be separate and distinct from any other issuance under another Series under the Programme. Investors in a particular Series or Tranche will not have recourse to amounts raised or payments made in respect of any other Series or Tranche under the Programme.

No other Investor in the Commercial Papers issued by the Issuer under any other Series under the Programme or any other programme established by the Issuer, shall have any right, interest or recourse to such Commercial Papers.

SUMMARY OF THE PROGRAMME

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

TERMS	DESCRIPTION
Issuer:	Valency Agro Nigeria Limited
Arranger and Dealer (Issuing, Collection and Paying Agent):	FBNQuest Merchant Bank Limited
Auditors:	Grant Thornton Nigeria
Currency of Issue:	Nigerian Naira
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law
Interest Payments:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Size:	As specified in the Applicable Pricing Supplement up to a maximum value of N 5,000,000,000.00 (Five Billion Naira). The minimum size of CP Issuances under the Programme shall be ₦100,000,000.00 (One Hundred Million Naira) and in multiples of ₦50,000,000.00 (Fifty Million Naira) thereafter
Programme:	The commercial paper issuance programme established by the Issuer, on its behalf, which allows for the multiple issuance of Notes from time to time under a standardized documentation framework
Programme Size:	₦20,000,000,000 (Twenty Billion Naira)
Quotation:	The Issuer will quote each Series or Tranche of Notes on the FMDQ Exchange Platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted or listed on the relevant trading platform
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines
Registrars/Custodian:	Central Securities Clearing System Plc or FMDQ Depository Limited
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
Solicitors:	Advocaat Law Practice
Source of Repayment	The repayment of all obligations under the CP issuance will be funded from the cash flows of the Issuer
Status of Notes:	Each Note constitutes a senior obligation of the Issuer. The Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior secured obligations of the Issuer outstanding from time to time
Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The discount on the Notes may be

SUMMARY OF THE PROGRAMME

	taxed in accordance with applicable Nigerian tax laws. Please refer to the “Tax Consideration” section for further information.
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum of 270 days, including roll-over from the date of issue
Use of Proceeds:	Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its short-term financing requirements

DESCRIPTION OF THE ISSUER

The Information in this section has been extracted from documents and publications available and released by the Issuer. Neither the Issuer nor its advisers are able to ascertain if facts have been omitted that would render the reproduced information inaccurate or misleading.

Introduction

Valency Agro Nigeria Limited, previously known as Valency Cashew Processing Nigeria Limited and with registration number 1158788, was incorporated in Nigeria on 11 December 2013 as a private limited liability company. The Issuer's corporate office is located along Unity Estate Road, Off Lagos-Ibadan Expressway, Ibafo, Ogun State, Nigeria.

Valency has an authorised share capital of 10,000,000 ordinary shares of ₦1.00 each. Its principal activities include processing of raw cashew nuts and general wholesale and retail trade (including general imports and exports).

The company was established as a commodity trading company in 2007 with headquarters in Singapore. It has become a prominent integrated supply chain manager across Africa and Asia. Through an already established extensive global reach, the company has developed excellent sourcing networks directly with farm gate suppliers and manufacturing processors while also nurturing strong local and international relationships worldwide. Valency has also expanded its presence across the value chain with operations in logistics, warehousing and through its own processing facilities.

Shareholders (31 April 2020)	Number of shares ¹ held	% Shareholding
Valency International Trading Pte Ltd.	9,900,000	99.00
Praveen Kumar Jain	100,000	1.00
	10,000,000.00	100

1. The Shares Outstanding of Valency was recently increased to 100million units, however, these additional shares have not been allotted.

Overview of Valency's Products and Services

Origination and Trading			Processing		Branded Retail & B2B Distribution
Agriculture	Fertilizer	Industrial	Agriculture	Industrial	
Raw Cashew Nuts	Urea	Steel	Cashew Processing	Corrugated Roofing Sheets	Fertilizer
Grains-Wheat, Maize	DAP				Cashew Kernel
Sugar and Cocoa	MOP	Chemicals	Sesame and soybean cleaning		Agro-chemical
Rice					
Pulses	NPK				
Soybean and Sesame					

Key Highlights

1. Origination & Distribution Network

As part of its core competency Valency possesses a deep network of origination and distribution hubs. Origination centres are used to purchase commodities close to the farm gate and Distribution centres provide an excellent route to market infrastructure for consumer products and/or agro inputs.

2. Manufacturing and Processing Infrastructure

Valency has a deep manufacturing and processing presence and takes pride in the ownership of the largest cashew processing plant in Ogun State, Nigeria. The Issuer has raw cashew procurement and drying centres in Lagos, Ogun, Ogbomosho, Kano, Anyigba and Ankpa. It also has sesame cleaning facilities in Kano, Lagos and the Middle Belt, as well as cocoa drying machines in its centre at Ogun state.

3. Strong brands

With the right strategy, Valency has created a strong brand image for the company and its products distributed in various markets. The Issuer has put strict and consistently outperforming quality management system in place to ensure good experience for customers each time they buy Valency's products or carry out other business transactions with Valency.

4. Sustainability

Valency follows a sustainable business model which views its stakeholders such as the farmers and communities within which it operates as partners. The Issuer is also deeply involved in the communities in which it operates through Corporate Social Responsibility (CSR) initiatives such as health benefits, education support and farmer trainings. Valency uses environmentally friendly processing technology for the extraction of cashew nut shell liquid and cashew shell waste which is used to generate fuel.

Agro Processing & Distribution Network



Profiles of Board of Directors of Valency

Valency's current Board members compose of highly qualified and experienced professionals from diverse fields. The Issuer's board brings a depth of international and domestic experience in business development and agro business.

Profiles of the current Board members are highlighted below:

S/N	Name	Position	Institution
1	Basba Nand Balodi	Senior Executive Director	Valency International Pte Limited, Singapore
2	Sunil Dhanuka	Country Head	Valency Agro Nigeria limited
3	PL Ramesh	Director	Valency Agro Nigeria limited

Basba Nand Balodi

Mr. Basba is a Senior Executive Director at Valency Group whose length of experience in Valency Group spans thirteen (13) years. Mr. Basba has a Bachelor of Commerce and he has an industry experience of over 34 years. He was previously the Commercial Manager at Swiss Singapore Overseas Enterprises Pte Ltd.

Sunil Dhanuka

Mr. Sunil is the Country Head of Valency Agro Nigeria Limited. He has garnered over twenty-seven (27) years' experience in the industry. Prior to joining Valency, Mr. Sunil worked at Tower Aluminium Nig. PLC, United Global Resources Ltd and Triton Aqua Africa Ltd. Mr. Sunil has a Bachelor of Commerce, ACA and CWA.

PL Ramesh

Mr. Ramesh is Executive Director at Valency Agro Nigeria Limited. He has been in the industry for over twenty-seven (27) years. He has worked in African Agro Commodities Limited as the Finance and Accounts Head. He has a Bachelor of Commerce.

Profile of Management Team of Valency

The Management of Valency comprises of eight (8) individuals who bring the wealth of their respective experiences to bear on the Company's operations.

Their profiles are as follows:

S/N	Name	Position
1	Sunil Dhanuka	Country Head
2	Parshuram Patel	Group Quality Head
3	Arvind Tiwari	Group Cashew processing head
4	Shyam Holani	Finance Head
5	DK Verma	Business Head, Imports, Agrochemicals and FMCG
6	Pradip Tiwari	Procurement Head
7	Neeraj Dhall	Supply Chain Head
8	Deepak Lamba	Factory Manager

Sunil Dhanuka – Country Head

Mr. Sunil is the Country Head of Valency Agro Nigeria Limited. He has garnered over twenty seven (27) years' experience in the industry. Prior to joining Valency, Mr. Sunil worked at Tower Aluminium Nig. PLC, United Global Resources Ltd and Triton Aqua Africa Ltd. Mr. Sunil has a Bachelor of Commerce, ACA and CWA.

Parshuram Patel - Group Quality Head

Mr. Patel is the Group Quality Head of Valency Agro Nigeria Limited. He recently joined the Company and has industry experience of over 18 years. Before he joined Valency Group, Mr. Patel has performed roles in consulting, manufacturing, food safety and quality in the world leading food companies like TGI group (Wacot & Chi LTD), IFFCO Dubai, General Mills India, Reliance Retail Ltd, ITC LTD and Bisleri International Ltd. His educational qualification includes a Bachelor of Technology and a Master of Technology.

Arvind Tiwari - Group Cashew Processing Head

Mr. Arvind is the Group Cashew Processing Head and a highly experienced professional with strong technical and production skills. He has worked with Valency for over a year and has over 10 years' experience in the industry. Mr. Arvind's experience spans across roles in consulting, manufacturing, food safety and quality in world leading food companies like TGI group (Wacot & Chi Ltd.), IFFCO Dubai, General Mills India, Reliance Retail Ltd, ITC LTD, and Bisleri International Ltd. He holds a Bachelor of Technology from HBTI Kanpur.

Shyam Holani – Finance Head

Mr. Shyam is the Finance Head of Valency Agro Nigeria Limited and his experience in the industry spans a twelve (12)-year period. Prior to joining Valency, he was Accounts & Finance Head in Construction, Plastic Manufacturing

and Trading in India, Dubai and Nigeria. Mr. Shyam is a Chartered Accountant, a Certified Company Secretary as well as a Bachelor of Commerce.

DK Verma – Business Head, Imports, Agrochemicals and FMCG

Mr. Verma is the Business Head of Imports, Agrochemicals and FMCG with over sixteen (16) years' experience in the Industry. Before he joined Valency, Mr. Verma worked at Wacot Limited (TGI Group) Rallis India Limited and Nagarjuna Agro Chemical Limited. He has a Master of Business Administration (MBA).

Pradip Tiwari - Procurement Head

Mr. Pradip is the Procurement head and he has worked with Valency for over twelve (12) years. He has gathered over seven (7) years of experience in the Industry and worked with AST Enterprise Incorporation before joining Valency. His educational qualifications include MBA Finance and International Marketing.

Neeraj Dhall – Supply Chain Head

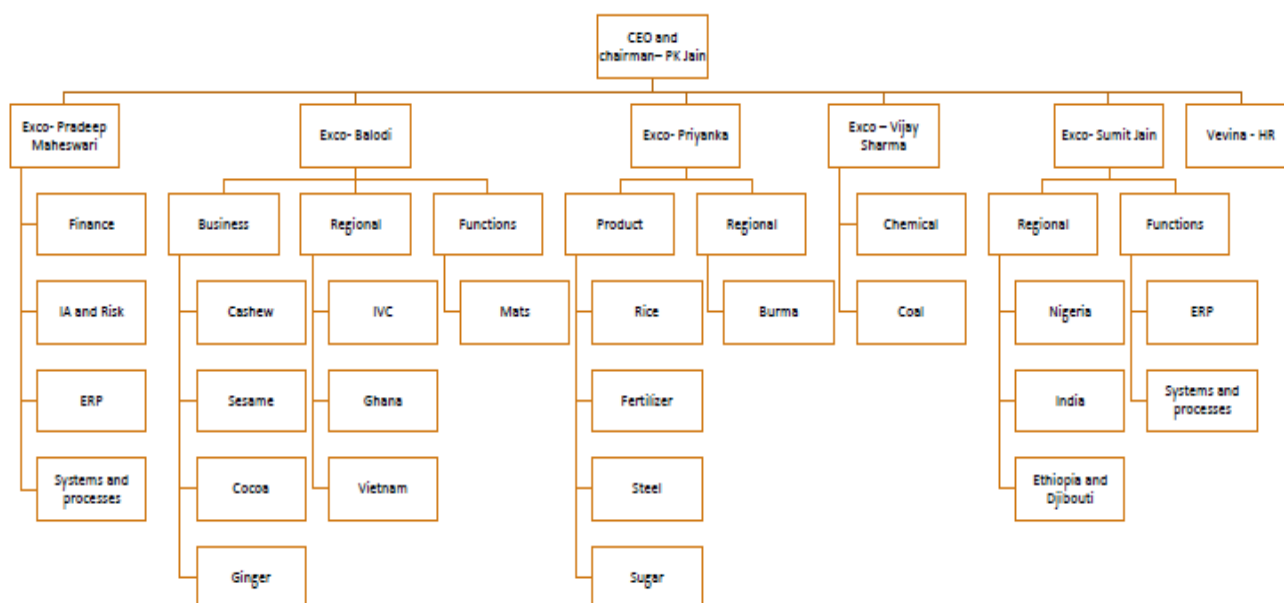
Mr. Neeraj is the head of Supply Chain with over two years' experience in Valency. He has garnered about seventeen (17) years' experience in the industry, having previously worked with Godrej & Olam Supply Chain Management/Sales. Mr. Neeraj has a Post Graduate Diploma in Business Analytics and is a Mechanical Engineer.

Deepak Lamba - Factory Manager

Mr. Deepak is the Factory Manager and he has worked at Valency for over two years. Prior to joining Valency, he worked with Olam Agro India Ltd, Stallion Group Nigeria, African Milling Company and Wacot Limited. His educational qualification includes Engineering Electronics & Instrumentation.

Organisational Structure

Valency's business is divided into three dimensional organizational matrix: Business Heads, Country Heads and Function Heads. The Business Heads are global product strategists, allocators of assets and resources as well as cross border co-ordinators. The Country Heads are strategic contributors and implementers, they are also sensors and builders. The third category, the Function Heads, are the catalysts for worldwide innovation and learning. They identify and transfer best practices as well as champion knowledge transfer among employees.



No 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.

Litigation

The Issuer is not and has not been since its incorporation engaged in any litigation or arbitration proceedings which may have or have had during such period 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.

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be advanced by the Issuer to finance its working capital requirements and there shall be no diversion of the proceeds to another business or entity.

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

1. Issuance of Notes

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

2. Form, Denomination and Title**2.1 Form and Denomination**

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦5,000,000 and integral multiples of ₦1,000 in excess thereof; and will be sold at such discount from their face value amounts as shall be agreed upon by the Issuing and Placing Agent and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days, including the roll over from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 The Notes issued will be in the form of short-term Zero Coupon Notes and will not bear interest, other than in the case of late payment.
- 2.1.4 The Notes will be delivered to the Issuing and Placing Agent in dematerialised (uncertificated, book entry) form; shall be registered by the Issuing, and Placing Agent with the CSD, which shall serve as the custodian and central depository of the Notes; and the Issuing and Placing Agent may deal in the Notes in accordance with the CSD procedures and guidelines.

2.2 Title

- 2.2.1 The title to the Notes will pass upon credit to the CSD account of the Noteholder.
- 2.2.2 Transfer of title to the Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer and the Agent may, save where there is a manifest error, deem and treat the registered holder of any Note as indicated in the records of the CSD and the Registrar as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

3. Status of the Notes

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

4. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the Face Value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 below.

5. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Maturity Date(s). The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Holder in respect of each amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 If the Issuer or the Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, protest, curfew, lockout, fire explosion, floods, riot, insurrection, war, accident, any act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Agent shall make such payment by cheque (or

by such number of cheques as may be required in accordance with applicable banking law and practice) and the Issuer and the Agent shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.

- 5.1.7 Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

5.2 Payment Day

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

5.3 Closed Periods

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

6. Event of Default

6.1 Event of Default

An event of default in relation to the Notes (each an “**Event of Default**”) shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 *Non-Payment:* default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default.
- 6.1.2 *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Offer Documents 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 10 days, 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 Issuing, Collection and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required).
- 6.1.3 *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 NGN2.5billion (Naira) and such distress, attachment, execution or other legal process is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is materially prejudicial to the interests of the Noteholders. PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within 10 Business Days of becoming aware of the order or action.

- 6.1.4 *Seizure/Compulsory Acquisition of Assets*: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer.
- 6.1.5 *Inability to Pay Debts*: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties.
- 6.1.6 *Insolvency*: The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer and any of its assets.
- 6.1.7 *Obligations Unenforceable*: any of the Notes or the Offer Documents is or becomes wholly or partly void, voidable or unenforceable.

6.2 Action upon Event of Default

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

7. Register

- 7.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of

manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.

7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Agent to any Noteholder or any person authorised in writing by the Noteholder.

7.4 The Agent shall alter the Register in respect of any change of name, address or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders

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

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

8.2 Notices from the Noteholders

8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging same with the Agent at its registered office.

8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

9.1 The Issuing, Collection and Paying Agent and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Issuing and Paying Agent is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published

in at least one daily newspaper of general circulation in Nigeria or delivered in accordance with the provisions of Condition 8 (Notices), and shall be deemed to have been given and received on the date of first publication.

- 9.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:

9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and

9.2.2 such amendment:

9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or

9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.

- 9.3 Any such modification shall be binding on all the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

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

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

notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

11. Changing of IPCA

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

12. Taxation

The Notes issued under the Programme are short-term Zero-Coupon Notes and as such will be offered and sold at a discount to Face Value.

13. Further issues

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

14. Governing Law

- 14.1 The provisions of this Programme Memorandum and the Notes are governed by, and shall be construed in accordance with the laws of the Federal Republic of Nigeria.
- 14.2 The Nigerian Courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest. Notwithstanding, the discount on the Notes may be taxed in accordance with applicable Nigerian Income tax laws, to wit, CITA or PITA as may be applicable to the Noteholders.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her/its tax position should seek professional advice from his/her/its preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her/its peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

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

IN RELATION TO NIGERIA**Political Risk**

Political and economic stability in Nigeria have historically been volatile driven by religious conflicts, terrorism, security issues, civil unrest, socio-economic, ethnic and sectional/regional based agitations. The recent COVID-19 pandemic has led to economic uncertainty around the world, with global unemployment rates rising. Nigeria recorded its first COVID-19 case in February 28, 2020. Since then, the numbers have continued to rise progressively with yet no end in sight same as it is globally. The Nigerian Government has yet to implement potent policies to mitigate the inevitable effect of the crisis on the Nigerian economy. The country is barely recovering from the 2016/17 recession, and without adequate measures from the government, the economic effect of the Corona Virus (COVID-19) pandemic might plunge the country into another recession and see many more Nigerians fall below the poverty line.

Furthermore, multiple reports by news agencies such as the British Broadcasting Corporation ("BBC") assert that kidnapping activities have surged across various parts of Nigeria especially in the country's central states. The insurgence of Boko Haram activity in Northern Nigeria remain contributors to the regions' security challenges. More so, if the Federal Government is unable to address key causal factors such as poverty, low levels of education, religious intolerance, and weak enforcement of law and order, these security risks may persist.

Economic Risk

The Nigerian economy remains largely dependent on oil production and is directly affected by fluctuations in the global price of crude oil. Nigeria experienced a recession (its first recession in 25 years) in 2016/17 due to a fall in global oil prices. This resulted in dwindling foreign exchange revenues, a consequent decline in foreign reserves and capital flight as Foreign Portfolio Investors withdrew their capital. The economy is still recovering, with 2019 GDP growth at 2.21%, owing largely to stability in oil production and rising oil prices, lower inflation, greater foreign exchange allocation and stronger public spending in the course of 2019. A prolonged upturn in the economy will encourage business spending, investments and lending which in turn would increase activities in the private sector, especially in infrastructure development, which is likely to impact the Issuer's revenues.

Commencing in Q1 2020, the global COVID-19 pandemic has impacted economic and social activities, causing significant downturn in these economic activities, including crude oil with the price of crude falling below \$46.41 per barrel, with attendant impact on the global and domestic economy. The capacity of healthcare and governance infrastructure to properly manage the pandemic has impacted economic recovery.

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

RISK FACTORS

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

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

IN RELATION TO THE ISSUER

Operational Risk

This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Examples of these risks and their associated losses include: rogue trading, fraud/forgery, penalties or expenses incurred, settlement delays and regulatory infractions, inappropriate sales practices, poor accounting processes, lapses in financial control, and legal settlements involving significant payments for losses alleged to have been caused by the Company and/or its employees.

Change in Governing Law

The Issuer is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

Credit Risk

Due to adverse business or other conditions, especially the current on-going COVID-19 pandemic, which has had adverse effects on businesses, there would be an obvious credit risk concern. Credit risk is the risk of financial loss to Valency if a customer or counterparty fails to meet its contractual obligations. In order to mitigate the credit risk, the Management of the Issuer determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. Customers are also categorized according to their credit characteristics. Customers with high credit risk are placed on restriction and future credit services are made only with the approval of Valency's Management.

Liquidity Risk

Liquidity risk is the risk that Valency would be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding maturing obligations. Liquidity risk projections like available credit facilities are incorporated in the regular management information reviewed by Valency's Management. The focus of the liquidity review is on the net financing capacity such as free cash plus available credit facilities in relation to the financial liabilities.

RISKS RELATING TO THE COMMERCIAL PAPERS

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

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, the price of the commercial papers may vary inversely with changes in

RISK FACTORS

prevailing interest rates. That is, a rise in interest will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Commercial Papers. However, these effects are only in the short-term as the CPs are short-term instruments, to the extent that there are no extended roll-overs.

Independent Review and Advice

Each prospective investor in the Commercial Papers must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Commercial Papers 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, notwithstanding the clear and substantial risks inherent in investing in or holding the Commercial Papers. A prospective investor may not rely on the Issuer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Commercial Papers or as to the other matters referred to above.

Liquidity risk for the Commercial Papers

There is a risk that the Commercial Papers may not have an established trading market when issued. There is no guarantee that a secondary market for Commercial Papers or liquidity will exist upon issuance. Consequently, investors may not be able to readily sell their Commercial Papers at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. The short-term nature of the CP notes means that investors will typically hold the securities till maturity.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Commercial Papers

Exchange rate risks and exchange controls

Payments of principal and interest on the Commercial Papers will be made in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the Naira. These include the risk that exchange rates may significantly change (including changes due to devaluation of Naira or revaluation of the investor's currency). An appreciation in the value of the Investor's Currency relative to Naira would decrease (1) the Investor's Currency-equivalent yield on the Commercial Papers, (2) the Investor's Currency equivalent value of the principal payable on the Commercial Papers and (3) the Investor's Currency equivalent market value of the Commercial Papers. The government may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legality of Purchase

Neither the Issuer, the Arrangers and Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Change of Law:

The Terms and Conditions of the Commercial Papers are based on Nigerian law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

RISK FACTORS

Modification, waivers and substitution

The conditions of the Commercial Papers contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

Credit ratings may not reflect all risks

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

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

CSD

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

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

Authorised Participants

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

For purposes of Notes issued under this Programme, the Authorised Participants are FBNQuest Merchant Bank Limited and any other Authorised Participant as duly appointed by the Issuer.

Registration

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

Custody and Dematerialisation

- i. An Authorised Participant with physical CP notes may decide to dematerialise CP(s) with the CSD by completing the relevant form.
- ii. All holders of CP notes shall route the notes through the Authorised Participant who will then submit on the CSD authorised platform in dematerialized form.
- iii. Authorised Participants may also decide to keep the CPs in physical form with the CSD (subject to service agreement with CSD), acting as the Custodian for the issue.
- iv. Authorised Participants can also lodge the CP(s) electronically by using the CSD e-lodgement format.
- v. The Authorised Participants (or Arranger) will advise the CSD, after dematerialisation or e-lodgement to transfer CPs to Noteholders' (or their custodians') accounts at the CSD before trading commences.
- vi. Cut-off time for e-lodgement of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process the same within 24 hours of receipt.

Redemption

- i. No transactions or trades may be effected for any CPs two (2) Business days prior to its maturity date as the register closes two (2) Business Days before the Maturity Date.
- ii. The Issuing, Collection and Paying Agent will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) Business Days before the Maturity Date.
- iii. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- iv. The Maturity Date shall be on a Business Day, however if the Maturity Date falls on a public holiday, payment will be made on the following Business Day.

Roll-Over

- i. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- ii. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participants with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the Authorised Participants.
- iii. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

Default

- i. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Issuing, Collection and Paying Agent shall notify the CSD, FMDQ, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- ii. The CSD shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the Collection and Paying Agent pays off the Noteholders and notifies the CSD and the FMDQ with evidence.
- iv. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T+2.
- ii. FMDQ shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform, based on the following settlement timelines:
 - Same Day Settlement: 12.30 p.m.
 - T+1 or T+2 Settlements: 3.00 p.m.
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorised platform by 2.00 p.m. on the settlement date to FMDQ and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. Authorised Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ and CSD simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is three (3) Business Days before the Maturity Date.

Reporting

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by Authorised Participants or the FMDQ and keep records of consideration for each transaction.
- ii. The CSD will advise Authorised Participants or the FMDQ for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iv. Authorised Participants can visit the CSD website to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

Transfer of Notes

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

Cash Settlement

Transaction parties will be responsible for effecting the payment transfers via Real Time Gross Settlement, National Electronic Funds Transfer or any other transfer mode agreed by the transaction parties and recognised by the CBN.



RC: 1158788

**Issue of Up to ~~N5~~ Billion (Series 1) Commercial Paper Notes
Under its ~~N20~~ Billion Commercial Paper Issuance Programme**

This Applicable Pricing Supplement shall be read in conjunction with the Programme Memorandum dated 08 January 2021 prepared by FBNQuest Merchant Bank Limited on behalf of Valency Agro Nigeria Limited in connection with its ~~N20,000,000,000~~ (Twenty Billion Naira) Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “Programme Memorandum”).

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

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

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019 and the FMDQ Exchange Commercial Paper Registration and Quotation Rules in force from time to time. The document is not required to be registered with the Nigerian Stock Exchange (“NSE”) or the Securities and Exchange Commission (“SEC”) but it is required to be registered at the FMDQ Exchange. This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her/its Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

**Arranger and Dealer
Issuing, Collection and Paying Agent**



RC: 264978

This Pricing Supplement Is Dated [●] 2021

Issuer	Valency Agro Nigeria Limited
Arranger and Dealer	FBNQuest Merchant Bank Limited
Collection and Paying Agent	FBNQuest Merchant Bank Limited
Auditors	Grant Thornton Nigeria
Custodian	FMDQ Depository Limited and/or Central Securities Clearing Securities PLC
Series Number	[●]
Programme Size	₦20,000,000,000 (Twenty Billion Naira)
Issued and Outstanding at the date of this Pricing Supplement	₦
Face Value	₦[●]
Discounted Value	₦ [●]
Nominal Amount Per Note	₦ [●]
Issue Price	₦ 1,000
Tenor	[●]
Issue Date	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦5,000,000 and multiples of ₦1,000 thereafter
Specified Currency	Nigerian Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, senior obligation of the Issuer, and the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, <i>pari passu</i> with other present and future senior obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated
Quotation	Notes may be quoted on the FMDQ Exchange platform or any other recognized Exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%
Discount Rate	[●]%
Any Other Formula or basis For Determining Amount(s) Payable	[●]
Basis For Determining Amount(s) Payable	$PV = FV * (1 - (DR * t / \text{actual number of days in a year}))$
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)

Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
Redemption/Payment Basis	Redemption at par
Issuer's Early Redemption	Not Applicable
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable on Redemption	[●]
Offer Opens	[●]
Offer Closes	[●]
Allotment Date	[●]
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
Settlement Date	[●], 2021
Details of Bank Account to Which Payments Are to be Made in Respect of the Notes	Bank: Coronation Merchant Bank Limited Account Name: [●] Account Number: [●] Sort Code: [●]
Settlement Procedures and Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)
Delivery Date	[●]

CORPORATE ACTIONS

Except as disclosed in this document, there have been no corporate actions since the March 31, 2020 audited accounts.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the March 31, 2020 audited accounts.

RESPONSIBILITY

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

Signed at _____ on this _____ day of _____ 2021

For and on behalf of
Valency Agro Nigeria Limited

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto



**Report of the Independent Auditors on the Summary Financial Statements
To the Board of Directors of Valency Agro Nigeria Limited**

Opinion

The accompanying summary of financial information on pages 38 to 40 which comprise the summary statements of financial position as at 31 March 2018, 31 March 2019 and 31 March 2020, the summary of profit or loss and other comprehensive income for the years ended 31 March 2018, 31 March 2019 and 31 March 2020, and the summary of statement of cash flows for the years ended, are derived from the audited financial statements of Valency Agro Nigeria Limited for the years ended 31 March 2018, 31 March 2019 and 31 March 2020, respectively.

In our opinion, the summary financial information derived from financial statements of Valency Agro Nigeria Limited (the "Company") for the years ended 31 March 2018, 31 March 2019 and 31 March 2020, are consistent, in all material respect with those financial statements, in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011.

Summary Financial Statements

The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004, and the Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited financial statements of Valency Agro Nigeria Limited. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report of Valency Agro Nigeria Limited.

The Audited Financial Statements and Our Report Thereon

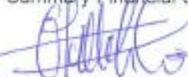
In our opinion the summary of financial information derived from the audited financial statements of Valency Agro Nigeria Limited for years ended 31 March 2018, 31 March 2019, and 31 March 2020 are consistent, in all material respects, with those financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary audited financial information for years ended 31 March 2018, 31 March 2019, and 31 March 2020 in accordance with of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011 and International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respects with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA 810 revised). "Engagement to report on Summary Financial Statements".

 25 June 2020
Uchenna Okigbo, FCA

FRC/2016/ICAN/00000015653
FOR: GRANT THORNTON
(CHARTERED ACCOUNTANTS)
LAGOS, NIGERIA.



Partners:
Ngidi A. Opebi
Oji J. Okechi
Victor O. Osofo
Nwachi U. Abasi
Uchenna O. Okigbo
Ajayi O. Inobio
Nwanyi C. Opara

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH- 2020, 2019 & 2018

	2020	2019	2018
	Naira		
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	4,576,009,287	5,087,373,502	4,595,934,824
Right of Use Assets	895,751,672	-	-
Capital Work in Progress	300,000	32,844,115	-
Prepayments	120,433,970	-	-
	5,592,494,929	5,120,217,617	4,595,934,824
CURRENT ASSETS			
Inventories	6,028,697,156	3,838,010,013	2,059,267,593
Trade and Other Receivables	18,163,836,240	3,048,196,880	1,010,189,762
Cash and cash Equivalents	196,602,724	96,383,859	388,009,351
Prepayments	117,678,378	23,601,150	-
	24,506,814,498	7,006,191,902	3,457,466,706
TOTAL ASSETS	30,099,309,427	12,126,409,519	8,053,401,530
EQUITY AND LIABILITIES			
Equity Attributable to Owners			
Share Capital	10,000,000	10,000,000	10,000,000
Revaluation Reserve	3,333,359,761	2,862,767,396	2,267,975,572
Revenue Reserves	1,480,169,362	502,892,864	(16,487,882)
	4,823,529,123	3,375,660,260	2,261,487,690
NON CURRENT LIABILITIES			
Deferred Tax Liabilities	336,578,274	418,886,293	-
	336,578,274	418,886,293	-
CURRENT LIABILITIES			
Borrowings	5,728,324,282	-	-
Trade and Other Payables	2,877,231,725	694,746,483	201,385,488
Contract Liabilities	91,227,755	-	-
Amounts Due to Related Companies	16,237,622,296	7,627,858,348	5,586,516,110
Income Tax Payable	5,065,972	9,258,135	4,012,242
	24,939,472,030	8,331,862,966	5,791,913,840
TOTAL LIABILITIES	25,276,050,304	8,750,749,259	5,791,913,840
TOTAL EQUITY AND LIABILITIES	30,099,579,427	12,126,409,519	8,053,401,530

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31 MARCH- 2020, 2019 & 2018

	2020	2019	2018
	Naira		
Revenue	31,922,858,806	17,928,828,189	4,787,238,940
Other income	169,023,714	37,784,493	5,813,525
Changes in inventory	2,189,803,595	1,778,742,420	1,473,248,646
Costs of Material	(32,884,915,975)	(17,852,259,037)	(5,530,230,305)
Selling & Distribution Expenses	(410,886)	(1,286,362)	(4,420,058)
Administrative Expenses	(552,319,008)	(216,510,136)	(56,614,114)
Employee Benefits Expenses	(435,665,545)	(288,047,707)	(198,785,975)
Depreciation & Amortisation	(299,608,900)	(270,138,285)	(213,182,092)
Operating Profit	108,765,801	1,117,113,575	263,068,567
Finance cost	(113,244,603)	(62,961,450)	(70,873,208)
Exchange Gain/(loss)	904,513,252	(100,990,420)	(144,986,574)
Profit Before Tax	900,034,450	953,161,705	47,208,785
Tax Written Back/ (Expense)	77,242,048	(68,120,495)	(4,012,242)
Profit for the Year	977,276,498	885,041,210	43,196,543
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss			
Revaluation Surplus	470,592,365	594,791,824	252,158,119
Total Comprehensive Income for the Year	1,447,868,863	1,479,833,034	295,354,662
Per Share Data:			
Earnings Per Share (N)	97.73	88.50	4.32

STATEMENT OF CASH FLOWS AS AT 31 MARCH- 2020, 2019 & 2018

	2020	2019	2018
	Naira		
Cash Flows from Operating Activities			
Profit Before Tax	900,034,450	953,161,705	47,208,785
Non-cash Adjustments			
Depreciation	299,608,900	270,138,285	213,182,092
Amortization of Intangible Assets	-	-	165,094
Capital Asset Written-Off	-	-	(4,875,427)
Operating Profit Before Working Capital Changes	1,199,643,350	1,223,299,990	255,680,544
Decrease/(Increase) in Inventories	(2,190,687,143)	(1,778,742,420)	(1,473,248,646)
Decrease/(Increase) in Trade and Other Receivables	(15,115,639,360)	(2,061,608,268)	(912,307,072)
Decrease/(Increase) in Prepayments	(214,511,198)	-	
Increase/(Decrease) in Trade and Other Payables	2,182,485,242	493,360,995	195,156,401
Contract Liabilities	91,227,755	-	-
Increase in Amounts Due to Related Companies	8,628,073,143	2,041,342,238	3,791,641,635
	(6,619,051,561)	(1,305,647,455)	1,601,242,318
Tax Paid	(9,258,135)	(9,648,774)	-
Net Cash Flow from operating Activities	(5,428,666,346)	(91,996,239)	1,856,922,861
Cash Flow from Investing Activities:			
Capital Work in Progress	(3,475,955)	(32,844,115)	
Purchase of Property, Plant & Equipment	(195,693,115)	(166,785,141)	(1,540,095,062)
Net Cash Flow from Investing Activities	(199,169,070)	(199,629,256)	(1,540,095,062)
Cash Flow from Financing Activities:			
Loan:	5,728,324,282	-	-
Net Cash Flow from Financing Activities	5,728,324,282	-	-
Increase/(Decrease) in cash and cash equivalents	100,488,866	(291,625,491)	316,827,800
Cash and Cash Equivalents at beginning of the Year	96,383,859	388,009,351	71,181,552
Cash and Cash Equivalents at end of the Year	196,872,725	96,383,859	388,009,351
Cash and Cash Equivalents Consists of:			
Cash at Bank	174,934,667	92,099,628	386,633,401
Cash in Hand	21,668,057	4,284,231	1,375,950
	196,602,724	96,383,859	388,009,351

SUMMARY

- Rating

BBB

- Report Type:
Corporate
Rating

- Client:
Valency Agro
Nigeria
Limited

- Date Compiled
26-Aug-2020

VALENCY AGRO NIGERIA LTD

This report is provided by DataPro subject to the terms & condition stipulated in our Terms of Engagement

CORPORATE RATING REPORT

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

EVALUATION

VALID TILL: August, 2021

Long-term Rating: BBB
Short term Rating: A2
Previous Rating: N/A
Rating Outlook: Stable
Trend: Up
Currency: Naira

EXECUTIVE SUMMARY

	2020	2019	2018	2017	2016
	₦	₦	₦	₦	₦
Turnover	32,091,882,520	17,966,612,682	4,793,052,465	1,711,027,368	1,158,722,351
Pre-tax-profit	900,034,450	953,161,705	47,208,785	112,473,535	96,377,396
Shareholders' Funds	4,823,529,123	3,375,660,260	2,261,487,690	1,966,133,030	107,858,857
Fixed Asset	5,592,494,929	5,120,217,617	4,595,934,824	3,011,988,310	1,255,002,156
Total Asset	30,099,579,427	12,141,861,079	8,053,401,530	3,012,153,404	1,255,594,079
Long-term Debt	336,587,274	418,886,293	-	-	-

RATING EXPLANATION

The Short term rating of A2 indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long term rating of BBB indicates *Slight Risk*. It shows fair financial strength, operating performance and business profile when compared to the standard established by DataPro. This company, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

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4th December, 2020

Valency Agro Nigeria Limited

Along Unity Estate Road, Off Lagos-Ibadan Expressway

Ibafo, Ogun State, Nigeria

FBNQuest Merchant Bank Limited

10, Keffi Street

Off Awolowo Road

South West Ikoyi

Lagos State

Dear Sirs,

**RE: N20, 000,000,000.00 (TWENTY BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME
ESTABLISHED BY VALENCY AGRO NIGERIA LIMITED**

We have acted as Solicitors to the Issue in connection with the proposed establishment of a N20,000,000,000.00 (Twenty Billion Naira) Commercial Paper ("**Notes**") Issuance Programme by Valency Agro Nigeria Limited ("**the Issuer or the Company**") for the issuance of discounted zero coupon commercial papers with a minimum tenor of 15 days and a maximum tenor of 270 days ("**the Notes**") in series or tranches and in an aggregate amount not exceeding N20,000,000,000.00 (Twenty Billion Naira) only ("**the Programme or the Transaction**") and the first tranche to be issued not exceeding N5,000,000,000 (Five Billion Naira) only.

In the capacity aforesaid, this Legal Opinion ("**Opinion**") is issued solely in relation to such matters as are customarily the subject of Counsels opinion, on which we are able to express our views and is given only as to the laws applicable as of the date hereof in the Federal Republic of Nigeria and its constituent states ("**Nigerian Law**").

This **Opinion** is issued pursuant to the Dealer Agreement executed as of the date hereof and dated 08 January 2021 between the Issuer and the Arranger/Dealer (as defined below) ("**the Dealer Agreement**").

- **Authorisation**

This CP Programme and the Notes issued hereunder were approved by the resolution of the Board of Directors of the Issuer dated June 25, 2020.

- **Auditors**

Grant Thornton Nigeria acted as auditors of the annual financial statements of the Issuer for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, and were responsible for the audit, and issued unqualified reports.

- **Commercial Paper Outstanding**

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending March 31, 2021, the Issuer does not anticipate the amount of the said commercial paper outstanding and the Notes outstanding under this CP Programme to exceed the Programme Size.

- **Going Concern**

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

- **Litigation**

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

- **Material Contracts**

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

- i. The Deed of Covenant dated 08 January 2021 executed by the Issuer as a deed poll in favour of the Noteholders;
- ii. The Issuing, Paying and Collecting Agency Agreement dated 08 January 2021 executed by the Issuer and the Issuing, Paying and Collecting Agent; and
- iii. The Dealer Agreement dated 08 January 2021 executed by the Issuer and the Dealer/Arranger.

Other than as stated above, the Issuer has not entered into any other material contract except in the ordinary course of business. Other material contracts in respect of any issuance of Commercial Papers under the Programme will be disclosed in the applicable Supplementary Memorandum and/or Pricing Supplement in respect of any Series of the Commercial Papers.


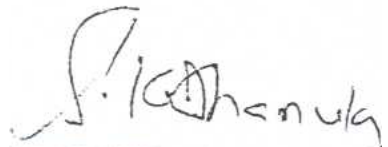
- **Ultimate Borrower**

The Issuer is the borrower in respect of the Notes and assumes joint and several liabilities for the obligations under the Notes.

ISSUER

Valency Agro Nigeria Limited

Along Unity Estate Road
Lagos-Ibadan Expressway
Ibafo, Ogun State
Nigeria



**ARRANGER AND DEALER
ISSUING, COLLECTION AND PAYING AGENT**

FBNQuest Merchant Bank Limited

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