

THIS PRICING SUPPLEMENT AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"). THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (THE "ISA" OR THE "ACT") PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION.
INVESTMENT IN THE BONDS IS STRICTLY FOR QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NETWORTH INVESTORS AS DEFINED UNDER THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.



NSP-SPV POWERCORP PLC RC: 1436994

OFFER FOR SUBSCRIPTION OF ₦6,325,000,000.00 SERIES 2: 10-YEAR 12.00% FIXED RATE SENIOR GREEN BONDS DUE 2031 UNDER THE ₦50,000,000,000.00 BOND ISSUANCE PROGRAMME Issue Price: ₦1,000 per unit Payable in full on Application

Application List Opens: 02 February 2021

Application List Closes: 11 February 2021

This Pricing Supplement is prepared for the purpose of Rule 279(3) of the Rules and Regulation of the Securities & Exchange Commission (the "Commission" or "SEC") in connection with the Series 2 10-year 12% Fixed Rate Senior Green Bonds Due 2031 ("Series 2 Bonds" or the "Bonds") under the ₦50,000,000,000 Bond Issuance Programme established by NSP-SPV POWERCORP PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated 28 February 2019 (the "Shelf Prospectus") and any other supplements to the Shelf Prospectus to be issued by the Issuer. Capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. A copy of this Pricing Supplement shall be delivered to the Commission for registration. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

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

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 2 Bonds" or "Bonds"). An application will be made to the FMDQ Securities Exchange and/or The Nigerian Stock Exchange for admission of the Bonds to its platform(s). The Bonds now being issued will upon admission to the platform(s) qualify as a security in which Trustee may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security which Pension Fund Administrators may invest pension funds and assets, under Section 86 of the Pension Reform Act 2014.

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

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

LEAD ISSUING HOUSE



RC: 1031358

JOINT ISSUING HOUSES



RC: 685973



RC: 1167339



RC: 739441



RC: 1498096



RC: 1031371



RC: 485600

THIS PRICING SUPPLEMENT IS DATED 15 April 2021

www.northsouthpower.com

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INDICATIVE TIMETABLE

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

Date	Activity	Responsibility
18 December 2020	File Pricing Supplement with the SEC	Issuing Houses
01 February 2021	Obtain the SEC's clearance of the Pricing Supplement and approval to commence Book Building	Issuing Houses
02 February 2021	Commence Book Build	Issuing Houses
11 February 2021	Conclude Book Building / Determination of clearing price and allocation of bonds	Issuer, Issuing Houses
12 February 2021	Despatch allotment confirmation Letters	Issuing Houses
13 February 2021	Update Issue documents and submit to the SEC	Issuing Houses
08 April 2021	Obtain the SEC clearance of documents and No Objection to convene signing ceremony	Issuing Houses
15 April 2021	Hold signing ceremony / Investors fund allotted Bonds	Issuing Houses
16 April 2021	Transfer net issue proceeds to the Issuer	Receiving Bank(s)
20 April 2021	File executed Offer Documents, allotment proposal and draft newspaper announcement with the SEC	Issuing Houses
26 April 2021	Obtain SEC approval to publish allotment announcement	Issuing Houses
29 April 2021	Publish allotment announcement in at least 2 national dailies	Issuing Houses
29 April 2021	Credit CSCS accounts of bondholders	Registrar
30 April 2021	File FMDQ/NSE listing application	Issuing Houses
06 May 2021	Listing of Bonds on FMDQ/the NSE	Issuing Houses/ Stockbrokers
06 May 2021	Post offer compliance report filing	Issuing Houses

The Issuer	NSP-SPV PowerCorp Plc The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
The Sponsor	North South Power Company Limited The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja Email: info@northsouthpower.com Website: https://ng.northsouthpower.com/ Telephone: +234 812 702 1000
Sponsor's Board of Directors	Mallam Ibrahim Aliyu – Chairman The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Dr. Peters Olubunmi – Executive Vice Chairman/CEO (Representing BP Investment Limited) The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Engr. Sani Ndanusa – Non-Executive Director The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Dr. George Nwangwu – Non-Executive Director (Representing Pan African Global Infrastructure Company Limited) The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Dr. Mustapha Jibril – Non-Executive Director (Representing Niger State Development Company Limited) The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Engr. Emmanuel Katepa – Non-Executive Director The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Mr. Oladapo Peters – Non-Executive Director The Clan Place Plot 1386, Tigris Crescent Maitama

PARTIES TO THE ISSUE

	FCT Abuja
	Mrs Sa'adiya Aminu – Non-Executive Director The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Mr. Isaac Mate – Non-Executive Director The Clan Place Plot 1386, Tigris Crescent Maitama FCT Abuja
	Mrs. Irene Chigbue – Independent Director The Clan Place Plot 1386, Tigris Crescent Maitama, FCT Abuja
Sponsor's Company Secretary	Ratio Legal Practitioners No. 1, Rima Street Maitama FCT Abuja
Issuer's Directors	Dr. Peters Olubunmi No. 1, Rima Street Maitama FCT Abuja
	Dr. George Nwangwu No. 1, Rima Street Maitama FCT Abuja
Issuer's Company Secretary	Ratio Legal Practitioners No. 1, Rima Street Maitama FCT Abuja
Issuing Houses	Stanbic IBTC Capital Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos
	Renaissance Securities (Nigeria) Limited The Wings Office Complex 6 th Floor, East Wing 17A Ozumba Mbadiwe Road Victoria Island Lagos
	AVA Capital Partners Limited 3 Glover Road Ikoyi Lagos
	CardinalStone Partner Limited 5 Okotie-Eboh Road Ikoyi

PARTIES TO THE ISSUE

	<p>Lagos</p> <p>EAC Advisory Limited 13 Maitama Sule Street Off Raymond Njoku Street Ikoyi Lagos</p> <p>Rand Merchant Bank Nigeria Limited 3rd Floor, East Tower Wings Office Complex 17A Ozumba Mbadiwe Road Victoria Island Lagos</p> <p>Vetiva Capital Management Limited Plot 266B, Kofo Abayomi Street Victoria Island Lagos</p>
Bond Trustee	<p>EAC Trustees Limited 13 Maitama Sule Street Off Raymond Njoku Street Ikoyi Lagos</p>
Solicitor to the Issue	<p>Banwo & Ighodalo 48, Awolowo Road South-West Ikoyi Lagos</p>
Auditors	<p>KPMG Professional Services (Sponsor's auditor over the last 5 years, 2015-2019) KPMG Towers Bishop Aboyade Cole Street Victoria Island Lagos</p> <p>Deloitte & Touche (newly appointed Sponsor's auditor on 28th July 2020) Civic Towers Ozumba Mbadiwe Road Victoria Island Lagos</p>
Reporting Accountant:	<p>Ernst & Young 10th Floor, UBA House 57, Marina Lagos</p>
Registrar to the Issue	<p>Africa Prudential Plc</p> <p>Head Office: 220B Ikorodu Road Palmgrove Lagos</p> <p>Abuja Office: Infinity House (2nd Floor) 11 Kaura Namoda Street</p>

PARTIES TO THE ISSUE

	<p>Off Faskari Crescent, Area 3 Garki Abuja</p> <p>Port Harcourt Office: 1A, Evo Road Oklen Suite (2nd Floor) GRA Phase II Port Harcourt Rivers State</p> <p>Email: cxc@aficaprudential.com Website: https://aficaprudential.com/ Telephone: +234 700 237 4778</p>
Rating Agencies	<p>Agusto & Co. Limited 5th Floor, UBA House 57 Marina Lagos</p> <p>Global Credit Rating Co. Limited 17th Floor, New Africa House 31, Marina Lagos</p>
Receiving Banks	<p>Stanbic IBTC Bank PLC I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos</p> <p>Zenith Bank Plc Plot 84, Ajoye Adeogun Street Victoria Island Lagos</p> <p>Union Bank of Nigeria Plc Stallion Plaza 36 Marina Lagos</p>

SUMMARY OF THE OFFER

The following are the final terms of the Series 2 Bonds that are subject of this Pricing Supplement. These terms and conditions are applicable to this Issue only.

FINAL TERMS OF THE SERIES 2 BONDS

1.	Issuer	NSP-SPV POWERCORP PLC ("NSP SPV")
2.	Sponsor	North South Power Company Limited ("NSP")
3.	Co-Obligors	NSP / Shiroro Solar Generating Company Limited / North South Gurara Energy Company Limited
4.	Details / Purpose of the Transaction	<p>In 2019, NSP SPV established a ₦50.00 billion bond issuance programme and undertook a debut issuance of ₦8.50 billion Series I Green Infrastructure bond which is the only bond to have been issued by NSP SPV prior to the Series 2 bond. As at 31 December 2020, the outstanding balance of the Series I bond was ₦8.25 billion</p> <p>NSP SPV is now seeking to issue Series II Green Bonds to fund the development of and the transmission evacuation infrastructure for NSP's 15MW Pre-Phase 1 Solar Project</p> <p>The Bonds shall be constituted by a series trust deed. The provisions of the series trust deed shall apply separately and independently to the Bonds.</p>
5.	Programme Size (Headroom):	₦50.00 billion (₦41.50 billion)
6.	Programme Expiry:	28 February 2022
7.	Issue Size:	₦6.325 billion
8.	Issue Price:	At ₦1,000 per unit of the Bonds
9.	Maturity Date:	15 April, 2031
10.	Denominations:	Minimum of ₦5,000,000 (i.e., 5,000 units at ₦1,000 per unit) and multiples of ₦1,000 thereafter
11.	Sponsor Rating:	A-; Augusto & Co. expires in June 2021 A-; Global Credit Rating Co. expires in October 2021
12.	Issue Rating:	A-; Augusto & Co. expires in December 2021 A-; Global Credit Rating Co. expires in May 2021
13.	Instrument Type:	Fixed Rate Green Bonds
14.	Coupon Basis:	Fixed rate
15.	Coupon:	12.00%
16.	Mode of Issuance:	Offer for subscription by way of a book build
17.	Tenor:	10 years

SUMMARY OF THE OFFER

18.	Scheduled Redemption Payment Dates:	Coupon and principal are payable semi-annually in arrears; in the 6 th and 12 th month from the bond issuance date
19.	Redemption/Payment Basis:	Equal principal semi-annual amortization commencing from month 6
20.	Security/Collateral:	A Debt Service Reserve Account ("DSRA") will be established by the Issuer under the management of the Trustee. The Sponsor shall make provision for the DSRA to be funded with the equivalent of at least one (1) year worth of coupon and principal repayment.
21.	Qualified Investors:	Qualified Institutional Investors and High Net Worth Investors, as defined in the SEC Rules and Regulations
22.	Issuing Houses:	<p>Lead Issuing House: Stanbic IBTC Capital Limited</p> <p>Joint Issuing Houses: AVA Capital Partners Limited CardinalStone Partners Limited EAC Advisory Limited Rand Merchant Bank Nigeria Limited Renaissance Securities (Nigeria) Limited Vetiva Capital Management Limited</p>
23.	Solicitor to the Issue:	Banwo & Ighodalo
24.	Solicitor to the Trustees:	Templars
25.	Trustees:	EAC Trustees Limited
26.	Registrar:	Africa Prudential Plc
27.	Auditor:	<p>KPMG Professional Services (Sponsor's auditor over the last 5 years, 2015-2019)</p> <p>Deloitte & Touche (newly appointed Sponsor's auditor on 28 July 2020)</p>
28.	Reporting Accountant:	Ernst & Young
29.	Status of Bonds:	The Series 2 bonds shall be direct, unsecured, senior, and unconditional obligations of the Issuer and shall rank pari-passu among themselves and equally with other existing obligations of the Issuer
30.	Event of Default:	See Events of Default set out in Clause 14 of the Programme Trust Deed dated 28 February 2019 and Condition 13 of the First Schedule of the Series 2 Trust Deed dated 15 April 2021
31.	Listing:	FMDQ Securities Exchange and/or The Nigerian Stock Exchange
32.	Depository:	Central Securities Clearing System

SUMMARY OF THE OFFER

33. Expected Completion Date: Q1 2021

Provisions Relating To Interest (If Any) Payable

34. Fixed Rate Note Provisions

- | | |
|--|---|
| - Interest Rate: | 12.00% |
| - Coupon Payment Date(s) /Payment Dates: | Semi-annual, and payable in arrears on 15 April and 15 October of each year up to and including the Maturity Date |
| - Interest Amount(s): | See 'Amortisation Schedule' on page 25 |
| - Day Count Fraction: | Actual/actual (actual number of days in a month/actual number of days in the year) |
| - Business Day Convention: | Following Business Day: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day |
| - Other terms relating to method of calculating interest for Fixed Rate Bonds: | N/A |

Provisions Relating To Redemption

- | | |
|---|---|
| 35. Scheduled Redemption/Amortization: | Amortised redemption of Principal as shown on the Amortisation Schedule on page 25 |
| 36. Redemption Amount(s): | N 316,250,000 on each Payment Date as shown on the Amortisation Schedule on page 25 |
| 37. Scheduled Redemption Dates: | Semi-annually each year commencing on 15 October 2021 until the Maturity Date (each a "Redemption Date") as shown in the Amortisation Schedule on page 25 |

Distribution, Clearing and Settlement Provisions

- | | |
|--|--|
| 38. Form of Bonds: | Dematerialised Bonds |
| 39. Method of Distribution: | Book Building to Qualified Institutional Investors and High Net Worth Investors (subject to status validation) |
| 40. Form of Dematerialised Bonds: | Electronic registration on the Central Securities Clearing System PLC platform or FMDQ Depository Limited, as applicable |
| 41. Clearing System: | Central Securities Clearing System PLC, or FMDQ Clear Limited, as applicable |

SUMMARY OF THE OFFER

42.	Selling Restrictions:	Strictly to Qualified Institutional Investors and High Net worth Investors as stipulated by the SEC Rules and Regulations
43.	Underwriting:	At the instance of the Issuer, this Series 2 Bond issuance will not be underwritten
General		
44.	Indebtedness:	As at 30 September 2020, the Issuer's borrowings amounted to approximately ₦8,208,804,000 (Eight Billion, Two Hundred and Eight Million, Eight Hundred and Four Thousand Naira)
45.	Taxation:	Details of this and other tax considerations are set out on page 107 of the Shelf Prospectus dated 28 February 2019. Also refer to Condition 12 of the Series 2 Trust Deed dated 15 April 2021
46.	Governing Law:	The Series 2 Bonds will be governed by, and construed in all respects in accordance with the laws of the Federal Republic of Nigeria
47.	Risk Factors:	<p>In December 2019, a respiratory disease, Coronavirus Disease (COVID-19), was discovered in Wuhan, China. According to the World Health Organization (WHO), COVID-19 has claimed over 1.1 million lives with over 39.9 million people infected globally as at 19 October 2020. According to the Nigerian Centre for Disease Control (NCDC), Nigeria has recorded 61,440 infections and 1,125 deaths from the outbreak of COVID-19 as at 19 October 2020</p> <p>Due to the lockdown measures introduced by the Nigerian government to curtail the spread of COVID-19, causing several businesses to shutdown partially or entirely, there was a significant reduction in net revenue collection by electricity distribution companies, and affected fulfilment of obligations to electricity generation companies. As the economy continue to re-open, there have been price increases across various sectors in the economy, including the NERC approved electricity tariff increase to address the shortfalls in the power sector – effective from 1 November 2020.</p> <p>In addition to the above, see "Risk Factors" on pages 103 to 106 of the Shelf Prospectus</p>
48.	Summary of Claims & Litigation:	<p>"NSP-SPV Power Corp PLC ("Issuer") is not involved in any litigation.</p> <p>North South Power Company Limited ("NSPCL") is, in its ordinary course of business, currently involved in one (1) case as at October 20, 2020. NSPCL is an Appellant in the said case.</p> <p>The Solicitors to the Transaction are of the opinion that NSPCL is unlikely to be exposed to any contingent liability on account of the said case.</p>

SUMMARY OF THE OFFER

	Based on the information made available to the Solicitors to the Transaction as of the date of this opinion, the Solicitors to the Transaction confirm that they are not aware of any claim or litigation pending or threatened against NSPCL or the Issuer which (i) materially or adversely affects their ability to fulfill their respective obligations under the Transaction; and/or; (ii) affects the validity of the proposed Transaction or restricts the proceedings or actions of NSPCL or the Issuer with respect to the Transaction."
49. Directors' Confirmation of Going Concern:	The Directors affirm that the Sponsor is a going concern and has no pending insolvency proceedings instituted against it. The Directors also confirm that the Sponsor will continue in operations for the foreseeable future and that there are no threats to the operations of the Sponsor.

Material Adverse Change Statement

Except as disclosed in this Pricing Supplement and in the Shelf Prospectus dated 28 February 2019, there has been no significant change in the financial or trading position of the Sponsor since the date of the Sponsor's last audited financial statements and no material adverse change in the financial position or prospects of the Sponsor since the date of the Sponsor's last audited financial statements.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement which when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

NSP-SPV POWERCORP PLC

CLAN PLACE, PLOT 1386, TIGRIS CRESCENT, MAITAMA, ABUJA
TEL: +234 9 291 8045, +234 9 291 8046
www.northsouthpower.com

RC:1436994

24 February 2021

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

Dear Sir,

Series II Issuance of ₦6,325,000,000.00 (Six Billion, Three Hundred and Twenty Five Million Naira) 10 Year 12.00% Fixed Rate Green Bonds (the "Transaction") under the NSP-SPV Powercorp Plc's ₦50,000,000,000.00 (Fifty Billion Naira) Bond Issuance Programme (the "Programme")

This Pricing Supplement has been prepared by the Issuing Houses on behalf of NSP-SPV Powercorp Plc's (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of the Transaction.

We hereby make the following declarations in respect of the Transaction:

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

SIGNED for and on behalf of NSP-SPV Powercorp Plc

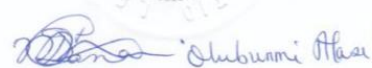
By its duly Authorised Representatives:




Olubunmi Peters
Director



George Nwangwu
Director



**Ratio Legal
Practitioners**
Company Secretary



CHRISTIAN C. OKOYE
NOTARY PUBLIC
ADD.: 1, RIMA STREET, MAITAMA,
ABUJA
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**NORTH SOUTH POWER
COMPANY LIMITED**

CLAN PLACE, PLOT No. 1386, TIGRIS CRESCENT, MAITAMA - ABUJA
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www.northsouthpower.com

24 February 2021

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

Dear Sir,

Series II Issuance of ₦6,325,000,000.00 (Six Billion, Three Hundred and Twenty Five Million Naira) 10 Year 12.00% Fixed Rate Green Bonds (the "Transaction") under the NSP-SPV Powercorp Plc's ₦50,000,000,000.00 (Fifty Billion Naira) Bond Issuance Programme (the "Programme")

We are the Sponsors in respect of this Pricing Supplement, which has been prepared by the Issuing Houses on behalf of NSP-SPV Powercorp Plc (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the Transaction.

We hereby make the following declarations in respect of the Transaction:

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

SIGNED for and on behalf of North South Power Company Limited
By its duly Authorised Representatives:

Olubunmi Peters
Chief Executive Officer

Norman Kapambalala
Chief Financial Officer

Ratio Legal Practitioners
Company Secretary

05/03
2021

CHRISTIAN C. OKOYE
NOTARY PUBLIC
ADD.: 1, RIMA STREET, MAITAMA,
ABUJA
TEL: +2348066802729,
+2348090878369
Email: chrisemel@gmail.com



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KPMG Tower
Bishop Abiodun Cole Street
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PMB 40014, Folorunso
Lagos

Telephone 234 (0) 271 8955
234 (0) 271 8999
Internet home.kpmgng

1 March 2021

The Directors
North South Power Company Limited
The Clan Place
Plot 1386 Tigris Crescent
Maitama
Abuja, FCT

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

Dear Sirs,

GOING CONCERN STATUS OF NORTH SOUTH POWER COMPANY LIMITED IN RESPECT OF THE ISSUANCE OF A NGN6,325BN SERIES II 10-YEAR 12.00% FIXED RATE SENIOR GREEN INFRASTRUCTURE BOND BY NSP-SPV POWERCORP PLC UNDER THE NGN50BN BOND ISSUANCE PROGRAMME

We have audited the consolidated and separate financial statements of North South Power Company Limited ("the Company") and its subsidiaries (together the "Group") for the year ended 31 December 2019 which were prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, CAP C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Based on our audit of the consolidated and separate financial statements for the year ended 31 December 2019 on which we expressed our opinion on 29 July 2020 and the representation received from the Directors of North South Power Company Limited, nothing has come to our notice as at the date of our audit report that makes us believe that the Company will not continue operations as a going concern for 12 months from 31 December 2019.

This letter is issued solely in relation to the above-mentioned proposed transaction for regulatory filing purposes.

Yours faithfully,
For: KPMG Professional Services

Chibuzor Anyanechi
Partner, Audit Services
FRC/2013/ICAN/00000000789

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Registration No. NN 000000

Partners

Adigun A. Olatunji	Chibuzor N. Anyanechi	Okoroji I. Okoroji	Obidiye I. Obidiye
Adunwa A. Olatunji	Chibuzor N. Anyanechi	Okoroji M. Adeniji	Obidiye I. Obidiye
Adunwa R. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye
Adunwa E. Olatunji	Chibuzor N. Anyanechi	Okoroji E. Okoroji	Obidiye I. Obidiye

North South Power Company Limited was incorporated as a limited liability company on 15 March 2012 to develop, own and operate power plants and other energy infrastructure systems with a special emphasis on renewable energy systems including solar, electric, thermal, wind and hydro power plants.

The Federal Government of Nigeria, as represented by the Ministry of Finance Incorporated ("MoFI") through the Bureau of Public Enterprises ("BPE"), transferred its rights to the operations, restoration, and maintenance of the hydroelectric power production facilities located on the Shiroro Reservoir and the related hydro property of the Shiroro Hydro Electric Power Plant to NSP through a concession agreement. This concession agreement was signed between BPE and NSP on 21 February 2013 for a period of thirty (30) years. However, the Shiroro Hydro Electric Power Plant was officially handed over to NSP on 1 November 2013. The Shiroro Hydroelectric Power Plant currently has a generating capacity of 600MW. Revenue is generated from billings from capacity and energy delivered to the grid/ sold to the Nigerian Bulk Electricity Trading Company Plc (NBET) and ancillary services provided to the Electricity sector. This is represented by the monthly final settlement statements received from market operators.

Shiroro Hydro Electricity Plc ("Shiroro") is a hydroelectric power company located in Niger State of Nigeria. The Company was created as part of the successor companies involved in the privatisation programme of the Federal Government of Nigeria.

Shiroro is one of Nigeria's most recent hydroelectric power plant, hosting Nigeria's SCADA operated national control centre, switchyard facilities (including a technical "step down" function for the enhanced distribution into the national grid), advanced control room, and modern training facilities.

Shiroro Solar Power Project

In 2015, after completing a prefeasibility study with respect to a solar power project, NSP executed a Memorandum of Understanding with SinoHydro Corporation, one of the world's largest developers of solar projects, with respect to the upgrading of the pre-feasibility study.

The Solar Project will be hybridized with the Company's existing hydropower plant allowing the solar panels to generate electricity during the day and the dry season in particular, while conserving water for hydroelectricity generation all year round. Furthermore, hydro synergy allows non-intermittent solar power to be converted into firm dispatchable power, matching customer demand profiles.

The Solar Project will be executed in 4 Phases commencing with a Pre-Phase I pilot project of 15MW which will form a hydro-synergy project with existing Hydropower Plant prior to scaling up to 100MW. Thereafter, Phase I will be 85MW and subsequent phases of 100MW each.

NSP currently has 108MW signed on grid Power Purchase Agreements (PPAs) with a Distribution Company and several companies across Nigeria. In this regard the incremental power generated from solar power plant will be contracted to some of these companies.

The Shiroro Solar Project provides a unique opportunity to expand NSP's supply to Nigeria by 300MW, thus meeting its target of supplying 10% of Nigeria's power requirements.

The project process is being carefully implemented to attract the right funding parties and partners.

Key attributes of the project include the following:

- 3 hours from Abuja, the Federal Capital city of Nigeria
- Average solar irradiation of 5.42Kwh/m2/day
- 12 Km from existing Shiroro substation
- 12 Km from existing Shiroro Hydroelectric power plant
- 0.1km from major road network (Gwada-Shiroro Road)
- Land flat and unsettled as previous occupants have been resettled

DESCRIPTION OF THE CO-OBLIGORS

Key milestones achieved include:

- Issuance of 300MW License by NERC
- Completion of preliminary technical feasibility report
- Approval of transmission connection by Transmission Company of Nigeria
- Approval of Environmental and Social Impact Assessment studies by the Federal Ministry of Environment

Gurara Hydroelectric Power Station

In a bid to improve Nigeria's current power generation capacity, the Federal Ministry of Water Resources (FMoWR) integrated the hydropower generation capacity of the Gurara Dam originally designed and constructed to supply water to the Lower Usuma dam to meet water supply needs of the Federal Capital Territory ("FCT").

The dam consists of a crest of 3.2km in length, maximum height of 54metres and a reservoir capacity of 880MCM. It has a 45km high intake tower comprising of four independent 4m high and 2.5m wide intakes equipped with stoplogs and fixed screens located at different levels of elevation to allow withdrawal of water of the required quality

On the 25th of July 2018, North South Gurara Energy Company Limited (NSGECL) was incorporated to provide power / energy services, supply, install and maintain renewable energy systems.

On the 12th of May 2020, following an extensive transparent bidding process, North South Power Company Limited through its Special Purpose Vehicle (SPV), NSGECL was awarded the 25-year concession of the 30MW Gurara Hydropower Plant located in Kaduna State, Nigeria.

The 30MW Gurara Hydroelectric Power Plant has an annual energy production of 115GWH and a turbine capacity of 3 x 12.5MVA alternator (at 80% power factors).

NSP-SPV PowerCorp Plc

NSP-SPV PowerCorp Plc was incorporated in Nigeria on the 8 September 2017 (with Registration Number 1436994) as a public limited company under the name 'NSP-SPV PowerCorp PLC' and with registered address at The Clan Place, Plot 1386, Tigris Crescent, Maitama, FCT, Abuja. The Issuer has no subsidiaries or affiliates and has been established as a special purpose vehicle for the purpose of raising funds from the capital market to finance capital expenditure and optimise the capital structure of the Co-Obligors.

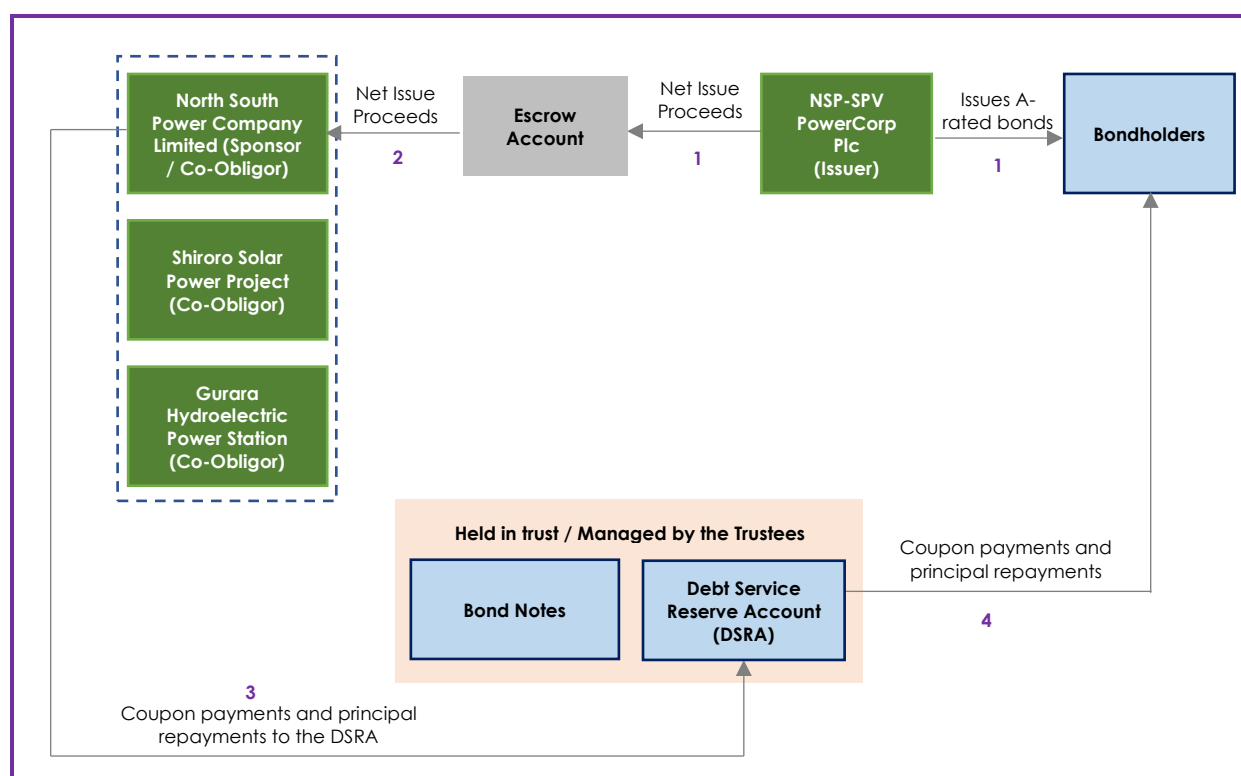
NSP-SPV has an authorised and issued share capital of ₦1,000,000.00 divided into 1,000,000.00 ordinary shares of ₦1.00 each with 999,999 ordinary shares held by North South Power Company Limited (the "Company").

As set out in Clause 3 of its Memorandum and Articles of Association the principal objectives of the Issuer, amongst other things, are to raise or borrow money by issue of notes or any other debt instruments; to pay interest on any money so raised or borrowed; to issue any of the company's securities, for such consideration and on such terms as may be deemed fit as well as secure and guarantee the performance by the company of any obligation or liability it may undertake, to redeem or pay off any such securities, and to invest the money raised or borrowed in securities or any other investments as the company may deem fit.

Structure of the Issue

1. The Issuer will issue the Series 2 Bonds to Qualified Institutional Investors and High Networth Investors, who will subscribe to the bond issuance. The net proceeds received from the Bondholders will be paid into the Escrow Account maintained with the Custodian.
2. The net proceeds will thereafter be passed through the Issuer for use amongst the Co-Obligors in accordance with the provisions of the note subscription agreement amongst the Sponsor, the Issuer and the Trustee
3. The Issuer shall establish and the Sponsor shall fund a DSRA (opened in the name of and maintained by the Trustee), which shall hold a minimum balance of at least 1 year's worth of coupon and principal repayment due at the beginning of the year.
4. The Trustee will pay the bond obligations (Interest and principal) to the Bondholders from the DSRA, in line with the Amortisation Schedule and the Series 2 Trust Deed

The diagram below presents a pictorial representation of the structure of the Issue



Green Bond Classification

The company's activities and planned green bond issuance in 2021 support both Nigeria's international commitments to the United Nations Framework Convention on Climate Change (UNFCCC) through Intended Nationally Determined Contributions (INDCs) as well as Global Goals for Sustainable Development (SDGs). Further details on these are provided below:

1. Alignment with Nigeria's national strategic priorities






The Nigeria INDCs focus on the delivery of direct development benefits and sustainable growth of the economy. The INDCs promote sustainable development and delivering on government priorities. Key measures to allow this include driving energy efficiency and alternative energy programmes, as well as focusing on climate smart agriculture and reforestation.

In the INDC, Nigeria has projected that GHG emissions will grow by about 114% by 2030 to around 900 million tCO_{2e}. Under a high growth scenario, with economic growth at 7%, this climbs to over one billion tCO_{2e}. As part of the COP21 Paris Agreement, Nigeria aims to unconditionally reduce emissions by 20% below business as usual (BAU) that is consistent with the current development trends and government policy priorities. Additionally, Nigeria can make a significant additional contribution with international support, in the form of finance and investment, technology and capacity building. Combined policies and measures can deliver in a cost-effective manner direct development benefits to the country and reduce emissions by 45% below BAU.

NSP's activities in renewable energy production have previously contributed to reducing GHG emissions for power generation and will continue to do so, supported by the issuance of the green bond.

2. Alignment with the SDGs

Recognising the importance of sustainable development and the transition to a low carbon economy, NSP values SDGs aimed to end poverty, protect the planet and ensure prosperity for all. As a company offering low carbon energy for Nigeria, NSP's activities are aligned with the following key SDGs:

 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>On a global scale, hydropower is considered to be the second (only to wind) among renewables offering the lowest carbon emissions per kilowatt hour, as shown by the International Energy Agency (IEA).</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>NSP offers climate change resilient jobs with a work force of more than 300 aimed to improve resource efficiency and economic growth from environmental degradation.</p>	 <p>13 CLIMATE ACTION</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>NSP's mission as an organisation centres around consistently generating reliable power in line with international best practices, driven by innovation and excellence.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Through renewable energy production, NSP contributes positively to reducing greenhouse gas emissions.</p>	<p>The dam acts as a flood control mechanism, providing potential adaptive capacity to downstream communities in a future where more extreme rainfall events are more likely.</p>

Process for Project Evaluation and Selection

NSP envisions being the foremost power generating company in Africa. This will be achieved by leveraging technology, expertise, and knowledge to provide energy and infrastructure solutions required by customers. NSP's mission is to generate reliable power consistently in line with international best practices and driven by innovation and excellence. The company's activities and planned green bond issuance in 2021 support and align with other national and international sustainability objective including Nigeria's international commitments to the UNFCCC through INDC as well as SDGs.

EXTRACT FROM NSP-SPV POWERCORP PLC GREEN BOND FRAMEWORK

The following departments of NSP currently oversee the evaluation and selection of all projects and will continue to conduct such assessments for Eligible Green Projects:

1. Corporate Finance and Business Development;
2. Technical and Commercial;
3. Environmental, Health and Safety; and
4. Risk Management.

1. Environmental Sustainability Objectives

NSP is committed to the integration of environmental and social considerations into its business activities as well as sustainable development. NSP's Sustainability Management Plan serves as a foundation to its environmental sustainability objectives.

2. Issuer process for eligible green project evaluation and selection

At inception, the Technical and Commercial department is responsible for understanding the technical specification and feasibility of the project including determining how the project fits within the eligible project categories of the Green Bond Principles (GBP), based on the technical specification of the project. The Environmental Department is responsible for conducting the required impact assessments (environmental, social and health) considering the technical specifications of the project and including whether the project's annual GHG emissions do not exceed the 100 gCO_{2e}/kWh threshold. These assessments also consider necessary mitigation and adaptation measures. The Risk Management Department is responsible for reviewing outputs from Technical and Commercial and the Environmental, Health and Safety, in order to determine the overall risk of the project. This assessment includes technical, financial and environmental risk assessments. Once NSP has completed this initial cycle of reviews, a Project Feasibility Report is developed detailing assessment results and indicating whether the proposed project meets the specified eligibility criteria. The financial valuation and planning and business development processes then follow. These processes are championed by Corporate Finance and Business Development. The aforementioned steps are also highlighted in the figure below:



NSP has an Environmental Policy as well as an Environmental and Social Management System in place. It has recognised the need to carry out its operation in the most environmentally sustainable manner and has therefore adopted a tri-ennial environmental auditing system in compliance with the statutory requirements.

Key objectives of the Environmental Audits (EAs) include:

- Assessing potential environmental risks emanating from power generation;
- Assessing the environmental performance and the level of regulatory compliance of the station;
- Recommending measures to improve environmental practices and also increase responsibility to stakeholders and the surrounding environment; and
- Identifying inadequacies in environmental management, occupational health and safety issues and quality compliance in the station.

The EAs also provide recommendations on issues such as policy, training, safety, water treatment, waste management etc. This process enables NSP to identify and assess risks at an early stage and effectively respond to them.

Eligibility Criteria

The proceeds of the green bonds will be used to finance eligible green projects as defined below ("Eligible Green Projects"):

1. **Hydropower:** investments in or expenditures for the acquisition, expansion, renovation, construction, development and installation of new and existing hydropower facilities in capacity of no more than 180 MW (per unit), with the annual emissions threshold not exceeding 100 g CO_{2e}/kWh. Some examples include:
 - **Refinancing of acquisition and renovations to the facility including:**
 - Tangible assets (e.g., properties, plant, equipment etc.)
 - Intangible assets (e.g., concession costs, plant alterations/overhauling, information technology software, etc.)
 - **Refinancing of scheduled overhaul of unit 4 and systems/controls upgrades including:**
 - Procurement and maintenance (e.g., spare parts, machinery and equipment etc.)
 - **Financing operational expenses including:**
 - Impact reports (e.g., environmental, health and safety)
 - Maintenance and repair (e.g., major maintenance required after 10 years)
 - **Financing other transaction costs**
2. **Solar power:** investments in or expenditures for the acquisition, expansion, renovation, construction, development and installation of new solar power facilities, that still need to undergo the necessary impact assessment processes.

Examples of Eligible Green Projects

As an example of an Eligible Green Project, NSP has identified a project that exemplifies its objectives of maximising the potential yield and value of Nigeria's natural resources in a sustainable, responsible and efficient manner. This also aligns with Nigeria's INDC approved by President Muhammadu Buhari in 2015.

Proceeds of the green bond will not be used to finance or refinance projects that are not deemed to show a positive impact on the environment. These projects may include, but not limited to:

- Coal fired power generation; and
- Nuclear power generation.

Reporting

1. Allocation Reporting:

NSP will keep readily available and up-to-date information on the use of proceeds to be renewed annually until full allocation, and as necessary thereafter in the event of new developments.

This will include a list of the projects to which green bond proceeds have been allocated, as well as a brief description of the projects and the amounts allocated, and the remaining balance of unallocated proceeds at the end of the reporting period. The Accounting Services Department and the Corporate Finance and Business Development Department will facilitate this process.

Should NSP deem certain allocations to be confidential, these results will only be made available to the current investors of the green bond. Allocations will be reported at a book value and will be subject to annual external audits.

2. Impact Reporting:

On an annual basis, at least until full allocation, NSP will prepare an impact report detailing measured and achieved impacts in relation to the environmental objectives of this bond issuance. The impact report will be shared with investors, published on a dedicated section of its website, and it shall address the following impact metrics:

- Annual GHG emissions mitigated (tCO_{2e});
- Annual GHG emissions intensity (tCO_{2e}/kWh);
- Annual renewable energy generation (MWh);
- Capacity of renewable energy plant(s) constructed or rehabilitated (MW);
- Annual absolute (gross) GHG emissions from the plant (tCO_{2e}).

The results of the impact measurement will also be reported in two (2) daily newspapers within Nigeria.

The impact reporting process will be led by the Environmental, Health and Safety Department and calculations will be based on international best practice guidelines and where there is a lack of same, will make use of company specific methods and factors.

USE OF PROCEEDS

The net proceeds will be deployed in capital expenditure (CAPEX) towards the development of 15MW Pre-Phase 1 Solar Project and the transmission and evacuation infrastructure for NSP's Solar Project. Accordingly, the estimated net issue proceeds of the Series 2 Bond – being ₦6,190,025,412.50 following the deduction of the cost of issuance of ₦134,974,587.50 representing 2.13% of the gross issue proceeds – will be utilized as follows:

Use of Net Proceeds	Amount (₦)	Percentage (%)	Timeline for Use
CAPEX – Development of 15MW Pre-Phase 1 Solar Project	₦4,125,766,220.00	66.65%	12 months
CAPEX – Transmission Evacuation Infrastructure for Pre-Phase 1 Solar Project	₦691,734,192.50	11.17%	12 months
Minimum Reserve Account	₦1,372,525,000.00	22.17%	Immediate
Total	₦6,190,025,412.50	100.00%	

Capex – Development of 15MW Pre-Phase 1 Solar Project

- Capacity: 15 MW AC (16.464MW DC-MWp)
- Capacity Factor: 23.70%
- Performance Ratio: 81.60%
- Generation (First Year): 31,096MWh
- Degradation Factor: 2.5% (First Year), 0.55% (from Year 2)
- Design: All components of the PV power plant (design, manufacturing, testing and commissioning) shall be in accordance with the latest relevant international standards and shall be 'off-the-shelf' products with proven track record and commercially demonstrated design
- Design: All PV hardware components shall be either stainless steel, composites, or aluminum. PV structural components shall be market-standard type, UV and corrosion resistant (galvanized steel, stainless steel, composites, or aluminum)
- Design: The structures shall be designed to withstand bad-weather conditions over a period of 30 years (high wind speed); and
- Installation: The installation shall be divided into manageable and standardized power blocks of the same electrical design (and thus capacity) to allow for ease of realization
- Location: Shiroro site, adjacent to Shiroro Hydro Power Station Staff Village, Shiroro Local Government Area, Niger State

Capex – Transmission Evacuation Infrastructure for the Pre-Phase 1 Solar Project

- Evacuation: IEC standard step-up transformer size for the 15MW solar project is 20MVA
- Transmission Development: An 8Km ACSR 150sqmm 33KV power line to connect the solar plant to the substation
- Transmission Development: A 33/132KV portable (skid-mounted) step-up substation to be positioned at the existing site substation
- Transformer: Single 40MVA, 33/132KV step up transformer
- Location: Shiroro site, adjacent to Shiroro Hydro Power Station Staff Village, Shiroro Local Government Area, Niger State

USE OF PROCEEDS

Management of Proceeds

Subject to the provisions of the Custody Agreement, the Issuer shall establish, operate and maintain the Escrow Account with the Custodian. On or before the Allotment Date, the Issuer shall ensure that the Escrow Account is opened in the joint names of the Issuer and the Bond Trustee with the Custodian. The net proceeds of the issuance under the Transaction shall be remitted into the Escrow Account.

The Issuer and Bond Trustee shall be the signatories to the Escrow Account and shall have the power to manage the Escrow Account and change its signatories.

Proceeds from the Green Bond will be tracked by NSP-SPV Powercorp Plc's Corporate Finance and Business Development departments and the Accounting Services Department. NSP-SPV Powercorp Plc has established a platform that serves as a register to monitor and account for the Eligible Green Projects within the Enterprise Resource Planning (ERP) system.

The net proceeds of Green Bonds will be attested to by a formal internal process linked to the Issuer's lending and investment operations for Green Projects. NSP-SPV Powercorp Plc will prepare quarterly reports (to be reviewed by the Board) which will contain information from the ERP system on how proceeds have been used for the period in question. The internal audit function will play an integral role in verifying the management and allocation of proceeds related to this Green Bond.

So long as the Green Bonds are outstanding, the balance of the tracked proceeds shall be periodically adjusted to match allocations to Eligible Green Projects made during that period.

In order to prevent the contamination of proceeds for unallocated funds, the Bond Trustee shall either:

- I. Temporarily invest the funds in instruments that are cash, or cash equivalent with investment grade rating, within a Treasury function; and
- II. Temporarily invest funds in money market instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy.

The Issuer adheres to a high level of transparency and will be supplementing the management of proceeds with an auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond proceeds, on an annual basis. These audits will be conducted both pre-payment and post-payment, and will be spearheaded by the internal audit function of NSP-SPV Powercorp Plc.

In its annual reporting, the Issuer will disclose both the amount of proceeds allocated to Eligible Green Projects and the balance of unallocated proceeds.

AMORTISATION SCHEDULE

The following table indicates the semi-annual amortising repayment of the Principal Amount and Coupon until maturity. The table reflects the annual coupon rate of 12.00%.

Period	Bond Obligation Repayment Date	Principal Repayment (₦)	Interest Payment (₦)	Principal Obligation Outstanding (₦)
Interval 1	15-Oct-21	₦316,250,000.00	₦379,500,000.00	₦6,008,750,000.00
Interval 2	15-Apr-22	₦316,250,000.00	₦360,525,000.00	₦5,692,500,000.00
Interval 3	15-Oct-22	₦316,250,000.00	₦341,550,000.00	₦5,376,250,000.00
Interval 4	15-Apr-23	₦316,250,000.00	₦322,575,000.00	₦5,060,000,000.00
Interval 5	15-Oct-23	₦316,250,000.00	₦303,600,000.00	₦4,743,750,000.00
Interval 6	15-Apr-24	₦316,250,000.00	₦284,625,000.00	₦4,427,500,000.00
Interval 7	15-Oct-24	₦316,250,000.00	₦265,650,000.00	₦4,111,250,000.00
Interval 8	15-Apr-25	₦316,250,000.00	₦246,675,000.00	₦3,795,000,000.00
Interval 9	15-Oct-25	₦316,250,000.00	₦227,700,000.00	₦3,478,750,000.00
Interval 10	15-Apr-26	₦316,250,000.00	₦208,725,000.00	₦3,162,500,000.00
Interval 11	15-Oct-26	₦316,250,000.00	₦189,750,000.00	₦2,846,250,000.00
Interval 12	15-Apr-27	₦316,250,000.00	₦170,775,000.00	₦2,530,000,000.00
Interval 13	15-Oct-27	₦316,250,000.00	₦151,800,000.00	₦2,213,750,000.00
Interval 14	15-Apr-28	₦316,250,000.00	₦132,825,000.00	₦1,897,500,000.00
Interval 15	15-Oct-28	₦316,250,000.00	₦113,850,000.00	₦1,581,250,000.00
Interval 16	15-Apr-29	₦316,250,000.00	₦94,875,000.00	₦1,265,000,000.00
Interval 17	15-Oct-29	₦316,250,000.00	₦75,900,000.00	₦948,750,000.00
Interval 18	15-Apr-30	₦316,250,000.00	₦56,925,000.00	₦632,500,000.00
Interval 19	15-Oct-30	₦316,250,000.00	₦37,950,000.00	₦316,250,000.00
Interval 20	15-Apr-31	₦316,250,000.00	₦18,975,000.00	-
Total		₦6,325,000,000.00	₦3,984,750,000.00	

North South Power Company Limited

Rating Assigned:

A-

This is a company with good financial condition and strong capacity to repay obligations on a timely basis.

Outlook: Stable
 Issue Date: 06 November 2020
 Expiry Date: 30 June 2021
 Previous Rating: A-

Industry: Power Generation

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RATING RATIONALE

Agusto & Co. affirms the 'A-' rating assigned to North South Power Company Limited ("North South Power", "NSP" or "the Company"). The rating reflects NSP's good financial condition, evidenced by acceptable profitability, adequate working capital, good cash flow, good market position and experienced management team. The rating also takes into cognisance the regulatory support, largely on account of injection of intervention funds by the Federal Government through the Power Sector Recovery Program under the Payment Assurance Guarantee. However, the rating is constrained by NSP's rising trade receivables from the Nigerian Bulk Electricity Trading Company (NBET) and low equity cushion.

North South Power Company Limited commenced operations in November 2013, following the acquisition of a 30-year concession on the 600 megawatts (MW) Shiroro Hydroelectric plant from the Federal Government of Nigeria through the Bureau of Public Enterprise (BPE). Over the last five years, the Company increased capacity utilisation, following extensive repairs on various units of the power plants. Thus, in the financial year ended 31 December 2019, NSP's power generation improved to 2.6 million MW (FY 2013: 1.5 million MW). The Company remains an important power infrastructure company, accounting for an estimated 11% of energy generated in Nigeria during FY 2019. Further displaying the strategic importance of the Company is its ability to black-start the national grid, while supplying the Federal Capital Territory with constant power during the periods of total grid collapse.

North South Power recorded a 3% increase in revenue to ₦38.8 billion during the financial year ended 31 December 2019. The growth was primarily driven by the rise in the Company's power generation and favourable weather condition. However, the Company's operating expenses to revenue deteriorated to 17.7% (FY 2018: 12%), following some top-level appointments, which resulted in a 6.8% growth in staff related expenses to ₦2.9 billion during the review year, coupled with the marked increase in professional services expense to ₦1.5 billion (FY 2018: ₦0.2 billion).

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GLOBAL CREDIT RATING CO.
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North South Power Company Limited

Nigeria Corporate Analysis

December 2020

Rating class	Rating scale	Rating	Rating Outlook	Expiry date
Long term	National	A-(NG)	Stable	October 2021
Short term	National	A2(NG)		

Financial data:

(USD'm comparative)^

	31/12/18	31/12/19
N/USD (avg.)	305.6	306.4
N/USD (close)	306.5	306.5
Total assets	265.7	327.7
Total debt	17.9	28.4
Total capital	27.1	50.9
Cash & equiv.	33.8	53.3
Turnover	123.3	126.6
EBITDA	92.4	86.4
NPAT	(17.7)	23.8
Op. cash flow	69.7	20.2

Market share: 8%*

Market cap: n.a

^Central Bank of Nigeria exchange rate

*Management estimate

Rating history:

Initial rating (August 2017)

Long term: BBB+(NG)

Short term: A2(NG)

Outlook: Stable

Last rating (December 2019)

Long term: A-(NG)

Short term: A2(NG)

Outlook: Stable

Rating methodologies/research

Global Master Criteria for rating Corporate entities (updated February, 2018)

NSP's rating reports (2017-19)

Glossary of terms/ratios, February 2018

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Summary rating rationale

- The ratings reflect North South Power Company Limited's ("NSP" or "the Company") niche market position in a highly fragmented market, underpinned by its demonstrated ability to profitably manage and operate the 600-megawatt Shiroro Hydro Electric Power Plan, under a 30-year concession agreement with the Federal Government of Nigeria ("FGN").
- The power sector generally displays low economic cyclicalities due to the crucial nature of the services being provided. Competition is considered relatively low, as the huge gap between demand and supply implies strong potential for capacity buildout. That said, the industry faces a range of challenges, primarily weak legacy collections, which have seen generation companies' earnings partly being subsidised by the government. As such, base operating cash flows remain volatile, with material non-performing debtor balances. While GCR has noted the increase in NSP cash reserves, this is underpinned by balances owed to government agencies, as management awaits outcomes on offsetting discussions. Ongoing interventions by government could see sustained improvement in cash generation going forward, although this depends on enabling infrastructure being put in place to improve collections across the value chain.
- Revenue maintained an upward trajectory prior to 1H FY20, with sustained offtake supporting a five-year CAGR of 34% to FY19. Although NSP is rolling out revenue diversification strategies these are likely going to materialise in strong growth over the medium to long-term.
- Earnings generating capacity is strong, supported by the relatively cost-effective hydro-electric power infrastructure. As such, notwithstanding observed volatility, the EBITDA margin is expected to trend well above domestic industry levels.
- NSP's leverage position is considered to be relatively conservative, with sufficient headroom to fund a sizeable capex backlog. Management plans to raise up to N5.5bn through bond issuance in the short term, normalised EBITDA would be able to cover total obligations by 75%-125%, while operating cash flow to debt coverage is expected to trend between 50%-100% over the outlook period.
- A relatively quick recovery in earnings by FY21 is expected to support reasonable liquidity coverage going forward. Risks to an otherwise sound liquidity profile could arise from sustained pressure on the cash conversion cycle, and/or high distributions during the capex upcycle.

Factors that could trigger a rating action may include

Positive change: Upward movement in the rating could follow sustained improvement in profitability and liquidity metrics on the back of timely completion of planned capacity expansion projects.

Negative change: Further escalation in debtors' absorptions that impair liquidity, profitability and/or debt serviceability could result in a negative rating action.



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NSP-SPV POWERCORP PLC– Bond Issuance Programme, Series 2 Fixed Rate Green Bonds

Nigeria Bond Analysis – prefunding report

December 2020

Security class	Amount	Rating scale	Indicative Rating*	Outlook	Expiry date
Series 2 Senior Unsecured Bonds	N6.325bn	National	A _(NG)	Stable	May 2021

Key Counterparties:

Issuer: NSP-SPV Powercorp PLC (“NSP-SPV” or “the Issuer”)

Sponsor: North South Power Company Limited (“NSP”)

Rating: A_(NG); Outlook: Stable

Borrower/Co-obligor: NSP,

North South Gurara Energy Company

Shiroro Solar Generating Company Limited

Lead Issuing House: Stanbic IBTC Capital Limited

Joint Issuing Houses/Book runners: Renaissance Securities Limited, AVA Capital Partners Limited, CardinalStone Partners Limited, EAC Advisory Limited, Rand Merchant Bank, Vetiva Capital Management Limited.

Bond Trustee: EAC Trustees Limited

Solicitor to the Issue: Banwo & Ighodalo

Solicitor to the Trustees: Templars (Barristers and Solicitors)

Account Bank: Zenith Bank Plc

Reporting Accountant: Ernst & Young Nigeria

Summary of Transaction:

Asset class:	Senior unsecured, green bonds.
Programme size:	N50bn
Initial issue size (Series 1):	N8.5bn
Current issue (Series 2)	N6.325bn
Tenor:	10 years
Interest rate	12.0%
Interest basis	Fixed, semi-annual
Principal repayment	Amortised

Rating History

Initial/last rating: (December 2020)

Rating Methodologies/Research:

GCR analysed the transaction by applying its:

Global Master Criteria for Rating Corporate Entities (February 2018);

Summary Structurally Enhanced Corporate Bonds

Rating Criteria (November 2017);

North South Power Company Limited Rating Report (2018-20),

GCR contacts:

Primary Analyst:

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Committee Chairperson:

Dave King

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Transaction summary

NSP-SPV was incorporated in 2017 as a special purpose vehicle to raise funds from the Nigerian capital market or other international markets by way of debt and other forms of capital to finance various capital projects. The Series 2 fixed rate Green Bonds are the second series of bonds to be issued under the Issuer’s N50bn Bond Issuance Programme (“Programme”). The first series (Series 1 Bonds) were guaranteed senior fixed rate bonds, through which the Issuer raised an aggregate sum of N8.5bn in February 2019. The current Issue (Series 2 Bonds) is aimed at raising an aggregate sum of up to N6.325bn. The Series 2 Bonds will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and qualify as green bonds.

As the Series 2 Bonds will represent direct, unconditional, unsecured and unsubordinated obligations of the Sponsor and the Co-obligors, the Bonds will bear the same rating as the Sponsor, and any change in the rating assigned to the Sponsor will directly affect the Bonds rating. Accordingly, Global Credit Rating Company Limited (“GCR”) has accorded an *indicative*, national scale, long-term credit rating of ‘A_(NG)’ to the Series 2 Bonds.

Summary rating rationale

- The Sponsor is one of the key players in the highly fragmented electricity generation market in Nigeria, with demonstrated ability to profitably manage and operate the 600-megawatt Shiroro Hydro Electric Power Plant, under a 30-year concession agreement with the Federal Government of Nigeria (“FGN”). GCR affirmed NSP’s long term national scale rating of A_(NG) in December 2020, with the outlook accorded as stable.
- NSP’s leverage position is considered low, giving it reasonable headroom to absorb more debt to fund capex. Adjusted for projected commitments, gearing metrics is expected to remain moderate within 75%-125% range.
- The Issuer intends to raise funds from the capital market, such that proceeds of the issuance will be passed through to the Sponsor and Co-obligors under the terms of the Series 2 Trust Deed. Accordingly, the Issuer and Co-obligors have put in place a Deed of Covenant, through which the Sponsor and Co-obligors undertake to absolutely, irrevocably and unconditionally guarantee the payment and performance of all obligations of the Issuer in respect of the Series 2 Bonds. The transaction mechanism requires the Issuer to establish and maintain a debt service reserve account in the name and under the control of the Trustee, to be funded with an aggregate of one year’s worth of coupon and principal repayment.
- A legal opinion from the solicitor to the Trustees (Templars) of the Series 2 Bonds confirms that the transaction documents are legal, valid, binding and enforceable against the Issuer by third parties and any insolvency official. Also, the security deed is stated to be enforceable notwithstanding the bankruptcy or insolvency of the Issuer.
- A downgrade in the rating of the Sponsor and/or a revision to the terms of the transaction documents could impact the final ratings to be accorded.

*The **final public rating** will be accorded upon receipt of satisfactory final, signed transaction documents.

Nigeria Bond Analysis – New Issuance Report | Public Credit Rating

CBI Pre-Issuance Verification Short Form Report for NSP-SPV Powercorp Plc
TÜV NORD Climate Change Services

1. SUMMARY

North South Power Company Limited (NSP) was established in 2012 to own and operate a diverse and growing portfolio of electricity generation businesses across Africa. Apart from operating the 600 MW Shiroro Hydroelectric power plant, the company is currently advancing plans to commence construction of its 300 MW solar farm. This will enable it to continue to provide power to the Nigerian grid, whilst continuing to be an active player in Nigeria's power sector through power generation from the existing Shiroro plant concession period (ending 2043).

NSP-SPV Powercorp Plc (the Issuer) was incorporated in Nigeria in 2017 as a public limited company. The issuer is wholly owned by NSP and its purpose is to raise funds from the capital markets.

After the successful issuance of its first Green Bond, NSP now has the intention of issuing a second Green Bond, the proceeds of which will be wholly used to finance a new 15MW Pre-Phase 1 solar energy project adjacent to the their 600 MW Shiroro Hydroelectric plant, which is in the State of Niger in Nigeria.

The issuer strongly believes that there is great merit in issuing a Green Bond to re-finance existing assets and finance new assets, which are in the pipeline. The issuance of a green bond aligns with the issuer's objectives towards maintaining a sustainable low carbon environment and commitment to the integration of environmental and social considerations into their business activities as well as contributions to sustainable development.

Terms of Engagement

TÜV NORD CERT were engaged by NSP to provide a Pre-Issuance verification report which confirms that their intended Second Green Bond issuance complies with the Climate Bonds Initiative (CBI) Standard version 3 and is aligned with the Green Bond Principles 2018.

The verification has been carried out in accordance with the Climate Bonds Standard version 3 and with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Information (ISAE 3000).

It should be noted that members of the assessment team are not involved in any other projects or activities that would cause a conflict of interest with regard to this engagement.

Responsibilities of the Issuer and the Verifier

North South Power Company has provided TÜV NORD CERT with the information, data and evidence that was used to provide this report. This has enabled TÜV NORD CERT the ability to provide an independent, unbiased opinion as to whether the required criteria have been met and based on the information which was provided to us. In the course of our work, TÜV NORD CERT has been wholly reliant on this information and hence cannot be held liable should any of information, which was provided to us by North South Power, be incorrect or not complete. Furthermore, TÜV NORD CERT is not responsible for any of the nominated assets which are referred to within our report and cannot be held liable should any of the information provided with regards to those are incorrect.

CBI Pre-Issuance Verification Short Form Report for NSP-SPV Powercorp Plc
TÜV NORD Climate Change Services

Methodology

The engagement was carried out on the 19th February 2021. It consisted of the following steps:

- Review of documentation
- Interviews with key personnel from the Issuer.
- Verification audits
- Background investigation
- Corrective Action assessment
- Verification reporting.

Our Opinion: Part A- Pre-Issuance Requirements

During the audit process, the issuer has provided evidence, by way of documents and interviews, to enable an opinion to be formed on whether the Pre-Issuance requirements of the CBI Standard version 3 have been complied with. The components are as follows:

1. Use of Proceeds

The proceeds of the bond will be used to solely finance and/or refinance eligible green projects. The projects will provide clear environmental benefits, which will be assessed and quantified by the issuer.

This is in compliance with Part A of the Climate Bonds Standard version 3.

2. Process for Project Evaluation and Selection of Projects and Assets

The issuer has developed a clear process on how to determine whether the projects fit within the eligible green project categories of the Green Bond Principles. This process also considers the environmental and sustainability objectives as well as project related risks.

This is in compliance with Part A of the Climate Bonds Standard version 3.

3. Management of Proceeds

The net proceeds of the bond will be credited to a sub-account, which will enable the funds to be fully and transparently tracked and will avoid the contamination of proceeds. A policy exists, which clearly describes how unallocated funds will be managed.

This is in compliance with Part A of the Climate Bonds Standard version 3.

CBI Pre-Issuance Verification Short Form Report for NSP-SPV Powercorp Plc
TÜV NORD Climate Change Services

4. Reporting Prior to Issuance

A policy exists, which will enable the issuer to keep readily available up to date information on the use of proceeds, any intended temporary placement of unallocated proceeds and impacts of the projects. This will be updated annually until full allocation or there are any material changes and published on the issuer's website.

This is in compliance with Part A of the Climate Bonds Standard version 3.

Conclusion

During this audit process, and based on the limited level of assurance, nothing has come to our attention, which leads us to believe, that the Green Bond to be issued, in all material aspects, does not meet the Pre-Issuance requirements of the Climate Bonds Standard version 3, the associated Solar Energy Sector Criteria and the Green Bond Principles, 2018.

London 23-02-2021



Dr. Tahsin Choudhury
Lead & Senior Auditor

Disclaimer

For the sake of clarity, it should be noted, that the Pre-Issuance verification report is solely based on conformance or non-conformance of the Green Bond to be issued with the Climate Bonds Standard Version 3 and do not in any way constitute purchase or investment recommendations. The Verifier has no responsibility and liability in this regard and remains the sole responsibility of the issuer. The Issuer shall hold the Verifier harmless from and against any claim including but not limited third party claims raised against the Verifier in connection with bonds such as but not limited to the economic profitability and credit worthiness of the bonds.



THE SERIES 2 BONDS**2.1. Aggregate Amount and Designation**

Pursuant to the provisions of the Programme Trust Deed, the issue of the Series 2 Bonds is hereby authorised in the Aggregate Amount for Series 2 Bonds. The Series 2 Bonds shall be designated and shall be distinguished from any other Bonds of any other Series by the title "Series 2 Bonds".

2.2. Subscription Amount and Units

The Series 2 Bonds shall be issued hereunder in minimum denominations of ₦5,000,000 (Five Million Naira) (i.e., 5,000 units of ₦1,000 per unit) each and in integral multiples of ₦1,000 (One Thousand Naira) thereafter.

2.3. Form of Series 2 Bonds

The Series 2 Bonds shall be issued in registered form and details of the Series 2 Bonds and the Series 2 Bondholders shall be registered with the Registrar in the manner set out in Condition 4 (*Registration and Transfer of Series 2 Bonds*). The Series 2 Bonds shall be issued in uncertificated (dematerialised or book entry) form which shall be registered with the separate securities identification codes with the Clearing System and the names of the Series 2 Bondholders shall be recorded in the Register.

2.4. Status

- 2.4.1. The Series 2 Bonds constitute direct, unsecured, senior, unconditional and unsubordinated obligations of the Issuer. The Bonds will rank *pari passu* at all times and in all respects, without any preference or priority among themselves and at least *pari passu* with all, unconditional and unsubordinated obligations of the Issuer or assumed by the Issuer other than those mandatorily preferred by law and which are of general application.
- 2.4.2. The payment obligations of the Issuer in respect of the Series 2 Bonds shall, save for such exceptions as may be provided by Applicable Laws, at all times rank at least *pari passu* with all other unsubordinated indebtedness and monetary obligations of the Issuer respectively, both present and future.
- 2.4.3. The Bonds qualify as securities in which trustees, insurance companies, and pension fund administrators may invest under the Trustee Investments Act, the Insurance Act, and the Pension Reform Act respectively.

2.5. Tenor

The Series 2 Bonds shall have a tenor of 10 (ten) years.

2.6. Application of Proceeds of Series 2 Bonds

- 2.6.1. The net proceeds of the Series 2 Bonds (including any oversubscriptions) shall be paid into the Escrow Account and thereafter passed through the Issuer and the Trustee to NSP pursuant to the terms of this Deed and utilised for the purpose, and in the manner stipulated in the Pricing Supplement/Supplementary Shelf Prospectus.
- 2.6.2. The Co-Obligors undertake to the Trustee that they will use the proceeds of the Series 2 Bonds for the purpose indicated in the Pricing Supplement/Supplementary Shelf Prospectus and shall repay the scheduled Redemption Amount in accordance with the Fifth Schedule (*Redemption Table*) to this Deed.

3. APPOINTMENT OF TRUSTEE

- 3.1. The Issuer hereby appoints the Trustee to act for the benefit of the Series 2 Bondholders, to hold the benefit of the covenants and other obligations of the Issuer herein contained for the Series 2 Bondholders in accordance with the terms of this Deed.
- 3.2. By execution of this Deed, the Trustee has accepted and agreed to enforce the powers and perform the duties and obligations of the Trustee specifically set out in this Deed and generally provided for in the Trustee Investments Act.
- 3.3. The mode of retirement/ removal of the Trustee and appointment of a new Trustee shall be in the same form and procedure as provided under the Programme Trust Deed and Clause 12 (*Removal of the Trustee*) of this Deed.

4. DECLARATION OF TRUST

- 4.1. The Trustee hereby declares itself trustee for the Series 2 Bondholders with effect from the date of this Deed to hold the benefit of the payment obligation and other covenants on the part of the Issuer herein contained in trust for the Series 2 Bondholders subject to the terms of this Deed.
- 4.2. The trust created by this Deed shall remain in full force and effect until the earlier of:
- 4.2.1. the occurrence of the date on which the Trustee unconditionally confirms in writing that there is no Principal Amount or Coupon outstanding in respect of the Series 2 Bonds; or
- 4.2.2. the unconditional release of the Issuer from all of its obligations under this Deed.

5. REMUNERATION OF TRUSTEE

- 5.1. The Issuer shall until the trust hereof shall be finally wound up or placed in the course of administration by or under the direction of any court, pay to the Trustee for its services as Trustee, remuneration at the rate hereinafter provided and to be calculated from the Allotment Date.
- 5.2. The Trustee's remuneration shall be such an amount as may be indicated in a fee letter between the Issuer and the Trustee.
- 5.3. The Issuer shall in addition pay all pre-approved travelling and other costs, charges and expenses which the Trustee may reasonably incur in relation to the execution of the trusts hereof and of the exercise by the Trustee of the powers, authorities and discretions vested in it pursuant to this Series 2 Trust Deed with interest thereon as hereinafter mentioned. All costs, charges and expenses due to the Trustee shall be payable when due and, and no later than five (5) Business Days upon demand.

6. PRINCIPAL AND INTEREST

- 6.1. The Issuer shall in accordance with this Deed and the Pricing Supplement/Supplementary Shelf Prospectus pay the Redemption Amount due in respect of the Series 2 Bonds from the Payment Account in the instalments and on each Payment Date as specified in the Fifth Schedule (*Repayment Table*) until the Series 2 Bonds are redeemed in full on or before the Maturity Date.
- 6.2. Interest on each Series 2 Bonds is as specified in the Pricing Supplement/Supplementary Shelf Prospectus and shall be payable on each Coupon Payment Date in respect of the

APPENDIX V: EXTRACT FROM THE SERIES 2 TRUST DEED

Coupon Period ending on (but excluding) that Coupon Payment Date with the first payment of interest to be made on the First Payment Date.

- 6.3. The initial Coupon Period shall begin on (and include) the Coupon Commencement Date and end on (but exclude), the following Coupon Payment Date, and each successive Coupon Period shall begin on (and include) a Coupon Payment Date and end on (but exclude) the next succeeding Coupon Payment Date.
- 6.4. Every payment of the Redemption Amount on the Series 2 Bonds shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than tax on income which the Issuer may by any Applicable Laws be required to deduct.
- 6.5. Where a Payment Date is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding business day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.
- 6.6. The Issuer shall ensure that all amounts required for payments in respect of the Series 2 Bondholders shall be paid to the Payment Account.

7. REDEMPTION OF THE SERIES 2 BONDS

The mode and terms of redemption of the Series 2 Bonds shall be in accordance with Condition 8 (*Redemption, Purchase and Cancellation of the Bonds*) of the Terms and Conditions of this Deed.

7.1. Final Redemption

Unless previously redeemed or purchased and cancelled, the Series 2 Bonds shall be fully redeemed no later than the Maturity Date.

7.2 Cancellation

All the Bonds which are redeemed in accordance with the provisions of the Trust Deed will be cancelled and may not be reissued or resold. For so long as the Bonds are admitted to listing and/or trading on the Stock Exchange and the rules of such exchange so require, the Registrar shall promptly inform the Stock Exchange of the cancellation of any Bonds under Condition 8 (*Redemption, Purchase and Cancellation of the Bonds*) of the Terms and Conditions of this Deed.

8. LIABILITY OF THE CO-OBLIGORS

- 8.1. The Co-Obligors irrevocably and unconditionally accept as primary obligors and co-debtors, joint and several liability with the Issuer to the Trustee, in respect of:
 - 8.1.1. the due and punctual payment of the principal and coupon on the Series 2 Bonds and of any other amount payable by the Issuer under this Deed (in immediately available and freely transferable funds, without any deduction, set-off, counterclaim or withholding of any kind (including without limitation, on account of taxes); and
 - 8.1.2. the due and punctual performance and observance by the Issuer of its obligations which it may from time to time be obliged to perform under or pursuant to this Deed together the ("**Obligations**").
- 8.2. The Obligations of the Co-Obligors shall include monetary damages arising out of any failure by the Issuer to perform its obligations under this Deed or any other Transaction Document, to the extent that any failure to perform such obligations gives rise to monetary damages.

APPENDIX V: EXTRACT FROM THE SERIES 2 TRUST DEED

- 8.3. The Obligations of the Co-Obligors under the provisions of this Clause 8 constitute the full Obligations of the Co-Obligors and are enforceable against the Co-Obligors to the full extent of their properties and assets, irrespective of the reliability or enforceability of this Deed or any other Transaction Document, or any other circumstance whatsoever.
- 8.4. The Obligations of the Co-Obligors under this Deed are continuing obligations and shall extend to the balance of all sums payable by the Issuer under this Deed and the Series 2 Bonds, regardless of any intermediate payment or discharge in whole or in part.

8.5. **Payments**

- 8.5.1. Any payment made by the Co-Obligors pursuant to this Deed shall be in satisfaction of the relevant covenant to pay by the Issuer pursuant to Condition 8 (*Redemption, Purchase and Cancellation of the Bonds*) of the Terms and Conditions of this Deed. Coupon shall accrue on any payment made after the due date, up to and including the date payment is made. All payments made by the Co-Obligors under this Deed shall be subject to Condition 11 (*Priority of Payments*).
- 8.5.2. The Co-Obligors agree that the payment of any amounts due with respect to any indebtedness owed by the Issuer to any other Co-Obligor is hereby subordinated to the prior payment of the Obligations in full.
- 8.5.3. The Co-Obligors agree that after an Event of Default has occurred and during its continuance, it will not demand, sue for or otherwise attempt to collect any of its indebtedness owed to it until the Obligations shall have been paid in full in cash. Where, notwithstanding the above, the Co-Obligors collect, enforce or receive any amounts in respect of such indebtedness, such amounts collected, enforced and or received by it would have been collected, enforced or received as a trustee for the Trustee and be paid over to the Trustee to be applied to repay the Obligations.

8.6. **Indemnity**

As an independent and primary obligation, the Co-Obligors unconditionally and irrevocably agree to indemnify, and keep the Trustee indemnified, from and against all and any cost and liabilities suffered or incurred by it arising from any failure of the Issuer to pay any sum due and payable by it on the due date and in the manner prescribed in this Deed, or through any payment obligation of the Issuer becoming unenforceable, invalid or illegal on any grounds, whether known to the Trustee or not.

8.7. **Waiver of Defences**

- 8.7.1. The Co-Obligors waive all defences that may be available to them by virtue of any valuation, stay, moratorium law or other similar law now or effective in the future, any right to require the ranking of assets of the Co-Obligors and any other entity or person primarily or secondarily liable with respect to any of the Obligations, and all suretyship defences generally.
- 8.7.2. The Co-Obligors agree that their Obligations shall not be released or discharged, in whole or in part, or otherwise affected by, the adequacy of any rights which the Trustee may have against any security or other means of obtaining repayment of any of the Obligations.
- 8.7.3. The Obligations of the Co-Obligors under this Clause shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding of the Co-Obligors. The joint and several liability of the Co-Obligors shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change

APPENDIX V: EXTRACT FROM THE SERIES 2 TRUST DEED

whatsoever in the name, ownership, membership, constitution of any Co-Obligor, the Issuer or the Trustee.

- 8.7.4. The provisions of this Clause 8 are made for the benefit of the Trustee and its permitted successors and assigns, and may be enforced by it or them from time to time against the Co-Obligors and without requirement on the part of the Trustee or any of its agents first to exercise any of their rights against any third party or to exhaust any remedies available to it against any third party or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy.
- 8.7.5. The provisions of this Clause 8 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied.

8.8. Addition and or Substitution of Co-Obligor

- 8.8.1. The Trustee may without the consent of the Series 2 Bondholders agree to the addition of one or more direct or indirect Affiliates of the Issuer to become an additional Co-Obligor under this Deed (the "**Additional Co- Obligor**"), and or, the substitution of any Co-Obligor as a Co-Obligor under this Deed, and any other agreement in respect of the Series 2 Bonds, of any successor of any Co-Obligor (the "Substitute Co-Obligor") subject to such conditions as the Trustee may require, provided that:
- (a) the prior approval of the Commission shall first be obtained in the case of the substitution of any Co-Obligor as a Co-Obligor under this Deed (where applicable);
 - (b) an accession deed shall be executed by the Substitute Co-Obligor and/or Additional Co-Obligor in the form set out in the Sixth Schedule to this Deed (*Form of Accession Deed*), the Series 2 Bonds and any consequential amendments which the Trustee may deem appropriate, as if the Substitute Co- Obligor and or Additional Co-Obligor had been an initial party to this Deed, the Transaction Documents and on the Series 2 Bonds as a Co- Obligor to the Issuer;
 - (c) any authorised officer of the Issuer or (as the case may be) the Substitute Co-Obligor and or Additional Co-Obligor shall certify to the Trustee that the Substitute Co-Obligor and or Additional Co-Obligor will be solvent immediately after the said substitution and or addition is to be effected;
 - (d) the Trustee shall be satisfied that the Substitute Co-Obligor and or Additional Co-Obligor has obtained all necessary consents and/or approvals for its assumption of liability as a Co-Obligor under this Deed and any such consents or approvals are at the time of substitution and or addition in full force and effect;
 - (e) the Rating Agencies must have notified the Trustee in writing that such substitution and or addition shall not result in the withdrawal or reduction of their rating(s) with respect to the Series 2 Bonds; and
 - (f) the Issuer and the Substitute Co-Obligor and or Additional Co-Obligor (or any previous Substitute Co-Obligor and or Additional Co-Obligor under this clause) shall execute any relevant Transaction Documents, and instruments as the Trustee may require in order that such substitution and or addition is fully effective and comply with such other requirements in the interest of the Series 2 Bondholders as the Trustee may direct.

- 8.8.2. On the execution of the accession deed referred to in Clause 8.8.1 (b), the Substitute Co-Obligor and/or Additional Co-Obligor shall be deemed to be named in this Deed as a Co-Obligor in addition to the existing Co-Obligors, and this Deed shall be deemed to be amended to give effect to the substitution and or addition. References to the Co-Obligors in this Deed shall be deemed to be references to the Substitute Co-Obligor and or Additional Co-Obligor where applicable.

9. ESCROW ACCOUNT

- 9.1 The Issuer shall, on or about the Closing Date of the Series 2 Bonds, establish and maintain an Escrow Account with the Custodian, in the joint name, and under the joint control of the Issuer and the Trustee in such manner as may be provided for under the Pricing Supplement/Supplementary Shelf Prospectus, and such account will be funded and operated in the manner set out in the Custody Agreement.
- 9.2 Unallocated funds standing to the credit of the Escrow Account shall be invested by the Trustee in money market instruments with investment grade rating that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy.

10. ESTABLISHMENT AND FUNDING OF PAYMENT ACCOUNT

10.1. Payment Account

- 10.1.1. The Issuer and Trustee shall on or before the Closing Date of the Series 2 Bonds, establish and maintain a Payment Account in the joint name of the Issuer and Trustee, and under the sole control of the Trustee with the Account Bank. Provided that the Trustee shall provide prior written notice to the Issuer of any action to be taken with respect to the Payment Account.

- 10.1.2. The Issuer shall pay or cause to be paid into the Payment Account such amounts equal in aggregate to the next scheduled Redemption Amount such that the Payment Account shall be funded with:

- (a) 50% of next scheduled Redemption Amount due and payable on the Series 2 Bonds not later than one (1) month before the next Payment Date, and
- (b) 50% of next scheduled Redemption Amount due payable on the Series 2 Bonds (less coupon accrued on the Payment Account since the last Payment Date) not later than ten (10) Business Days before the next Payment Date,

bringing total funding to not less than 100% of the scheduled Redemption Amount due payable on the Series 2 Bonds on such Payment Date.

- 10.1.3. Funds standing to the Credit of the Payment Account shall be invested in an Authorised Investment.

10.2. Trust of Payment Account

The Issuer irrevocably acknowledges and accepts that the monies in the Payment Account, and any other account opened by the Issuer (and/or the Trustee as the case may be), either in addition or replacement of the Payment Account from time to time in accordance with the terms of this Deed, shall be held by, or assigned by way of security

APPENDIX V: EXTRACT FROM THE SERIES 2 TRUST DEED

to the Trustee, for itself and the Series 2 Bondholders, upon similar trusts to those held by the Trustee under this Deed.

10.3. **Payment Confirmation Notice**

The Trustee shall, no later than twenty-four hours (24) after each Payment Date, provide or procure the delivery of a payment confirmation notice to each Series 2 Bondholder (in the form or substantially in the form set out in the Fourth Schedule (*Form of Payment Confirmation Notice*) hereto).

11. **ESTABLISHMENT AND FUNDING OF DEBT SERVICE RESERVE ACCOUNT**

11.1 **Debt Service Reserve Account**

11.1.1. In order to provide additional security for the payment of the Redemption Amounts, the Issuer shall on or before the Closing Date establish and maintain the DSRA in the name, and under the sole control of the Trustee with the Account Bank.

11.1.2. NSP shall fund the DSRA with such amounts equal in aggregate to at least one (1) year's worth of Coupon and Principal repayments due at the beginning of the year ("**DSRA Required Minimum Balance**"). The Issuer and NSP shall ensure that the DSRA Minimum Balance is maintained at all times during the tenor of the Series 2 Bonds and the DSRA Required Minimum Balance shall be subject to review by the Trustee semi-annually.

11.1.3 The Trustee is hereby authorized to withdraw funds from the DSRA, to the extent that the amounts deposited in the Payment Account are insufficient to settle amounts due to the Bondholders. Provided that the Trustee shall provide prior written notice of its intention to withdraw funds from the DSRA to the Issuer and Co-Obligors.



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The Directors
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I.B.T.C. Place
Walter Carrington Crescent
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Dear Sir / Ma,

ACCOUNTANT'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NORTH SOUTH POWER COMPANY LIMITED FOR THE YEARS ENDED 31 DECEMBER 2019, 2018, 2017, 2016 AND 2015

We have reviewed the audited consolidated financial statements of North South Power Company Limited and its subsidiaries that comprise the consolidated statements of financial position as at 31 December 2019, 2018, 2017, 2016 and 2015, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the five years then ended, and a summary of significant accounting policies and other explanatory information, for the proposed Series 2 Bond Issuance of up to ₦5.5 billion fixed rate bond ("the Transaction") under the ₦50 billion Bond Programme.

KPMG Professional Services were the auditors for the years ended 31 December 2019, 2018, 2017, 2016 and 2015, and unmodified audit opinions were issued by the auditors for each of the five years.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.



ACCOUNTANT'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NORTH SOUTH POWER COMPANY LIMITED FOR THE YEARS ENDED 31 DECEMBER 2019, 2018, 2017, 2016 AND 2015 - CONT'D

Accountant's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of North South Power Company Limited and its subsidiaries as at 31 December 2019, 2018, 2017, 2016 and 2015, and their financial performance and cash flows for each of the five years then ended, in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

This report is solely for the use of the Directors of North South Power Company Limited and other relevant parties to the Transaction. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & Young.

Yours faithfully,

Adewuyi Adeyemo,
FRC/2012/ICAN/0000000148
For: Ernst & Young
Lagos, Nigeria.
Date: 26 November 2020



APPENDIX VII: FINANCIAL SUMMARY

The financial information set out in this Pricing Supplement has been extracted from the audited annual financial statements for 2015, 2016, 2017, 2018 and 2019 as well as the unaudited 9M 2020 financial statements of the Sponsor and is available at the specified office(s) of the Co-Obligors. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to the issuance under this Pricing Supplement.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30-Sep-20	31-Dec-19	31-Dec-18	31-Dec-17	*Restated 31-Dec-16	31-Dec-15
	9 Months Unaudited	12 Months Audited	12 Months Audited	12 Months Audited	12 Months Audited	12 Months Audited
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	30,239,471	38,790,174	37,674,175	33,131,460	28,037,849	11,989,585
Cost of Sales	(4,248,683)	(5,213,741)	(4,948,106)	(4,453,438)	(5,164,520)	(2,481,966)
Gross Profit	25,990,788	33,576,423	32,726,069	28,678,022	22,873,329	9,507,619
Impairment loss on trade receivables	(6,144,885)	(8,254,030)	(20,157,297)	(7,555,070)	-	-
General and administrative expenses	(6,163,488)	(8,448,187)	(5,491,434)	(3,883,735)	(6,463,943)	(5,342,202)
Operating Profit	13,682,415	16,874,206	7,077,338	17,239,217	16,409,386	4,165,417
Finance income	851,460	1,862,208	290,795	9,171	-	25,842
Unwinding of discount on concession fees	(5,944,917)	(6,991,952)	(7,006,629)	(6,226,498)	(4,486,451)	(2,563,661)
Other finance costs	(4,520,394)	(1,032,061)	(1,049,617)	(1,611,344)	(2,069,404)	(1,976,877)
Finance Costs (net)	(9,613,851)	(6,161,805)	(7,765,451)	(7,828,671)	(6,555,855)	(4,514,696)
Profit/(loss) before income tax expense	4,068,564	10,712,401	(688,113)	9,410,546	9,853,531	(349,279)
Income Tax(expense)/ credit	(1,301,941)	(3,417,554)	(4,731,431)	4,935,037	3,575,751	14,547
Profit/(loss) for the period	2,766,623	7,294,847	(5,419,544)	14,345,583	13,429,282	(334,732)
Other comprehensive income						
<i>That may be reclassified to profit / loss in subsequent periods (net of tax);</i>						
Translation reserve	3,999,382	830	2,402,086	85,983	6,582,488	-
Other comprehensive income (net of tax)	3,999,382	830	2,402,086	85,983	6,582,488	-
Total comprehensive income for the year	6,766,005	7,295,677	(3,017,458)	14,431,566	20,011,770	(334,732)

* Refer to Note 27 of Accountant's report

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30-Sep-20 9 Months Unaudited	31-Dec-19 12 Months Audited	* Restated 31-Dec-18 12 Months Audited	*Restated 31-Dec-17 12 Months Audited	*Restated 31-Dec-16 12 Months Audited	31-Dec-15 12 Months Audited
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:						
Intangible assets	53,345,621	44,482,125	45,291,403	46,164,690	47,387,850	31,132,828
Property, plant and equipment	1,380,261	765,448	502,559	98,838	96,380	87,545
Investments	9,169	-	-	-	-	-
Deferred tax assets	8,966,094	5,952,209	4,019,654	8,533,562	3,575,751	-
Trade and other receivables	-	-	-	4,720,662	-	-
Other assets	-	1,583,929	-	-	-	-
Prepayments	-	10,002	1,842	14,382	15,250	6,483
Total Non-current assets	63,701,145	52,793,713	49,815,458	59,532,134	51,075,231	31,226,856
Current assets:						
Inventories	1,579,531	1,145,785	1,124,541	1,068,552	1,078,480	759,743
Other assets	-	319,496	253,889	-	-	-
Debt Service Reserve Account	193	-	-	-	-	-
Trade and other receivables	37,334,569	29,861,869	19,920,002	37,668,294	30,529,280	16,014,866
Prepayments	-	302,250	216,742	201,960	130,845	37,347
Cash and bank balances	16,593,336	16,021,757	10,105,519	1,757,664	4,199,240	127,389
Total Current assets	55,507,629	47,651,157	31,620,693	40,696,470	35,937,845	16,939,345
Total assets	119,208,774	100,444,870	81,436,151	100,228,604	87,013,076	48,166,201
Equity						
Share capital	500,000	500,000	500,000	500,000	500,000	500,000
Share premium	8,133,201	8,133,191	8,133,191	8,133,191	8,133,191	8,133,191
Retained earnings /(accumulated losses)	4,252,074	2,119,366	(5,175,481)	18,717,235	13,051,652	(377,630)
Translation reserve	7,112,842	4,842,822	4,841,992	6,668,471	6,582,488	-
Non-controlling interest	-	-	-	-	-	-
	19,998,116	15,595,379	8,299,702	34,018,897	28,267,331	8,255,561
Non-controlling interests	-	-	-	-	-	-
Total equity	19,998,116	15,595,379	8,299,702	34,018,897	28,267,331	8,255,561
Liabilities						
Loans and borrowings	6,374,823	7,213,210	2,571,125	5,957,514	8,965,780	9,489,489
Trade and other payables	-	1,207,837	1,260,735	1,309,374	837,803	873,046
Concession fees payables	55,501,118	39,607,810	39,859,959	39,948,300	40,804,425	22,806,887
Non-current liabilities	61,875,941	48,028,857	43,691,819	47,215,188	50,608,008	33,169,422
Loans and borrowings	1,833,981	1,481,663	2,905,755	2,903,022	2,911,530	2,907,674
Trade and other payables	33,028,386	8,275,800	11,839,876	8,863,290	5,226,207	3,833,544
Derivatives financial liability	-	-	-	2,754	-	-
Concession fees payable	-	21,737,888	14,492,242	7,222,518	-	-
Current income tax payables	2,472,350	5,239,569	206,757	2,935	-	-
Provisions	-	85,714	-	-	-	-
Current liabilities	37,334,717	36,820,634	29,444,630	18,994,519	8,137,737	6,741,218
Total liabilities	99,210,658	84,849,491	73,136,449	66,209,707	58,745,745	39,910,640
Total equity and liabilities	119,208,774	100,444,870	81,436,151	100,228,604	87,013,076	48,166,201

* Refer to Note 27 of Accountant's report

APPENDIX VII: FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	30-Sep-20 9 Months Unaudited	31-Dec-19 12 Months Audited	* Restated 31-Dec-18 12 Months Audited	31-Dec-17 12 Months Audited	*Restated 31-Dec-16 12 Months Audited	31-Dec-15 12 Months Audited
	N'000	N'000	N'000	N'000	N'000	N'000
Cash flows from Operating activities						
Profit/(loss) on ordinary activities after tax	6,766,005	7,294,847	(5,419,544)	14,345,583	13,429,282	(334,732)
Adjustments for:						
Depreciation	138,956	125,946	99,176	42,798	33,169	24,133
Amortization	1,629,877	1,900,067	1,837,824	1,797,210	1,481,473	1,064,170
Property, plant & equipment write-off	-	-	-	-	-	15,104
Finance costs – net	9,613,851	6,161,805	7,765,451	7,828,671	6,555,855	4,514,696
Foreign exchange loss, net	-	1,191,642	852,182	427,063	4,000,054	3,043,095
Income tax expense /(credit)	1,301,940	3,417,554	4,731,431	(4,935,037)	(3,575,751)	(14,547)
Provisions	-	85,714	-	180,057	-	-
Write back of royalties	-	-	-	(586,027)	-	-
Provisions for indirect taxes	-	-	-	180,057	-	-
Impairment loss on trade Receivables	6,144,885	8,254,030	20,157,297	7,555,070	-	-
	25,595,514	28,431,605	30,023,817	26,655,388	21,924,082	8,312,919
Changes in working capital:						
(Increase)/decrease in Inventories	(433,746)	(21,177)	(52,343)	13,451	81,277	90,861
Increase in trade and other receivables	(12,719,074)	(18,192,841)	(7,941,458)	(19,303,122)	(15,974,135)	(4,361,834)
Increase in other assets	-	(1,649,081)	(253,889)	-	-	-
(increase) / decrease prepayments	(54,808)	(93,918)	(1,531)	(69,700)	(64,819)	146,575
(Decrease)/increase Trade and other payables	(65,704)	(2,976,689)	254,705	240,403	(889,238)	1,654,911
	12,322,182	5,497,899	22,029,301	7,536,420	5,077,167	5,843,432
Income taxes paid	(3,561,187)	(317,969)	-	-	-	-
Net cash generated from operating activities	8,760,995	5,179,930	22,029,301	7,536,420	5,077,167	5,843,432
Cash flows from Investing activities						
Acquisition of property, plant, and equipment	(333,880)	(388,868)	(505,677)	(48,606)	(506)	(28,741)
Proceeds from disposal of property, plant, and equipment	-	-	4,285	3,668	-	-
Acquisition of intangible assets	(279,455)	(1,091,101)	(816,675)	(420,032)	(806,695)	(1,171,040)
Interest received	851,460	1,862,208	290,795	9,171	-	25,842
Net cash generated from/(used in) investing activities	238,125	382,239	(1,027,272)	(455,799)	(807,201)	(1,173,939)
Financing activities						
Dividends paid to shareholders	(6,619,340)	(1,832,312)	(7,389,560)	(4,876,832)	-	-
Loan received	-	8,500,000	-	-	1,285,243	3,000,000
Transaction costs on loans	-	(191,884)	-	-	(6,836)	(39,375)
Principal repayment	(1,481,663)	(5,270,269)	(3,185,583)	(2,947,865)	(4,525,697)	(3,401,772)
Interest payments	-	(853,153)	(1,258,989)	(1,698,469)	(1,685,552)	(1,672,050)
Sale/(purchase) of treasury shares	-	-	-	-	3,680,000	(3,680,000)
Bank charges paid	(234,695)	-	-	-	-	-
Net cash generated from/(used in) financing activities	(8,335,698)	352,382	(11,834,132)	(9,523,166)	(1,292,847)	(5,793,197)
Net increase/ (decrease) in cash and cash equivalents	663,422	5,914,551	9,167,897	(2,442,545)	3,017,124	(1,123,704)
Cash and cash equivalents at the beginning of the year	16,011,008	10,105,519	1,757,664	4,199,240	127,389	1,123,519
Effects of exchange rate changes on cash and cash equivalents	(80,900)	1,687	(820,042)	969	1,054,727	8,574
Cash and cash equivalents at end of period	16,593,530	16,021,757	10,105,519	1,757,664	4,199,240	127,389

* Refer to Note 27 of Accountant's report

1. Authorisation of the Series 2 Bonds

At the meeting held on 26 September 2018, the Board of Directors of the Sponsor passed a resolution authorizing the issuance of bonds under a ₦50,000,000,000 (Fifty Billion Naira) Bond Issuance Programme and by the resolution of the Board of Directors of the Issuer dated 15 October 2020, the issuance of the Series 2 Bond was approved. The extract of the written resolution of the Board of Directors of the Issuer is as follows:

- (1) "Further to the resolution of the Board dated October 15, 2020 authorising the Company to undertake a capital raise of up to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) by the issuance of series II bonds ("Series II Bonds) under a ₦50,000,000,000 (Fifty Billion Naira) bond issuance programme and the resolution of the Board dated February 10, 2021 authorising the Company to accept and utilize further sums received as a result of oversubscription of the Series II Bonds, the Board be and is hereby authorised to issue the Series II Bonds as Green Bonds ("Issuance") subject to satisfactory compliance with the Rules and Regulations of the Securities and Exchange Commission ("SEC") and other applicable law;**
- (2) That Management be and is hereby authorised to implement the directives of the SEC in relation to the Issuance including but not limited to notify investors and obtaining the requisite consent and or commitment from the investors;**
- (3) That save for terms that must be amended to ensure compliance with the requirements of the SEC in relation to green bonds, all the terms and conditions previously approved by the Board in relation to the Series II Bonds remain applicable;**
- (4) That all actions hitherto taken by Management in furtherance of the foregoing resolutions be and are hereby ratified; and**
- (5) That the Board be and is hereby authorised to take such further action and perform or do all such other acts or things as may be required to give effect to the above resolutions."**

2. Summary of the Capital Structure of the Sponsor

The table below sets out a summary of the capital structure as at 30 September 2020:

S/N	Items	₦'000
i)	Cash and cash equivalents	16,593,336
ii)	Short-term debt	37,334,717
iii)	Long-term debt	61,875,941
iv)	Total shareholders' equity	19,998,116

3. Material Contracts

The following agreements are considered material contracts for disclosure purposes:

- i. Series 2 Trust Deed dated 15 April 2021 executed amongst the Issuer, Co-Obligors and EAC Trustees Limited;
- ii. Vending Agreement dated 15 April 2021 executed amongst the Issuer, Co-Obligors, Stanbic IBTC Capital Limited, Renaissance Securities (Nigeria) Limited, AVA Capital

APPENDIX VIII: OTHER DISCLOSURES

- Limited, CardinalStone Partner Limited, Emerging Africa Capital Limited, Rand Merchant Bank Nigeria Limited and Vetiva Capital Management Limited;
- iii. Note Subscription Agreement dated 15 April 2021 executed between the Issuer, Holder, EAC Trustees Limited and Co-Obligors;
 - iv. Deed of Covenant dated 15 April 2021 executed between the Issuer and Co-Obligors;
 - v. Custody Agreement dated 15 April 2021 among the Issuer, Co-Obligors, Zenith Bank Plc as Custodian and EAC Trustees Limited;
 - vi. All Asset Debenture Deed dated 19 March 2019 between North South Power Company Limited and ARM Trustees Limited;
 - vii. All Asset Debenture Deed dated 19 March 2019 between NSP-SPV PowerCorp PLC and ARM Trustees Limited;
 - viii. Recourse Deed amongst Infrastructure Credit Guarantee Company Limited, NSP-SPV PowerCorp PLC, North South Power Company Limited and ARM Trustees Limited;
 - ix. Condition Precedent Waiver and Deferral Letter dated 28 February 2019 from Infrastructure Credit Guarantee Company Limited to NSP-SPV PowerCorp Plc and North South Power Company Limited;
 - x. Project Account Bank Agreement dated 19 March 2019 amongst Infrastructure Credit Guarantee Company Limited, NSP-SPV PowerCorp Plc, North South Power Company Limited, Zenith Bank Plc and ARM Trustees Limited;
 - xi. Deed of Share Charge dated 19 March 2019 among North South Power Company Limited, Nwangwu George and ARM Trustees Limited;
 - xii. Deed of Undertaking Dated 19 March 2019 between Infrastructure Credit Guarantee Company Limited, the Directors appearing in Schedule 1 to the Deed Of Undertaking, NSP-SPV Powercorp Plc and North South Power Company Limited; and
 - xiii. Custody Agreement dated 28 February 2019 among NSP-SPV PowerCorp PLC, North South Power Company Limited, Zenith Bank Plc and UTL Trust Management Services Limited.

4. Consents

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

Directors of the Sponsor	Mallam Ibrahim Aliyu Dr. Peters Olubunmi (BP Investment Limited) Engr. Sani Ndanusa Dr. George Nwangwu (Pan African Global Infrastructure Company Limited) Dr. Mustapha Jibril (Niger State Development Company Limited)
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APPENDIX VIII: OTHER DISCLOSURES

	Engr. Emmanuel Katepa Mr. Oladapo Peters Mrs Sa'adiya Aminu Mr. Isaac Mate Mrs Irene Chigbue
Directors of the Issuer	Dr. Peters Olubunmi Dr. George Nwangwu
Company Secretary	Ratio Legal Practitioners
Issuing Houses	Stanbic IBTC Capital Limited Renaissance Securities (Nigeria) Limited AVA Capital Partners Limited CardinalStone Partner Limited EAC Advisory Limited Rand Merchant Bank Nigeria Limited Vetiva Capital Management Limited
Bond Trustee	EAC Trustees Limited
Solicitor to the Issue	Banwo & Ighodalo
Solicitor to the Trustee	Templars
Reporting Accountant	Ernst & Young
Sponsor's Auditors	KPMG Professional Services (Sponsor's auditor over the last 5 years, 2015-2019) Deloitte & Touche (newly appointed Sponsor's auditor in 28 July 2020)
Rating Agency	Agusto & Co. Global Credit Ratings Co. (GCR) Limited
Registrar	Africa Prudential Plc
Receiving Banks	Stanbic IBTC Bank Plc Zenith Bank Plc Union Bank of Nigeria Plc

5. Documents Available for Inspection

Copies of the following documents can be inspected at the offices of Sponsor and Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Pricing Supplement:

- i. The Certificate of Incorporation of the Issuer and the Sponsor;
- ii. The Memorandum and Articles of Association of the Issuer and the Sponsor;
- iii. The Board of Directors' Resolution of the Sponsor dated 26 September 2018 authorizing the Programme;
- iv. The Board of Directors' Resolution of the Issuer dated 15 October 2020 authorizing the Series 2 Bond;
- v. The Shelf Prospectus dated 28 February 2019;

APPENDIX VIII: OTHER DISCLOSURES

- vi. The audited consolidated and separate financial statements of the Sponsor for each of the periods ended 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018, 31 December 2019 and unaudited and separate 30 September 2020 Management Accounts;
- vii. The Programme Trust Deed dated 28 February 2019;
- viii. The Series 2 Bond Trust Deed dated 15 April 2021;
- ix. The Notes Subscription Agreement dated 15 April 2021;
- x. The Deed of Covenant dated 15 April 2021;
- xi. The Custody Agreement dated 15 April 2021
- xii. The written consents of parties referred to on pages 46-47 of this Pricing Supplement;
- xiii. The NERC "No Objection" to the Series 2 Bond issuance;
- xiv. Letter from the SEC confirming the registration of the Shelf Prospectus;
- xv. Letter of approval from the FMDQ and/or the NSE for the listing of the bonds;
- xvi. The NSP SPV PLC Green Bond Framework; and
- xvii. Reporting Accountant's report of the audited consolidated financial statements for the years ended 31 December 2019, 2018, 2017, 2016 and 2015.

INVITATION FOR PARTICIPATION

Qualified Institutional Investors are hereby invited to apply for Units of the Bond through any of the Issuing Houses/Bookrunners.

1. Application/Bids for the Bonds now being offered must be made in accordance with the instructions set out in the Commitment Form. Care must be taken to follow these instructions, as applications which do not comply may be rejected.
2. The Book Building Period opens on 02 February 2021 and closes on 11 February 2021
3. The subscription currency for the Issue is the Nigerian Naira (₦).
4. Applications/Bids must be for a minimum of 10,000 Units at ₦1,000 per unit and in multiples of 1,000 units thereafter. The Participation Amount(s) and the Bid Coupon Rates must be entered on the Commitment Form.
5. The completion and subsequent submission of any Commitment Form is a confirmation that each Participant agrees that the Order (or Bid) is irrevocable and creates a binding obligation on the Participant which, to the fullest extent of the law, shall not be capable of rescission or termination by any Participant.
6. An applicant should make only one application, whether in his/her name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
7. A single applicant should sign the declaration and write his/her full name, address, daytime telephone number and occupation on the Application/Commitment Form. Joint applicants must all sign the Application/Commitment Form. A corporate applicant should affix its seal in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number/incorporation number in the jurisdiction in which it was constituted.
8. Upon the completion and submission of the Commitment Form, the Bidder/Participant is deemed to have authorised the Issuer and the Issuing Houses/Bookrunners to effect the necessary changes in the Red Herring Pricing Supplement as would be required for the purposes of filing the Final Pricing Supplement with the SEC, without prior or subsequent notice of such changes to the Bidder. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Pricing Supplement with the SEC.
9. The Commitment Form presents the Bidder/Participant with the opportunity of indicating three (3) Bid Coupon Rates within the Coupon Band and Participation Amounts for each option. These shall be subject to the minimum Participation Amount and the terms and conditions stated on the Commitment Form. The bid coupon rates, and the participation amounts submitted by the participant in the commitment form will be treated as optional demands from the participant and will not be aggregated.
10. Following the determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocations of Bonds and all other order(s), irrespective of the corresponding Bid Coupon Rate(s), will automatically become invalid.

APPENDIX IX: PROCEDURE FOR APPLICATION AND ALLOTMENT

11. The Issuer and the Co-obligors in consultation with the Bookrunners reserves the right not to proceed with the Issue at any time including after the Issue Opening Date but before the Allotment Date without assigning any reason thereof but after notification to the SEC.

PAYMENT INSTRUCTIONS

1. Successful participants should ensure that payment of the participation amounts is received within 24 hours of receipt of Allocation Confirmation Notice, via the CBN Real Time Gross Settlement System ("RTGS") or the Nigerian Inter-bank System Electronic Funds Transfer ("NEFT") or into the following designated issue proceeds accounts domiciled with the Receiving Bank(s):

Bank	Account Name	Account No.	Sort Code
Stanbic IBTC Bank PLC	NSP-SPV POWERCORP PLC Series 2 Bond Issue Proceeds Account	0037112173	221081918
Zenith Bank Plc	NSP-SPV POWERCORP PLC Series 2 Bond Issue Proceeds Account	1018762472	057160016
Union Bank of Nigeria Plc	North South Power Bond Issuance Collections Account	0150382567	032156825

ALLOCATION/ALLOTMENT

1. On the Pricing Date, the Issuing Houses/Bookrunners will analyse the demand of submitted bids and in consultation with the Issuer, the Coupon Rate will be determined, and an allocation of Bonds made to each applicant whose bid is accepted. Allocation Confirmation Notices will be sent to successful participants thereafter.
2. The Issuer/Co-obligors and the Issuing Houses/Bookrunners reserve the right to accept or reject any application in whole or in part for having not complied with the terms and conditions of the Issue.
3. Allotment of the Bonds will come into effect only upon clearance of the Final Pricing Supplement by the SEC. Allotment will come into effect in a dematerialized (uncertificated) form. **Participants are mandatorily required to specify their CSCS Account Numbers and their Clearing House Numbers (CHN) in the spaces provided on the Commitment Form.** Allotment of Bonds in uncertificated form shall be effected not later than fifteen (15) Business Days from the Allotment date.

BANK ACCOUNT DETAILS

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

APPENDIX 2: PROCEDURE FOR APPLICATION AND ALLOTMENT

2. Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in (1) above in connection with the Bonds.
3. Failure to provide correct bank account details could result in delays in credit of such payments or issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Co-obligors, the Issuing Houses, the Receiving Banks, the Trustee, and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same.



Application List
Opening Date
02 February 2021

Application List
Closing Date
11 February 2021

NSP-SPV POWERCORP PLC

RC 1436994

Offers for Subscription by way of Book Building

**₦6,325,000,000.00 SERIES 2: 10-YEAR 12.00% FIXED RATE SENIOR GREEN BONDS DUE 2031
UNDER A ₦50 BILLION BOND ISSUANCE PROGRAMME**

ISSUED AT PAR AT ₦1,000 PER UNIT
PAYABLE IN FULL ON APPLICATION

LEAD ISSUING HOUSE/BOOKRUNNER



RC: 1031358

JOINT ISSUING HOUSES/BOOKRUNNERS



RC: 485600



RC: 1167339



RC: 739441



RC: 1498096



RC: 1031371



RC: 485600

Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE															
PARTICIPANT STATUS (PLEASE TICK <input type="checkbox"/>)				DATE (DD/MM/YYYY)						CONTROL NO. (FOR REGISTRARS' USE ONLY)					
<input type="checkbox"/>	High Net worth Investors			/			/	2	0	2	0				
<input type="checkbox"/>	Fund Managers	DECLARATION													
<input type="checkbox"/>	Pension Fund Administrators														
<input type="checkbox"/>	Insurance Companies	I/We hereby confirm that I am/we are qualified persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.						I/We authorise the Issuer to make the necessary changes in the Prospectus for filing of the Final Prospectus with the SEC without intimation to me/us and use this Commitment Form as the Application Form for the purpose of this Issue.							
<input type="checkbox"/>	Investment/Unit Trusts														
<input type="checkbox"/>	Multilateral/Bilateral Inst.	I/We confirm that I/we have read the Prospectus dated 28 February, 2019 and that my/our Order(s) is/are made on the terms set therein						I/We note that the Issuer and the Issuing Houses are entitled in their absolute discretion to accept or reject this Order.							
<input type="checkbox"/>	Market Makers														
<input type="checkbox"/>	Staff Schemes	I/we hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the fixed Coupon Rate						I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in this Prospectus							
<input type="checkbox"/>	Trustees/Custodians														
<input type="checkbox"/>	Stock-broking Firms	I/We hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the fixed Coupon Rate						I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in this Prospectus							
<input type="checkbox"/>	Resident Corporate Investors														
<input type="checkbox"/>	Non-Resident Investors	I/We authorise you to enter my/our name on the Register of Bondholders as holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below													
<input type="checkbox"/>	Hedge Funds														
<input type="checkbox"/>	Banks	I/We authorise you to enter my/our name on the Register of Bondholders as holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below													
<input type="checkbox"/>															

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

Participants have to make orders on the Commitment Form and such orders shall not be considered as multiple applications. All orders must be for a minimum amount of ₦5 million (Five million Naira) and in multiples of ₦1,000 thereafter.

ORDER 1

PARTICIPATION AMOUNT (minimum amount of ₦5million and in multiples of ₦ 1,000 thereafter)														COUPON RATE	
IN FIGURES	₦														
IN WORDS															

ORDER 2

PARTICIPATION AMOUNT (minimum amount of ₦5 million and in multiples of ₦ 1,000 thereafter)														COUPON RATE	
IN FIGURES	₦														
IN WORDS															

APPENDIX X: COMMITMENT FORM

ORDER 3

PARTICIPATION AMOUNT (minimum amount of ₦5 million and in multiples of ₦ 1,000 thereafter)															COUPON RATE
IN FIGURES	₦														
IN WORDS															

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

SURNAME/CORPORATE NAME

[illegible]

FIRST NAME (FOR INDIVIDUALS ONLY)

[illegible]OTHER NAMES (FOR INDIVIDUALS ONLY)[illegible]JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)[illegible]OTHER NAMES (FOR JOINT APPLICANT ONLY)[illegible]

CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

[illegible]

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

[illegible][illegible]

ALLOTMENT PREFERENCE:

Please tick ☒ in the box to indicate allotment preference – CERTIFICATE ☐/ ELECTRONIC (BOOK ENTRY) ☐

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

Please credit my/our CSCS Account as detailed below to the extent of the Bonds allotted:

[illegible]

BANK DETAILS (FOR E-PAYMENTS)																			
BANK NAME														BRANCH					
ACCOUNT NO:																CITY/STATE			

SIGNATURES _____

SIGNATURES	2ND SIGNATURE (CORPORATE/JOINT)	OFFICIAL SEAL/RC. NO.
NAME OF AUTHORISED SIGNATORY <i>(Corporate only)</i>	NAME OF AUTHORISED SIGNATORY <i>(Corporate/Joint):</i>	
DESIGNATION <i>(Corporate only):</i>	DESIGNATION <i>(Corporate only):</i>	

STAMP OF SELLING GROUP MEMBER	
(ISSUING HOUSES/BOOKRUNNERS TO THE ISSUE ONLY)	



**NORTH SOUTH POWER
COMPANY LIMITED**

CLAN PLACE, PLOT NO. 1386, TIGRIS CRESCENT, MAITAMA - ABUJA
TEL: +234 9 291 8045, +234 9 291 8046
www.northsouthpower.com

THE FEDERAL REPUBLIC OF NIGERIA

COMPANIES AND ALLIED MATTERS ACT NO 3 OF 2020

PRIVATE COMPANY LIMITED BY SHARES

RESOLUTION OF THE BOARD OF DIRECTORS

OF

NORTH SOUTH POWER COMPANY LIMITED

At the meeting of the Board of Directors (the "Board") of **NORTH SOUTH POWER COMPANY LIMITED** (the "Company") duly convened and held via teleconference on the 17th day of February, 2021, the following were duly considered and passed as resolutions of the Board:

1. *"Further to the resolution of the Board dated September 26, 2018 authorising the Company to support, sponsor, guarantee or obtain a guarantee in respect of debt securities issued by NSP-SPV PowerCorp Plc (the "SPV"), the resolution of the Board dated October 15, 2020 authorising the Company to issue debt securities of up to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) to the SPV by way of private placement and the resolution of the Board dated February 10, 2021 authorising the Company to issue further debt securities up to ₦825,000,000 (Eight Hundred and Twenty-Five Million Naira) to the SPV, the Board be and is hereby authorised to:*
 - i. *support the SPV in the classification of the Series II Bonds issued pursuant to the resolutions of the board of the SPV dated October 15, 2020, February 10, 2021 and February 17, 2021 as green bonds ("SPV Green Bonds");*
 - ii. *take all steps as may be required to ensure that the SPV Green Bonds are reclassified as green bonds subject to obtaining regulatory approval including ensuring (to the extent regulatorily required) that the proceeds of any debt securities issued by the Company to the SPV pursuant to the resolutions of the Company dated October 15, 2020 and February 10, 2021 are used for purposes that ensure that the SPV does not breach the terms of the SPV Green Bonds; and*
2. *That the Board be and is hereby authorised to take such further action and perform or do all such other acts or things as may be required to give effect to the above resolutions."*

DATED THIS 18TH DAY OF FEBRUARY 2021

GEORGE NWANGWU



OLUBUNMI PETERS

NSP-SPV POWERCORP PLC

CLAN PLACE, PLOT 1386, TIGRIS CRESCENT, MAITAMA, ABUJA
TEL: +234 9 291 8045, +234 9 291 8046
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RC:1436994

THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT NO 3 OF 2020
PUBLIC COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS
OF

NSP-SPV POWERCORP PLC

Pursuant to the provisions of the Companies and Allied Matters Act No 3 of 2020, we the undersigned, being members of the Board of Directors (the "Board") of NSP-SPV POWERCORP PLC (the "Company"), hereby resolve as follows:

1. *"Further to the resolution of the Board dated October 15, 2020 authorising the Company to undertake a capital raise of up to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) by the issuance of series II bonds ("Series II Bonds") under a ₦50,000,000,000 (Fifty Billion Naira) bond issuance programme and the resolution of the Board dated February 10, 2021 authorising the Company to accept and utilize further sums received as a result of oversubscription of the Series II Bonds, the Board be and is hereby authorised to issue the Series II bonds as Green Bonds ("Issuance") subject to satisfactory compliance with the Rules and Regulations of the Securities and Exchange Commission ("SEC") and other applicable law;*
2. *That Management be and is hereby authorized to implement the directives of the SEC in relation to the Issuance including but not limited to notify investors and obtaining the requisite consent and or commitment from the investors;*
3. *That save for terms that must be amended to ensure compliance with the requirements of the SEC in relation to green bonds, all the terms and conditions previously approved by the Board in relation to the Series II Bonds remain applicable;*
4. *That all actions hitherto taken by Management in furtherance of the foregoing resolutions be and are hereby ratified; and*
5. *That the Board be and is hereby authorised to take such further action and perform or do all such other acts or things as may be required to give effect to the above resolutions."*

DATED THIS 17th DAY OF FEBRUARY 2021



GEORGE NWANGWU



OLUBUNMI PETERS



**NORTH SOUTH GURARA ENERGY
COMPANY LIMITED**

CLAN PLACE, PLOT NO. 1386, TIGRIS CRESCENT, MAITAMA, ABUJA
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THE FEDERAL REPUBLIC OF NIGERIA

RC:1513101

COMPANIES AND ALLIED MATTERS ACT NO 3 OF 2020

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS

OF

NORTH SOUTH GURARA ENERGY COMPANY LIMITED

Pursuant to the provisions of the Companies and Allied Matters Act No 3 of 2020, we the undersigned, being members of the Board of Directors (the "Board") of NORTH SOUTH GURARA ENERGY COMPANY LIMITED (the "Company"), hereby resolve as follows:

1. *"Further to the resolution of the Board dated October 15, 2020 authorising the Company to support, sponsor, guarantee or obtain a guarantee in respect of the up to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) Series II bonds (the "Series II Bonds") to be issued by NSP-SPV Powercorp PLC (the "SPV") under a ₦50,000,000,000 (Fifty Billion Naira) debt issuance programme and the resolution of the Board dated February 10, 2021 authorising the Company to support, sponsor, guarantee or obtain a guarantee in favour of any further issuance of debt securities by the SPV up to ₦825,000,000 (Eight Hundred and Twenty-Five Million Naira) under the Series II Bonds, the Board be and is hereby authorised to:*
 - i. *support the SPV in the classification of the Series II Bonds issued pursuant to the resolutions of the board of the SPV dated October 15, 2020, February 10, 2021 and February 17, 2021 as green bonds ("SPV Green Bonds");*
 - ii. *take all steps as may be required to ensure that the SPV Green Bonds are reclassified as green bonds subject to obtaining regulatory approval including ensuring (to the extent regulatorily required) that the proceeds of any debt securities issued by the Company to the SPV pursuant to the resolutions of the Company dated October 15, 2020 and February 10, 2021 are used for purposes that ensure that the SPV does not breach the terms of the SPV Green Bonds;*
2. *That the Board be and is hereby authorised to take such further action and perform or do all such other acts or things as may be required to give effect to the above resolutions."*

DATED THIS 18TH DAY OF FEBRUARY 2021

GEORGE NWANGWU



OLUBUNMI PETERS



**SHIRORO SOLAR GENERATING
COMPANY LIMITED**

CLAN PLACE, PLOT NO. 1386, TIGRIS CRESCENT, MAITAMA- ABUJA
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www.shirorosolar.com

THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT NO 3 OF 2020
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS
OF
SHIRORO SOLAR GENERATING COMPANY LIMITED

Pursuant to the provisions of the Companies and Allied Matters Act No 3 of 2020, we the undersigned, being members of the Board of Directors (the "Board") of SHIRORO SOLAR GENERATING COMPANY LIMITED (the "Company"), hereby resolve as follows:

1. *"Further to the resolution of the Board dated October 15, 2020 authorising the Company to support, sponsor, guarantee or obtain a guarantee in respect of the up to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) Series II bonds (the "Series II Bonds") to be issued by NSP-SPV Powercorp PLC (the "SPV") under a ₦50,000,000,000 (Fifty Billion Naira) debt issuance programme and the resolution of the Board dated February 10, 2021 authorising the Company to support, sponsor, guarantee or obtain a guarantee in favour of any further issuance of debt securities by the SPV up to ₦825,000,000 (Eight Hundred and Twenty-Five Million Naira) under the Series II Bonds, the Board be and is hereby authorised to:*
 - i. *support the SPV in the classification of the Series II Bonds issued pursuant to the resolutions of the board of the SPV dated October 15, 2020, February 10, 2021 and February 17, 2021 as green bonds ("SPV Green Bonds");*
 - ii. *take all steps as may be required to ensure that the SPV Green Bonds are reclassified as green bonds subject to obtaining regulatory approval including ensuring (to the extent regulatorily required) that the proceeds of any debt securities issued by the Company to the SPV pursuant to the resolutions of the Company dated October 15, 2020 and February 10, 2021 are used for purposes that ensure that the SPV does not breach the terms of the SPV Green Bonds;*
2. *That the Board be and is hereby authorised to take such further action and perform or do all such other acts or things as may be required to give effect to the above resolutions."*

DATED THIS 18TH DAY OF FEBRUARY 2021


OLUYOMI LAWSON




OLUBUNMI PETERS

NSP - SPV POWERCORP PLC

RC:1436994

CLAN PLACE, PLOT N. 1386, TIGRIS CRESCENT, MAITAMA- ABUJA
TEL: +234 9 291 8045, +234 9 291 8046
www.northsouthpower.com

Monday, 8 March 2021

The Director-General,
Securities and Exchange Commission
SEC Towers,
Plot 272, Samuel Adesujo Ademulegun Street,
Central Business District Garki,
Abuja, FCT

Attention: Mr. A.B. Abbas

Dear Sir,


LETTER OF COMMITMENT BY NSP-SPV POWERCORP PLC TO INVEST PROCEEDS OF THE BOND ISSUE IN GREEN PROJECTS AND OR ASSETS

In accordance with the Rules and Regulations of the Securities and Exchange Commission (the "Commission") 2013 as amended (the "Rules"), NSP-SPV PowerCorp Plc hereby unconditionally and irrevocably undertakes to invest all the proceeds of its ₦6,325,000,000 Series 2 Bond Issuance in projects that qualify as green projects and or assets in line with the Rules.

We further undertake to fulfil all requirements of the Commission for the registration of Green Bonds as stated in the Rules.

Yours faithfully,

Signed for and on behalf of
NSP-SPV PowerCorp Plc
By its duly authorised representatives:


DIRECTOR
Olubunmi Peters


COMPANY SECRETARY
Olubunmi Alasi