

**PRE-ISSUANCE VERIFICATION  
ASSURANCE REPORT  
ON  
HOTSPOT NETWORK LIMITED'S  
₱955 MILLION TRANCHE A GREEN  
INFRASTRUCTURE BOND ISSUANCE**

2023 PRE-ISSUANCE VERIFICATION FINAL REPORT

7 August 2023



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# PRE-ISSUANCE VERIFICATION REPORT

## 1.0 INTRODUCTION

Hotspot Network Limited (“Hotspot”, “HNL”, “the Company” or “the Sponsor”) engaged Agosto & Co. Limited (“Verifier” or “Agosto & Co”) to provide an independent Pre-issuance Verification report on the Hotspot Network Limited’s Green Bond Framework (“the Framework”), the eligibility and readiness of projects and assets being financed to meet the Climate Bonds Standard Solar Sector Criteria Version 2.3 for the proposed green infrastructure bond issuance.

This is an independent pre-issuance assurance report of the ₦955 million Green Infrastructure Bond Issuance (“Tranche A” or “Bond”) to be issued by InfraFunding SPV Limited (“Issuer” or “InfraFunding”) and Micropolitan Mobile Connectivity Limited (“Co-Issuer”, “Co-Obligor” or “MMCL”) sponsored by Hotspot Network Limited and partly guaranteed by Infrastructure Credit Guarantee Company Limited (“InfraCredit” or Guarantor”) in accordance with the pre-issuance requirements of Limited Assurance under Climate Bonds Standard Version 4.0.

*We have not performed any work, and do not express any conclusion, over the performance of the Green Bond outside the scope outlined in this document.*

## 2.0 BACKGROUND

Hotspot Network Limited was incorporated in 2008 and obtained a Co-location and Infrastructure Sharing License in 2012 and an Internet Services Provision License in 2015, both from the Nigerian Communications Commission (NCC). HNL has core competence in telecommunication infrastructure, rural telephone network, renewable energy and information communication technology. The Company provides a range of services including tower and colocation services, engineering support services, wireless solutions, base transceiver station (BTS) deployment in off-grid locations and site development services. HNL has built and leased over 100 base stations to mobile network operators (MNOs) and has deployed circa 75 solar-powered rural telecom sites across 75 communities in 15 states in Northern and Western Nigeria on the MTN Nigeria (MTNN) network under a revenue-share model. The Company is under the supervision of the Federal Ministry of Communications and Digital Economy, and the Nigerian Communications Commission (NCC).

Hotspot Network Limited aims to bridge the gap in telecommunications service provision by deploying solar-powered telecoms voice and data networks in rural areas in partnership with Mobile Network Operators (MNOs) in Nigeria. The Company plans to deploy up to 500 sites in one year and scale up to 2,000 sites over 3 to 7 years in select communities in Nigeria. These sites will provide Wi-Fi and 2G/3G/4G LTE connectivity and be fully powered by solar-generated electricity as a hedge against spotty grid-generated power supply and rising fossil fuel energy costs. HNL intends that the solar-based power systems from the telecoms sites will be expanded into mini-grid power networks for renewable energy supply in rural communities that lack national grid-generated power supply.

Hotspot Network Limited executed a 10-year Agreement with MTN Nigeria in 2019 for the provision of rural connectivity as part of MTNN’s commitment to supporting the attainment of national policy goals for universal access and service of information and communications technology (ICT) in rural and unserved areas. The Agreement stipulates that Hotspot will be responsible for building and maintaining the rural telephony sites (up to 2,000 sites) with MTNN providing its service network to enable residents to access mobile communication and internet services under an agreed revenue sharing model. HNL’s strategy is to build out solar-powered micro-grids which power the rural base transceiver stations, thereby creating two important assets – a revenue-generating asset and a critical support asset.

Hotspot Network Limited plans to develop and operate 120 solar-powered rural telephony base stations (sites) in selected communities in Nigeria ("Project"). The Company has established a special purpose vehicle (SPV), Micropolitan Mobile Connectivity Limited ("Project SPV", Co-Issuer, "Co-Obligor" or "MMCL"), to ringfence the Project from existing operations and for ease of capital raise. The total project cost for the deployment of the 120 rural telephony sites is estimated at ₦2.38 billion. However, circa ₦1.91 billion will be sourced from the private capital market and the Climate Finance Blending Facility in a 50:50 proportion while the balance of ₦474 million will be funded from HNL's equity.

The Project SPV shall as co-obligor, support the issuance of the debt instrument under the Guarantor's Clean Energy Funding Programme which aims to catalyse private and public sector investment to support Nigeria's clean energy goals and increase energy access for unserved and underserved population and businesses. InfraFunding is a special purpose vehicle established to create a multi-issuer debt issuance program under which certain private debt instruments of a nominal aggregate amount not exceeding ₦200 billion may be issued to domestic institutional investors from time to time by the Issuer, for the benefit of eligible underlying beneficiary entities/co-obligors.

InfraFunding SPV Limited plans to issue ₦955 million 7-Year 15% Guaranteed Fixed Rate Senior Infrastructure Bonds Due 2030 (Tranche A) and ₦955 million 7-Year Fixed Rate Subordinated Loan Notes from the Climate Finance Blending Facility (Tranche B). The aggregate debt proceeds will be passed through to Hotspot Network to develop and operate the 120 solar-powered rural telephony base stations in selected communities in Nigeria. However, only the Tranche A Bond proceeds (table 1 below) will be subject to the Climate Bond Standard Certification as 85% of the financing is going toward the expenses of building and installing the Solar panels and the remaining 15% will be spent on the network towers which are placed adjacent to the Solar panels.

To enhance the credit rating of the Debt Instruments and facilitate the full subscription of 50% of the Tranche A Bond by institutional investors, the Guarantor (InfraCredit) will provide an irrevocable and unconditional guarantee of up to ₦955,000,000 (Nine Hundred and Fifty-Five Million Naira) of the Bond under a deed of guarantee (the "Guarantee"). In addition, 50% of the Debt Issue of ₦955 million will be supported and subscribed by the Climate Finance Blending Facility (the "Facility"), a catalytic first loss multi-donor facility seeded with £10 million concessional funding by the UK Foreign, Commonwealth & Development Office ("FCDO") to co-finance clean energy investments on a 50:50 basis alongside InfraCredit's local currency guarantees in Nigeria.

The Facility will help de-risk, reduce the capital cost and catalyse domestic institutional investment from insurance companies, local pension funds, and other asset managers including low-carbon energy-focused funds, to scale up private sector financing of affordable local currency capital for eligible off-grid clean energy infrastructure for unserved and underserved markets by providing returnable blended lower-interest rate subordinated debt capital.

The Project objective is to unlock the potential of rural communities in Nigeria to achieve sustainability through an integrated ecosystem comprising rural telephony and Integrated Rural Energy. The proposed funding will finance the tangible assets required to deploy the micro-grid rural telephony sites including power (solar PV/Batteries and inverter), wireless remote networks, galvanized steel tower, palisade fence, backhaul (VSAT) while the Company's equity will finance site acquisition and Radio Frequency (RF) planning. The estimated timeline for completion of site construction and activation is approximately 7 months from the fund disbursement date. The benefits of the project are noted below.

#### **Environmental Impact: Reducing GHG Emissions**

One of the most compelling aspects of this project is its commitment to utilizing renewable energy. By fully powering the telephony towers through solar energy, the project will substantially reduce the carbon

footprint associated with traditional fossil-fuelled towers. The current fossil-fuelled towers deployed across Nigeria (over 40,000 tower sites) contribute significantly to greenhouse gas (GHG) emissions, exacerbating climate change. In contrast, solar-powered towers produce zero direct emissions, making this initiative an important step towards Nigeria's climate goals. The project's 120 fully solar-powered towers are estimated to mitigate thousands of metric tons of CO<sub>2</sub> equivalent annually. Furthermore, the ambitious plan to deploy 2000 telephony sites over the next few years demonstrates a strong commitment to sustainable energy solutions, positioning Nigeria as a regional leader in the fight against climate change.

### Social Impact: Bridging the Digital Divide

The rural telephony project holds immense promise for transforming the lives of millions living in underserved rural communities. Lack of access to telecommunication and ICT services has long hindered socio-economic development in these areas. The deployment of solar-powered telephony towers will bring reliable communication to regions that have been isolated for far too long, empowering individuals with the means to connect with family and friends, access information, proper health care services and engage in economic activities more effectively. Improved connectivity will also enhance access to essential services like healthcare, education, and emergency assistance. With the ability to communicate in real-time, rural communities will be better equipped to handle emergencies, seek medical advice remotely, and access educational resources through e-learning platforms. This will undoubtedly improve overall living standards and contribute to sustainable development goals towards building a more inclusive and sustainable society.

### Economic Impact: Empowering Rural Communities

Beyond its environmental and social merits, the fully solar-powered rural telephony project is expected to have a profound economic impact. By connecting rural communities to the national and global digital economy, it will unlock new opportunities for economic growth and job creation. Improved communication will foster entrepreneurship, enabling individuals to engage in online businesses and access markets beyond their immediate surroundings. Furthermore, access to telephony and ICT services will attract private investment in rural areas, leading to the development of new industries and infrastructure. This, in turn, will boost local economies, reduce poverty, and create a more sustainable economic landscape in rural Nigeria.

### Conclusion

The fully solar-powered rural telephony project in Nigeria represents a landmark initiative with far-reaching positive impacts. By avoiding GHG emissions and transitioning from fossil-fuelled towers, the project showcases Nigeria's commitment to environmental stewardship and global climate goals. Simultaneously, it brings rural communities into the digital age, bridging the digital divide and empowering them socially and economically. With a pipeline to deploy 2,000 telephony sites across Nigeria, the project's vision is as ambitious as its potential to transform lives and societies. Embracing this project is not only a wise investment in Nigeria's future but also a testament to the nation's dedication to sustainable development and social progress. The Company's overriding objective of enabling universal access to energy (serving the unserved and underserved communities) hinges on promoting greater adoption of renewables and energy-efficient technologies by domestic and commercial customers in rural areas of Nigeria.

**Table 1: Tranche A Bond Use of Proceeds**

Use of Proceeds	₦	%
Power - Solar PV and other component	360,000,000	38%
Site Acquisition	135,300,000	14%
Installation and Commissioning of Power Asset	173,105,000	18%
Cost of Issue	28,595,000	3%
FSL Refinancing*	258,000,000	27%
<b>Tranche A Bond Proceeds</b>	<b>955,000,000</b>	<b>100%</b>

\*Out of the FSL refinancing, over 54% was used to finance solar panels. Thus, the aggregate Tranche A Bond proceeds dedicated to the Power Asset is approximately 85%, while the balance will be spent on network towers which are placed adjacent to the solar panels.

### 3.0 SCOPE OF ASSURANCE ENGAGEMENT

The objective of this assurance engagement is to obtain a Limited Assurance of the verification and conformance of the internal procedures of Hotspot Network to comply with the material requirements of the Green Bonds Principles published by the International Capital Market Association, the Climate Bonds Standard Version 4.0 and the Solar Sector Criteria (version 2.3) published by Climate Bonds Initiative. The following have been assessed in this engagement:

- Use of Proceeds
- Process for Project & Assets Evaluation and Selection
- Management of Proceeds
- Reporting

### 4.0 OUR APPROACH

Agusto & Co. undertook necessary activities to collect sufficient evidence to present factual findings in line with the scope outlined above. Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Hotspot Network Limited and its partners in good faith. We have not performed an audit to check the veracity of the information provided to us. The Verifier's review covered an examination of relevant procedures, policies and processes, as well as verification of data provided by the Sponsor through various sampling techniques and based on our professional judgment. Our assurance procedures included, but were not limited to:

- Assessed Hotspot Network Limited Green Bond Framework (Framework) against the CBI Climate Bonds Standard Version 4.0
- Assessed the Company's proposed eligible assets using the verification pre-issuance requirements of the CBI's Climate Bonds Standard and the CBI's Solar criteria (version 2.3)
- Assessed the valuation of projects against the proposed size of the Green Bond
- Reviewed the Issuer's Framework including processes, systems, internal procedures and controls in place for the management of Bond proceeds, investment areas for Green Bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds
- Checked the list of projects, which are proposed to be associated with the Green Bond and their conformance with eligibility requirements specified in Part C of the Climate Bonds Standard
- Evaluated the procedures performed by the Sponsor regarding the organisation, its environmental objectives, intended use of Bond proceeds, details of the process and procedure for identifying nominated eligible assets and projects and details of the process and procedure for the management of proceeds
- Reviewed the response to the questionnaire completed by the Sponsor that covers all criteria of the Climate Bonds Standard Version 4.0
- Assessed background and supporting documents that elaborate further on the information mentioned in the questionnaire.
- Conducted interviews with key staff of Hotspot Network Limited responsible for the Green Bond Issuance on Friday 7 July 2023.
- Obtained management responsibility letter dated 12 July 2023 confirming management's representation of alignment with the relevant CBI criteria and key assertions made in the Framework.

## 5.0 LIMITATIONS

There are inherent limitations in performing any assurance engagement – for example, assurance engagements are based on selective testing of the information being examined – and fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Our assurance was limited to the Pre-issuance verification of Hotspot Network's Green Bond Framework and relevant information. Therefore, our assurance procedures did not constitute an examination or evaluation of the following:

- Credit rating and financial performance of the prospective Issuer or Sponsor
- Environmental, social, or governance impact of the proposed projects, except to the extent required for compliance with Climate Bonds Initiative Version 4.0.
- Any information beyond the defined reporting boundary and period

## 6.0 MANAGEMENT'S RESPONSIBILITY

Hotspot Network Limited, as the Sponsor of the project, was responsible for preparing the Green Bond Framework and providing information in relation to the following:

- The selection process for the nominated projects.
- The details of the nominated projects and methodology applied.
- The intended use of the Bond proceeds
- The management systems for internal processes and controls for nominated projects.
- The details of commitments for reporting pre and post-issuance, including investment areas, management of unallocated proceeds and frequency of periodic reporting.
- Representations regarding conformity with the CBI Solar Criteria (Version 2.3) and the Climate Bond Standard Version 4.0. requirements.

## 7.0 VERIFIER'S RESPONSIBILITY

The tasks undertaken by Agosto & Co. as part of this review of the Hotspot Network Framework and the eligibility of projects and assets being financed to meet the Climate Bonds Standard Solar Sector Criteria (Version 2.3) for the proposed green Bond issuance included the assessment of the following:

- Conformance of Hotspot Network's Framework with the Climate Bonds Standard Version 4.0.
- Conformance with the Solar Eligibility Criteria (Version 2.3)
- Conformance of intended use of proceeds and management thereof with the Climate Bonds Standard requirements
- Conformance with the Internal Processes & Controls requirements.
- Conformance with Reporting Prior to Issuance requirements.

## 8.0 INDEPENDENCE AND QUALITY CONTROL

- As an approved verifier by the Climate Bonds Initiative, Agosto & Co. ensures that the results of the independent Pre-Issuance Verification Report are of the highest quality and reflect an impartial review process of Climate Bonds Standards Version 4.0.
- Agosto & Co carried out Limited Assurance procedures in accordance with the International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information] established by the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC).
- Agosto & Co. nor any member of the verifier team is involved in any way in the issuance or management of Green Bonds. Agosto & Co. has applied internal procedures to confirm there are no conflicts of interest for this verification engagement.

## 9.0 CONCLUSION

Based on the limited assurance procedures conducted and evidence obtained, Agosto & Co. notes that nothing has come to our attention that causes us to believe that, in all material respects the Tranche A Green Bond is not in conformance with The Green Bond Principles, the Climate Bonds Standard Version 4.0, the Solar Sector Eligibility Criteria (Version 2.3) published by Climate Bonds Initiative and the Climate Bonds Standard's Pre-Issuance Checklist Requirements.

### For Agosto & Co:



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7 August 2023



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### Disclaimer

*This Pre-Issuance verification report ("Report") is given by Agosto & Co and is addressed solely to the Company per the terms of the letter of engagement. We have not considered the interest of any other party in the Report. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party for our work, for this statement or for the conclusions we have reached. Agosto & Co. will not accept any form of liability for the substance of the Report and/or any liability for damage arising from the use of the Report and/or the information provided in it. As the Report is based on information made available by the Company, Agosto & Co. does not warrant that the information presented in this Report is complete, accurate or up to date. Nothing contained in this Report shall be construed as to make a representation or warranty, express or implied, regarding the advisability of investing in any securities or any asset whose value is derived from any securities. Any person other than the Company who obtains access to the Report or a copy thereof and chooses to rely on it will do so at its own risk. Furthermore, this Report shall in no event be interpreted and construed as an assessment of the financial performance and creditworthiness of the Issuer, Company or the Bond. The issuance and the performance of the Company and the Bond are outside the scope of this engagement. We have consented to the inclusion of the Report on the Climate Bonds Initiatives (CBI) website or in such other manner as CBI shall from time to time use for making verification reports publicly available in respect of applications for certification to the Climate Bonds Standard.*



## 10.0 APPENDIX

## Appendix A: List of Nominated Projects &amp; Assets

Site	Asset Description	Location	Installed Capacity (Wp)	No of units	Grid Type	Total Installed (kWp)
1	Solar-Powered Rural Telephony Base Station	Across 19 states in Nigeria	2,700 watts/per site	120 sites	Isolated	324 KW

S/N	GIS Site_ID	Network	Location (Village)	LGA	State	Tower Height	Tower Type
1	NSH044	2G/3G	New Karu (Kabusu) Kupe	Karu	Nasarawa	18m	Lattice
2	SKH165	2G/3G	Sanyinnawal	Shagari	Sokoto	30m	Lattice
3	KNH070	2G/3G	Karshi	Rogo	Kano	30m	Lattice
4	KGH057	2G/3G	Okura	Dekina	Kogi	30m	Lattice
5	KDH261	2G/3G	Kahir	Kagarko	Kaduna	30m	Lattice
6	KDH248	2G/3G	Bundel/Gumel Village/Zonkwa	Zangon Kataf	Kaduna	30m	Lattice
7	KDH263	2G/3G	Randa Richu/Ungwan Biu	Sanga	Kaduna	30m	Lattice
8	KDH247	2G/3G	Ungwan Abduga		Kaduna	30m	Lattice
9	PLH190	2G/3G	Dorowa (Old Dorowa) Fan	Barkin Ladi	Plateau	18m	Lattice
10	PLH191	2G/3G	Dagwarga	Kachia	Kaduna	30m	Lattice
11	NGH251	2G/3G	Agwara	Agwara	Niger	30m	Lattice
12	KDH245	2G/3G	Katsinawa (Sakadadi)	Kudan	Kaduna	30m	Lattice
13	KNH069	2G/3G	Barbaji/Yola	Rogo/Kiru	Kano	30m	Lattice
14	KTH109	2G/3G	Hui Gari/Unguwar Adamu	Baure	Katsina	30m	Lattice
15	NGH252	2G/3G	Dassun /Duma	Lavun/Mokwa	Niger	30m	Lattice
16	PLH192	2G/3G	Dadin Kowa/Gena Rombo	Langtang South	Plateau	30m	Lattice
17	NSH043	2G/3G	Tattara/Pandam/Panda/Kare	Karu	Nasarawa	30m	Lattice
18	PLH193	2G/3G	Mavo/Gwiwan Kogi	Wase	Plateau	30m	Lattice
19	KGH033	2G/3G	Ayingba Ajieru	Dekina	Kogi	25m	Lattice
20	BNH068	2G/3G	Ebu/Agadaba/Awga	Ohimini	Benue	25m	Lattice
21	NSH022	2G/3G	Koroduma, New Karu (Madugu)	Karu	Nasarawa	25m	Lattice
22	PLH300	2G/3G	Binchi	Bassa	Plateau	25m	Lattice
23	KDH033	2G/3G	Katugal/Kabara	Kagarko	Kaduna	25m	Lattice
24	KDH302	2G/3G	Dan Lawal	Ikara	Kaduna	25m	Lattice
25	KGH055	2G/3G	Igbo Ero/Egbe (Ogbe)	Yagba West	Kogi	25m	Lattice
26	BNH111	2G/3G	Ojantele/Ijegu	Apa	Benue	25m	Lattice
27	KTH200	2G/3G	Kofar Arewa,Kankia/Machinjim	Kankia	Katsina	30m	Lattice
28	KTH201	2G/3G	Layi, Kankia/TSA	Kankia	Katsina	30m	Lattice
29	KNH300	2G/3G	Beli /gwangwan	Rogo	Kano	25m	Lattice
30	SKH200	2G/3G	Sala	Shagari/Gwandu	Sokoto/Kebbi	25m	Lattice
31	HNL_GC_001	2G/4G	Libanola Village	Ondo	Ondo	18m	monopole
32	FCH010	2G/4G	Zango/Gaube	Kuje	FCT	18m	
33	KWH034	2G/4G	Suru	Baruten	Kwara	18m	
34	NSH007	2G/4G	Shata	Nassarawa	Nasarawa	18m	monopole
35	PLH027	2G/4G	Lalin	Mikang	Plateau	18m	monopole
36	BA0338	2G/4G	Ragom	Katagum	Bauchi	18m	monopole
37	YBH092	2G/4G	Bukarti	Karasuwa	Yobe	18m	monopole
38	KBH147	2G/4G	Tungan Baje	Bagudo	Kebbi	18m	
39	KDH053	2G/4G	Ungwan Alhazai	Soba	Kaduna	18m	monopole
40	HNL_901	2G/4G	Doki/Baure road	Baure	Katsina	22m	
41	KTH034	2G/4G	Karsil	Zango	Katsina	18m	monopole
42	HNL_902	2G/4G	Fardami	Rimi	Katsina	22m	
43	SKH009	2G/4G	Yerimawa	Goronyo	Sokoto	18m	monopole
44	KDH040	2G/4G	Kuau	Kauru	Kaduna	18m	monopole
45	KGH012	2G/4G	Eke	Olamaboro	Kogi	18m	monopole
46	HNL_904	2G/4G	Well/Saulawo	Ikara	Kaduna	22m	
47	HNL_905	2G/4G	Magaji Wando	Dandume	Katsina	22m	
48	KDH023	2G/4G	Giwa	Giwa	Kaduna	18m	monopole
49	EBH001	2G/4G	Imyimagu	Ikwo	Ebonyi	18m	monopole
50	KNH003	2G/4G	Burji	Tudun Wada	Kano	18m	monopole
51	SKH102	2G/4G	Gidan Fadama	Isa	Sokoto	18m	monopole
52	NGH052	2G/4G	Rafingora	Mashegu	Niger	18m	monopole
53	JGH011	2G/4G	Miga / San Sani	Miga	Jigawa	18m	monopole
54	KBH022	2G/4G	Raha	Bunza	Kebbi	18m	monopole
55	KNH018	2G/4G	Gasgainu	Minjibir	Kano	18m	monopole

56	BCH002	2G/4G	Mashema	Jama'are	Bauchi	18m	monopole
57	KDH039	2G/4G	Dan Mahawayi	Giwa	Kaduna	18m	monopole
58	SKH015	2G/4G	Tsaki walakae	Dange-Shuni	Sokoto	18m	monopole
59	KNH025	2G/4G	Ganduje	Bichi	Kano	18m	monopole
60	JGH009	2G/4G	Teshegwa	Kiri Kasama	Jigawa	18m	monopole
61	KDH150	2G/4G	Rahama	Soba	Kaduna	18m	monopole
62	ZMH100	2G/4G	Tsibiri	Maradun	Zamfara	18m	monopole
63	KTH100	2G/4G	Koshe	Sabuwa	Katsina	18m	monopole
64	KNH014	2G/4G	Tumbao	Gezawa	Kano	18m	monopole
65	NSH015	2G/4G	Aza	Awe	Nasarawa	18m	monopole
66	TRH002	2G/4G	Mai Samari	Sardauna	Taraba	18m	monopole
67	KBH029	2G/4G	Ngaski/Birnin-Yauri	Ngaski	Kebbi	18m	monopole
68	HNL_903	2G/4G	Dalarin	Maigatari	Jigawa	22m	
69	ZMH010	2G/4G	Nasarawa Mailayi/Kofa	Birnin Magaji/Kiyaw	Zamfara	18m	monopole
70	JGH004	2G/4G	Marma	Kiri Kasama	Jigawa	18m	monopole
71	BCH021	2G/4G	Yalwar Gungume	Ningi	Bauchi	18m	monopole
72	ADH010	2G/4G	Densa	Demsa	Adamawa	18m	monopole
73	KNH006	2G/4G	Gwangwan/Bari	Rogo	Kano	18m	monopole
74	JGH040	2G/4G	Tsadoji	Roni	Jigawa	18m	monopole
75	SKH016	2G/4G	Shinaka	Gada	Sokoto	18m	monopole
76	TRH006	2G/4G	Zang	Zing	Taraba	18m	monopole
77	BNH117	2G/4G	Arufu	Logo	Benue	18m	monopole
78	NGH053	2G/4G	Sonko	Mashegu	Niger	18m	monopole
79	KDH027	2G/4G	Kamuru Ikulu North	Zangon Kataf	Kaduna	18m	monopole
80	KBH024	2G/4G	Ayu	Wasagu/Danko	Kebbi	18m	monopole
81	KGH011	2G/4G	Olufoto	Ankpa	Kogi	18m	monopole
82	FCH003	2G/4G	Abuja_Kaduna Border	Bwari	FCT	18m	monopole
83	KTH033	2G/4G	Masaurari	Kankara	Katsina	18m	monopole
84	TRH003	2G/4G	Akwana	Logo	Taraba	18m	monopole
85	ADH223	2G/4G	Bali	Demsa	Adamawa	18m	monopole
86	NGH029	2G/4G	Ukata	Mariga	Niger	18m	monopole
87	ONH041	2G/4G	Lamudifa	Irele	Ondo	18m	monopole
88	ZMH013	2G/4G	Kuifa/Gyalganye	Gummi	Zamfara	18m	monopole
89	KGH008	2G/4G	Ikanikpo	Olamaboro	Kogi	18m	monopole
90	NGH055	2G/4G	Duba	Mashegu	Niger	18m	monopole
91	ZMH021	2G/4G	Dan'lsa	Birnin Magaji/Kiyaw	Zamfara	18m	monopole
92	NGH145	2G/4G	Kudu	Mokwa	Niger	18m	monopole
93	ADH177	2G/4G	Sahuda	Mubi South	Adamawa	18m	monopole
94	BCH013	2G/4G	Gambaki	Katagum	Bauchi	18m	monopole
95	JGH176	2G/4G	Ungwan Mani	Roni	Jigawa	18m	monopole
96	JGH022	2G/4G	Adiani	Guri	Jigawa	18m	monopole
97	GMH103	2G/4G	Lafia	Balanga	Gombe	18m	monopole
98	ADH009	2G/4G	Bille	Demsa	Adamawa	18m	monopole
99	KNH004	2G/4G	Gurduba	Gabasawa	Kano	18m	monopole
100	GMH007	2G/4G	Pokwanli	Kaltungo	Gombe	18m	monopole
101	KDH028	2G/4G	Karsawa	Soba	Kaduna	18m	monopole
102	ZMH022	2G/4G	Koloni	Bakura	Zamfara	18m	monopole
103	SKH020	2G/4G	Maje	Silame	Sokoto	18m	monopole
104	KDH246	2G/4G	Kagoro (Kaura)	Kaura	Kaduna	18m	monopole
105	KBH030	2G/4G	Domawa	Gwandu	Kebbi	18m	monopole
106	KNH005	2G/4G	Gabasawa	Gabasawa	Kano	18m	monopole
107	JGH200	2G/4G	Ungwan Rimi	Dawakin Tofa	Jigawa	18m	monopole
108	KNH012	2G/4G	Gwanda	Sumaila	Kano	18m	monopole
109	SKH012	2G/4G	Rara	Rabah	Sokoto	18m	monopole
110	KBH108	2G/4G	Jigida	Maiyama	Kebbi	18m	monopole
111	KNH007	2G/4G	Gwanda	Dambatta	Kano	18m	monopole
112	KGH027	2G/4G	Ilubusechi/Ebiya	Ajaokuta	Kogi	18m	monopole
113	ZMH012	2G/4G	Goga	Zurmi	Zamfara	18m	monopole
114	KNH020	2G/4G	Makeke/Marke	Dawakin Tofa	Kano	18m	monopole
115	KNH044	2G/4G	Ranka	Bebeji	Kano	18m	monopole
116	KBH026	2G/4G	Gulube Community	Birnin Kebbi	Kebbi	18m	monopole
117	KNH038	2G/4G	Sani	Garko	Kano	18m	monopole
118	ADH015	2G/4G	Numvan/Timdore	Ganye	Adamawa	18m	monopole
119	PLH217	2G/4G	Dutsin Kura	Kafur	Katsina	18m	monopole
120	ADH014	2G/4G	Song Waje	Song	Adamawa	18m	monopole

## Appendix B – List of Documents Reviewed

1. Hotspot Network Limited's Green Bond Framework (24 May 2023)
2. Hotspot Network Limited's Certificate of Incorporation
3. Infrafunding SPV Limited's Certificate of Incorporation
4. Micropolitan Mobile Connectivity Limited's Certificate of Incorporation
5. Hotspot Network Limited – Demand Analysis for Proposed Rural Telephony Sites – Sites Prioritization Assessment, prepared by Elemental (June 2022)
6. Hotspot Network Limited – Rural Telephony Projects – Gap Analysis Report, prepared by Environquest (July 2022)
7. Due Diligence Report in respect of the Rural Telephony Project by Hotspot Network Limited, prepared by Olaniwun Ajayi LP (September 2022)
8. Hotspot Network Limited – Corporate Integrity Policy (August 2022)
9. Environmental Impact Assessment (EIA) Report of the Proposed Development and Operation of 23 Telecommunication Base Station Sites in Benue State, Nigeria (Volume I & II) by Hotspot Network Limited submitted to Federal Ministry of Environment, Abuja, prepared By Pamm Environmental Services Limited, February 2021.
10. Environmental Impact Assessment (EIA) Report of the Proposed Development and Operation of 18 Telecommunication Base Station Sites in Kogi State, Nigeria (Volume I & II) by Hotspot Network Limited submitted to Federal Ministry of Environment, Abuja, prepared By Pamm Environmental Services Limited, February 2021.
11. Environmental Impact Assessment (EIA) Report of the Proposed Development and Operation of 4 Telecommunication Base Station Sites in Kwara State, Nigeria (Volume I & II) by Hotspot Network Limited submitted to Federal Ministry of Environment, Abuja, prepared By Pamm Environmental Services Limited, February 2021.
12. Environmental Impact Assessment (EIA) Report of the Proposed Development and Operation of 29 Telecommunication Base Station Sites in Niger State, Nigeria (Volume I & II) by Hotspot Network Limited submitted to Federal Ministry of Environment, Abuja, prepared By Pamm Environmental Services Limited, February 2021.
13. Sample lease agreement between Musa Yusuf Oyibo (lessor) and Hotspot Network Limited
14. Letter of Award (dated November 2021) to HNL from the Universal Service Provision Fund (USPF) for subsidies to cover the deployment of 9 base transceiver stations in the North Central Zone.
15. Completed response to Augusto & Co.'s Green Bond Pre-Issuance Verification Questionnaire
16. Hotspot Network Limited's Project Cost estimates
17. Hotspot Network Summary of site details
18. Hotspot Network Limited's Management Responsibility Letter (12 July 2023)
19. Hotspot Network Limited's Green Bond Committee Charter
20. Hotspot Network Limited's Green Bond Asset Register
21. Draft Applicable Private Placement Memorandum (30 June 2023)

## Appendix C: Climate Bonds Standard Version 4.0 Pre-Issuance Certification Checklist

1. Use of Proceeds																							
Climate Bonds Standard Requirement	Findings	Requirement Met																					
<p><b>1.1</b> The Issuer shall document the Nominated Projects &amp; Assets which are proposed to be associated with the Bond and which have been assessed as likely to be Eligible Projects &amp; Assets. The Issuer shall establish a list of Nominated Projects &amp; Assets which can be kept UpToDate during the term of the Bond.</p>	<p>Agusto &amp; Co. has reviewed the Green Bond Framework and the list of nominated projects to be associated with the Bond. The nominated projects include the development, deployment and operation of 120 solar-powered rural telephony base stations across over 19 states in Nigeria. Based on the Framework, the net proceeds of the Tranche A Bond (₦955 million) will be applied to finance the purchase of solar PV components, site acquisition, installation and commissioning of solar panels and refinancing of existing loans (previously used to purchase Solar PV panels) for the 120 solar-powered rural telephony base stations (sites) and cost of issue (see table 1 below). The solar-powered telephony base stations to be deployed across 120 communities in Nigeria will have a cumulative installed renewable electricity generation capacity of 324kWp (2,700Wp per site) as shown in table 2 below. The Nominated Projects &amp; Assets under the Tranche A Bond conform to the Climate Bonds Standard Solar Sector Criteria (version 2.3).</p> <table border="1"> <thead> <tr> <th>Use of Proceeds</th> <th>₦</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Power - Solar PV and other component</td> <td>360,000,000</td> <td>38%</td> </tr> <tr> <td>Site Acquisition</td> <td>135,300,000</td> <td>14%</td> </tr> <tr> <td>Installation and Commissioning of Power Asset</td> <td>173,105,000</td> <td>18%</td> </tr> <tr> <td>Cost of Issue</td> <td>28,595,000</td> <td>3%</td> </tr> <tr> <td>FSL Refinancing*</td> <td>258,000,000</td> <td>27%</td> </tr> <tr> <td><b>Tranche A Bond Proceeds</b></td> <td><b>955,000,000</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Use of Proceeds	₦	%	Power - Solar PV and other component	360,000,000	38%	Site Acquisition	135,300,000	14%	Installation and Commissioning of Power Asset	173,105,000	18%	Cost of Issue	28,595,000	3%	FSL Refinancing*	258,000,000	27%	<b>Tranche A Bond Proceeds</b>	<b>955,000,000</b>	<b>100%</b>	YES
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<p><b>1.2.</b> The expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects &amp; Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects &amp; Assets which are owned or funded by the Issuer.</p>	<p>Hotspot Network asserts that the net bond proceeds (after deducting transaction cost) will be fully utilized for the proposed projects and Nominated Assets. In addition, the Issuer has pledged to provide any additional funds over and above the bond proceeds required to operationalise the assets.</p>	YES																					
<p><b>1.3</b> Nominated Projects &amp; Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that:</p> <p><b>1.3.1</b> Distinct portions of the Nominated Projects &amp; Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments or;</p> <p><b>1.3.2</b> The existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.</p>	<p>Hotspot Network Limited's Framework and Management confirmed that the purchase of solar PV components, site acquisition, installation and commissioning of solar panels and refinancing of existing loans (previously used to purchase Solar PV panels) for the 120 solar-powered rural telephony base stations and associated active and passive infrastructure across 19 states in Nigeria have not been nominated for other climate finance tools: certificates, climate loans, certified climate debt instruments, green bonds, green loans, or other labelled instruments (such as social bonds or SDG bonds).</p>	YES																					

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

Climate Bonds Standard Requirement	Findings	Requirement Met
<p><b>2.1.</b> The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects &amp; Assets. The decision-making process shall include, without limitation:</p>	<p>Hotspot Network has established a documented process to nominate eligible projects and assets associated with this Debt issue based on environmental objectives and criteria, and compliant with the Solar sector eligibility criteria of the Climate Bond Standards.</p>	<p>YES</p>
<p><b>2.1.1.</b> A statement on the climate-related objectives of the Bond.</p>	<p>Hotspot Network Limited has a strong commitment to mitigating climate change risks and achieving Sustainable Development Goals and believes that issuing a Green Bond demonstrates its commitment and transparency to developing sustainable projects that support the transition to a net-zero economy and promote beneficial environmental outcomes. The proposed Green Debt issuance will have a direct impact on SDGs 7, 9, 11, and 13 as identified in the Green Bond Framework. The Project would improve rural telephony access across various geo-political regions in Nigeria. This would be achieved by the provision of rural telephony infrastructure as a service, collocation services, distributed antennae systems and Cell-on-Wheels (Renewable/Clean energy solutions) to Mobile Network Operators (MNOs), while aligning with Clean Energy Transition Plan and Nigeria's 2060 Net Zero Target.</p>	<p>YES</p>
<p><b>2.1.2</b> How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.</p>	<p>Hotspot Network's solar-powered rural telephony base stations which use 100% renewable solar energy are strategically aligned with the Federal Government of Nigeria's goals to increase access to electricity for 90% of the population which contributes towards achieving Nigeria's Nationally Determined Contributions (20% reduction in GHG emissions by 2060) and Nigeria's 2060 Net Zero Target. The solar-powered rural telephony project will contribute to improving access to information and communications technology in Nigeria and mini-grids have proven to be a cost-effective alternative to the grid in achieving this goal given that the majority of the population without access to electricity are domiciled in rural areas, thus increasing rural telephony connectivity. In essence, HNL's approach aligns with the objectives of the Paris Agreement, United Nations Sustainable Development Goals (SDGs) and Nigeria's Nationally Determined Contributions (2021) to decarbonize the energy sector through a transition pathway,</p>	<p>YES</p>

	mitigating GHG emissions and enhancing climate resilience.	
<b>2.1.3</b> Issuer's rationale for Issuing the Bond.	<p>Hotspot intends to maintain its commitment to climate change mitigation and sustainable development goals as this is aligned with the Clean Energy Transition Plan, Nigeria's 2060 Net Zero Target and Nigerian Rural Electrification Agency (REA) objective to promote, support, and provide rural electrification through public and private sector participation while reaching rural communities and commercial enterprises that are not connected to a central utility grid or mini-grid, deploying last-mile power supply, and expanding investments in distributed renewable energy in unserved markets.</p> <p>Hotspot Network Limited believes that issuing a Green Bond demonstrates commitment and transparency to developing sustainable projects that support the transition to a net-zero economy and promote beneficial environmental outcomes as the net proceeds of the Tranche A Bond will be fully applied towards the purchase of solar PV components, site acquisition, installation and commissioning of solar panels and refinancing of existing loans (previously used to purchase Solar PV panels) for the 120 solar-powered rural telephony base stations and associated active and passive infrastructure across 19 states in Nigeria.</p>	YES
<b>2.1.4</b> A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard.	Hotspot Network confirmed that the eligible projects & assets shall have a 100% of electricity generated from solar energy resources based on the Management Responsibility Letter. Also, all the eligible activities relating to solar energy generation are projects or assets that operate in one or more of the eligible activities as noted in the Solar sector criteria section 2 and table 1. The Issuer has met the eligibility and technical criteria requirements for the Solar sector criteria (version 2.3) in line with the Climate Bond Standard Version 4.0.	YES
<b>2.2</b> Issuer should include under Clause 2.1 further aspects of the decision-making process, including:	The decision-making process is described in 2.21, 2.2.2 and 2.23 below	YES
<b>2.2.1</b> Related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material environmental, social or governance risks associated with the Nominated Projects & Assets.	The Selection and Exclusion criteria are formalised in the Green Bond Framework. The Green Bond Committee (GBC) whose members consist of representatives from the Transaction Sponsor, Hotspot Network Limited Management Team and Guarantor representatives, will be responsible for defining the decision-making process for determining a project's eligibility concerning the following tasks:	YES

	<ul style="list-style-type: none"> <li>○ Review and validate the selection of eligible green projects, twice a year;</li> <li>○ Monitor resource allocation to eligible green projects and ensure compliance with the Use of Proceeds requirements;</li> <li>○ Manage any future updates of the Framework;</li> <li>○ Coordinate the preparation of reports as described in this Framework; and</li> <li>○ Prepare audit trails and collect the necessary evidence to facilitate external auditor verification</li> </ul>	
<b>2.2.2</b> Green standards or certifications referenced in the selection of Nominated Projects & Assets.	The goal of HNL is to comply with the ICMA Green Bond Principles (2021) and obtain certification under the Climate Bond Standards Version 4.0.	YES
<b>2.2.3</b> The issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard.	Hotspot Network has established a documented process to nominate eligible projects and assets associated with this issuance based on environmental objectives and criteria, and compliant with relevant sector eligibility criteria of the Climate Bond Standards. The Company has a well-documented E&S Risk Register as well as a functional environmental & social management system in place to efficiently manage the risks associated with the Project. The Issuer provided a list of eligible solar energy projects that it assessed as eligible and meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part A of the Climate Bonds Standard 4.0. As noted, the portfolio of project were assessed by the Verifier for conformance with the Solar Sector 2.3 eligibility criteria with no discrepancies identified as 85% of the Tranche A Bond proceeds is going toward the expenses of building and installing the Solar panels and the remaining 15% will be spent on the network towers which are placed adjacent to the Solar panels for the 120 solar-powered rural telephony base stations.	YES

### 3. Management of Proceeds

Climate Bonds Standard Requirement	Findings	Requirement Met
<b>3.1</b> The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:	The Company has a documented process which has been disclosed to the Verifier	YES
<b>3.1.1</b> The Net Proceeds of the Bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.	The Net proceeds will be appropriately tracked by Hotspot Network's Finance Manager and documented with the use of the Green Bond Register. This activity will be supervised by the Guarantor to ensure proper utilization of the proceeds.	YES
<b>3.1.2</b> The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 7.3.	Unallocated net proceeds will be held in any form of cash, bank deposit or other forms of authorized investments as stipulated in the Account Bank Agreement and Recourse Deed. The unallocated Net Proceeds will be managed in compliance with the requirements in Clause 7.3. of CBI standards.	YES
<b>3.1.3</b> The earmarking process can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.	Hotspot Network has a detailed earmarking process in the Framework, which will be reflected periodically in the Green Bond Register and complemented with an annual Allocation Reporting during the period when the bond proceeds are yet to be allocated in full. In addition, the post-issuance verification report will be completed within 24 months of the issuance of the bond, while annual reporting is required every year (after the post-issuance report) until the maturity of the bond in line with CBI requirements.	YES



## 4. Reporting Prior To Issuance

Climate Bonds Standard Requirement	Findings	Requirement Met
<p><b>4.1</b> The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Bond Framework shall include, without limitation:</p>	<p>Hotspot Network Limited has agreed to make the Green Bond Framework and pre-issuance verification report available on its website <a href="http://www.hotspot.com.ng">www.hotspot.com.ng</a></p>	<p>YES</p>
<p><b>4.1.1</b> Confirmation that the Bonds issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the EU Green Bond Standard, the ASEAN Green Bond Standard, Chinese domestic regulations, Japanese Green Bond Guidelines, etc.</p>	<p>The Company has based the preparation of the Green Bond Framework for the Bond issue on the ICMA Green Bond Principles and the Climate Bonds Standard version 4.0.</p>	<p>YES</p>
<p><b>4.1.2</b> A summary of the expected use of proceeds, as defined under Clause 1.1, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement.</p>	<p>Agusto &amp; Co. confirms that Hotspot Network's Green Bond Framework includes a summary of the expected use of proceeds' contribution to achieve the goals of the Paris Agreement as noted in Clause 1.1. The Tranche A Bond proceeds will be used to finance the purchase of solar PV components, site acquisition, installation and commissioning of solar panels and refinancing of existing loans (previously used to purchase Solar PV panels) for the 120 solar-powered rural telephony base stations to be deployed across 120 communities in 19 states. The project and its use of proceeds contribute to the goals of the Paris Climate Agreement as it supports protecting the environment using renewable energy technologies given that the base stations are fully solar-powered.</p>	<p>YES</p>
<p><b>4.1.3</b> A description of the decision-making process, as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2.</p>	<p>Agusto &amp; Co. confirms that Hotspot Network Green Bond Framework includes a descriptive decision-making process to ensure a thorough project evaluation and selection procedure as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2.</p>	<p>YES</p>
<p><b>4.1.4</b> on the methodology and assumptions to be used for: confirming, where required by relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects &amp; Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that the issuer will define.</p>	<p>Agusto &amp; Co. confirms that the Framework includes a description of the relevant Sector Eligibility Criteria, as well as relevant impact metrics, on which Hotspot Network Limited intends to report.</p>	<p>YES</p>
<p><b>4.1.5</b> A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1.</p>	<p>Agusto &amp; Co. confirms that Hotspot Network's Framework clearly states the approach that will be used to manage the unallocated net proceeds and reporting thereof (see clause 3.1).</p>	<p>YES</p>
<p><b>4.1.6</b> The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding.</p>	<p>Hotspot Network will prepare an Allocation Report to show how proceeds are being utilized and what assets they are deployed to; an Impact Report to show the expected impact of the project and measuring performance indicators; and an Annual Assurance Report to show compliance to a set of sustainability indicators to inform about the project's contributions to environmental development.</p>	<p>YES</p>

## 4. Reporting Prior To Issuance

Climate Bonds Standard Requirement	Findings	Requirement Met																					
<b>4.1.7</b> The list of proposed Nominated Projects & Assets associated with the Bond and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, provided in Clause 9.1, and the Issuer shall provide an explanation of why details on Nominated Projects & Assets is limited.	The list of nominated projects has been identified in the Framework and they fall under the Solar Criteria of the Climate Bond Standard. Any additional information can be provided on the projects.	YES																					
<b>4.1.8</b> Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.	The net proceeds will be deployed for financing 120 solar-powered rural telephony base stations and a portion will be used for refinancing existing projects or assets. <table border="1"> <thead> <tr> <th>Use of Proceeds</th> <th>₦</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Power - Solar PV and other component</td> <td>360,000,000</td> <td>38%</td> </tr> <tr> <td>Site Acquisition</td> <td>135,300,000</td> <td>14%</td> </tr> <tr> <td>Installation and Commissioning of Power Asset</td> <td>173,105,000</td> <td>18%</td> </tr> <tr> <td>Cost of Issue</td> <td>28,595,000</td> <td>3%</td> </tr> <tr> <td>FSL Refinancing*</td> <td>258,000,000</td> <td>27%</td> </tr> <tr> <td><b>Tranche A Bond Proceeds</b></td> <td><b>955,000,000</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Use of Proceeds	₦	%	Power - Solar PV and other component	360,000,000	38%	Site Acquisition	135,300,000	14%	Installation and Commissioning of Power Asset	173,105,000	18%	Cost of Issue	28,595,000	3%	FSL Refinancing*	258,000,000	27%	<b>Tranche A Bond Proceeds</b>	<b>955,000,000</b>	<b>100%</b>	YES
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<b>4.2</b> The Issuer shall include in the Disclosure Documentation:																							
<b>4.2.1</b> The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.	The selected Projects fall under the "Solar" classification of Climate Bonds Taxonomy.	YES																					
<b>4.2.2</b> The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3.	The authorised investment instruments include treasury bills issued by the Federal Republic of Nigeria; demand or time deposits; and such other investments that the Security Trustee may instruct in line with the Account Bank Agreement and Recourse Deed.	YES																					
<b>4.2.3</b> The Verifier engaged by the Issuer for the mandatory verification engagements.	Hotspot Network Limited commissioned Agosto & Co. as an independent Verifier approved by the Climate Bonds Standards Board to perform the Pre-Issuance and Post-Issuance Verification of the Green Bond.	YES																					
<b>4.2.4</b> The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents.	Hotspot Network reaffirm conformance with the Climate Bonds Standard while the Green Bond remains outstanding through these three reports (Allocation Report, Impact Report and Assurance Report) that would be available on the Company's website.	YES																					
<b>4.2.5</b> The CBI Disclaimer provided in the Certification Agreement.	The Company states that it will provide the CBI's disclaimer in the certification agreement.	YES																					

**Disclaimer**

This Pre-Issuance verification report ("Report") is given by Agosto & Co and is addressed solely to the Company per the terms of the letter of engagement. We have not considered the interest of any other party in the Report. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party for our work, for this statement or for the conclusions we have reached. Agosto & Co. will not accept any form of liability for the substance of the Report and/or any liability for damage arising from the use of the Report and/or the information provided in it. As the Report is based on information made available by the Company, Agosto & Co. does not warrant that the information presented in this Report is complete, accurate or up to date. Nothing contained in this Report shall be construed as to make a representation or warranty, express or implied, regarding the advisability of investing in any securities or any asset whose value is derived from any securities. Any person other than the Company who obtains access to the Report or a copy thereof and chooses to rely on it will do so at its own risk. Furthermore, this Report shall in no event be interpreted and construed as an assessment of the financial performance and creditworthiness of the Issuer, Company or the Bond. The issuance and the performance of the Company and the Bond are outside the scope of this engagement. We have consented to the inclusion of the Report on the Climate Bonds Initiatives (CBI) website or in such other manner as CBI shall from time to time use for making verification reports publicly available in respect of applications for certification to the Climate Bonds Standard.