Tolaram Group

INFORMATION MEMORANDUM

Lagos Free Zone

YOUR GATEWAY TO A NEW FRONTIER

Kellogg's factory within LFZ

Tolaram Group- Trusted industrial conglomerate

LEADING MANUFACTURER IN NIGERIA

HEADQUARTERED IN SINGAPORE

7 decades of entrepreneurial experience

19 FACTORIES IN NIGERIA

Significant manufacturing presence

16,000 EMPLOYEES

Large employee base in Nigeria

USD 2 BILLION INVESTMENT

Firmly invested in Nigeria with an asset base of nearly USD 1 billion each in Infrastructure & Consumer Business

4 AFRICAN COUNTRIES

Deep roots in Nigeria, Ghana, South Africa and Egypt

DEEP DISTRIBUTION NETWORK

Proven track record in developing extensive distribution networks across major markets of Africa

TRUSTED PARTNER FOR GLOBAL COMPANIES IN NIGERIA

Kellogg's JV with Tolaram in 2015 enabled them to achieve faster market penetration

United States of America

JV with Salim Group since 1996 to exclusively manufacture Indomie Noodles in Nigeria; one of the most valued brands in the country

Indonesia

CHEC's partnership with Tolaram for Lekki Port project enabled their foray into a strategic project in Nigeria as an investor

China

Colgate has re-entered the Nigerian market in 2019 in partnership with Tolaram

United States of America

Arla Foods' JV with Tolaram group in 2015 gave Arla significant advantage over competition in Nigeria

Denmark

KC partnered with Tolaram for sole distributorship of their products in Nigeria

United States of America

Proven track record of delivery

LAGOS FREE ZONE - AN INITIATIVE OF THE TOLARAM GROUP

Tolaram Group

UNRIVALLED EXPERIENCE AND MARKET REACH IN NIGERIA

- Strong presence in West Africa with diversified interests in FMCG and infrastructure sectors
- Tolaram has an established distribution network with nearly 700,000 distribution points and has achieved excellent penetration levels in the Nigerian consumer market, reaching approximately 200 million people

Lekki Port

TRACK RECORD FOR DELIVERING LONG TERM PROJECTS

- Construction and development of Lekki Port (one of the largest deep sea ports in Africa, in collaboration with China Harbour Engineering Company, Nigerian Ports Authority and Lagos State Government)
- Financial closure achieved for the port worth USD 1.2 billion. Approximately USD 340 million (of USD 1.2 billion) has already been invested till date towards port development & construction

Nigeria: Africa's Growth Engine

FAVOURABLE DEMOGRAPHIC DIVIDEND & LARGE CONSUMER MARKET

Most populous country in Africa (200 million people) with a burgeoning young population forming a large consumer base – one of the highest urbanization rates in Africa (~66%); Median age of 18.1 years as of 2019

SIGNIFICANT OIL RESERVES FORMING THE ECONOMIC BACKBONE

Largest oil producing nation in Africa and a member of OPEC. Proven reserves of nearly 36,890 million barrels of crude oil, and export value of USD 46.7 billion in 2019

CONDUCIVE FREE ZONE POLICY FRAMEWORK

Presence of a stable Free Zone regime providing competitive fiscal incentives since 1992

ACCESS TO FACTORS OF PRODUCTION

The country has favorable factors of production, such as a young trainable workforce and abundant natural resources such as crude oil, crops and minerals

ACCESS TO GLOBAL AND WEST AFRICAN MARKETS

Nigeria enjoys preferential trade agreements such as AGOA, ECOWAS & AFCFTA providing it access to Global & African markets

RENEWED FOCUS ON INFRASTRUCTURE

Strong Government impetus for augmentation of physical infrastructure. Plans to spend USD 20 billion on infrastructure over the next 10 years and introduction of infrastructure bond

MAJOR COMPANIES IN NIGERIA

DANGOTE GROUP	BUA GROUP	COKE	NESTLE	EXXONMOBIL	RANBAXY	ABIN BEV
KELLOGG'S	GSK	TATA	GODREJ	BASF	ARLA	TVS

LFZ overview

LAGOS FREE ZONE IS HOME TO SOME OF THE MOST REPUTED GLOBAL BRANDS

VISION

To be the preferred industrial hub in West Africa with world class infrastructure

MISSION

To maximize value for all our stakeholders by providing the best in class infrastructure, facilities and services

2012
Year of establishment

830 Ha
Total land area with considerable water front

13
Operational companies within the zone

90 Ha
Land area for Lekki deep sea port integrated within the zone

USD 2 Bn
Committed Capital

USD 820 Mn
Employed capital

Kellogg's factory within LFZ

Prominent brands within LFZ

CMA Terminals : Appointed as container terminal operator at Lekki Deep Sea Port

Key differentiators of LFZ

NIGERIA'S ONLY PRIVATE FREE ZONE WITH AN INTEGRATED DEEP SEA PORT

LOCATION

Strategic location in proximity to major trade gateways and demand centres

INCENTIVES

Host of fiscal incentives, providing competitive business environment

EASE OF DOING BUSINESS

Efficient single-window clearance system to enable hassle-free registration and operation of businesses

PRODUCT OFFERING

Fully serviced land and built-up spaces to cater to varied business requirements

INFRASTRUCTURE

Readily available utilities such as gas and water to facilitate industrial operations

MASTERPLAN

Cluster based masterplan provisioning for industrial, logistics and support real estate segments

STRATEGIC POSITIONING OF THE FREE ZONE WILL ALLOW INDUSTRY PLAYERS TO LOCATE NEAR DEMAND CENTRES IN AND AROUND NIGERIA

Multiple evacuation channels

ENSURING SEAMLESS CONNECTIVITY TO HINTERLAND

THE 7TH AXIAL ROAD IS AT A PLANNING STAGE, WHILE ALL OTHER ROADS ARE OPERATIONAL AND UNDERGOING UPGRADATION

40 KM
Upgrading Itoikin to Ijebu Ode Expressway

20 KM
Dual laning of Lekki-Epe Road from Ibeju-Agbe to T-Junction, Epe

4 KM
Expansion of Eleko Road from its junction to Eleko Town

34 KM
Upgrading Epe Road to Ijebu Ode Expressway

4 KM
Expansion of Eleko Road from its junction to Eleko Town

50 KM
The 7th AXIAL Road is being built under Public Private Partnership to specially service the Dangote Refinery and the Lagos Free Zone

Map not to scale; for representation purpose only

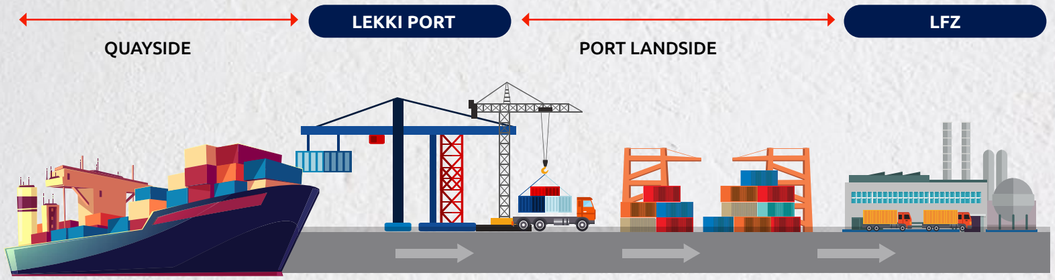
Connecting to the major demand centres in Nigeria

LOCATION	DISTANCE	COMMUTING TIME
Lagos City	73 Kms	1.5 to 2 hrs
Ikeja	100 Kms	2.5 to 3 hrs
Ibadan	180 Kms	3.5 to 4 hrs
Benin City	280 Kms	5.5 to 6hrs
Port Hartcourt	585 Kms	11 to 11.5 hrs
Abuja	730 Kms	12 to 13 hrs
Kaduna	900 Kms	15 to 16 hrs
Jos	1000 Kms	16 to 16.5 hrs
Kano	1100 Kms	18 to 19 hrs

Lekki Deep Sea Port

- Seamlessly integrated with Lagos Free Zone
- Spread over 900,000 sqm
- Financial closure achieved, construction under full swing
- CMA Terminals appointed as Container Terminal Operator

24-48 HOURS FOR CARGO TO REACH FROM PORT TO LFZ FACTORY DOOR



FIRST PHASE DEVELOPMENT OF QUAY WALL - 1 Km (expected to be completed by 2022)
- 2 container berths + 1 dry bulk berth

SECOND PHASE QUAY WALL ~ 1.5 Km
- 3 container berths + 1 dry bulk berth

FINAL PHASE
- 3 liquid bulk jetties

Actual picture of under construction Lekki Port (September 2020)

DEVELOPMENT TIMELINES

CONCESSION SIGNED	GROUND BREAKING	FINANCIAL CLOSURE	COMMERCIAL OPERATION
2011	2018	2020	2022

FACTORS	SPECIFICATIONS
Throughput per year	1.2 Million TEU
Ship capacity	18,000 TEU
Ship to shore cranes	7 Nos.
RTG yard cranes	21 Nos.
Channel & basin draft	16.5 meters draft
Main breakwater length	1.91 Km

LOGISTICS

Common User Logistics Facility providing warehousing, storage and customs clearances.
Presence of upcoming Lekki Deep Sea Port within the zone to be the crucial differentiator

RESIDENTIAL

Nearly 1 million square meter of residential development planned across affordable as well as luxury waterfront segments to cater to employees across all levels

INDUSTRIAL

Fully equipped industrial park with un-encroached land and clear Certificate of Occupancy

GREENS & COMMON INFRASTRUCTURE

30% area dedicated to green & common infrastructure such as truck parking, single window clearance office and security command

MEDICAL FACILITY

Medical facility is operational with provision for tertiary care hospital

EDUCATION & RETAIL

Education & support retail facilities to act as value enhancers

HOTEL

Planned business hotels to facilitate corporate travelers and potential investors to stay within the zone

Significant benefits within the zone

KEY INCENTIVES

Exempted from all federal, state and local government taxes, levies and rates

100% foreign ownership of business allowed in the zone

Import duties on raw materials for finished goods that are sold into Nigeria, only payable at the point of sale*

100% repatriation of capital investments in the zone at any time with capital appreciation of the investment

Up to 100% goods may be exported into Nigerian customs territory on the payment of appropriate duties along with a valid license

Remittances of profits & dividends earned by investors in the zone allowed without payment of withholding tax

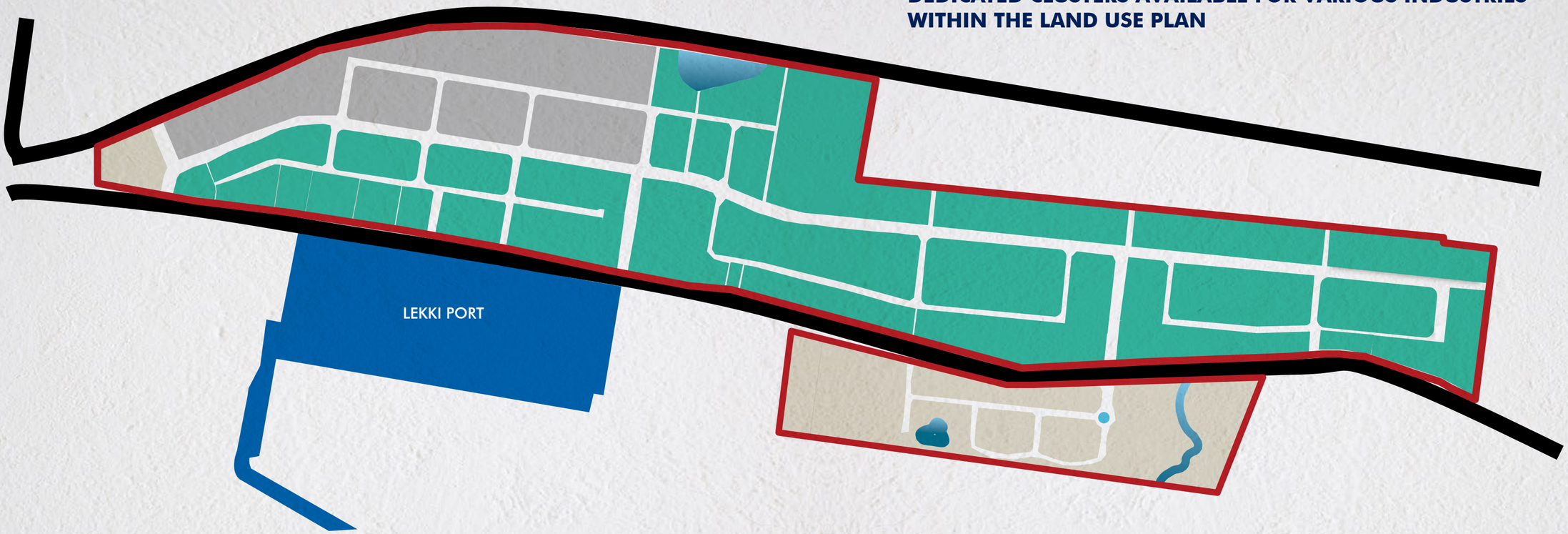
* Import duties on raw material remain fully exempted if finished goods are exported from Nigeria

KEY INCENTIVES	INSIDE FREE ZONE	OUTSIDE FREE ZONE
Corporate income tax	0%	30% of profits
Education tax	0%	2% of profits
Withholding tax	0%	10%

VAT fully exempt if the purchaser is a Free Zone Enterprise

COMPANIES ARE EXPECTED TO SAVE UP TO 38% OF THE OVERALL DISTRIBUTABLE PROFITS WHILE OPERATING WITHIN FREE ZONES

DEDICATED CLUSTERS AVAILABLE FOR VARIOUS INDUSTRIES WITHIN THE LAND USE PLAN



Cluster based Masterplan

- INDUSTRIAL - **70%**
- LOGISTICS - **20%**
- MIXED USE - **10%**

KEY TAKEAWAYS OF ZONE MASTERPLAN	
GROSS LAND AREA	830 Ha.
LEASED / RESERVED LAND	170 Ha.

Comprehensive product offering

INDUSTRIAL LAND

- DEVELOPED LAND - LIMITED EXPENDITURE ON SITE DEVELOPMENT FOR TENANTS
- LAND AVAILABLE ON BOTH ANNUAL AND LONG TERM LEASE

STANDARD INDUSTRIAL FACILITY (SIF)

- STANDARD INDUSTRIAL FACILITY - REDUCED LEAD TIME FOR SETTING UP OF MANUFACTURING FACILITIES
- FIRE PROTECTION SYSTEM
- PLUG & PLAY INFRASTRUCTURE
- DEDICATED WATER AND GAS SUPPLY

LOGISTICS CLUSTER

- PRE-ENGINEERED BUILDINGS
- WAREHOUSE DESIGN CONFORMING TO BEST INTERNATIONAL PRACTICES
- CLEARING AND FORWARDING SERVICES
- 3PL LOGISTICS
- PORT DRAYAGE

REAL ESTATE

- COMMERCIAL OFFICES
- RESIDENTIAL HOUSING
- RETAIL ARCADE
- HOSPITALITY
- HEALTHCARE

Ready industrial infrastructure

GAS

- Reliable CNG based power supply available through 3rd parties
- Zone envisaged to provide piped natural gas (PNG) to tenants by 2022 for generation of reliable and cost effective power

ZONE SECURITY

- The zone shall be equipped with security measures such as boundary fencing and single point entry / exit, monitored by security personnel and technology

ROAD

- Well planned road network within the zone

TRUCK PARKING BAY

- Dedicated truck parking area for industrial tenants as well as for warehouse and SIF tenants

HEALTH CARE

- Operational medical facility for emergency care and primary diagnosis

FIRE FIGHTING SYSTEM

- Fire fighting systems for countering industrial fire and emergency response

ICT

- All prominent telecom network operators are present in the region (e.g. MTN, Airtel, etc.)
- Zone to be equipped with high speed broadband wireless network

WATER

- Availability of sufficient ground water through bore-wells
- Provision for desalination plant in the future

COST OF POWER GENERATION INSIDE LFZ NEARLY 30% CHEAPER, WITH REALIZABLE SAVINGS OF NGN 20/KWH

As compared to diesel based power generation outside LFZ

Ease of doing business

SINGLE WINDOW CLEARANCE SYSTEM FOR EASE OF REGISTERING AND OPERATING BUSINESS

AREAS WHERE LFZ OFFERS AN ADVANTAGE

- ENCROACHMENT - FREE LAND ACQUISITION
- PROVISION OF SINGLE WINDOW CLEARANCE - NEPZA, CUSTOMS, IMMIGRATIONS
- MIXED-USE CLUSTER DEVELOPMENT
- EXEMPTION FROM PAYING VARIOUS TAXES
- FULFILMENT OF ENERGY NEEDS OF VARIOUS INDUSTRIES
- NO EXPATRIATE QUOTA
- ENSURING SMOOTH PROCESS FOR PROPERTY REGISTRATION
- EASE OF ACQUIRING CONSTRUCTION PERMITS FOR PROJECTS
- FACILITATION IN STARTING A NEW BUSINESS VENTURE
- TRADE FACILITATION ACROSS BORDERS

Phase 1 development timelines

CONSISTENT AND TIME BOUND COMMITMENT TOWARDS DEVELOPMENT

2019 – 2022

Development of Lekki Port	Ongoing
Piped gas	To be completed by 2022, Q2
Warehouse & SIF	Completed
Road network	Ongoing*
Residential complex	To be completed by 2021, Q2
Medical facility	Completed
Optical fibre links	To be completed by 2022, Q4

KEY MILESTONES ACHIEVED

- **All Permits & Licenses obtained**
- **Area fenced & FTZ scheme functional**
- **Concept Masterplan**

KEY STUDIES COMPLETED

- **Feasibility Study**
- **Soil Testing Report**
- **Topographical Analysis**

* To be developed in an ongoing manner depending on actual land uptake by manufacturing units

Investor Feedback

BASF

"Our Lagos FTZ operation has been the fastest setup of a business entity within BASF. The availability of quality infrastructure in the Zone and the depth of knowledge at our disposal from the Tolaram team contributed to this achievement"

Taiwo Ilesanmi
Managing Director, BASF Operations LFZ Enterprise

COLGATE

"Colgate is proud to partner with Tolaram to increase its investment in Nigeria. We see many bright opportunities ahead for this new venture and for consumers in this vibrant and growing market."

John Hazlin
President Africa Eurasia for the Colgate-Palmolive Company

KELLOGG'S USA

"Africa offers incredible growth opportunities, and our experience partnering with Tolaram over the past couple of years have confirmed that we have a strong relationship, attractive brands, local expertise, and a proven business model"

Steve Cahillane
Kellogg's Chairman and Chief Executive Officer

SANA BUILDING SYSTEMS

"Selection of an appropriate site for this project was a critical element in planning the project. LFZ management were able to quickly appreciate the scope & objectives of the project and lead us through registration etc without problems. We are wholly satisfied with our decision to locate our Project within the Lagos Free Zone"

Ken Krieger
President, SBS

FACILITATING BUSINESS FOR PROMINENT MULTINATIONALS

Lagos Free Zone

YOUR GATEWAY TO A NEW FRONTIER

Website : https://lagosfreezone.com/

GUARANTEE SUCCESS IN NIGERIA BY CHOOSING LFZ AS YOUR STRATEGIC PARTNER

REGISTERED ADDRESS

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