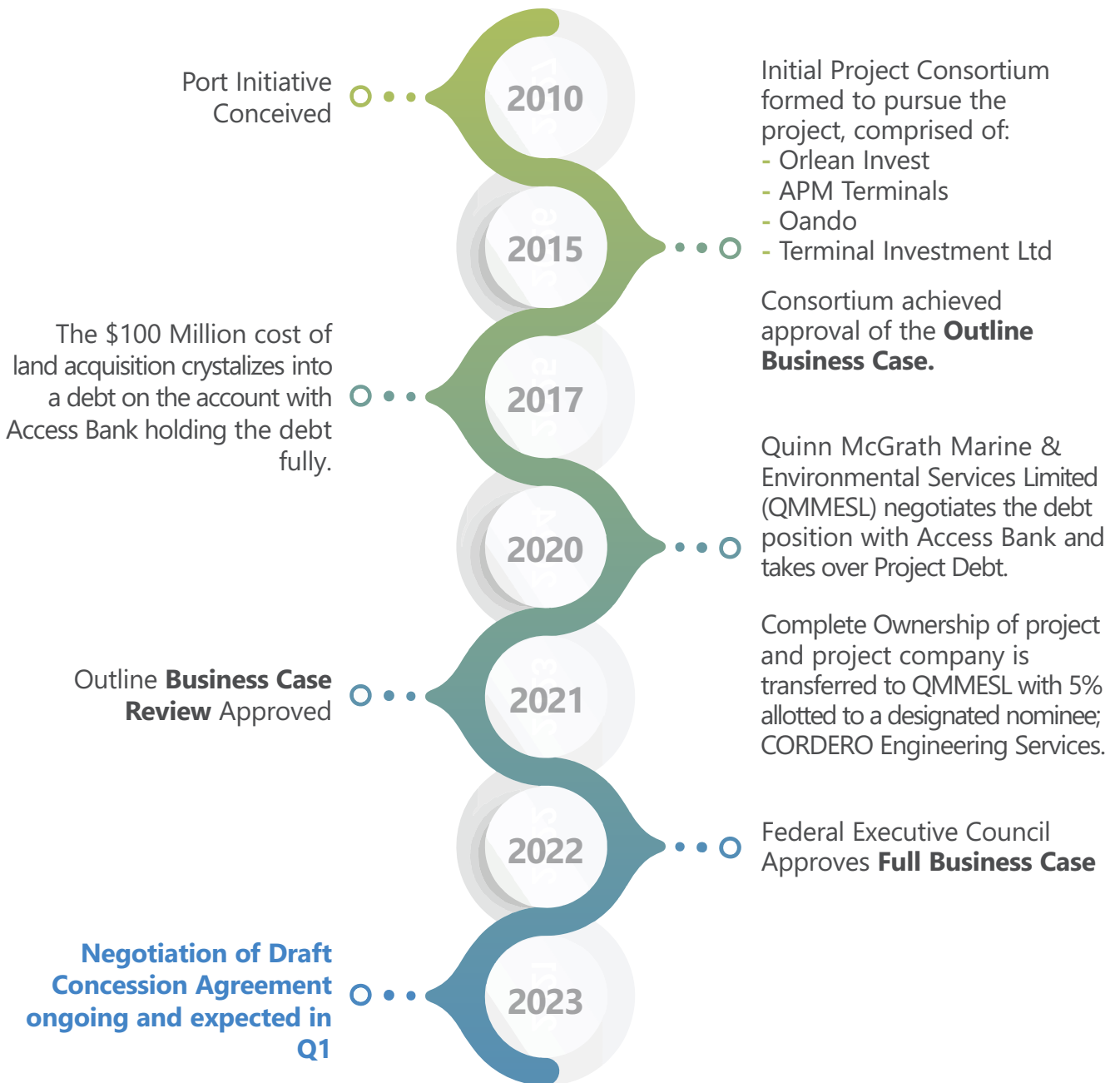




2023

Factsheet

Milestone



Questions & Answers

Q Why the Need of a Deep Seaport in Nigeria?

A Nigeria is the economic powerhouse of Africa, with the largest economy on the continent, and a strong population growth that is set out to make Nigeria the world's third largest country before 2050. With the size of the Nigerian economy projected to double within two decades, the Nigerian port sector will need to cater for a significant growth in cargo volumes.

For containerized cargo as example, additional volumes in the range of 2-4 million TEU will need to be handled in 2040, compared to a total throughput of 2 million TEU in 2021.

The Port of Lagos is the primary gateway for cargo to and from Nigeria and surrounding countries. Severe congestion in the Lagos terminals as well as the surrounding city hinders the flow of goods through the port. Furthermore, navigational, infrastructure and equipment restrictions limit the port's ability to receive vessels of ever-increasing dimensions and keep up with developments in other West African ports.

Altogether, a clear need exists for large scale port developments with state-of-the-art operations, marine capabilities and hinterland connectivity, to offer the much-needed support for sustainable growth of the Nigerian economy.

Q What Does the Port Project Entail?

A Badagry Port & Free Zone is a new deep-sea port & free zone facility located in Nigeria. The Port is planned to become the largest deep-sea port in Africa. At full build-out, the port will include terminals for containers, General Cargo, Ro-Ro, an Offshore Supply Base (OSB) and liquid bulk facilities.

The first phase of the project includes the development of a 1.2 MTEU container terminal and supporting infrastructure, including:

- 740m quay length, STS operation, and 18 meters design depth alongside, allowing for a leap in vessel sizes compared to the vessels calling Lagos today.
- Seamless, uncongested hinterland connections for truck transport, thereby providing an attractive and cost-efficient alternative to the congested Lagos terminals. In phase 2, hinterland connectivity will be expanded by a rail connection, with the option to add barge transport as third modality.
- The required scale and expansion potential to cater for the ever-growing demand for port capacity in Nigeria.

With the combination of state-of-the art operations, future proof marine infrastructure, efficient hinterland connectivity and large-scale growth opportunities. Badagry Deep Sea Port will offer sustainable competitive.

A advantages to its customers, unmatched by the other ports and port developments in the region.

A logistics park to provide offtake and discharge from the park for cargo will be developed adjacent to the Port and within the Free Trade Zone. The park will further strengthen the offering of Badagry Deep Sea Port, by facilitating full logistics integration.

Q Who Owns the Concession?

A The concession is granted to Badagry Port Development Limited (BPDL). BPDL is wholly owned by Quinn McGrath Marine & Environmental Services Limited (QMMESL), an indigenous formidable maritime investment subsidiary of the Quinn McGrath Group.

Quinn McGrath Limited was established in 2009 with a mission to provide quality services to the Nigerian Oil and Gas Industry. Over the years, the company has diversified into an investment holding company with a portfolio of investment with holdings in several wholly and partially owned ventures across economic sector lines but with a strong strategic intent. The Group company's activities covers Engineering, Defense, Petroleum Trading, Marine & Environmental Services, Agriculture & Agro Allied Services, Real Estate, Manpower Supply and Consultancy. Notable is the foremost company, Nigeria Machine Tools, an indigenous premier engineering, industrial, manufacturing company (www.nigeriamachinetools.com)

Quinn McGrath Group has a consolidated asset base of about \$52 Million with an annual turnover in excess of \$25 Million and a staff strength of 258 employees across Nigeria.

On August , 3 2022, the Nigerian Federal Executive Council (FEC) approved the concession of the Badagry Deep Sea Port on a Build Own Operate and Transfer (BOOT) PPP model.

BPDL in turn will grant sub concessions for development of the various cargo terminals.

Q How will the Project be Funded?

A The substantial demand for capital investment in pursuit of developing such a port has become the major driver for the Nigerian Ports Authority (NPA) to consider ways to leverage on the existing policy framework on public private partnership (PPP) for the provision of shipping trade infrastructure/facilities in Nigeria. Accordingly, the NPA considered private sector investment necessary and important because it would especially bridge the needed resource gap for the development of the Badagry project. The Badagry Deep Sea Port Project will be implemented under a Build-Own-Operate-Transfer (BOOT) concession structure, whereby the port will be operated by the private sector for 45 years.

During the 45-year concession period, the project is estimated to generate USD 54 Billion of revenue, create about 250,000 jobs and attract an immense amount of foreign direct investment into the various support services required to build, operate and maintain the port.

A The project is in line with the government's goal of making Nigeria the maritime hub for the West and Central African sub-region. This is a privately funded Project.

The Federal Government is not involved in the funding or design of the Project but has given the Project proponent and its consortium their full support.

Q What is the Total Land Mass of the Project?

A The Deep-Sea Port is part of a Free Trade Zone (FTZ) area seated on **approximately 1,103 hectares** of land, the FTZ comprises of the Port Zone, Logistics Zone, Industrial Zone and a Power Hub.

Q Who will Benefit from the Badagry Deep Seaport?

A Badagry Host Communities, Lagos State and Nigeria as a whole will gain from the commercial as well as developmental benefits associated with the development and operation of the Deep Seaport and Free Trade Zone. This is in line with the Government's objective to increase economic and regional development, with increased Foreign Direct Investment to Nigeria. When fully completed, the Badagry Deep Seaport and Free Trade Zone Project will be one of the largest in Africa, bringing new technology, jobs and a multitude of new businesses to the region.

Lagos State and the Badagry division in particular will benefit from the creation of additional employment opportunities directly attributed to Port operations as well as improved revenue for the Host Communities and State Government.

Economic Benefit:

1. Increased Foreign Direct Investment (FDI) into Lagos State.
2. Increase of State and Local Government revenues.
3. Position Badagry as the maritime hub for West Africa
4. Support the expansion initiatives of the oil and gas industry in the Badagry region.
6. Increased participation of Nigerians in the maritime labour workforce.
7. Increased Exports via activities at the port to ease business activities
8. It will make Nigeria the One-Stop-Shop for and international businesses.

Social Benefit:

1. Promotion of Badagry Local entrepreneurship.
2. Increase in the number of jobs created indirectly by the Deep Seaport.
3. Enhance the competitiveness of Badagry in the business in the global logistics industry
4. Acceleration of productivity, competitiveness and the access to markets.
5. Creation of additional jobs, provision of training and development opportunities to rural areas.
6. Increase the capacity and diversity of the private investment opportunities for Badagry.
7. Enhanced use of alternative transportation modes such as River and Rail movements of goods and services

Q What are Resettlement Plans for host Communities?

A Four Resettlement clusters have been identified as the resettlement land for the project host communities.

Affected communities would be resettled in accordance with the IFC Resettlement Standard. The Resettlement Action Plan (RAP) has been approved following engagements with affected host communities.

Q Who are the Project Consultants?

- A**
- **MTBS** – Maritime and Transport Advisor
 - **EnvAccord** – ESIA &RAP Consultants
 - **Samson Agbato & Co** – Nigerian Legal Advisor
 - **Templars & Clifford Chance Ip** – International Legal Advisors
 - **First Ally** – Strategic Finance Advisors
 - **Nigeria Port Authority (NPA)** – Regulator &Principal Government Interface
 - **Infrastructure Concession Regulatory Commission (ICRC)** – Regulator
 - **Federal Ministry of Transport** – Principal Regulator
 - **Lagos State Government** – Host Government
 - **Host Communities Chiefs** – Representatives of Project Communities

Q What is the Company's ESG Activity

A We're putting environmental and social priorities at the heart of our decision making, so we can leave a better legacy for future generations. Our initiatives are shaped by stakeholder concerns, our commitment to the SDGs, matters important to the success of our business and issues of global and national importance, for example: poverty; education; climate change adaptation/mitigation; and economic growth.

We have identified on the basis of their relevance and significance to our business and categorized under the triple bottom line criteria, showing our Economic, Environmental and Social Goals for our country.

We endeavor to align our activities with the United Nations' 17 Sustainable Development Goals (SDGs).

We have identified our material issues in accordance with specific targets of the SDGs:

Economic

1. **Creating value:** The goal to give value to our investors and stakeholder remains constant. Our operations provide value to several groups of stakeholders such as Employees,

A

Investors, Governments & Regulators, Host communities etc. In summary, we work to balance the competing interests of all our stakeholders while meeting our business obligations.



2. Maximizing our Opportunities: The constantly changing business landscape and in particular the transportation sector creates numerous risks and opportunities. The ease with which we adapt to the changes and develop innovative ideas enable us identify and maximize the opportunities occasioned by these changes such as the drive for increased local participation in our sector. Adequately harnessing these attributes will enable us increase our productivity and income.

Environment

1. Protecting our Environment: Our environmental management philosophy is based on the intent to derive benefit from natural resources in the environment, whilst doing the least harm possible. This is because we are fully aware of the potential risks inherent in our operations coupled with the many challenges such as poor infrastructure network that pervade the industry. We have therefore developed systems for the appropriate monitoring of our key indices to prevent the crystallization of environmental risks inherent in our operations.



2. Water and Air Quality: In consideration of the discussions around the issues of climate change, a key aspect of monitoring our impact on the environment centers around our utilization of natural resources and the consequent outputs such as effluents and discharges into water bodies, land and the atmosphere. As a result, we plan to ensure that we stay well within the specified regulatory limits for these environmental indicators.

Social

1. Building Sustainable Communities: The development of our host communities is a huge priority to our ongoing operations. Host communities are important stakeholders and indeed our partner to our business. In line with our definition of sustainability we actively collaborate with our host communities to meet both their needs and us without adversely affecting the ability of current and future generation to meet their needs as well.



2. Commitment to Ethical Conduct: We have consistently built up our governance framework by setting adequate structures in the form of policies and processes for effective governance best practices in the way we have chosen to conduct business with our stakeholders. We understand that business ethics is not a destination, rather it is a continuum that must be advanced till there is total alliance with merging global governance ideals.

Q Community Relations Activities

- A Our community relationships are governed by a Global Memorandum of Understanding, which is a guideline document that sets out goals, intentions, and responsibilities agreed after consultation with the host communities themselves.

Through proactive collaboration and needs analysis, we identify and address opportunities for development and concerns for mitigation. Regular dialogue with our host communities has helped broaden our social investment programmes from health, education, and infrastructure improvement to nurturing local entrepreneurship.

Examples of some of our initiatives till date:

2020 Poverty Alleviation Programs



The Port project will be developed within **12 host communities**, so far more than **50 community vendors** participated in our various workshops and it is expected that the new skills acquired through these workshops will empower them with the knowledge required to seek better business opportunities for economic empowering. It is expected that with the new skills acquired through the workshop more than 200 families will directly or indirectly benefit from the outcome of the workshop as well as provide a better means of livelihood.

Applauding the workshop, Mrs. Regina Ajeueiomo, one of the community participants said 'this is the first of its kind, organized by a project company for community vendors within our locality.

Quality Education - SDG



The Company recognizes the power of quality education in modern day development. Since inception of the project annually supports various scholarship programs for members of the communities where it operates.

The scholarship program provides these individuals with the opportunity to develop in a formal learning environment, which ultimately empowers them with the knowledge and experience needed to thrive in a competitive job environment.

In 2021, BPD L donated school materials, sponsored and supported the youth in its communities at different levels of education. **A total of 54, scholarships were awarded** within the year under review.



12
Host
Communities



200
Families
Benefitted



50
Community
Vendors



54
Scholarships
Awarded



WWW.BADAGRYPORTS.COM