

An introduction to the

# Africa Finance Corporation



Instrumental Infrastructure.  
Instrumental Africa.

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Our Vision, Our Mission

## Our Vision

To become Africa's leading infrastructure solutions provider.



## Our Mission

To foster the economic growth and industrial development of African countries, while delivering a competitive return on investment to our shareholders.





# Summary Highlights

## An investment grade rated multilateral finance institution established to help address Africa's infrastructure needs and challenges

- **Founded in 2007** as a joint venture between public and private investors
  - **International organization** established by treaty of African sovereigns
  - A-3 (Long-term Issuer)/ P-2 (Short-term Issuer) rating from Moody's
- **US\$11.5bn** in total disbursement; **US\$10.6bn** in Total Assets; Total Equity of **US\$2.2bn**
- Investment footprint across **thirty-six (36) African countries**
- **Strong partnerships** with government and a **strong infrastructure-focused investing business**
- **Strong track record** of identifying, executing and delivering transformational infrastructure projects
- **Specialist knowledge in key priority sectors:** Natural Resources, Power & Renewables, Transport & Logistics, Telecommunications & Technology, Heavy Industry Specialist knowledge in deploying products across the capital structure
- **Strong project development expertise;** Founder of Africa Infrastructure Development Association (AFIDA)
- Direct investments in African sovereigns to finance critical infrastructure
  - US\$1.8bn disbursed in structured funding solutions to African Sovereigns
- **Financial Advisory** together with treasury & syndication services provide holistic support to a project cycle
- AFC invests **directly in single assets, through platforms and its independent asset management arm**, AFC Capital Partners **with a debut** US\$2bn Infrastructure Climate Resilient Fund
- **Synergies with a unique network** of global and regional investments, government and advisory partners which include project sponsors, co-investors and consultants
- **Over 135 professional staff** operating on a pan-African basis



# International Institution Established by Treaty

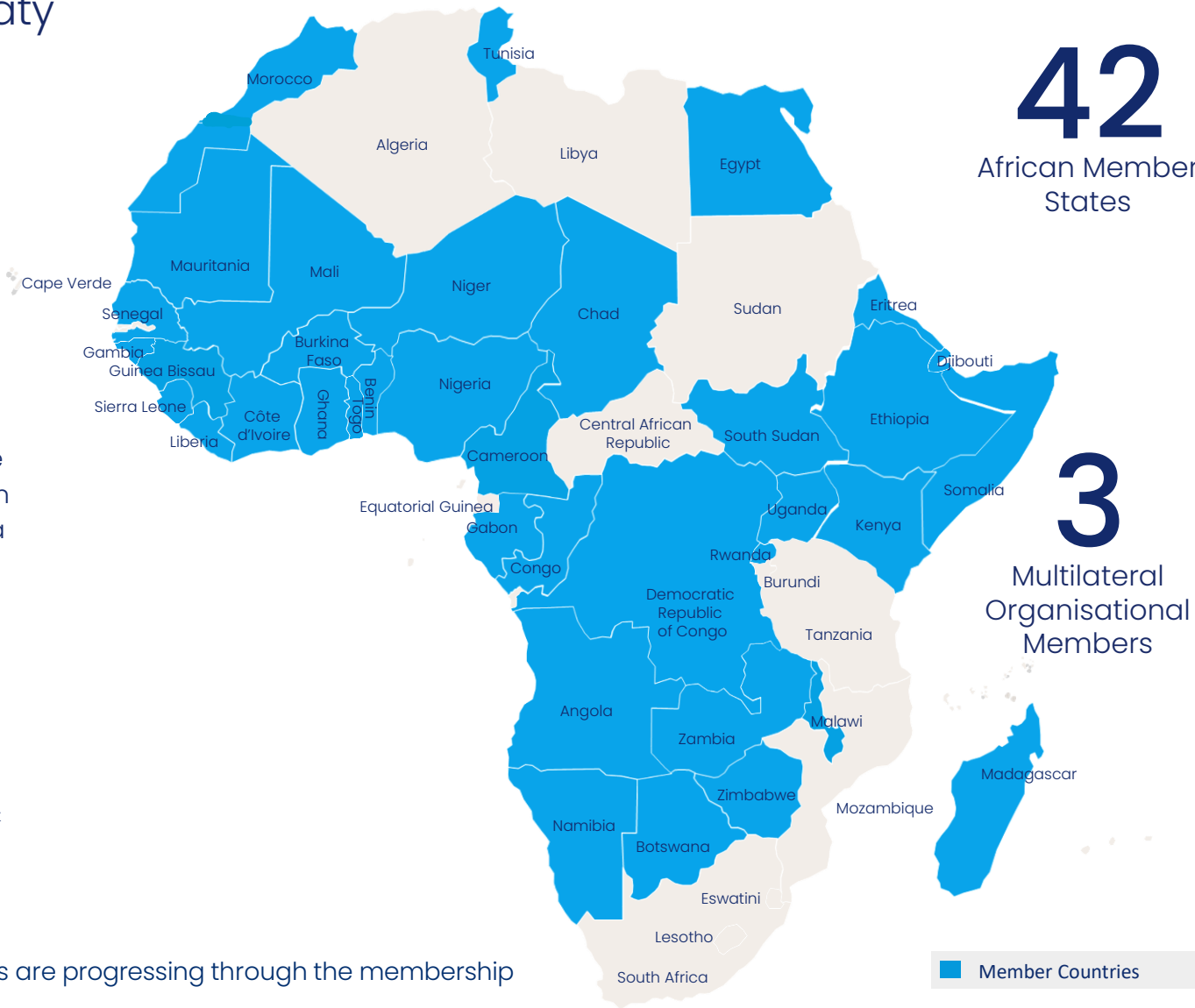
AFC is an international multilateral institution established by treaty between independent sovereign states.

## Member Countries

- Angola
- Benin
- Burkina Faso
- Cameroon
- Cape Verde
- Chad
- Congo Brazzaville
- Côte d'Ivoire
- DR Congo
- Djibouti
- Egypt
- Ethiopia
- Eritrea
- Gabon
- Ghana
- Guinea Bissau
- Guinea Conakry
- Kenya
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Morocco
- Namibia
- Niger
- **Nigeria\***
- Rwanda
- Senegal
- Sierra Leone
- South Sudan
- The Gambia
- Tunisia
- Togo
- Uganda
- Zambia
- Zimbabwe
- Botswana
- Somalia
- Sao Tome & Principe
- Burundi

Various prospective new member countries and multilateral organisations are progressing through the membership process. AFC has preferred creditor status in member countries.

\*Host Country



# Unique Business Model

## AFC's Differentiated Business Model

AFC's unique and differentiated business model has been the driving force of the Corporation's accelerated growth and proven success as the leading infrastructure solutions provider in the African continent.

### Core Strength of AFC's Business Model

#### Balance of development impact & adequate return for investors

- AFC was pioneered to demonstrate that infrastructure investment as an alternative asset class can be both profitable and impactful for investors
- By far, the Corporation is one of the most profitable African DFIs and infrastructure investors with a track record of delivering profitability, development impact and decent and stable returns to shareholders

#### Innovation, flexibility & superior structuring capabilities

- AFC provides an array of products not typically available to its peers or commercial banks, with a problem-solving approach
- The Corporation's pioneered project development & structuring expertise unlocks bankability, and its innovation & syndication capabilities crowds-in capital to support infrastructure and industrial development

#### End-to-end investment solutions across the lifecycle of a project

- AFC provides tailored end-to-end solutions across the lifecycle of an infrastructure project— from the conception stage to development and investing
- Its signature ecosystem investing approach offers a distinctive wholesale approach to financing integrated infrastructure and industrial value chains on the continent

#### Private sector orientation

- As a partnership between public and private investors, AFC has demonstrated the know-how and flexibility to support private & public sector investments
- AFC offers dedicated solutions for the private & public sector, including project development, equity, senior, mezzanine, subordinated and sovereign debt, stream, royalties, trade finance, guarantees, A/B Bond, syndications, financial advisory, and treasury solutions

### Key Levers

#### Favorable Credit Rating

AFC's consistently strong investment grade rating allows us to unlock large and competitive capital to close the infrastructure gap

#### Pan-African Purpose

AFC offers a proprietary, diverse pipeline of high-quality and high-impact projects, leveraging on its privileged position & preferred creditor status in member countries to bring along risk averse partners

#### People & Culture



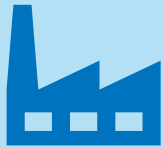


Solution-driven culture built around diversified and talented staff with the ability to innovate and bring differentiating value proposition to clients



# Specialised Sector Focus Across Africa

AFC prioritises sectors with simultaneously high returns and developmental impact

We originate, execute and manage projects across multiple products and countries in the following sectors:

Power & Renewables	Transport & Logistics	Heavy Industry	Natural Resources	Telecoms/ Technology
<ul style="list-style-type: none"><li>• Generation (Renewables, Thermal)</li><li>• Transmission</li><li>• Distribution</li></ul>	<ul style="list-style-type: none"><li>• Ports</li><li>• Rail</li><li>• Roads</li><li>• Storage</li><li>• Integrated industrial Zones</li><li>• Warehouses</li><li>• Aviation</li><li>• Vessels and Maritime</li><li>• Logistics</li></ul>	<ul style="list-style-type: none"><li>• Manufacturing</li><li>• Minerals Beneficiation</li><li>• Petrochemicals</li><li>• Gas Processing and Distribution</li></ul>	<ul style="list-style-type: none"><li>• Transition and Precious Metals Mining</li><li>• Upstream Oil and Gas Exploration, Production and Processing</li><li>• Midstream Oil and Gas Exploration, Production and Processing</li></ul>	<ul style="list-style-type: none"><li>• Mobile Network &amp; Tower Operators</li><li>• Mobile Money</li><li>• Subsea and Terrestrial Fibre</li><li>• Data Centres</li><li>• Digital Services (Financial Technology; Enterprise Solutions; E-Mobility)</li></ul>
				



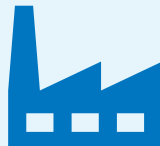
# Driving a pragmatic path for Africa to net zero

Africa contributes less than 4% of greenhouse gas emissions yet suffers disproportionately from its effects

To balance the need for emissions reduction with critical development imperatives in line with the SDGs, Africa must:

## Localise

- Africa must focus on developing local industries by putting processing and manufacturing at the centre of sustainable circular economies. This supports the African Free Continental Trade Agreement to create integrated industrial supply chains.
- Keeping localization as a priority will eliminate emission-spewing shipments of Africa's minerals and other commodities for manufacturing, only to be shipped again as finished goods.



## Re-build

- Africa is the most exposed region to the ravages of global warming largely because its infrastructure is ill equipped to withstand climate shocks.
- The continent needs strong and resilient ocean and river defenses, agriculture and infrastructure in transport, construction, electricity grids and off-grid energy.



## Finnovate

- Key to effecting change is ensuring that Africa-based institutions can access essential climate funds through financial innovation to support resilience building, investment in localised mass-scale manufacturing and processing, and preserve Africa's vast carbon sinks through its forests.





# Investment Strategy

AFC's end-to-end de-risking solutions allow us to support all aspects of the infrastructure projects financing lifecycle i.e., from early-stage structuring, advisory and project development support to principal investment, syndication and treasury solutions



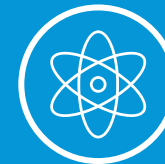
Projects located across the African continent



High developmental impact and returns in countries of execution



We invest across the project lifecycle



Projects belonging to core focus sectors: power, transport, telecoms & technology, heavy industries and natural resources



## Unique Business Model

### African Governments' Partner of Choice

As a trusted partner, AFC aims to foster strong and close working relationships with African sovereigns to provide liquidity support for medium term economic growth.

<b>Sovereign Lending Programme</b>	<p>AFC provides long-tenor financing for projects and budgetary support of infrastructure and infrastructure-related Projects, as well as refinancing government debt, to free up capital to invest in infrastructure and infrastructure-related Projects e.g. road and power projects in Senegal; water &amp; social infrastructure in Tanzania; road program in Cote D'Ivoire.</p> <p>Significant expertise in mobilising funding for infrastructure and sovereign transactions.</p> <p>AFC provides competitive funding for tenors of up to 15 years in USD or EUR.</p>
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### Capabilities, Initiatives and Partnership

<b>AB Bond Programme</b>	<p>AFC is leveraging on the A/B Bond insurance enhanced off-balance sheet program to crowd in new investors into infrastructure and sovereign transactions in the market. This initiative allows global investors to draw funding into the African continent, supported by the halo effect of the AFC Preferred Creditor Status ("<b>PCS</b>").</p>
<b>Guarantees</b>	<p>AFC continues to provide alternative solutions to member and non-member countries to raise much needed funding targeted at infrastructure projects. Utilising AFC's A3 rating, we are able to find ways to provide risk mitigation solutions, tenor elongation, loan repacks and asset transformation strategies to allow for increased funding to flow to the key projects and improving debt sustainability.</p>
<b>Trade Finance</b>	<p>Development of Inter and intra Africa trade remains a pillar to successful infrastructure development. The team is able to offer funding lines in the facilitation of import and export of goods, issuances of bonds and guarantees against major infra-projects all across the continent.</p>
<b>Our Partnerships</b>	<p>AFC leverages its deep-rooted knowledge and relationships to the benefit of Sovereigns to help mobilise investment. It has built strong partnerships with DFIs as well as global, regional and local banks and other investors. It also holds extended relationships with insurers, financial partners and asset managers which allows for a diverse knowledge base.</p>



## Unique Business Model

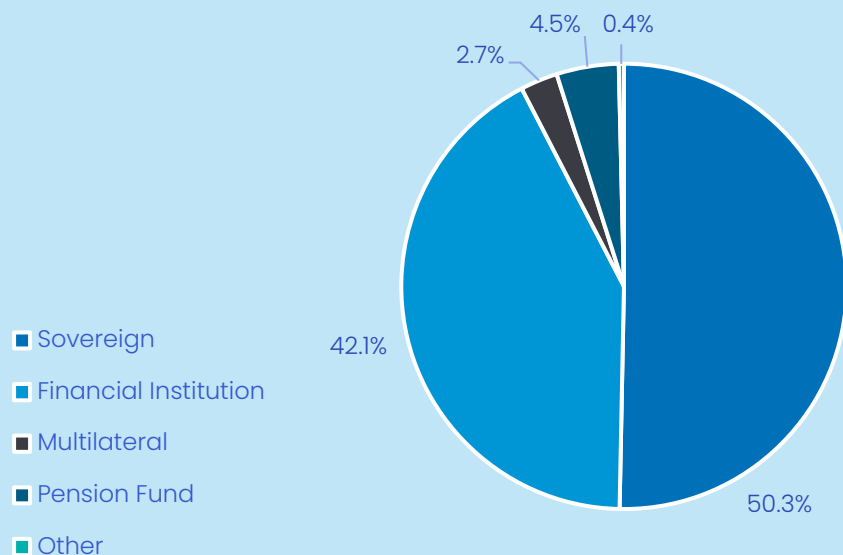
### African Governments' Partner of Choice (continued)

Securitization	AFC securitises commodity flows and structure governments' meaningful participation in commodity, oil and gas and industrial beneficiation projects.
Project Development Capital & Structuring Expertise	AFC commits project development capital and expertise to strategic high impact projects, working closely with governments as co-developers and enablers, providing early-stage investments in infrastructure projects to increase the pipeline of bankable projects across AFCs core sectors. Project Development Facilities are also available with a typical ticket size of between US\$1m – 20m.
Public Sector Advisory Fund (PSAF)	<p>Given the challenges faced in developing infrastructure projects in Africa and the need to close the infrastructure gap through Public-Private Partnerships ("PPP") models, AFC has developed a unique, Public Sector Advisory Facility ("PSA Facility" or the "Facility") targeted at credible public sector agencies, PPP development consortia and State-owned Enterprises ("SOEs") with the aim of:</p> <ul style="list-style-type: none"><li>• Providing financing to fund early/initial studies for infrastructure projects within core AFC sectors</li><li>• Providing the required early-stage advisory support in relation to infrastructure projects</li><li>• Implementing early-stage project planning, pre-feasibility and procurement analysis</li><li>• Securing long-term financing mandates for well-structured projects at concept stage</li><li>• The envisaged ticket size from the facility is up to US\$500K</li></ul>
Treasury Client Solutions (TCS)	TCS offers innovative derivative, structured finance, and local currency products and solutions that enable central banks government departments such as ministries of finance to hedge foreign exchange, interest rate and commodity price exposure.



# Solid Organisational and Shareholding Structure

## Shareholding Structure Designed to Leverage on a Strong PPP<sup>(1)</sup> (as of June 2023)



## Benefits of a Diverse Shareholder Structure

### Sovereigns:

- Competitive debt pricing for projects in member states due to the diplomatic immunities, privileges, exemptions and preferred creditor status conferred on AFC
- Higher investment allocation due to de-risking, competitive debt financing costs for projects and an increased headroom allocation in member states.
- Expert project development support, including our Project Preparation Public Sector Advisory Facility and project development facilities

### African Financial Institutions:

- Promotes synergies between African banks
- Strengthens local support and partnership
- Ensures proximity to projects/transaction flows
- Supports multilateral partnerships

### Multilateral Organisations:

- Supports multilateral partnerships
- Promotes synergies between International Institutions
- Strengthens collaboration in the development, financing, and delivery of sustainable Infrastructure assets across the continent

### Impact and Institutional Investors:

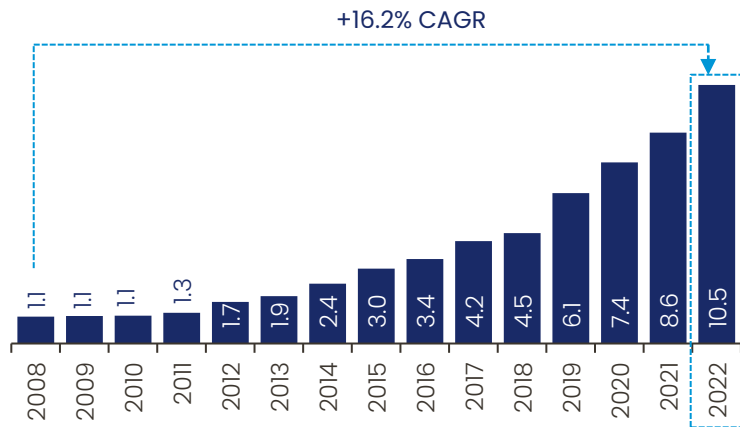
- Steady and long-term competitive returns;
- Channeling large liquidity in bridging Africa's infrastructure deficit;
- Multi-country and sector portfolio diversification



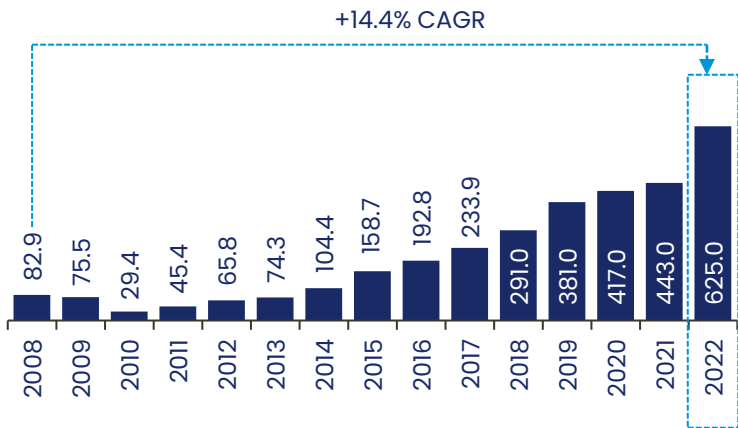


# Track Record of Strong Financial Performance

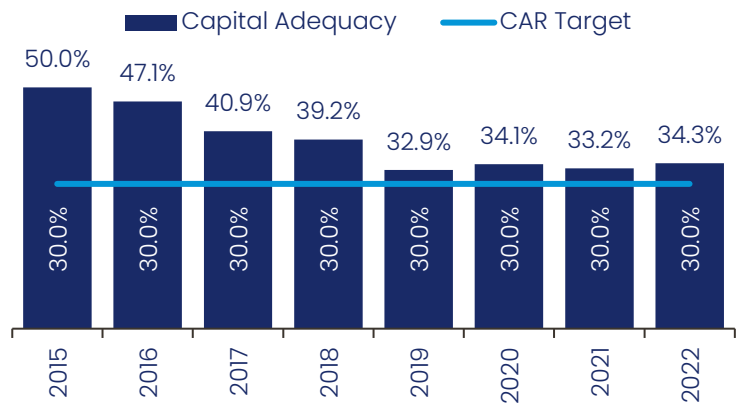
Total Assets (US\$10.5 BN)



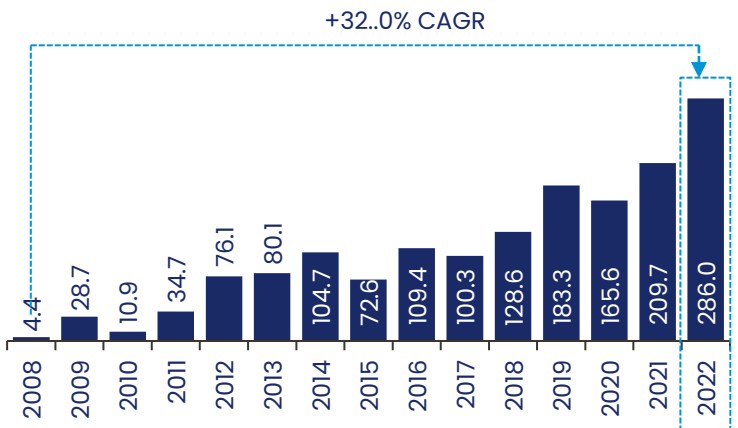
Total Revenue (US\$625.0 MN)



Capital Adequacy (34.3%)



Net Income (US\$286.0 MM)



Ratios	2018	2019	2020	2021	2022
Capital Adequacy					
Capital Adequacy Ratio	39.2%	32.9%	34.1%	33.2%	34.3%
Liquidity Coverage Ratio	143.0%	137.0%	178.0%	199%	202%
Asset Quality					
Non-Performing Loan to Total Loan	1.7%	0.9%	0.7%	1.7%	2.2%
Profitability					
Return on Average Assets	3.0%	3.5%	2.5%	2.6%	3.0%
Return on Average Equity	8.4%	11.2%	9.2%	9.7%	12.1%
Management Efficiencies					
Cost to Income	26.0%	17.2%	22.8%	22.9%	24.4%
Net Interest Margin Ratio	4.2%	3.6%	2.9%	3.2%	4.0%
Earnings per Share (US\$ cents)	11.7	16.6	14.4	18.1	24.4

## Global Experienced and Diverse Professional Team

The AFC team comprises a diverse group of over 135 staff, with varied competencies and significant experience in banking and infrastructure across the continent.

### **Diversity**

Largely bilingual and multicultural group representing 25 countries across the continent and globally.

### **Competence**











Diverse backgrounds, with qualifications ranging from Engineering to Banking and Finance, Project Development and Management Consulting.

### **Experience**

Team comprises professionals recruited from international investment banks, DFIs, utilities, institutional investors and industrial conglomerates.



# Strong Governance Structure and Management Team

Strong Corporate Governance					
1	2	3	4	5	6
The Board comprises <b>11</b> industry executives and professionals representing key regional banks and industrial corporations	The Board selects the Chief Executive Officer; supported by, Executive Management team and <b>6</b> Key Management Committees	Voting rights at general meetings are <b>proportional</b> to economic interests	Financial statements are prepared on <b>International Financial Reporting Standards</b> ("IFRS") basis	Auditors are rotated every <b>10 years</b> to reinforce transparency	Self regulated but complies with <b>international risk management standards</b> and <b>conservative capital structure</b>
Management Team					
	<b>Dr. Kingsley Obiora, Chairman</b> AFC Chairman since April 2020 <ul style="list-style-type: none"> <li>Deputy Governor (Economic Policy) Central Bank of Nigeria, has advised three Nigerian presidents on economic policy</li> <li>Has held various positions at the International Monetary Fund ("IMF")</li> </ul>			<b>Samaila Zubairu, President &amp; Chief Executive Officer</b> 30+ years experience <ul style="list-style-type: none"> <li>Former CEO of Africapital Management</li> <li>Was CFO of Dangote Cement</li> <li>Launched Africa's largest syndicated project finance facility</li> <li>Became AFC CEO in July 2018</li> <li>Developed and successfully executed AFC five-year corporate strategy (2018 -2023)</li> </ul>	
	<b>Sameh Shenouda, Executive Director &amp; Chief Investment Officer</b> 27+ years experience <ul style="list-style-type: none"> <li>Most recently the CEO of Zarou Blackstone</li> <li>Experience in investments and fundraising in international capital markets, with a focus on infrastructure development</li> </ul>			<b>Sanjeev Gupta, Executive Director, Financial Services</b> 30+ years experience, <ul style="list-style-type: none"> <li>Previously Managing Partner of Emerging Markets M&amp;A at Ernst Young, CEO of Sanlam Investment Management (Emerging Markets)</li> <li>Alumnus of Said Business School, University of Oxford</li> </ul>	
	<b>Ayotunde Anjorin, Senior Director &amp; Chief Financial Officer</b> 20+ years experience <ul style="list-style-type: none"> <li>Previously AFC's Senior Vice President and Head of Finance &amp; Operations</li> <li>Prior roles include regional Head of Wholesale Banking, Standard Chartered</li> </ul>			<b>David Johnson, Senior Director &amp; Chief Risk Officer</b> 20+ years experience <ul style="list-style-type: none"> <li>Previously AFC's Senior Vice President, Market Risk Management</li> <li>Prior roles include Risk Manager, Trader and Structurer at various international banks including Stanbic IBTC, WestLB AG and Abbey National Treasury Services</li> </ul>	
	<b>Nana Eshun, Senior Director, Principal Counsel</b> 30+ years experience <ul style="list-style-type: none"> <li>Previously senior solicitor at UK City law firms Eversheds &amp; Denton Wilde Sapte and Counsel at African Development Bank</li> <li>Dual qualified as a Barrister at Law in Ghana and Solicitor in England &amp; Wales</li> </ul>			<b>Patricia Aderibigbe, Human Resources Director</b> 24+ years experience <ul style="list-style-type: none"> <li>Previously Group Head Human Resources for United Bank of Africa</li> <li>Masters of Arts degree in Employment Relations and Law from Kingston University, UK</li> <li>Post Graduate Diploma in Personnel Management from South Bank University</li> </ul>	
	<b>Ayaan Adam, Senior Director &amp; CEO, AFC Capital</b> 27+ years experience, <ul style="list-style-type: none"> <li>Previously Head and Director of the private sector arm of the Green Climate Fund. Prior roles include CDC Group and IFC</li> <li>MBA MIT Sloan School of Management</li> </ul>			<b>Dr. Rita Babihuga-Nsanze, Chief Economist, Director of Research &amp; Strategy</b> 23+ years experience <ul style="list-style-type: none"> <li>Previously Director at Barclays Investment Bank UK, Vice-President and Senior Credit Analyst for African and European issuers at Moody's Investors Service, Senior Economist at International Monetary Fund and the Bank of England</li> <li>MA and PhD from Clark University</li> </ul>	



# Climate Change Mitigation and Adaptation Impact through Infrastructure Climate Resilient Fund

AFC recently launched AFC Capital (a fully owned subsidiary of AFC) as an asset management company with the mandate to raise its first fund to tackle Infrastructure Climate Resilience

The inaugural **US\$500 million Infrastructure Climate Resilient Fund** will focus on co-investing alongside the AFC balance sheet in de-risked climate resilient and sustainable infrastructure assets across AFCs sectors, with plans to raise US\$2bn over the next three years. We believe this is a neglected area in Africa and have set up a team to raise a dedicated fund to ensure the climate resilience aspect of each project we are involved in is addressed, while still making commercial returns.

### Climate Change Mitigation Impact

- Providing access to electricity in underserved markets: ICRF will provide additional capacity from renewable energy sources of approximately 769 MW of renewable energy capacity and provide access to clean energy for about 6.5 million people.
- Proactively targeting reductions in global CO2 emissions: ICRF aims to realise an estimated annual avoidance of 24.3 million tons of CO2 equivalent (Mt CO2eq) across the lifetime of the assets and annual emissions reduction of 1.2 Mt CO2eq.

### Climate Change Adaptation Impact

Climate-related shocks and stresses are increasing in frequency and magnitude, causing damages to infrastructure systems and disruptions in the provision of services. As time passes, infrastructure is increasingly stressed by multiple drivers of climate change, including high temperatures and prolonged heatwave phenomena, changing precipitation patterns, droughts, floods, rising sea levels, all of which can significantly damage infrastructure assets.

- **Climate resilience:** ICRF investments will help reduce the impact of disasters and increase the resilience of people, assets and ecosystems, while supporting communities to adapt to a changing climate. We estimate that ICRF will help strengthen the resilience of millions of people to climate change.
- **Information about climate risks,** as well as the costs and benefits of integrating climate risks into design and resilience, options will be assessed for each project during execution.



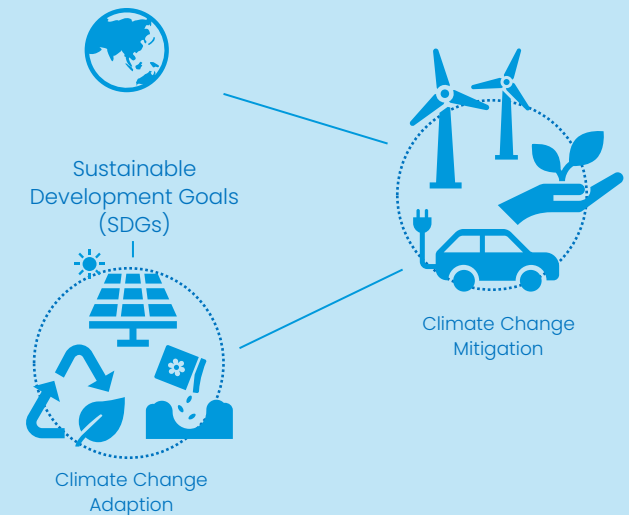


# Systemic Impact on the Sustainable Development Goals through Infrastructure Climate Resilient Fund

Through AFC Capital Partners, AFC will contribute significantly to driving low carbon and climate resilient infrastructure investments on the continent with a systemic impact on the Sustainable Development Goals (SDGs)

Several of the climate co-benefits from resilient infrastructure investment can be interlinked with the SDGs.

- **SDG 1:** Building resilient infrastructure improves quality of life, creates economic opportunity and strengthens the resilience of vulnerable communities and their livelihoods to climate shocks, thereby helping to reduce poverty. Such infrastructure projects reduce the costs of rebuilding after a climate shock, leaving more money for other necessities, such as food, water, accommodation, and education.
- **SDG 7 & 3:** Speeding up the renewable energy transition to reduce greenhouse gas emissions and pollution, creating health co-benefits (SDG 3).
- **SDG 8 & 5:** Job creation: ICRF (Infrastructure Climate Resilient Fund from AFC Capital) will support job creation in project development, construction and operation (estimated at 90,000 jobs). This will facilitate wider economic benefits in the project supply chain and induced employment opportunities (with gender equity and inclusion – SDG 5).
- **SDG 9:** Providing a direct contribution to sustainable, resilient, and inclusive infrastructures – thereby recognising the centrality of investing in resilient infrastructure and innovation as crucial drivers of economic growth and development. The implementation of this project will have positive economic, social and environmental benefits.
- **SDG 11:** Contributing to climate-resilient cities and communities through adaptation measures for resilience.
- **SDG 13:** Catalysing investments in low carbon and climate-resilient infrastructure and de-risking the mobilization of climate finance at scale through an innovative blended finance structure. The ICRF will support the Nationally Determined Contributions of target countries in its core sectors.



# Transformational Projects

## GSEZ – ARISE Integrated Industrial Platform Gabon

In 2016, AFC invested US\$140 million for a 21% stake in Gabon Special Economic Zone (GSEZ), now rebranded as ARISE.

In 2020, ARISE re-organised into 3 separate verticals – each a unique joint-venture partnership, with strategic partners and **host government** shareholders:

- ARISE Port & Logistics ('ARISE P&L'),
- ARISE Integrated Industrial Platforms ('ARISE IIP');
- ARISE infrastructure Services ('ARISE IS').

ARISE IIP is an integrated supply chain business focused on transforming agricultural and mineral resources capturing the entire value chain. Nkok SEZ is a US\$1bn forestry-based industrial zone processing wood for exports.

AFC invested US\$150 million convertible debt for expansion into new countries – Benin and Togo focused on cashew and cotton. Other countries in the pipeline: Democratic Republic of Congo, Chad, Rwanda, Ivory Coast, Republic of Congo.

### The impact

- 107 industrial, commercial and residential investors, investing in total US\$1.7bn
- Largest veneer exporter globally
- Value of wood increased from US\$150/cbm for log to US\$4,000/cbm for furniture
- US\$1bn of wood product exports in 2019 compared to US\$350m in 2010
- 2nd highest exporter of sawn wood in Africa, 10th globally
- GSEZ Nkok SEZ is the first Carbon Neutral Certified Industrial Zone in the World demonstrating businesses can drive climate action
- Contributor of US\$842m to Gabon's US\$14bn GDP (c.6%)
- 8,200 direct and 26,000 indirect jobs created
- Benin SEZ is expected to generate US\$2bn in additional GDP, US\$3bn in exports and impact 600k farmers
- Togo SEZ is expected to generate US\$0.75bn in additional GDP, US\$1bn in additional exports and impact over 200k farmers



# Transformational Projects

## Lekela Pan-African

Established in 2015 to deliver clean, reliable energy across Africa, Lekela has become the African continent's single largest pure play renewable energy Independent Power Producer.

AFC's acquisition of Lekela alongside Infinity Group is a critical pillar of the AFC's platform investing strategy.

With this significant acquisition, AFC owns 1.4GW operational Renewable Energy assets and 2.8GW+ development assets. Lekela acquisition is a critical pillar in AFC's 3GW renewable energy platform, delivered through greenfield development, acquisitions and joint ventures.

Lekela owns 1 GW of operational wind assets, 5 wind farms in South Africa (624MW), 1 wind farm in Egypt (252MW), 1 wind farm in Senegal (159MW) and development opportunities in Ghana, Senegal and Egypt.

- In 2021, Lekela avoided 2.4million tonnes of carbon emissions
- 2 of 666 global utilities on ESG by Sustainalytics
- One of 500 sustainability climate leaders by the UN
- In 2021, Lekela generated 2,803 GWh of zero-carbon energy
- Carried out 127 investment initiatives across 6 communities:
  - Building a business incubator & ICT centre for entrepreneurs
  - Training women community members as teachers & carers
  - Funding maths and science programmes in 10 schools
  - Building a rehabilitation centre for children with autism
- Over 95% workers are project country nationals, with 37% of the workforce being female
- Lekela supports SDGs – Affordable and Clean Energy, Climate Action, Gender Equality, Decent Work & Economic Growth





# Transformational Projects

## Kipushi Democratic Republic of Congo

Opportunity to invest in a critical commodity-  
Copper cobalt that supports technologies  
critical to a lower carbon future.

Kipushi is a one million tonne per annum copper  
and cobalt tailings project in the Democratic  
Republic of Congo.

Will reprocess the copper and cobalt tailing in  
the Kipushi tailings storage facility, critical  
transition metals to power the “green” future.

AFC invested project development capital to  
drive project to bankability.

Project will help reduce the size of tailings in the  
Kipushi region and cements AFCs investments  
into battery metals

### The impact

- DRC boasts of large deposits of cobalt, copper, diamond, coltan, tantalum, tin and gold
- The DRC currently produces 100k tonnes of cobalt, of 3.6 million tonnes of reserves. 70% of global cobalt production required to produce batteries, electric vehicles (EV), and renewable energy to advance the global transition towards green energy and decarbonization resides in DRC
- Project involves monetization of existing resources, enabling rapid socio-economic development and job creation in the Kipushi region
- This investment supports AFC’s strategy of value accretive beneficiation of African resources, with potential to build battery precursor plant to enable capture of the US\$8.8trn battery, EV and renewable energy market. DRC currently only captures 3% of the global battery and EV value chain





# Transformational Projects

## Dangote Refinery Nigeria

AFC is a senior debt participant for US\$300 million of a total of US\$5.6bn in debt facilities comprised of DFI, commercial bank and Export Credit Agency tranches.

The purpose is to part-finance construction of two greenfield projects

- A 2.8 mtpa urea fertiliser plant; and
- 650,000 barrels per day crude oil refinery, the largest in Africa once completed.

The refinery will have the capability to double Nigeria's current refining capacity, making Nigeria self-sufficient in fuel.

The Project will improve Nigeria's trade balance by US\$8.8 billion, boost GDP by US\$13 billion (2.3 per cent of the total) and increase government revenue by US\$3.3 billion when up and running.

### The impact

- The crude oil refinery is expected to curb Nigeria's increasing crude oil imports which meet 80% of the country's demand (the balance of 20% is met by local refining capacity)
- The refinery has the capacity to double Nigeria's current refining capacity, thereby meeting 100% of Nigeria's refined products required
- The refinery is expected to contribute to federal government budget savings that would otherwise have been used for fuel subsidies
- Both the refinery and fertiliser plant upon completion will attract over 100,000 direct and indirect jobs
- The fertiliser plant capacity is expected to meet all local fertiliser demand thereby eliminating the importation of fertilisers completely



# Transformational Projects

## Shell Egypt Industries Egypt

Egypt's natural gas industry has developed in the past years on the back of progress recorded, with the country notably ending all LNG imports in 2018. At 6.3bcf/d production rate, Egypt is one of Africa's largest LNG producers.

AFC invested US\$35 million for the acquisition of a portfolio of onshore assets owned by Shell Egypt and Shell Austria in the Egyptian Western Desert by a joint consortium of Cherion Petroleum Corporation and Cairn International Petroleum Plc.

The portfolio of assets consists of four production and three exploration concessions and is being divested by Shell as a result of its strategic decision to fully concentrate on growing its Egyptian offshore exploration and integrated gas business.

### The impact

- Gas is very important to Egypt and has been one of the key drivers of GDP growth and a vital source of foreign currency earnings
- Recent gas discoveries, development of fields and processing facilities have allowed Egypt to have significant increase in power supply (3 Siemens plants started production in 2018 – 14.4GW) transforming it from power shortage to power surplus, with many of the country's power plants switching to natural gas
- The Western Desert where the asset is located is known to have significant resources still to be discovered. Therefore, production from these assets will contribute to the expansion of country's industrial sector, increase FX earnings and positive trend in economic growth
- The field development plans include optimisation of the assets and initiatives to reduce Green House Gas emissions and reduce flaring by c.2MMscf/d once implemented; and replacement of existing diesel generators for some of assets, with gas engines used to generate power using gas that is currently flared



# Transformational Projects

## Djibouti Wind Farm (Red Sea Power)

### Djibouti

AFC has been working with Djibouti Ports and Free Trade Zone Authority, FMO and Climate Investor One in a partnership as the lead to develop a 60MW wind IPP located between Lake Assal and Djibouti city.

The Project is Djibouti's first privately financed Independent Power Plant.

With a total project cost of US\$122 million, AFC alongside FMO, GHIH (local partner) and CIO, co-developed the Project over a 24-month period and achieved Financial Close in December 2019.

#### The impact

- With current installed capacity of c.80 MW and only 15MW operational due to ageing diesel plants, leading to an over reliance on Ethiopia for 70MW of increases share of Djibouti's own generation power. Project roving its energy self-reliance
- Household consumption is increasing 10% per annum with 40% of Djibouti's population lacking access to electricity
- Project is expected to avoid 150,000 metric tonnes of Co2 per annum
- The country is dependent on fuel oil / diesel power-at a high cost of US\$0.22/kWh and electricity imports from neighbouring Ethiopia which can often be unreliable especially during the dry season. The Project provides a self-reliant option for the county at a very competitive price of US\$0.07 – 0.08/kWh
- Project supports Djibouti achieving its goal of 100% of electricity from renewables by 2030





# Transformational Projects

## Government of Tanzania Tanzania

Consistent with its 2025 vision, the Government of Tanzania aims to transform the economy from a low productivity agricultural economy to a semi-industrialised competitive and dynamic economy with high productivity.

AFC invested US\$85 million in a US\$ 1 billion Syndicated Loan Term Facility to the Government of Tanzania as a co-arranger. AFC also had a follow-on US\$100 million investment as a co-mandated lead arranger.

This financing assisted the Government of Tanzania to meet its budgetary requirements towards infrastructure-related projects across water, road and power sectors.

### The impact

- Facility supported the delivery of approved infrastructure projects that contributed to real GDP growth and industrialisation:
  - 185MW Kinyerezi Natural Gas-fired Plant Extension;
  - Rufiji-Chalinze Kinyerezi-Dodoma 400kV Transmission Line;
  - Same-Mwanga-Korogwe Water Project and;
  - Various road projects in Tanzania
- 
- Facility is aligned with Tanzania's vision to promote high quality livelihood; good governance; peace, stability and unity; a well-educated and learning society; and a competitive economy capable of producing sustainable growth and shared benefits





# Transformational Projects

## Segilola Gold Mine Nigeria

The Segilola Gold Mine in Osun State, South-west Nigeria, approximately 120km northeast of Lagos is Nigeria's first large scale gold mine.

The mine is expected to produce up to 100,000 oz of gold per annum.

The project is led by Thor Explorations Limited – a mineral exploration company listed on the Toronto Stock Exchange and the AIM Market of the London Stock Exchange, with a focus on gold exploration & production in West Africa.

The mine is currently in commercial production.

AFC made an investment commitment of US\$86 million towards the construction and production of the Segilola Gold Mine through a combination of senior secured debt, equity and a stream.

### The impact

- The Project is the first commercial scale private sector led gold project in Nigeria
- The investment has opened the Nigerian Mining Sector (a top priority for Nigerian Federal Government) to Foreign Direct Investment, thereby re-igniting the relevance of the Nigerian mining sector and encouraging diversification of the economy
- The Project supports Nigeria's aim to increase mining contribution to GDP to 3% by 2025
- The Project donated US\$20k to the African Centre of Excellence for Genomics of Infectious Diseases for COVID-19 testing
- The Project repaired roads and extended community market stalls
- The Project provided boreholes in 3 host communities
- The Project supports female entrepreneurs across agriculture, fashion, food, hair etc.



# Transformational Projects

## Lucara Karowe Mine Botswana

Karowe Diamond Mine is an existing state-of-the-art open pit mine that began operations in 2012 and currently operates a 2.6 million tons per annum processing facility located in Central Botswana.

AFC invested US\$44 million of senior debt, working capital and mezzanine financing towards the expansion of the mine and to meet the working capital needs of the business.

Karowe has produced diamonds including two of the world's most valuable rough diamonds – 1,109 carat Lesedi La Rona and 813 carat Constellation diamond.

Since commercial operations, Lucara has mined and processed c. 2.7 million tonnes of ore, producing 381,706 carats.

### The impact

- Diamond is very important to Botswana, accounting for 95% of mining proceeds, 40% of GDP, and 80% of foreign earnings.
- US\$126m contribution in procurements, royalties and corporate taxes to the Botswana government
- 99% of staff are Botswanan with 31% of the workforce being female
- Through the investment, the Karowe life of mine can be extended to 2046, and will continue to create/sustain jobs and deliver more income for government
- Lucara supports community-driven initiatives through the Karowe Village Initiative, mentorship programs, internships and annual school awards
- Lucara supports SDG1 (No Poverty); SDG 2 (Zero Hunger) and SDG 8 (Decent Work and Economic Growth)
- Lucara supports Mokubilo Cooperative Society to operate a community-led commercial farm



# Transformational Projects

## Aker Energy Ghana

In July 2019, AFC became an investor in Aker Energy, a subsidiary of Aker ASA, one of the highest-rated oil & gas companies in the Norwegian market, with US\$3bn+ market capitalisation.

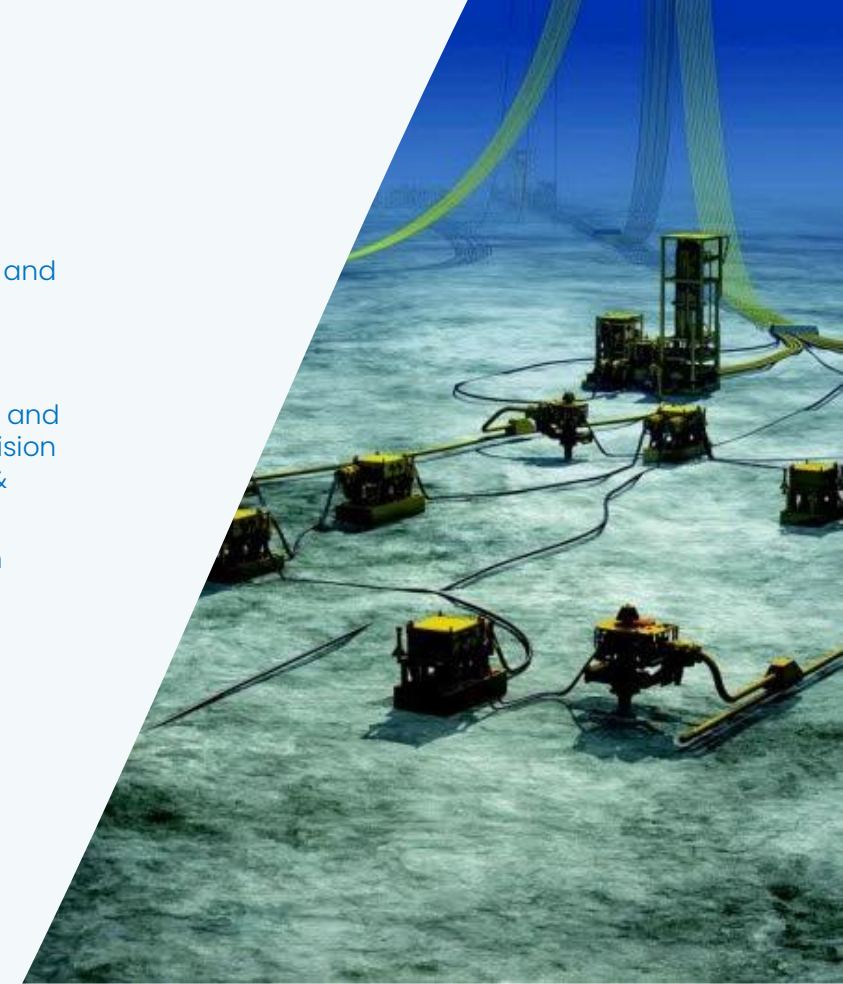
Aker Energy is developing the Pecan field, as one of the multiple offshore fields in the Deepwater Tano Cape Three Points block (DWT/CTP) block with a purpose-built FPSO connected to a subsea production system at 2,400 meters below sea level offshore Ghana.

The Pecan field, which is the most appraised in the DWTCTP block and the field to be developed in the first phase, is estimated to contain reserves of 334 million barrels of oil equivalent.

AFC invested in US\$100 million of convertible bond notes with a commitment to invest US\$100 million as a corporate term bond. The US\$100 million convertible bond was repurposed into a US\$200 million senior secured convertible bond, which was fully disbursed in 2021.

### The impact

- With the increasing dearth of financing for developing new oil and gas resources to tackle Africa's significant energy deficit, this investment is critical in supporting Ghana develop its natural resource and grow its economy
- Aker strategically restructured its interests in the DWTCTP field, and the Ghana National Petroleum Company took a strategic decision to increase Government of Ghana's stake in two strategic oil & gas assets (in light of the global energy transition)
- Oil production for the long-term total reserves from the Pecan field development are estimated to 334 million barrels of oil.
- Production from the field is expected to last for more than 25 years





# Transformational Projects

## BUA Industries Nigeria

In response to Nigeria's backward integration policy in the sugar industry and import substitution framework, BUA decided to invest in large scale sugar plantation and build an onsite sugar refinery to deepen local sugar production.

Located in Kwara State of Nigeria, the project comprises a vertically integrated sugar facility.

AFC invested US\$200 million corporate facility for the development, construction, commission and operation of a 20,000 hectares plantation, 2.2-million-ton sugar milling plant, and 200,000 tons per annum sugar refinery.

### The impact

- Sugar is Nigeria's 4<sup>th</sup> largest import, and the country is currently importing 95% of its raw sugar, which is refined locally, therefore the Project will support Nigeria's import substitution strategy, significantly reducing Nigeria's sugar import bills by a projected US\$2 billion
- Project will create 15,000 jobs
- Project will reduce the FX needs for large scale imports that can be produced domestically
- The Project includes an ethanol plant that should produce 25 million liters of ethanol annually, and a 35MW power plant that will produce renewable energy from bagasse-sugarcane residue, which will enable the export of excess energy not consumed on site to the national grid
- Most of the waste products from bagasse, effluents and vinasse will be recycled for energy production, irrigation and fertilizer



# Transformational Projects

## Financial and Policy Advisory

### Sample Mandates

- 1. Technical Adviser to the Central Bank of Nigeria (CBN) on the US\$2 billion Power and Aviation Intervention Fund (PAIF)**
  - AFC appointed Technical Adviser to the CBN on the PAIF
  - Advised on the concept and modalities for the establishment of the PAIF, and coordinated the development of the Implementation Guidelines
  - Undertakes technical and commercial evaluation of proposed projects, advising on their eligibility for the Fund
  - Assists the Bank of Industry in monitoring the implementation of approved projects
  - Conducts capacity building activities for the various stakeholders to the Fund
- 2. Adviser to the Nigerian Federal Ministry of Finance on the Financing of Critical Infrastructure Projects**
  - Advised the Federal Ministry of Finance of Nigeria on options for financing critical infrastructure projects
  - Assessed technical and commercial viability of a number of projects
  - Proposed financing/commercialisation options for different portfolios of projects
- 3. Exclusive financial adviser to Government of Rwanda for the development and financing of the proposed US\$800 million Bugesera International Airport project**
- 4. Public-Private Partnership (PPP) adviser to the Government of Djibouti on various infrastructure projects**





## Other Project Transactions

<p><b>Sonangol Finance Ltd</b> Angola</p> <hr/> <p><b>US\$ 45.0m</b> CAPEX Financing</p> <hr/> <p>Debt 2020</p>	<p><b>ARISE Integrated Industrial Platform</b> Benin, Togo, Gabon</p> <hr/> <p><b>US\$ 150.0m</b> Construction &amp; Operations of Integrated Industrial supply chains &amp; zones</p> <hr/> <p>Convertible Debt 2020</p>	<p><b>ASECNA</b> Pan-African</p> <hr/> <p><b>€ 130.0m</b> ASECNA's Services and Equipment Investment Plan</p> <hr/> <p>Senior Debt 2020</p>	<p><b>Senegal Gas IPP</b> Senegal</p> <hr/> <p><b>US\$ 3.0m</b> 300MW Combined Cycle Gas Power Plant</p> <hr/> <p>Project Development 2020</p>
<p><b>Nachtigal Hydro IPP</b> Cameroon</p> <hr/> <p><b>€ 50.0m</b> Construction of 420MW Hydro Power Plant</p> <hr/> <p>Senior Debt 2019</p>	<p><b>Nouvelle Gabon Mining</b> Gabon</p> <hr/> <p><b>US\$ 244.0m</b> Construction &amp; Operations of a Manganese Mine</p> <hr/> <p>Equity 2019, 2020</p>	<p><b>Takoradi Port</b> Ghana</p> <hr/> <p><b>US\$ 158.0m</b> Container and Multipurpose terminal Expansion</p> <hr/> <p>Equity, Senior and Mezzanine Debt, Hedge 2019</p>	<p><b>Société Ivoirienne de Raffinage</b> Cote D'Ivoire</p> <hr/> <p><b>€ 578.0m</b> Facility Upgrades &amp; Crude Supply Finance</p> <hr/> <p>Sole Mandated Lead Arranger; Debt 2018</p>



# Credible International and Regional Partners



Areas of Partnership	Partner Institutions
Project Development	
Lenders	
Co-investing in Projects	
Deal Origination	
Project Sponsors	





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