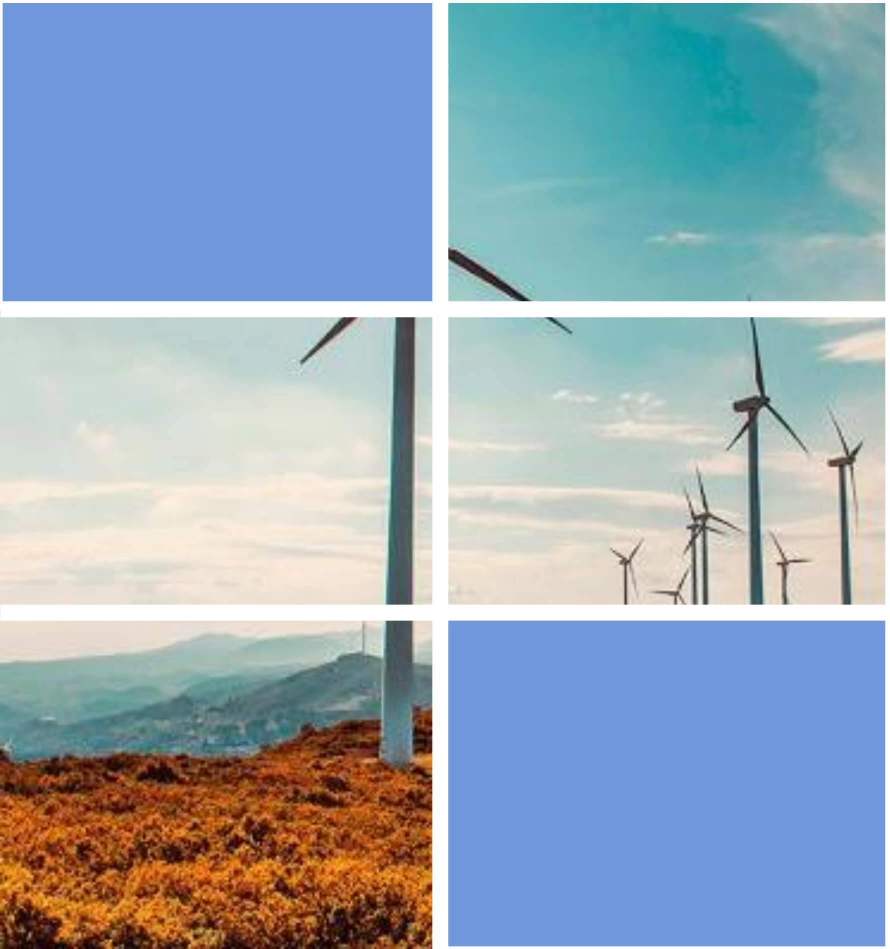
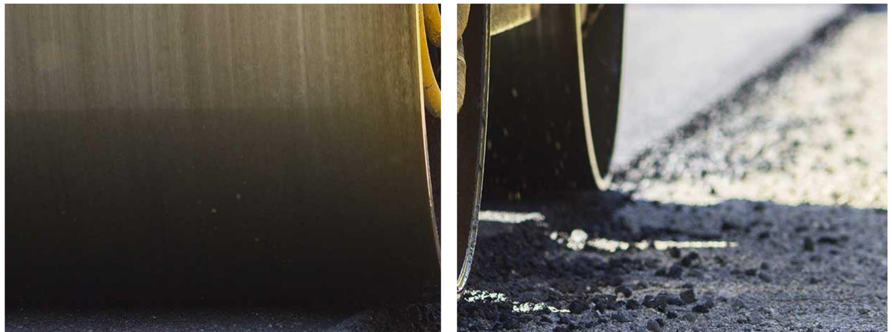


Full Year 2020 Result Presentation

Pan-African institution at the epicentre of the continent’s infrastructure growth

April 2021



AFC
AFRICA FINANCE CORPORATION

Disclaimer

This presentation ("Presentation") has been prepared by Africa Finance Corporation (the "Issuer"). By accessing and reading the Presentation you agree to be bound by the following limitations:

This Presentation does not constitute or form a part of, and should not be construed as, an offer for sale or subscription of or solicitation of any offer to purchase or subscribe for any securities in any jurisdiction, and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, or act as an inducement to enter into, any contract or commitment whatsoever.

This Presentation may not be distributed to the press or to any other persons, and may not be redistributed or passed on, directly or indirectly, to any person, or published, in whole or in part, by any medium or for any purpose.

The unauthorized disclosure of this Presentation or any information contained in or relating to it or any failure to comply with the above restrictions may constitute a violation of applicable laws. At any time upon the request of the Issuer the recipient must return all copies of this Presentation promptly.

The information contained in this Presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, reasonableness or correctness of the information or opinions contained herein. Neither the Issuer nor any of its holding companies, subsidiaries, associated undertakings, controlling persons, shareholders, respective directors, officers, employees, agents, partners or professional advisors shall have any liability whatsoever (in negligence or otherwise) for any direct, indirect or consequential loss howsoever arising from any use of this Presentation or otherwise arising in connection with this Presentation. The information contained in this Presentation is provided as at the date of this Presentation and is subject to change without notice and the Issuer expressly does not undertake and is not obliged to review, update or correct the information at any time or to advise any participant in any related financing of any information coming to the attention of the Issuer.

The information in this Presentation does not constitute investment, legal, accounting, regulatory, taxation or any other advice, and this Presentation does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or other needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Presentation.

This Presentation does not purport to contain all information that may be required by any party to assess the Issuer and its subsidiaries and affiliates, its business, financial condition, results of operations and prospects for any purpose. This Presentation includes information the Issuer has prepared on the basis of publicly available information and sources believes to be reliable. The accuracy of such information has been relied upon by the Issuer, and has not been independently verified by the Issuer. Any recipient should conduct its own independent investigation and assessment as to the validity of the information contained in this Presentation, and the economic, financial, regulatory, legal, taxation and accounting implications of that information.

Statements made in this Presentation may include forward-looking statements. These statements may be identified by the fact that they use words such as "anticipate", "estimate", "should", "expect", "guidance", "project", "intend", "plan", "believe", and/or other words and terms of similar meaning in connection with, among other things, any discussion of results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which the Issuer and its subsidiaries operate. Such statements are based on management's current intentions, expectations or beliefs and involve inherent risks, assumptions and uncertainties, including factors that could delay, divert or change any of them. Forward-looking statements contained in this Presentation regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adversely affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the Issuer. Neither the Issuer nor any of its affiliates is under any obligation, and each such entity expressly disclaims any such obligation, to update, revise or amend any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this Presentation. The Issuer does not: (i) accept any liability in respect of any forward-looking statements; or (ii) undertake to review, correct or update any forward-looking statement whether as a result of new information, future events or otherwise. It should be noted that past performance is not a guide to future performance. Interim results are not necessarily indicative of full-year results.

Certain data included in the Presentation are "non-IFRS" measures. These non-IFRS measures may not be comparable to similarly titled financial measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards or any other generally accepted accounting principles. Although the Issuer believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included in this Presentation.

Each recipient should be aware that some of the information in this Presentation may constitute "inside information" for the purposes of any applicable legislation and each recipient should therefore take appropriate advice as to the use to which such information may lawfully be put.

The distribution of this Presentation in certain jurisdictions may be restricted by law. Persons into whose possession this Presentation comes are required to inform themselves about and to observe any such restrictions. No liability to any person is accepted by the Issuer, including in relation to the distribution of the Presentation in any jurisdiction.

Today’s presenters

Samaila Zubairu
President & Chief Executive Officer

Ayotunde Anjorin
Senior Director & Chief Financial Officer

Sameh Shenouda,
Executive Director & Chief Investment Officer

Sanjeev Gupta
Executive Director, Financial Services

Source: Company information

Table of contents

Provider of expertise and innovation in African infrastructure financing

AFRICA FINANCE CORPORATION

Vision

To become Africa's leading infrastructure solutions provider

Mission

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

1 Introduction to AFC

- **Founded in 2007 as a multilateral financial institution** created by sovereign African states
- Provides pragmatic solutions to Africa's infrastructure requirements by financing and developing **infrastructure, natural resources and industrial assets**
- Unrivalled access to Africa
  - Record of identifying, executing and **delivering transformational infrastructure projects**
  - Track record in co-investing / co-developing with real benefits for sponsors and co-investors
- Diverse workforce consisting of 114 employees operating on a pan-African basis

2 Strategic positioning

- One of the most successful Public Private Partnership initiatives in Africa
- **Preferred creditor status**, immunities and privileges in member countries
- Private sector participation, combined with multilateral structure, enhances AFC's capacity as a financier and adviser to clients

3 Solid capital structure

- **Well capitalised** multilateral financial institution with US$2.1bn of capital as at FY'20
- Has one of the **lowest leverage ratios** with growth financed by conservative financial policies
- Has been **profitable since inception**

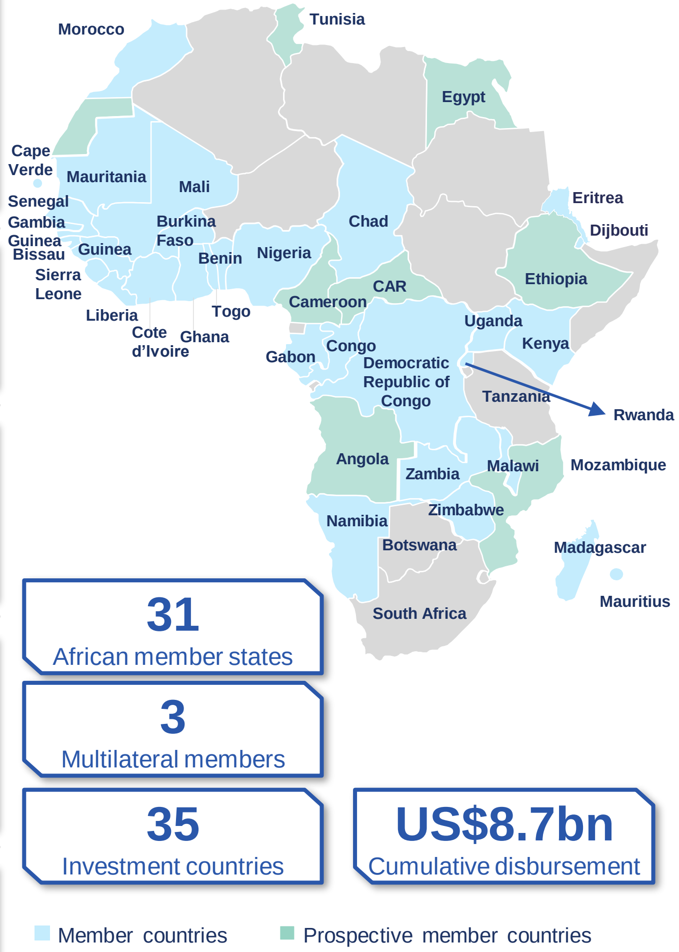
4 Comprehensive product offering

- AFC invests across the value chain **of 5 key priority sectors**, and products are complemented with advisory capabilities in project development and management, capital raisings and restructurings
- Key priority sectors include **power, transport, heavy industries, natural resources and telecommunications**
- Diversified asset portfolio, by geography, sector and product

5 Robust credit profile

- **A3 long-term issuer rating** and P-2 short-term issuer rating from Moody's, on the back of strong liquidity and capital position

Well positioned to access and execute high quality opportunities



31 African member states

3 Multilateral members

35 Investment countries

US$8.7bn Cumulative disbursement

Source: Company information

Key facts and figures

AFRICA FINANCE CORPORATION

Market and volumes	***US$7.3bn*** *Total Assets*	***~US$8.7bn*** *Cumulative disbursement since inception*	***~US$1.5bn*** *Disbursement in 2020*
Growth and profitability	***31% CAGR*** *Gross loans to customers (FY'18-20), amounting to* ***US2.3bn***[1]	***10% CAGR*** *Operating income (FY'18-20), amounting to* ***US219mn***[1]	***9.2%*** *Return on average equity* ***US$166mn***[1] *Net income*
Balance sheet and capital	***0.7%*** *NPL ratio (vs. 0.9% in 2019)*	***34.1%*** *Capital adequacy ratio (vs. 32.9% in 2019)*	***Consistently rated A3 by Moody's since 2014***
Business proposition	***Developmental mandate with profit-driven philosophy***	***Preferred creditor status*** *mitigates country risk & preferential access*	***Immunity of property & assets*** *Immune from local banking regulation, taxation or certain other laws*

Source: Company information, FY'20 financials
[1]2020 figures

Impact of the COVID-19 Pandemic

AFRICA FINANCE CORPORATION

Asset Quality

Parts of the Corporation's portfolio came under significant pressure, as the unprecedented collapse in international oil prices, and lockdowns and travel restriction particularly affected investee companies in the **Natural Resources (oil & gas)** and **Transport & Logistics** sectors. Moreover, several other projects experienced delays in their previous timelines.

The following factors helped mitigate the impact and prevent an overall deterioration in portfolio quality:

- Rolling hedges absorbed, to some extent, losses due to lower oil prices; geographical distribution of assets spread out the adverse impact of OPEC quotas; relatively quick oil price recovery meaning borrower exposure to stressed prices was short (Brent prices < $30 for only 2 weeks, and < $40 for less than 3 months).
- In 2020, the Corporation's non-payment insurance on single names and the portfolio, secured in previous years, played a key role in preserving asset quality, albeit at the cost of lower TCI margins.
- We increased the stringency of our loan disbursement and stepped-up portfolio monitoring and engagement in order to minimize disruptions to borrower operations. In the mining sector specifically, we worked with clients to implement "COVID bubbles" which ensured minimal disruptions to operations and construction of key projects.

Due to these deliberate actions, the number of NPLs was unchanged from 2019 with the Corporation's NPL ratio declining from 0.9% in 2019 to 0.7%.

Liquidity

- At the start of COVID, it was clear that despite of its strong starting liquidity position, the Corporation needed to further increase its liquidity buffers in order to better manage any prolonged fallout of the pandemic.
- Despite an uncertain funding market owing to the elevated financial market volatility, AFC successfully accessed the market twice: through a successful US$700mn Eurobond issuance in June 2020 at 3.125%, AFC's lowest ever coupon rate, and the issuance of our debut CHF150mn Green bond at 1.205%.
- Thus, liquidity coverage ratios increased further to 25 months of coverage i.e. up to **178% from 138%** in 2019. Significantly higher than the Corporation's 18month policy.

Capital Raise Program

- The pandemic adversely affected the Corporation's capital raise program in 2020, meaning that Corporation was only able to attract US$60mn in fresh equity against the US$500mn envisaged under the capital raise program at the beginning of 2020, as investors adopted a "wait and see" approach.

Steps taken to mitigate impact and prevent a deterioration in CAR

- We expanded our capital structure to include callable capital and equity warrant instruments, thereby improving the investor universe and outreach
- Issued US$200mn in Equity Warrants which bolstered our capital position
- Raised US$250mn in Tier II capital from DFC
- All in all, the Corporation's CAR rose to 34.1% from 32.9% in 2019

Source: Company Information

Business Highlights

AFRICA FINANCE CORPORATION

Resilient balance sheet withstood market volatility

- AFC's 2020 performance demonstrates strong fundamentals and resilience against market uncertainties exacerbated by the Covid-19 pandemic; balance sheet grew 20% as the Corporation invested in critical infrastructure to accelerate Africa's post-pandemic recovery
- Strong liquidity and capital buffers ensured maturing obligations, whilst exploring investment opportunities particularly in the technology and mining sectors
- Successfully tapped the market despite market extremes and grew borrowings 17% YTD to US$5.1bn, including one benchmark size Eurobond, an inaugural Green Bond and a tier 2 capital loan
- US$260mn new equity injection as at 2020: BADEA (US$10mn), CDC Gabon(US$50mn) and Central Bank of Nigeria (US$200mn)*

Improved asset quality owing to rigorous credit and risk management practices

- Strong risk management practices, a proactive risk-centric approach, delivered improved asset quality ratio of 0.7%(FY'2019:0.9%)
- The Corporation stepped up its portfolio monitoring capabilities deploying technology to pre-empt potentially challenging assets, engaging obligors proactively to assess the impact of Covid -19 on their businesses, and deploying portfolio insurance as a risk mitigation tool in managing the credit

Expanded investment footprint through infrastructure ecosystems

- Expanded investment footprint to 35 countries, growing balance sheet to US$7.3 billion from US$6.1 billion in 2019, marking a 20% y-o-y growth
- Continued focus on processing and beneficiation, further deepening our sustainable investing efforts through gas processing (NLNG) and gas to power(Senegal Gas IPP)
- Supported ARISE Integrated Industrial Platform with a US$150 million convertible debt investment to expand the successful wood-based special economic zone in Gabon, to cashew and cotton based industrial zones in Benin and Togo
- Creation of project development facilities for the critical minerals needed to feed the increased global demand for renewable energy

building partnerships for Africa's post covid-19 recovery

- COVID-19 pandemic has underscored the importance of strategic partnerships and coalitions across Africa's public and private sectors in shaping a resilient and sustainable recovery
- The pandemic has further widened the continent's already-substantial infrastructure financing needs of an estimated US$130 to US$170 billion per year
- AFC's expertise and proven track record in investing in Africa's infrastructure, continue to offer a unique value proposition for external partners seeking impact and returns whilst intervening in areas critical to Africa's sustainable recovery

Source: Company Information

** Via Equity Warrants*

Table of contents

AFRICA FINANCE CORPORATION

Resilient performance amidst macro headwinds

AFRICA FINANCE CORPORATION

Net Profit

US$165.5mn

FY'19: $183.3mn ↓10% y/y

Minimal decline in Profitability supported by strong net interest income, on the back of 20% y/y asset growth

NPL Ratio

0.7%

Dec'19: 0.9% ↓ 20bps y/y

Improved asset quality underpinned by robust risk management practices

Capital Base

US$2.1bn

Dec'19: $1.7bn ↑ 22% y/y

Balance sheet remained adequately capitalised with significant headroom to explore opportunities through transformational projects across Africa

Liquidity Coverage

178%

Dec'19: 137% ↑30% y/y

Sufficient liquidity buffers to continually withstand market volatility whilst promptly meeting debt obligations

Profitability

Asset Quality

Capital Base

Liquidity Position

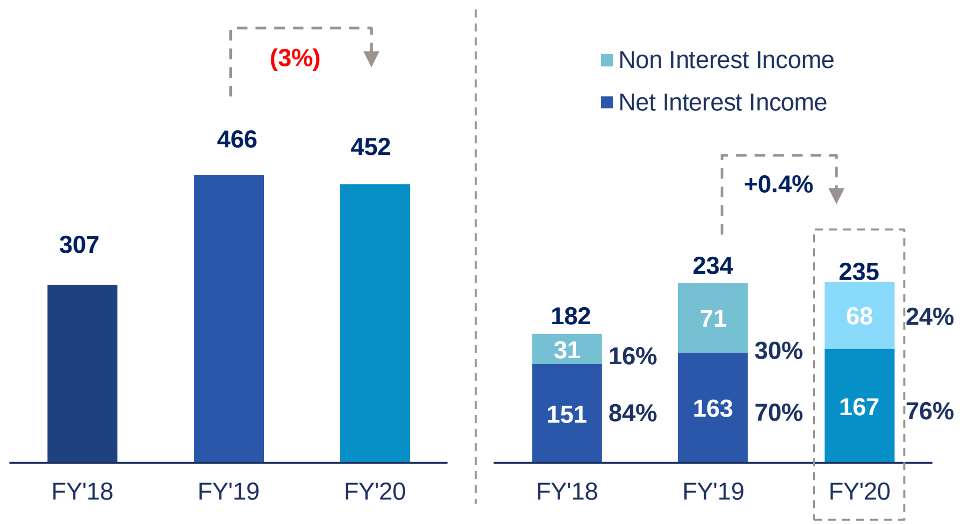
Key Takeaways from FY'20 Results

Source: Company information, FY'20 financials

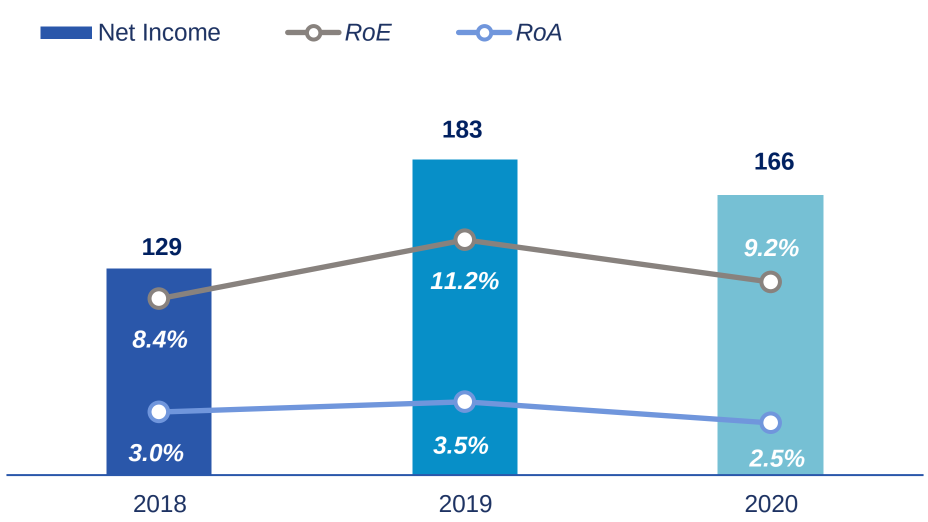
Delivering consistent growth and profitability

Track record of strong financial performance

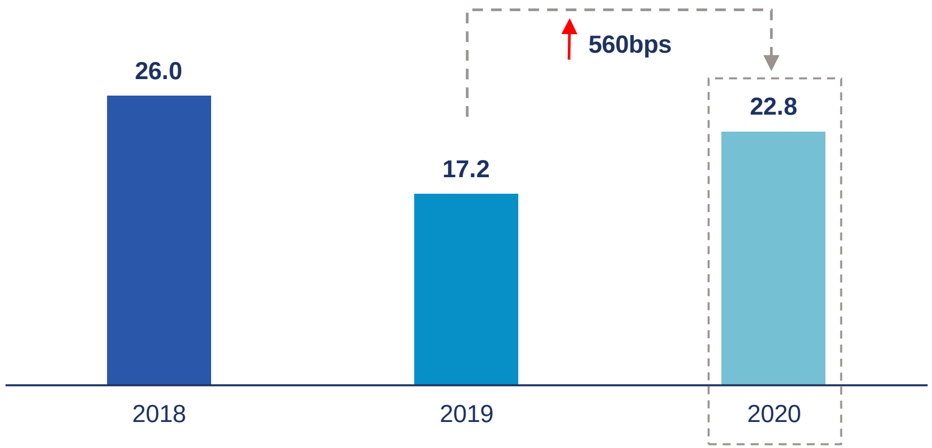
Gross Income / Operating Income (US$'mn)



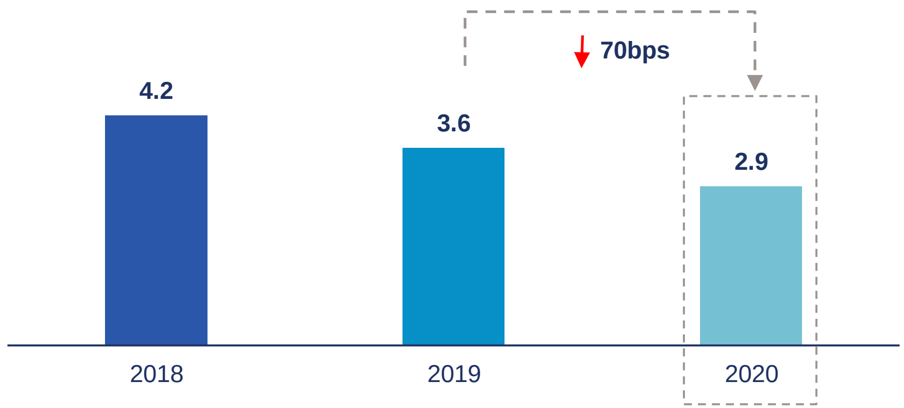
Profitability (US$'mn / %)



Cost to Income ratio (%)



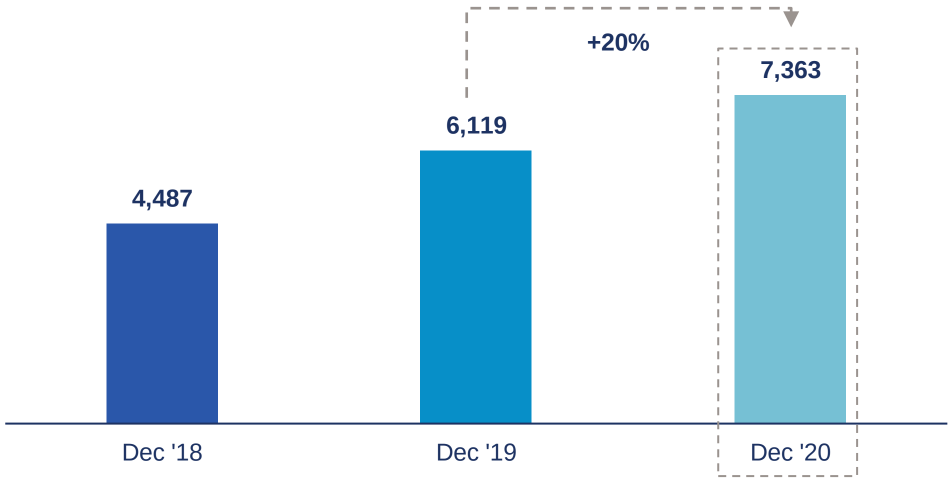
Net Interest Margin (%)



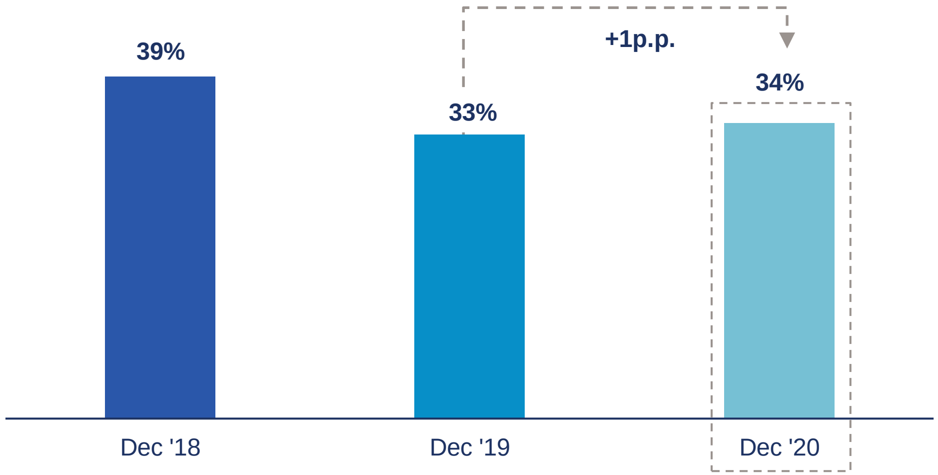
Source: FY'20 financials

Robust and well-capitalized balance sheet

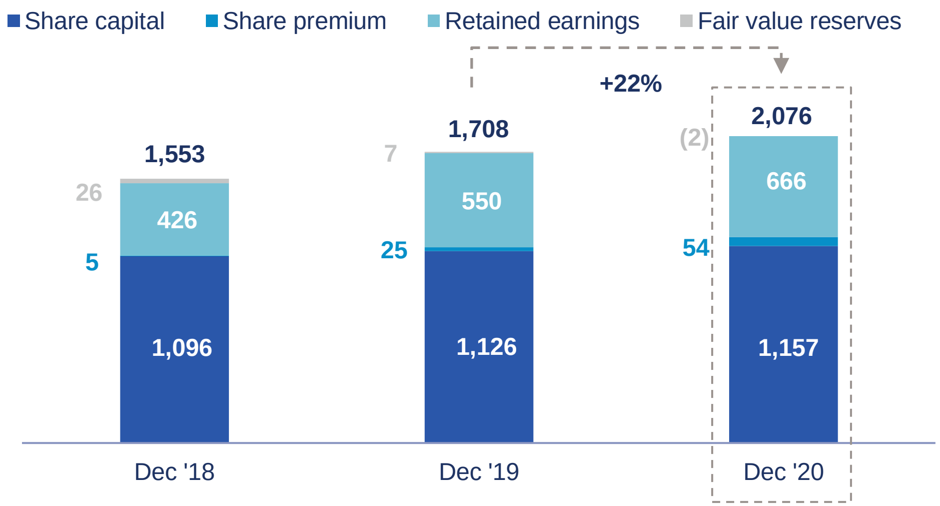
Total assets (US$'mn)



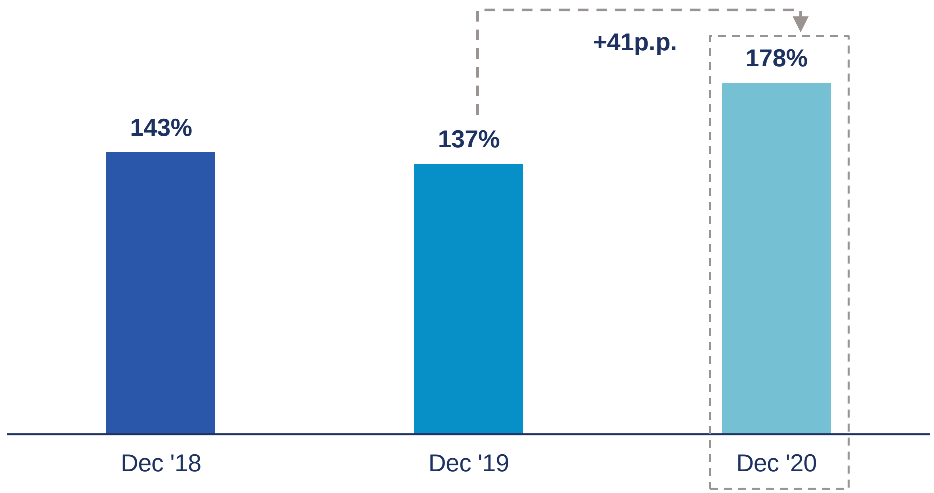
Capital adequacy ratio – Basel II ratio (%)



Total equity (US$'mn)



Liquidity coverage ratio (%)



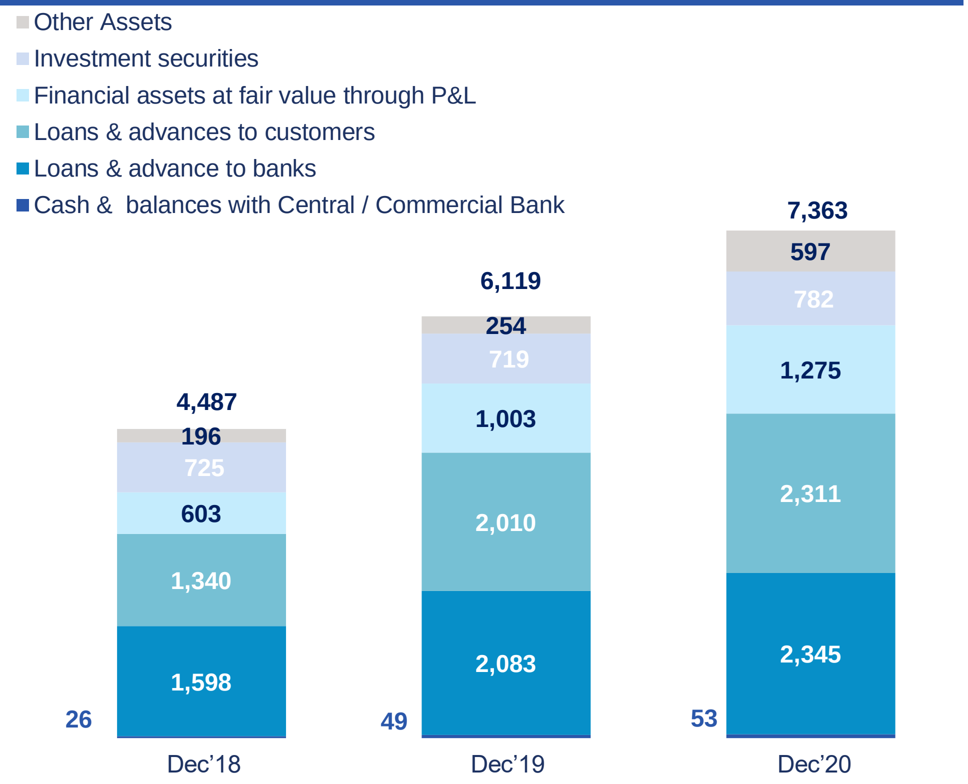
Source: Company information, FY'20 financials

Note: 2020 total equity also includes share warrants of US$200mn and non controlling interests of US$0.725mn

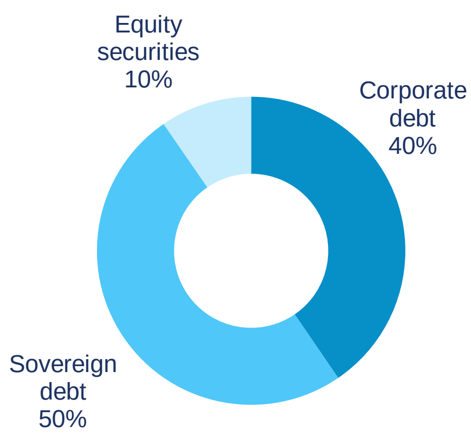
Strong asset profile

Growth in core infrastructure assets reflected in growth in loans and advances to customers

Asset breakdown as at 31 December 2020 (US$'mn)

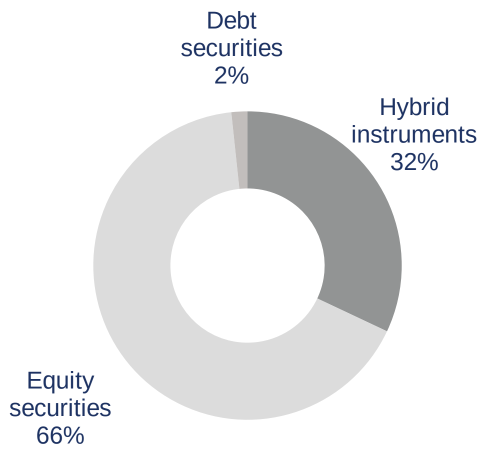


Investment securities 31 December 2020 (%)



Total: US$782mn

Financial assets at fair value through P&L as at 31 December 2020 (%)



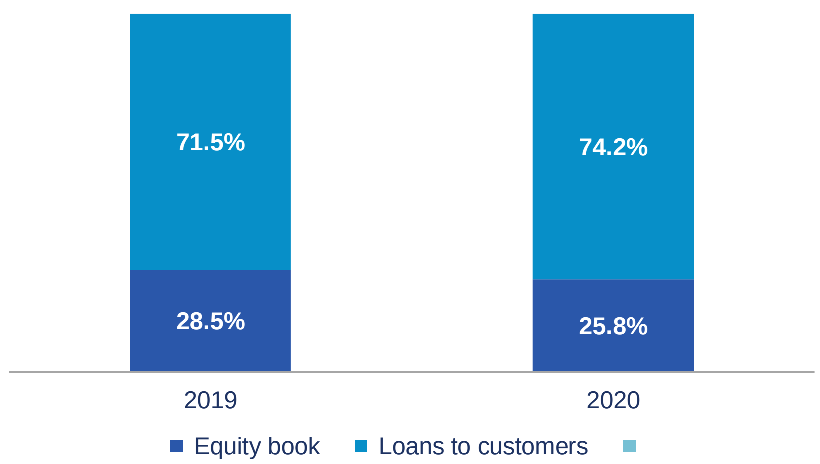
Total: US$1 275mn

Growth in loans and advances to customers supported by strong liquid investment portfolio

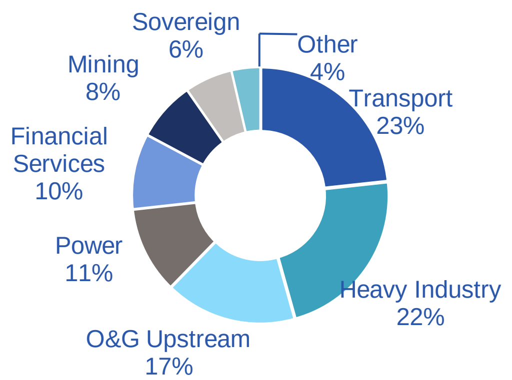
Source: Company information, FY'20 financials
Note: Other Assets consist of [1]Derivative Financial Instruments, Pledged and Other Assets, Property & Equipment, Intangible Assets and Assets held for sale
Note: [2]Hybrid instruments consist of convertible debt. Debt securities managed by a third-party investment company on a discretionary basis
Note: Total assets figure also includes derivatives, pledged and intangible assets, PPE and other assets

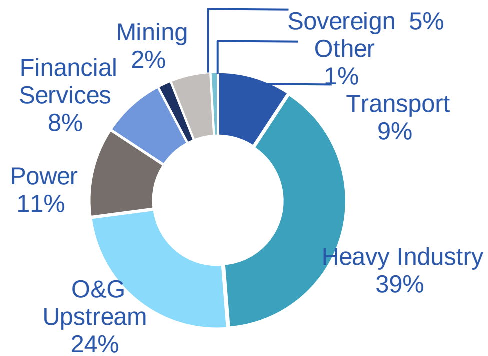
Well-diversified portfolio by geography and sector

Infrastructure Asset Composition(%)

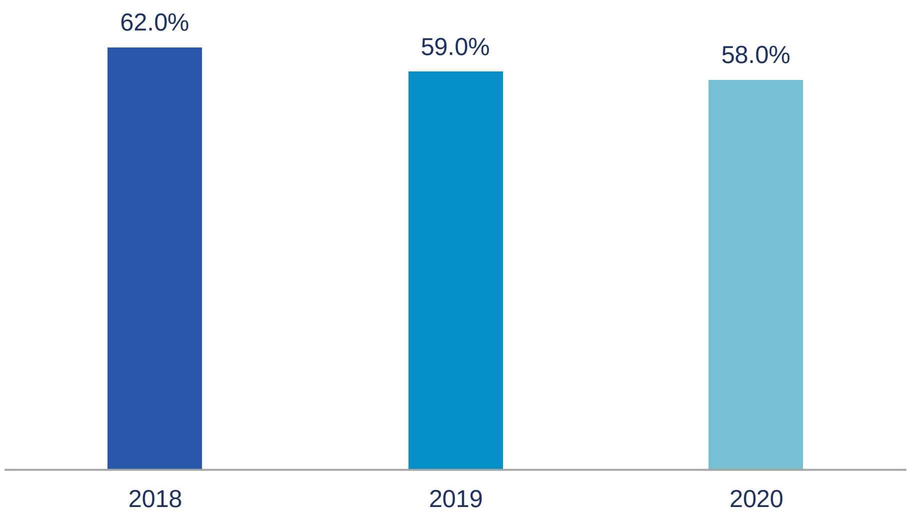


Loans by Sector (%)

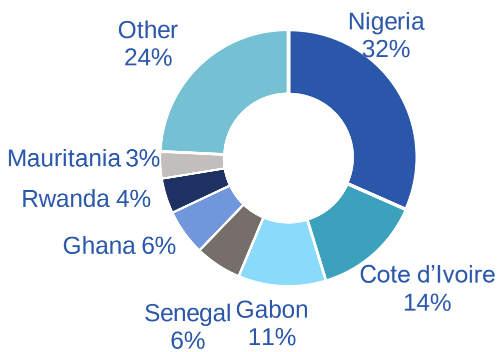


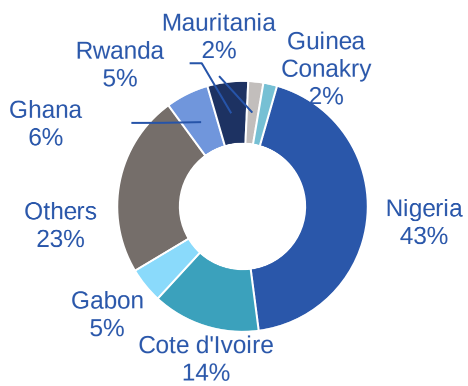


Top 10 Loans to Customers (%)



Loans by Country (%)

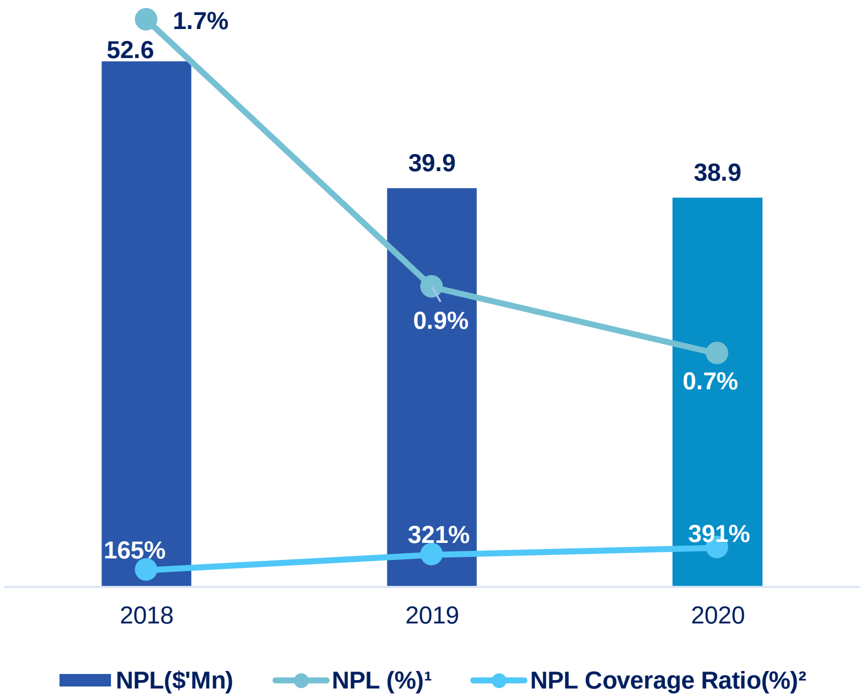




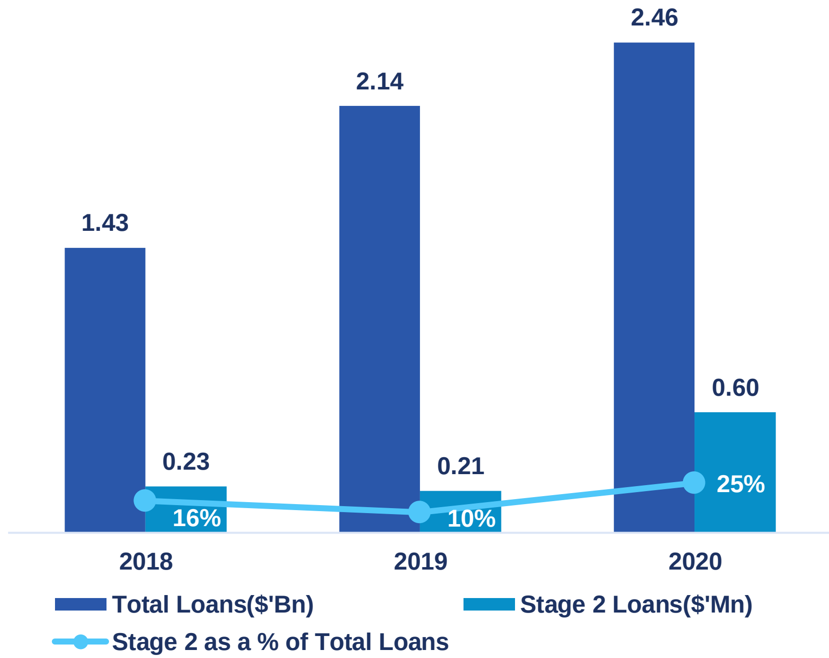
Source: Company information, FY'20 financials
Note: 2020 other loans by sector includes Telecommunications and O&G downstream; 2020 other loans by country includes Guinea Conakry, Chad, Tanzania, Cameroun, Tunisia and Angola

Asset quality

NPL Analysis



Stage 2 Analysis



Comments

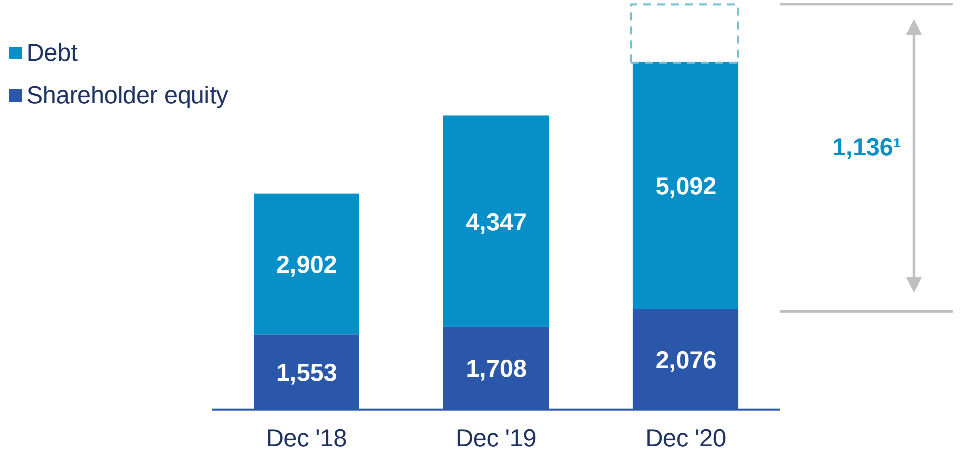
- AFC has a fully-fledged Portfolio Management function that ensures the proactive monitoring of the portfolio and engagements with obligors to pre-empt and manage the risks.
- Portfolio Management has developed a comprehensive early warning system tailored to AFC's focus sectors and has weekly monitoring meetings with the Risk and Compliance Division to discuss interventions for borrowers that risk indicators have identified are likely to experience stress in the short to medium term.

Note: [1]NPL percentage calculated as NPL divided by total loans
Note: [2]NPL coverage calculated as loss allowance divided by stage 3 loans
Source: Company information, FY'20 financials

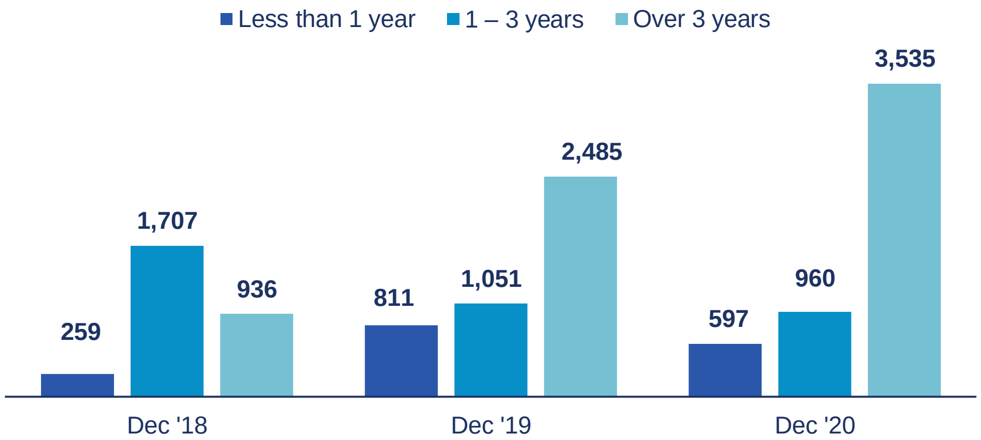
Well diversified and long-term funding structure

AFC's financing strategy is to maintain a flexible balance sheet with debt to equity of approximately 3:1, sourced from a diverse pool of lenders

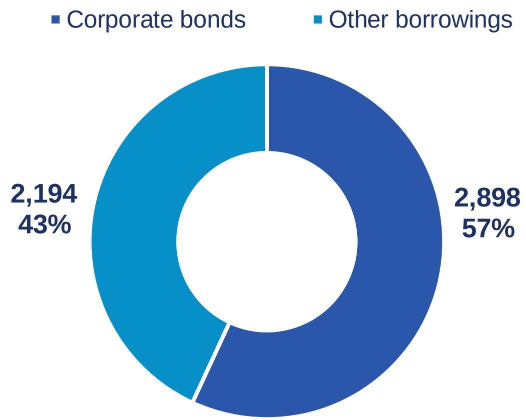
Capital structure as at 31 December (US$'mn)



Debt maturity profile as at 31 December (US$'mn)



Type of borrowings as at 31 December (US$'mn)



2020 Key borrowing activities

Bonds

- 5Y 3.125% USD 700mn Reg. S Notes
- 5Y 1.205% CHF 150mn Green Bond
- USD 105 million equivalent Private Placement Notes with maturities up to 27Yrs

Loans

- 15Y USD 250 millón Tier-2 Capital Loan
- 10Y USD 50 million Term loan Facility

Note[1]: Borrowing Headroom
Source: Company information, FY'20 financials

Strong liquidity buffers

Liquid Asset Profile (US$'mn)		
Credit Rating	**31 Dec 2020**	**31 Dec 2019**
Investment Grade (Moody's Baa3 or better)	2,061.8	2,032.1
Below Investment Grade	336.6	100.8
Total	**2,398.4**	**2,132.9**
Investment Grade Share	**25 months' liquidity cover**	**24 months' liquidity cover**

AFC operates a very conservative liquidity management policy that requires us to hold HQLA to support our non-cancellable obligations over an 18-month period under a business-as-usual assumption, and over a 12-month period under a stress scenario. This very conservative liquidity policy is a major liquidity risk mitigant for the Corporation. AFC therefore remains very liquid and well positioned to repay all maturing obligations as they mature.

Source: Company information, FY'20 financials

Adherence to a conservative financial policy

AFC pursues a highly conservative financial policy – adopted by its Board of Directors – in order to ensure business sustainability, underpin its credit rating and reduce its cost of financing

- Capital adequacy ("CAR") remains at a strong level
- AFC maintains strong liquidity buffers, invested conservatively

Ratio	2018	2019	2020
Capital adequacy[1]:			
Capital adequacy ratio	39.2%	32.9%	34.1%
Liquidity coverage ratio	143.0%	137.0%	178.0%
Asset quality:			
Non-performing loan to total loan	1.7%	0.9%	0.7%
Profitability:			
Return on average assets	3.0%	3.5%	2.5%
Return on average equity	8.4%	11.2%	9.2%
Management efficiencies:			
Cost to income	26.0%	17.2%	22.8%
Net interest margin ratio	4.2%	3.6%	2.9%
Earnings per share (US cents)	11.7	16.6	14.4

Source: Company information, FY'20 financials
Note: [1] Basel II

Key takeaways

1.

- Despite the prevailing uncertainties in the operating environment due to the COVID-19 pandemic, AFC delivered a resilient financial performance supported by very strong balance sheet
- Sound liquidity and capital levels provide buffers to withstand market uncertainties, explore unique opportunities and meet maturing debt obligations
- The Corporation continues to invest in technology as a means of streamlining its processes and ensuring cost efficiency

2.

- Strong risk management practices and a proactive risk-centric approach in managing its risk assets evidenced by NPL ratio of 0.7%
- Increased portfolio insurance deployed as a risk mitigation tool in managing risk assets
- Fully-fledged Portfolio Management function to proactively monitor portfolio and deploy a comprehensive early warning system tailored to AFC's focus sectors

3.

- Covid-19 has exposed critical gaps in Africa's digital and social infrastructure, further widening the continent's infrastructure financing needs up to US$170 billion per year
- AFC is the partner of choice in developing value accretive beneficiation projects to support import substitution on the continent and create jobs
- The Corporation is continually adapting its operations to global energy transition to support the enhancement of Africa's infrastructure climate resilience

Source: Company information

Q & A

AFRICA FINANCE CORPORATION

A: 3A Osborne Road,
Ikoyi, Lagos
Nigeria
T: +234 279 9600
E: investorrelations@africafc.org

Table of contents

Audited balance sheet and income statement

AFRICA FINANCE CORPORATION

	US$'mn	2018	2019	2020	YoY Δ	CAGR
Balance Sheet	Loans and advances to banks	1,598	2,083	2,345	13%	21%
	Loans and advances to customers	1,340	2,010	2,311	15%	31%
	Financial assets at fair value through P&L	603	1,003	1,275	27%	45%
	Investment securities	725	719	782	9%	4%
	Other assets	29	51	39	(24%)	16%
	Total assets	**4,487**	**6,119**	**7,363**	**20%**	**28%**
	Borrowings	**2,902**	**4,347**	**5,092**	**17%**	**32%**
	Shareholders' equity	**1,553**	**1,708**	**2,076**	**22%**	**16%**
Income Statement	Interest income	260	310	340	10%	14%
	Interest expense	(109)	(148)	(172)	16%	26%
	Net interest income	**151**	**163**	**167**	**2%**	**5%**
	Dividend income	16	2	2	0%	(65%)
	Fee and commission income	15	69	66	(4%)	110%
	Operating income	**182**	**231**	**219**	**(5%)**	**10%**
	Net gains on financial instruments at fair value through P&L	(1)	72	35	(51%)	492%
	Impairment charge on financial assets	(21)	(77)	(39)	(50%)	36%
	Operating expenses	(47)	(54)	(60)	11%	13%
	Net income	**129**	**183**	**166**	**(9%)**	**13%**
	Comprehensive income	**118**	**165**	**157**	**(5%)**	**15%**

Source: Company information, FY'20 financials

Priority on sectors with a high developmental impact (1/3)

AFRICA FINANCE CORPORATION

ARISE (IIP, P&L): Gabon, Cote D'Ivoire, Benin, Togo

Synopsis

- In 2016, AFC invested US$140MM investment for a 21% stake in Gabon Special Economic Zone (GSEZ), now rebranded as ARISE alongside Olam International (40.5%) and Caisse des Dépôts et Consignations du Gabon (CDC Gabon), the Republic of Gabon's (RoG) investment vehicle (38.5%).
- In 2020, ARISE re-organized 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')** and ARISE infrastructure Services.
- Since AFCs investment, several global investors have invested in the platform through debt/equity including AfreximBank, African Development Bank, GuarantCo, Investec, Bollore, Meridiam, Stoa and most recently AP Moller Capital.

Opportunity

- The **ARISE Ports and Logistics** business continues to expand the ecosystem in existing mineral and general cargo ports in Gabon, as well as developing new port infrastructure to support ecosystems in Cote D'Ivoire.
- The **ARISE Integrated Industrial Platforms** business is operating the successful US$1bn forestry-based Nkok special economic zone in Gabon, with over 100 international investors in the zone, having invested over US$1.7bn as well as developing the special economic zones in Benin, Togo and Cote D'Ivoire.
- In 2020, AFC invested 150MM convertible debt to ARISE IIP for expansion into these new countries (Benin and Togo), following execution of binding concession agreements with the respective governments, with continued developments in Cote d'Ivoire, Chad and Gabon.

Impact

- The GSEZ general cargo port has improved efficiencies for the export and import of containerized & bulk goods, catering for wood, grains, liquid & petroleum products.
- The GSEZ mineral port has exported over 5MT of product from primarily manganese exporters including AFCs investee company, Nouvelle Gabon Mining.
- Nkok SEZ is 1st in exporting veneer wood and 2nd in sawn wood in Africa, contributing US$900MM to the GDP of the country. 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 200 farmers.
- ARISE has enabled effective diversification of the Gabonese economy from dependence on crude oil exports, job creation (over 30k), FX earnings and increase in GDP (US$900MM) and is expected to do same for Benin, Togo & Cote d'Ivoire.

Source: Company information

Priority on sectors with a high developmental impact (2/3)

Thor gold mine, Nigeria

Djibouti wind farm

	Thor gold mine, Nigeria	Djibouti wind farm
Synopsis	• AFC partnered with Thor Explorations Limited, a Toronto Stock Exchange (TSX) listed mineral exploration company, to develop the Segilola Gold Project (Segilola) in Osun State, Nigeria. • AFC has committed US$86 million in a combination of senior debt, equity and stream instruments million towards the construction and production of the Segilola project.	• AFC has been working closely with the Djibouti Ports and Free Trade Zone Authority (DPFZA) under an advisory mandate, to map out partnership opportunities between AFC and Djibouti • This led to the signing of an MoU in August 2017 for AFC to lead the development of the 60MW wind independent power plant and interconnection facilities comprising of 220kv substation and 5km overhead transmission line located between Lake Assal and Djibouti city • The Project is Djibouti's first privately financed independent power plant and the first renewable energy project in the country, boosting the country's renewable energy credentials
Opportunity	• The asset sits on a 400km schist belt which has multiple prospective areas some of which are currently being exploited by small scale artisanal miners. • Segilola is a fully permitted 4g/t open pit mine project, with a capacity of 625,000 tonnes per annum. • Thor's Segilola assets is owned through its wholly owned subsidiary, Segilola Resources Operating Limited (SROL).	• AFC, as the lead developer, FMO, the Dutch Development Bank, Climate Investor One, and Great Horn Investment Holdings (a wholly owned subsidiary of the DPFZA, the local partner), co-developed the Project over a 24-month period and achieved Financial Close in December 2019 • Siemens is the engineering procurement and construction (EPC) and operations and maintenance (O&M) Contractor • 25-year PPA with Electricite De Djibouti (EDD), the national electricity utility
Impact	• Segilola is the largest and furthest advanced institutional quality gold mining project in Nigeria, in addition to being one of the highest-grade reserves in West Africa • The gold facility would open the Nigerian Mining Sector (a top priority for Nigerian Federal Government) to Foreign Direct Investment. It would re-ignite the relevance of the Nigerian mining sector and as such encourage diversification of the economy away from its reliance on oil & gas	• The Project provides a significant energy source to support increasing energy demand in the country • Djibouti is currently dependent on fuel oil/ diesel thermal power which comes at a high cost of up to US$0.22/kWh and electricity imports from neighboring Ethiopia at US$0.07/kWh, which can often be unreliable especially during the dry season. • The Project provides domestic energy security, clean energy and limits country's additional carbon emissions.

Source: Company information

Priority on sectors with a high developmental impact (3/3)

AFRICA FINANCE CORPORATION

Dangote refinery and fertilizer complex, Nigeria

Synopsis

- Dangote Industries Limited (DIL) is the holding company of Dangote Group with equity interests in the various Dangote Group subsidiaries including Dangote Cement, Dangote Sugar and Dangote Salt etc.

Opportunity

- AFC is a senior debt participant in a syndicated financing of US$300 million.
- The purpose is to part-finance the construction of two greenfield projects namely the Dangote fertilizer plant and 650,000 barrels per day crude oil refinery, the largest in Africa once completed.

Impact

- The crude oil refinery is expected to curb Nigeria's increasing crude oil imports to meet 80% of the country's demand by addressing the enormous demand for refined petroleum products.
- The project is expected to contribute to federal government budget savings that would otherwise have been used for fuel subsidies.
- The plants upon completion will attract over 100,000 direct and indirect jobs and reduce imports of refined petroleum products in Nigeria by 50% and the importation of fertilizers completely.

MTN

Synopsis

- MTN Nigeria (MTN Nigeria) is a market leader in the Nigerian telecommunications market and the largest subsidiary of MTN Group South Africa; a large and well-capitalised multinational company listed on the Johannesburg Stock Exchange (JSE) with revenues in excess of US$10 billion in FYE 2019.
- MTNN's position in the Nigerian market is strong as the company has the largest number of subscribers with 39% market share and controls 47% of the entire mobile market revenue. MTNN is the largest company listed on the NSE with a market capitalisation of N2.9 trillion.

Opportunity

- Due to the COVID lockdown, MTNN has experienced increased demand for data services, which is accelerating its already planned network expansion to accommodate more data traffic.
- The demand driven by increased usage of smart phones and broadband services due to containment policies that have seen customers working remotely at unprecedented levels.
- These are largely through video conferencing and streaming services, which are improving the demand for MTNN's services and therefore its revenue performance.

Impact

- MTNN's role in the growth of Nigeria's telecoms industry is transforming the way people live, work and interact owing to broadband connectivity; creating new companies and jobs to integrate various new services and applications which build upon the network.
- With the largest 3G and 4G network coverage, MTNN is also able to empower most marginalized communities.

Source: Company information