

Unlocking Long Term Local Currency Infrastructure Finance in Nigeria



OUR MANDATE

To provide local currency guarantees and mobilise long term domestic debt financing for infrastructure in Nigeria

RATINGS



CAPITAL PROVIDERS



IMPACT

N311 bn TOTAL SIZE OF GUARANTEED DEBT
\$504 MLN EQUIV

18 NUMBER OF PENSION FUND INVESTORS

UP TO 20 yrs

22 INFRASTRUCTURE PROJECTS THAT REACHED FINANCIAL CLOSE

WE PROMOTE

Financial inclusion

By bringing first-time issuers to the domestic bond market

Financial deepening

By extending bond tenors for corporates, and by broadening pension fund investor bases

Financial innovation

By introducing new fixed income instruments such as green bonds

ELIGIBILITY CRITERIA

- Naira denominated
- Debt Instrument (including Sukuk)
- Must be an eligible Infrastructure Activity
- Acceptable Credit Profile based on InfraCredit's internal credit assessment
- Asset value is not directly linked to oil
- Minimum 'Bbb-' investment grade rating
- Adequate Security Package
- Debt Tenor of up to 20 years
- Satisfies InfraCredit's Environmental and Social Safeguards Standards
- Is not on IFC's Project Exclusion List
- Issuer is PENCOS Compliant

ELIGIBLE SECTORS

- Power – On-Grid/Off-Grid/Renewable
- Gas-to-Power and Gas-to-Clean Cooking
- ICT/Telecoms
- Logistics and Special Economic Zones
- Transportation
- Agriculture
- Manufacturing
- Social Infrastructure – i.e., Water & Waste
- Healthcare
- Green Housing
- Education

DEVELOPMENT PARTNERS



RISK SHARING PARTNERS



RECOGNITION

InfraCredit is a Harvard Business School Case Study






HBS Case Study:

Infrastructure in Nigeria: Unlocking Pension Fund Investments is being taught on HBS's MBA Program.



ELIGIBLE SECTORS

InfraCredit will support eligible projects in any of the following infrastructure related activities:

 <p>POWER: The generation, transmission and/or distribution of electricity, including off-grid embedded power electrification</p>	 <p>ICT/TELECOMS: Local telephone services and IT network, internet solutions, voice, data center and cloud services to providers</p>
 <p>RENEWABLE ENERGY: Alternative energy and renewable energy technologies ranging from solar power, wind power, and hydroelectricity</p>	 <p>GAS DISTRIBUTION: Gas pipelines and bulk storage/logistical facilities and downstream gas processing and development</p>
 <p>WATER DISTRIBUTION: Urban/rural fresh water production and treatment, bulk water supply and distribution (water reservoirs, transfer schemes)</p>	 <p>SOCIAL INFRASTRUCTURE: The provision of economic and social infrastructure (e.g. housing, healthcare, education) including industrial parks, within towns and cities</p>
 <p>WASTE MANAGEMENT: Solid waste disposal/collection, transportation and waste treatment, including waste recycling facilities</p>	 <p>INPUTS TO INFRASTRUCTURE: Manufacture, construction of goods, equipment, or other basic materials or services used in provision of infrastructure</p>
 <p>TRANSPORTATION: Fixed transportation infrastructure e.g. toll roads, bridges, rail, airports, ports and bulk storage/handling facilities</p>	 <p>AGRICULTURE: Infrastructure component of agro-industrial projects e.g. investments in agro-food processing/storage for agribusiness</p>
 <p>LOGISTICS: Logistics services that support productive investment including bulk storage/handling facilities, cold storage, warehousing, special economic zones, and certain moveable assets</p>	 <p>MANUFACTURING: Manufacturing businesses and supply chain businesses that have direct infrastructure element or associated value chain infrastructure,</p>

ELIGIBLE TRANSACTIONS



NAIRA DENOMINATED DEBT INSTRUMENT (INCLUDING SUKUK)



DEBT TENOR OF UP TO 20 YEARS



MINIMUM INVESTMENT GRADE RATING WITH ADEQUATE SECURITY PACKAGE



ISSUER IS PENCOM COMPLIANT



SATISFIES INFRACREDIT'S ENVIRONMENTAL AND SOCIAL SAFEGUARDS STANDARDS



ACCEPTABLE CREDIT PROFILE BASED ON INFRACREDIT'S INTERNAL CREDIT ASSESSMENT



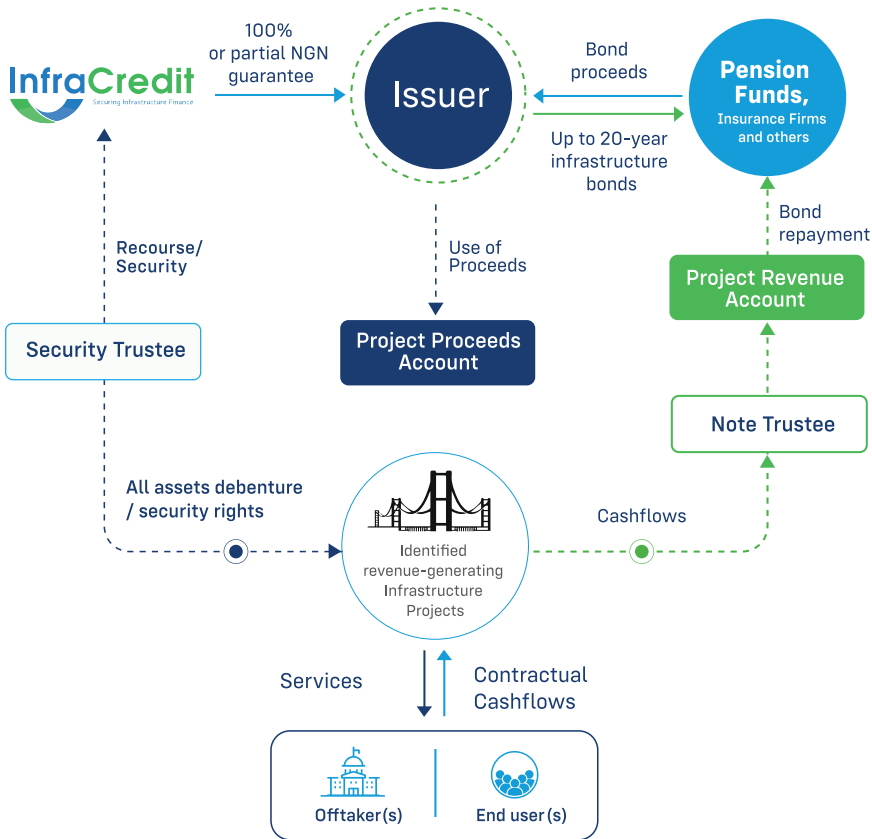
MUST BE AN ELIGIBLE SECTOR



IS NOT ON IFC'S PROJECT EXCLUSION LIST

HOW WE WORK

Basic Transaction Schematic



Key Features

Guarantee Features

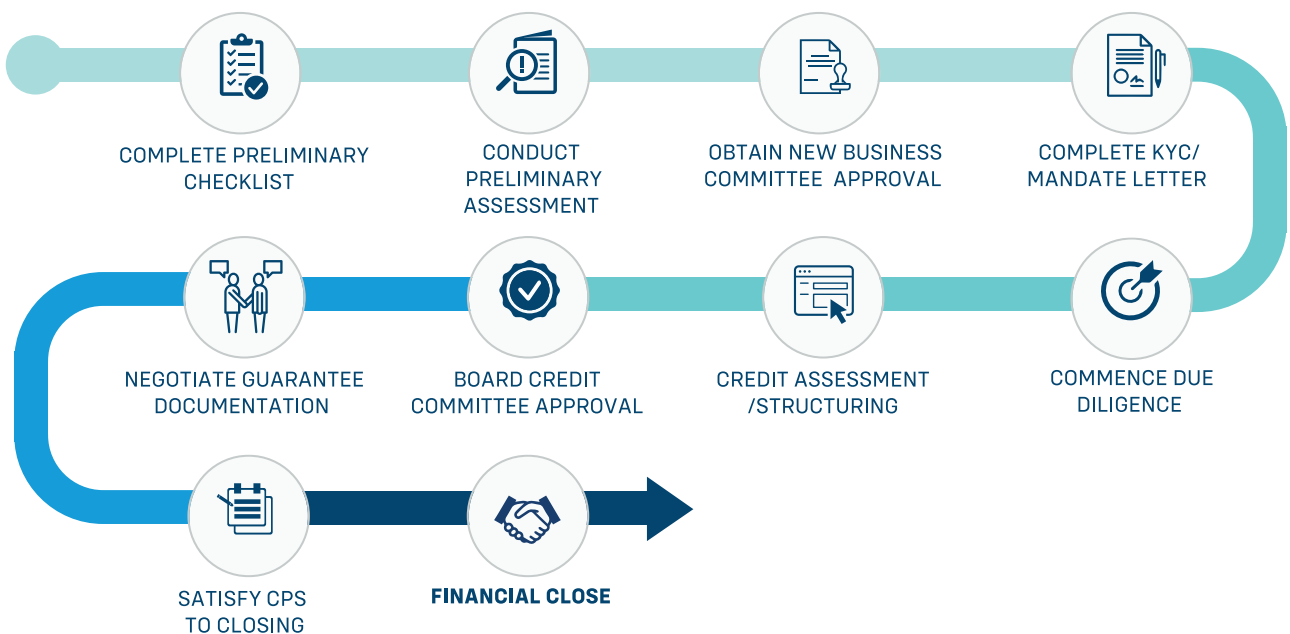
- Irrevocable & Unconditional
- Naira Obligations
- Up to 100%
- Senior Ranking Obligations
- Non Acceleration
- Up to 20 year Maturity
- Pari Passu Rights
- Voting Rights

Legal Documentation

- Deed of Guarantee
- Recourse Agreement
- Security Deed
- Other Documents

Guarantee Transaction Process

Deal Execution will be conducted in three phases: **Origination (Preliminary Assessment), Due Diligence & Structuring and Final Approval/Closing**



THE OPPORTUNITY



With the advent of InfraCredit, over the past six years, its guarantees have facilitated first-time access to long term local currency finance of up to 20-year tenor from the domestic debt market in aggregate of **USD 498 million** (NGN Equivalent) indexed to the exchange rate at deal closure date in guaranteed corporate infrastructure debt for twenty-two infrastructure companies.

		Sector	Size		Sector	Size
1	 VIATHAN 2017, 2021 & 2025	 Off-Grid Power	NGN21.52 bn USD38.1 ml	12	 falcon 2023 & 2024	 LPG Storage NGN5.0 bn USD5.6 ml
2	 NORTH SOUTH POWER 2019 & 2021	 On-Grid Power	NGN9.86 bn USD26.9 ml	13	 ELEKTRON 2023 & 2024	 Off-grid Power NGN26.0 bn USD33.9 ml
3	 2019	 Off-Grid Power	NGN13.0 bn USD35.9 ml	14	 HOTSPOT 2023	 ICT/Telecoms (Rural Telephony) NGN0.96 bn USD1.26 ml
4	 TSL 2020, 2022 & 2023	 Transport & Logistics	NGN17.0 bn USD42.0 bn	15	 GTIL COLEMAN 2023	 Manufacturing NGN10.0 bn USD12.7 ml
5	 Lagos Free Zone 2021, 2022 & 2023	 Special Economic Zones	NGN53.0 bn USD123.3 ml	16	 african industries Serving Nigeria since 1971 2023	 Manufacturing NGN10.0 bn USD12.9 ml
6	 GPC ENERGY AND LOGISTICS 2021	 Transport & Logistics	NGN20.0 bn USD48.3 ml	17	 MECURE INDUSTRIES 2023 & 2024	 Healthcare Infrastructure NGN10.0 bn USD10.3 ml
7	 PAN AFRICAN TOWERS LIMITED 2022	 Telecoms Infrastructure	NGN10.0 bn USD24.1 ml	18	 ACQB LIGHTING technology limited 2023	 Renewable Energy (Solar) NGN0.75 bn USD0.81 ml
8	 ASIKO 2022	 LPG Storage & Distribution	NGN5.0 bn USD11.5 ml	19	 MODERN SHELTER SOLUTIONS LIMITED 2023 & 2024	 Green Housing NGN5.5bn USD5.4 ml
9	 GTL GAS TERMINALLING Gas Terminal, Trading, Logistics, Storage 2023 & 2025	 LPG Storage	NGN15.0 bn USD13.2 ml	20	 PRADO POWER your dependable power source 2024	 Renewable Energy (Solar) NGN1.95 bn USD1.2 ml
10	 DeWay COSOL 2022	 Renewable Energy (Solar)	NGN0.8 bn USD1.8 ml	21	 LADOL LIMITLESS OPPORTUNITIES IN INFRASTRUCTURE 2024	 Special Economic Zones NGN1.27 Bn USD0.76 ml
11	 GLNG 2022, 2023, 2024 & 2025	 Gas to Power	NGN32.4 bn USD28.0 ml	22	 CRANEBURG CONSTRUCTION 2025	 Transport NGN32.4 bn USD20.2 ml

These corporate debt instruments were oversubscribed by up to 60% from local pension fund investors, with participation by 18 pension fund investors (managing c.75% of the industry assets under management) subscribing to InfraCredit-guaranteed infrastructure bonds; signifying strong investor appetite and confidence in its credit standing.

DEVELOPMENT IMPACT

Our Theory of Change Change hinges on three pillars where InfraCredit is delivering impact through its activities at the market, project and end user level, with specific measurable outcome indicators.

Market

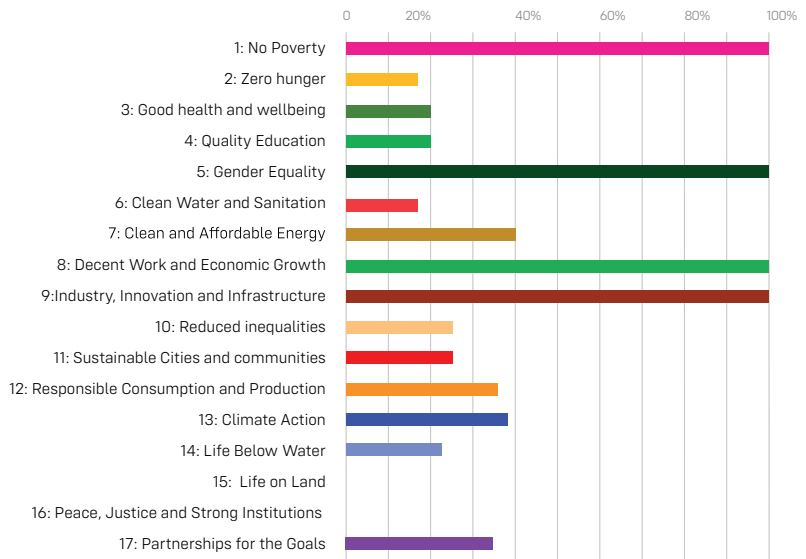
InfraCredit will expand the debt capital market, investor base and new sources of capital for infrastructure financing. InfraCredit will also support the emergence of an enabling environment with favourable policies and incentives, and connected networks of actors, to support infrastructure development

Projects

InfraCredit will enable infrastructure project developers to access longer tenor capital at competitive rates, and will ensure high-impact and viable projects are increasingly, successfully and sustainably executed, and create jobs

End User

InfraCredit's financing activities will deliver increased infrastructure access, reliability and resilience leading to improved livelihoods. As a consequence of these outcomes, InfraCredit will enable improved business productivity leading to economic growth and social development



OUR PORTFOLIO IMPACT



- 7448 jobs supported
- 42 newly registered businesses with access to infrastructure in the free zone area.
- Over 3000 SMEs with improved access to infrastructure.



- 370 green and affordable housing units through the NTV project
- 12,000 people with improved access to clean electricity (Solar)-Darway Coast
- Over 5 million people with access to Hydro-Power



- Emissions reduction 250,000CO2 eq



- 1,362 permanent jobs for women.
- Community investment schemes by portfolio companies target women-owned and/or women-led enterprises, such as micro-loans for women-led SMEs and cooperatives
- 49 women (24%) jobs at the managerial level, 24 Female truck drivers (TSL)



- 937 Telecommunications Towers supported
- 1,264 logistics rucks (TSL and GPC)
- Over 900,000 tonnes of bulk cargo transported.



- 600MW of hydropower installed
- 1711 KWp of solar mini-grids installed
- 15,000 MT of LPG Storage Facility
- 4,113.02 improved hours of power

We are proud signatories of:



Operating Principles for Impact Management

// Domestic pension funds have demonstrated increased appetite to invest in bankable corporate infrastructure debt in Nigeria, it has never been more timely and important for infrastructure projects to access long term local currency finance of up to 20-year tenor from the domestic debt market at affordable interest rates to finance long-term infrastructure projects and refinance short term high interest loans. //



Aerial view of Shiroro Hydroelectric Power Plant, Niger State

Contact



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