Unlocking Long Term Local Currency Infrastructure Finance in Nigeria

InfraCredit
Securing Infrastructure Finance

OUR MANDATE

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

RATINGS

Agusto&Co. / AAA (NG) June 2027

GCR / AAA (NG) June 2027

FitchRatings / AAA (NGA) July 2027

AAA (NGA) January 2027

CAPITAL PROVIDERS

SOVEREIGN WEALTH FUND & DFI s: Nigeria Sovereign Investment Authority, KFW, Africa Finance Corporation, African Development Bank Group, InfraCo Africa

PRIVATE INSTITUTIONAL INVESTORS: Leadway Assurance, AIICO Insurance, AccessArm Pensions, CardinalStone Pensions

IMPACT

N416 bn
$577 MLN EQUIV
TOTAL SIZE OF GUARANTEED DEBT

N240bn
CONTINGENT REFINANCING GUARANTEES

20
NUMBER OF PENSION FUND INVESTORS

UP TO **20** YRS GUARANTEE TENOR

28 INFRASTRUCTURE PROJECTS THAT REACHED FINANCIALCLOSE

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 Environment and Social Safeguards Standards
- Is not on IFC's Project Exclusion List
- Issuer is PENCOM 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

UKaid, PIDG, german cooperation, AFD, USTDA, fsdafrica, Shell Foundation

RISK SHARING PARTNERS

ATIDI, British International Investment, GuarantCo

RECOGNITION

InfraCredit is a Harvard Business School Case Study

HARVARD BUSINESS SCHOOL

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

www.infracredit.ng

ELIGIBLE SECTORS

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

POWER:
The generation, transmission and/or distribution of electricity, including off-grid embedded power electrification

ICT/TELECOMS:
Local telephone services and IT network, internet solutions, voice, data center and cloud services to providers

RENEWABLE ENERGY:
Alternative energy and renewable energy technologies ranging from solar power, wind power, and hydroelectricity

GAS DISTRIBUTION:
Gas pipelines and bulk storage/logistical facilities and downstream gas processing and development

WATER DISTRIBUTION:
Urban/rural fresh water production and treatment, bulk water supply and distribution (water reservoirs, transfer schemes)

SOCIAL INFRASTRUCTURE:
The provision of economic and social infrastructure (e.g. housing, healthcare, education) including industrial parks, within towns and cities

WASTE MANAGEMENT:
Solid waste disposal/collection, transportation and waste treatment, including waste recycling facilities

INPUTS TO INFRASTRUCTURE:
Manufacture, construction of goods, equipment, or other basic materials or services used in provision of infrastructure

TRANSPORTATION:
Fixed transportation infrastructure e.g. toll roads, bridges, rail, airports, ports and bulk storage/handling facilities

AGRICULTURE:
Infrastructure component of agro-industrial projects e.g. investments in agro-food processing/storage for agribusiness

LOGISTICS:
Logistics services that support productive investment including bulk storage/handling facilities, cold storage, warehousing, special economic zones, and certain moveable assets

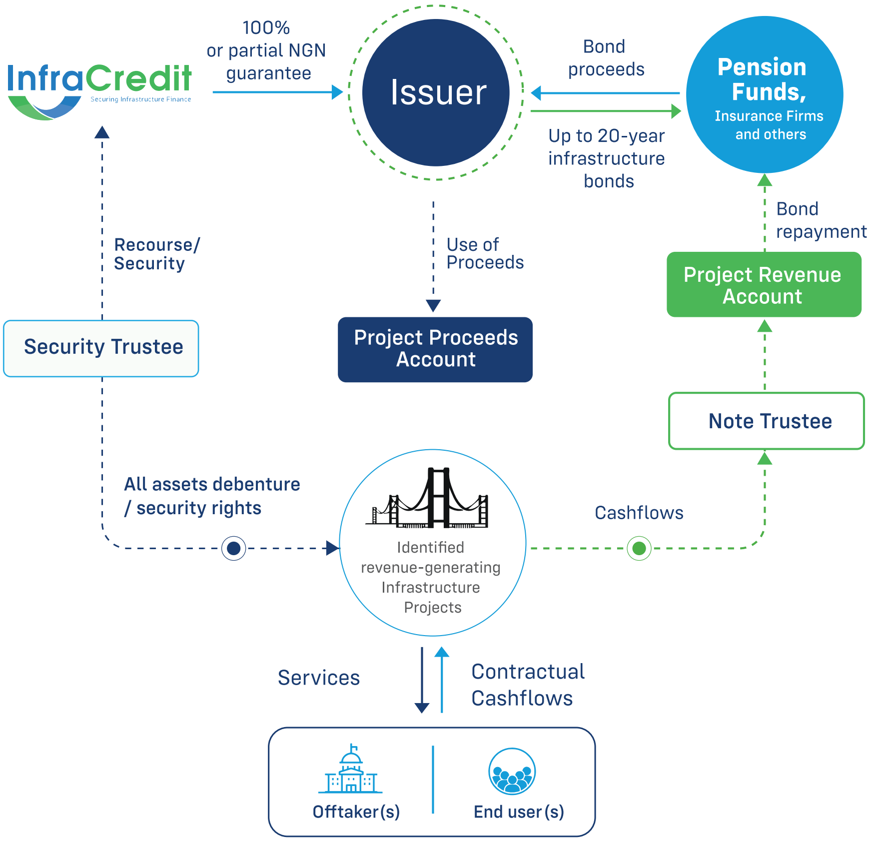
MANUFACTURING:
Manufacturing businesses and supply chain businesses that have direct infrastructure element or associated value chain infrastructure,

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

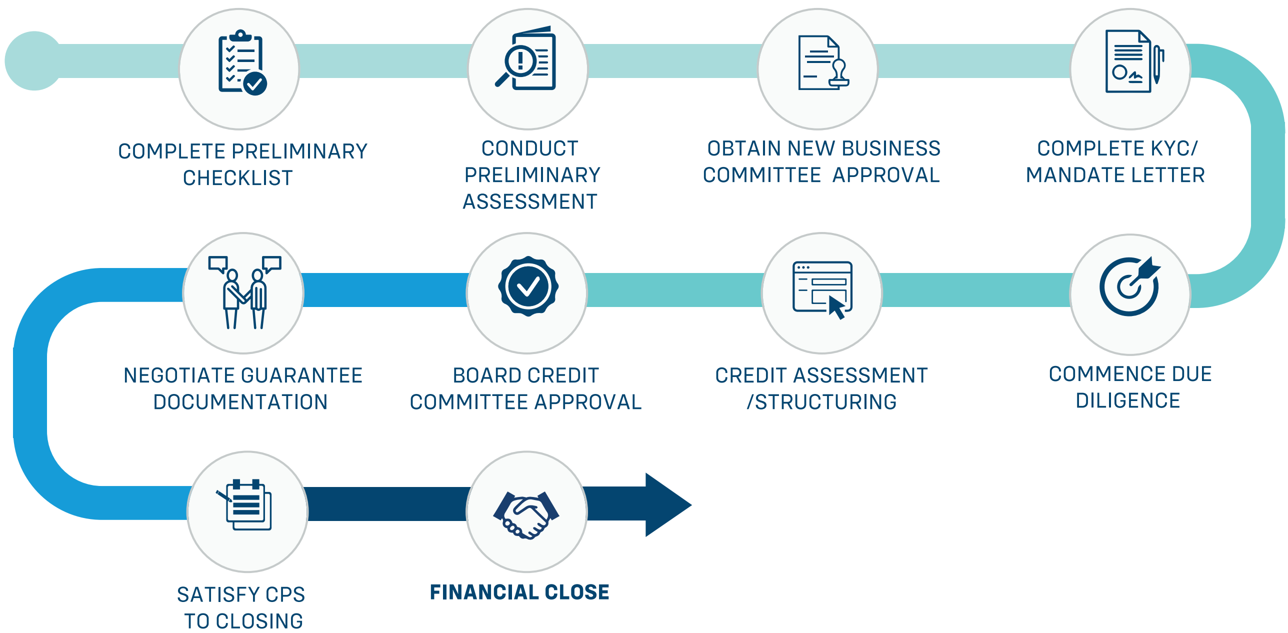
- Irrevocable & Unconditional
- Naira Obligations
- Up to 100%
- Senior Ranking Obligations
- Non Acceleration
- Up to 20 year Maturity
- Pari Passu Rights
- Voting Rights

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

TOTAL PENSION FUND ASSETS	TOTAL PENSION ASSETS ALLOCABLE TO CORPORATE BONDS PER PENCOM GUIDELINES	TOTAL PENSION ASSETS ALLOCABLE TO INFRASTRUCTURE BONDS
N30.7 trillion	**N10.8 trillion**	**N7.7 trillion**
$22.4 billion (USD Equivalent)	**$7.9 billion** (USD Equivalent)	**$5.6 billion** (USD Equivalent)
Total pension assets as at June 2026	Estimated based on 35% weighted allocation on total pension assets as at June 2026	Estimated based on 25% weighted allocation on total pension assets as at June2026

With the advent of InfraCredit, over the past 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 577 million** (NGN Equivalent) indexed to the exchange rate at deal closure date in guaranteed corporate infrastructure debt for twenty-eight infrastructure companies.

		Sector	Size
1	VIATHAN 2017, 2021, 2024 & 2025	Off-Grid Power	NGN22.52 bn USD 38.7 ml
2	NORTH SOUTH POWER 2019 & 2021	On-Grid Power	NGN9.86 bn USD26.85 ml
3	2019	Off-Grid Power	NGN13.0 bn USD35.8 ml
4	TSL 2020,2022 & 2023	Transport & Logistics	NGN22.0 bn USD45.0 bn
5	Lagos Free Zone 2021, 2022, 2023 & 2025	Special Economic Zones	NGN55.5 bn USD125.0 ml
6	GPC 2021, 2025 & 2026	Transport & Logistics	NGN35.0 bn USD58.9 ml
7	PAN AFRICAN TOWERS LIMITED 2022	Telecoms Infrastructure	NGN10.0 bn USD24.0ml
8	ASIKO 2023,2024 & 2025	LPG Storage & Distribution	NGN30.0 bn USD11.1 ml
9	Levene ENERGIES LIMITED 2026	Gas to Power	NGN10.0 bn USD7.2 ml
10	Darway Coast 2022	Renewable Energy (Solar)	NGN0.8 bn USD1.8 ml

		Sector	Size
11	GLNG 2022, 2023, 2024 & 2025	Gas to Power	NGN37.3 bn USD31.1 ml
12	falcon 2023 & 2024	LPG Storage	NGN5.0 bn USD5.5 ml
13	ELEKTRON 2023, 2024, 2025 2026	Off-grid Power	NGN50.6 bn USD50.3 ml
14	HOTSPOT 2023	ICT/Telecoms (Rural Telephony)	NGN0.95 bn USD1.26 ml
15	CTIL COLEMAN 2023	Manufacturing	NGN10.0 bn USD12.7 ml
16	african industries 2023	Manufacturing	NGN10.0 bn USD12.9 ml
17	ME CURE INDUSTRIES PLC 2024	Healthcare Infrastructure	NGN10.0 bn USD6.3 ml
18	ACOB LIGHTING technology limited 2023	Renewable Energy (Solar)	NGN0.75 bn USD0.71 ml
19	MODERN SHELTER SOLUTIONS LIMITED 2023 & 2024	Green Housing	NGN5.5bn USD5.4 ml
20	PRADO POWER 2024	Renewable Energy (Solar)	NGN1.95 Bn USD1.15 ml

		Sector	Size
21	LADOL 2024	Special Economic Zones	NGN1.27 bn USD0.76 ml
22	CRANEBURG CONSTRUCTION 2025	Transport	NGN32.5 bn USD20.2 ml
23	pirano 2025	Renewable Energy (Solar)	NGN1.0 bn USD0.65 ml
24	CEESOLAR 2025	Renewable Energy (Solar & Mini-grid)	NGN1.7 bn USD1.2 ml
25	First Electric 2025	Renewable Energy (Solar Power)	NGN1.7 bn USD1.2 ml
26	ASHIPA ELECTRIC 2025	Distributed Renewable Energy (DRE)	NGN1.1 bn USD0.74 ml
27	SOSAI 2025	Renewable Energy (Off-Grid)	NGN0.75 bn USD0.52 ml
28	MAGNIFICENT	Renewable Energy	NGN2.0bn USD1.47ml

These corporate debt instruments were oversubscribed by up to 60%from local pension fund investors, with participation by 20 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

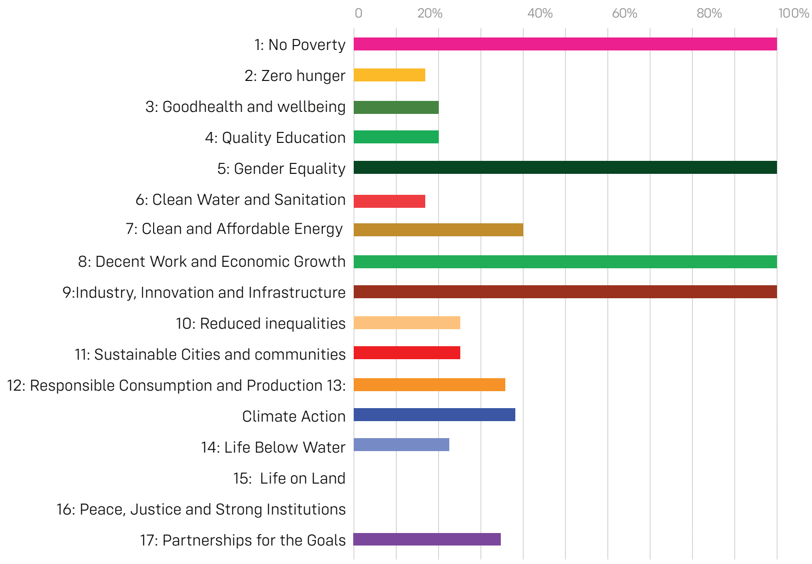
Projects

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

SDG Impact



OUR PORTFOLIO IMPACT

8 DECENT WORK AND ECONOMIC GROWTH

- 101, 664 Direct and Indirect jobs supported
- 42 newly registered businesses with access to infrastructure in the free zone area.
- Over 3000 SMEs with improved access to infrastructure.

5 GENDER EQUALITY

- 1,610 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
- (22%) women jobs at the managerial level, 20 Female truck drivers (TSL)

11 SUSTAINABLE CITIES AND COMMUNITIES

- 370 green and affordable housing units through the NTV project
- 73,500 people with improved access to clean electricity (Solar)
- Over 5 million people with access to Hydro-Power

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- 884 Telecommunications Towers supported
- +1700 logistics trucks
- Over 850,000 tonnes of bulk cargo transported monthly.

13 CLIMATE ACTION

- GHG emissions avoided from Renewable Energy infrastructure: 906,321.4tCO2eq

7 AFFORDABLE AND CLEAN ENERGY

- 600MW of hydropower installed
- 4,537kWp of solar mini-grids installed
- 15,000 MT of LPG Storage Facility
- 4,113.02 improved hours of power

We are proud signatories of: PRI Principles for Responsible Investment | Operating Principles for Impact Management

InfraCredit Securing Infrastructure Finance

"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

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