Investing in Infrastructure

GHANA INFRASTRUCTURE INVESTMENT FUND

INVESTOR PRESENTATION

AUGUST 2020
1.0 Background
Background

What is the problem we are trying to solve?

How can African governments help to unlock more private sector financing to fund the infrastructure deficits?
How to fund African infrastructure deficits?

Background

Limited government funding

Role of Private Sector

Dearth of private sector funding

Way forward?

Demonstration Effect

AfDB estimates Africa’s deficit of US$108 billion restricting productivity by ~40%

African governments cannot fund annual gaps alone

African governments have accepted the role of private sector in addressing the gaps

But not enough private sector funding is being attracted DESPITE many African reforms

How can an government unlock more private sector funding infrastructure?

Ghana is leading the way with a bold new initiative

Created a new risk capital investment vehicle with a mandate to work with and attract private capital for infrastructure

AfDB estimates Africa’s deficit of US$108 billion restricting productivity by ~40%
Who is Ghana Infrastructure Investment Fund (GIIF)?
01 Commenced operations in 2015

02 100% owned by the Government of Ghana

03 All paid-in equity balance sheet of US$325 million

04 Unique Governance Structure

05 Sector-focused on Economic & Social Infrastructure

06 Committed US$275 million in 12 Transactions
A permanent investment vehicle established by the Government of Ghana with US$325 million anchor equity to act as a catalyst to leverage private sector funds into infrastructure assets in Ghana.
Unique Corporate Governance for a gov’t owned vehicle...

GIIF has a governance structure that is independent of day to day government control.

**Advisory Committee**
- Advise the Board within the confines of national policy guidelines on infrastructure investment
- Chaired by the Minister for Finance
- Meets once or twice a year

**Board of Directors**
- Private sector individuals
- Meets at least once every quarter
- Sub-Committees – Investment & Finance, Audit, Risk, HR & Legal

**MANAGEMENT**
- Led by Chief Executive Officer
- Composed of technical and investment specialists
Leadership: Infrastructure Specialists with global PE credentials...

Solomon Asamoah  
CEO

Solomon has over 25 years of experience in transactions, and has led over $4 billion in transactions across the African continent. In his role as CEO of the Ghana Infrastructure Investment Fund, he oversees origination, structuring and investment into infrastructure-related projects across Ghana. Prior to this role he held a number of notable positions including Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank (AfDB); Deputy CEO and Chief Investment Officer of the Africa Finance Corporation (AFC); Vice President for Private Sector and International Investments at the Development Bank of Southern Africa (DBSA); and Special Assistant to the CEO of the International Finance Corporation (IFC) and Managing Director of the World Bank in Washington DC. He began his career as an Investment Banker in the City of London and has a Masters Degree in Chemical Engineering from Imperial College.

A finance professional with over 25 year’s consistent international business experience primarily focused on project finance and Private Equity.

Reginald Okai  
CFO

Reginald was appointed the CFO of GIIF in February 2019. Positions held prior to this role includes the Chief Financial Officer (CFO) of Lonrho Group (UK) Ltd.’s Infrastructure development based out of Accra. He also worked in a variety of roles with the following Companies: 3i Private Equity Group plc (FTSE 100 Company) focusing on private equity, infrastructure and debt management across Europe, Asia and the Americas, Actis Capital (UK) LLP and CDC Group Plc. Reginald is an Associate (ACMA) of the Chartered Institute of Management Accountants (CIMA). He also holds a Chartered Global Management Accountant certification (CGMA) and a BA (Hons) Bachelor’s degree in Accounting & Finance from London Metropolitan University.
Who is GIIF?

Legal Formation
Set up by an Act of Parliament in 2014

Mandate
Develop and invest in critical infrastructure

Shareholder
100% owned by Government of Ghana

Fund Size
Unlevered balance sheet of US$325 million

Geographic Focus
Non-recourse or limited recourse in commercially viable PPPs, Concessions, JVs etc. in Ghana

Products
Debt, Equity, Mezzanine, Credit Enhancement Instruments
Sectors of Focus

Economic Infrastructure Sectors

- Power
- Transportation
- Telecommunications, Media and ICT
- Oil and Gas
- Heavy industry
- Agribusiness
- Mining and associated services
- Tourism
Sectors of Focus

Social Infrastructure Sectors

Health
Education
Administration and Security
Social Housing
Sports and cultural centers
Water/Waste Services
GIIF contributing to Ghana attaining SDGs

GIIF implements internationally-recognized environmental management systems which integrate environmental and social requirements into our investment decisions and business processes.
01 Sub Funds
GIIF’s mandate gives it the ability to set up, invest and/or manage ring-fenced sub funds e.g.
• Project Development Funds; and
• Sector Funds, e.g. Affordable Housing.

02 Strategic Interventions
GIIF can undertake non-cash generative, non-profit strategic interventions separately funded so as not to affect GIIF’s profitability E.g. Advisory services (for Government)
What have we done to date?
Diversified Infrastructure Asset Portfolio

US$2.78 billion

Total Project Costs

10x

Leverage

12 Committed Transactions

Project Stage

4 Development

5 Construction

3 Operational

Portfolio by Sector

Power 13%

Oil & Gas 17%

Mining 9%

ICT 12%

Transport 33%

Tourism 12%

Other 4%

Every sponsor backed to date has been Ghanaian

Sponsor Types

9 Private

2 P3

1 Public/SOE

“Aim is to do world-class projects with local sponsors” i.e. Raise the level of Ghanaian participation in infrastructure
GHANA AIRPORTS COMPANY
US$30 million. Debt
The development of a new terminal at Kotoka International Airport (KIA) in Accra; and Rehabilitation and upgrade of other airports and aerodromes managed by GACL, including Kumasi, Tamale and Ho airports among others

TAKORADI OIL JETTY
US$32 million. Debt
New Multi product oil jetty capable of receiving vessels of up to 50,000 DWT
WESTERN CORRIDOR FIBRE
US$34 million. D/E

Ultra-modern backhaul/broadband communication infrastructure, involving laying of 881 km in-land fibre optic cables for an extensive broadband network through Takoradi - Atuabo - Kumasi – Sunyani.

TAKORADI PORT EXPANSION
US$58 million. Debt

A new container handling terminal and multipurpose terminal within the existing Takoradi Port
Investment Portfolio Brief

**ROTAN POWER**
**US$5.5 million. Equity**
Combined-cycle gas turbine capable to generate up to 660MW of elect power at Aboadze. This would have the projected lowest tariff among all Thermal IPPs.

**ATUABO POWER**
**US$30 million. D/E**
First phase 31-MW e power plant to be located at Atuabo. Converts flared gas into electricity.
AIRPORT  CITY  PULLMAN
HOTEL
US$25 million. Equity

Dual-hospitality project comprising 214 Keys hotel; and 145 serviced apartments; together with two restaurants and two swimming pools. It is positioned to become Ghana’s largest and most distinguished hospitality facility. The Hotel has achieved the World Bank/IFC EDGE Certification.

MAAHA BEACH RESORT
US$6 million. D/E

This is a 121-room 3 star multipurpose beach resort at Anokyi near Atuabo in the Ellembele District of the Western Region of Ghana.
Investment Portfolio Brief

CARDINAL GOLD PROJECT
US$25 million. Debt

5.1 Million ounce of gold reserves with a potential value of approximately US$8 billion. The Namdini Gold Project is the largest gold discovery in West Africa, and one of the largest gold discoveries globally, in recent years.

AFRICA FINANCE CORPORATION
US$10 million. Equity

AFC is a pan-African Multilateral Development Financial Institution established in 2007 by sovereign African states to provide pragmatic solutions to Africa’s infrastructure deficit and challenging operating environment. The Corporation bridges the infrastructure investment gap through the provision of debt and equity finance, project development, technical and financial advisory services.
Partnerships
Pipeline of Selected Prospective Investments

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Sector</th>
<th>Estimated GIIF Ticket ($m)</th>
<th>Estimated Total Project Cost ($m)</th>
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<tbody>
<tr>
<td>Project 1</td>
<td>Transportation (Port)</td>
<td>100</td>
<td>275</td>
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<tr>
<td>Project 2</td>
<td>Transportation (Toll road)</td>
<td>100</td>
<td>500</td>
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<tr>
<td>Project 3</td>
<td>Transportation (Port, logistics park)</td>
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<td>200</td>
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<tr>
<td>Project 4</td>
<td>Mining</td>
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<td>Project 5</td>
<td>Transportation (Inland Port)</td>
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<td>Transportation (Air)</td>
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<tr>
<td>Project 7</td>
<td>Transportation (LRT)</td>
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<td>Project 8</td>
<td>Affordable Housing</td>
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<td>300</td>
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<td>Project 9</td>
<td>Tourism / Hospitality</td>
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<td>Project 10</td>
<td>Transportation (Road)</td>
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<td>Project 11</td>
<td>Power - Renewable (generation)</td>
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<td>300</td>
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<tr>
<td>Project 12</td>
<td>Power - Renewable (generation)</td>
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<tr>
<td>Project 13</td>
<td>ICT</td>
<td>20</td>
<td>55</td>
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<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td><strong>750</strong></td>
<td><strong>5,880</strong></td>
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</table>
Takeaways?
**Some Traits behind GIIF’s Successes**

### 100% Government
- GIIF has implicit government support.
- Supervising Minister of GIIF is the Minister of Finance.
- A 100% government-owned entity operating in a sustainable private sector friendly manner, conveys government commitment and lower risk

### Strongly Capitalized
- Anchor equity fully paid in and present on GIIFs balance sheet (as opposed to being a “commitment”)
- Large enough institution to have credibility and an ability to both disburse its own funds and raise external finance for its projects

### Strong Governance
- An independent private sector Board with no serving politicians
- Non day-to-day government investment decisions, but strong government oversight and involvement on sectors

### Strong Risk Management
- GIIF utilizes the services of external and independent world class legal, financial and technical consultants to appraise potential new investments

### Proven Management
- Led by a CEO who is a recognised Infrastructure specialist having personally led over US$4billion of such investments across Africa
- CFO with global PE credentials

### Mandate Fit
- Very Strong fit with the Mandate of most DFIs and IFIs
- Ability to create sub-funds
5.0 Where is GIIF today?
GIIF has committed US$280 million of its US$325 million funds and needs additional funds to execute on its rich new pipeline of projects. The Government of Ghana has indicated additional funds should be tapped from the markets wherever possible.

GIIF is over capitalised. Needs to raise Long-Term debt finance to be able to on-lend to next batch of projects

GIIF has engaged DFI to raise 12-15 year attractively priced debt, as well as considering tapping the Bond Market.

Consequently, GIIF has had a first US$85 million, 10-year facility approved by an International DFI along with a Technical Assistance facility for climate capacity building.

GIIF would like to raise up to US$250 million in Lines of Credit for on-lending to the strong list of additional projects in GIIFs pipeline and institutional strengthening of GIIF.

We believe this is achievable as the track record of GIIF is strong and even with US$250 million of new debt, the balance sheet of GIIF will still be very conservatively structured with more equity than debt.

And, more generally, GIIF is looking for partners to support this exciting journey with this new type of institution to help address Africa's infrastructure deficit.

If we can get GIIF right in Ghana, it is highly replicable in other African countries.
The Ghana Infrastructure Investment Fund (GIIF) is a new type of infrastructure investment partner in Ghana. We:

- Provide equity and debt across a broad array of sectors including Power, Oil & Gas, Mining, Transport Infrastructure, Agribusiness, ICT, Hospitality and Affordable Housing
- Invest alongside you from our capital of US$325 million from the Ghana Government
- Understand both public sector concerns and private sector needs to make projects bankable, generate competitive returns and manage risk.
- So if you want to invest in Ghana, come and talk to us. We can work with you, walk with you and invest with you. We may just be the partner in Ghana you have been looking for...

The GHANA INFRASTRUCTURE INVESTMENT FUND;
Your preferred investment partner in Ghana.
Thank You

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