

## OPPORTUNITY FOR PROJECT FINANCING IN AFRICAN COUNTRIES

Dear partners, Africa Development Group is an investment management company, focusing on project financing for Development Projects in countries of Africa. We an option to organize funding for infrastructure development projects in your country in a form of credit / credit line with annual interest rate not exceeding 3% and minimal initial capital requirements. Projects shall meet the following criteria:

### Sectors

Energy, infrastructure, transport, logistics, manufacturing, telecoms, agriculture, mining, banking and financial services, other sectors can be considered in case the strong off take guarantee or synergy with infrastructure or energy projects

### Payback period

Maximum 7-10 years

### Size of investments.

- Minimum - 20 mln euro
- Up to 2-3 bln euro for single project or project portfolio

### Equity/initial capital requirement from project owner/initiator

- 2-10% of required investment shall be provided by project initiator. A special project investment company shall be registered and open investment account in bank Dubai, UAE in the bank of investor and place the funds in this investment account. Project initiator can be private, corporate or government - no limitations.

Required investment	20-100 \$Mln	100-300 \$Mln	300-500 \$Mln	Above 500 \$Mln
Minimum own cash contribution	10%	7%	5%	3% (negotiable)

### Shares distribution in the project

- Project initiator - 50-70% depending on development package, project financial indicators, risks and risk mitigation mechanisms and oen cash contribution
- Africa Investment Fund via ADG as Fund Management Company - 30-50%

### Collateral

- Shares of the established Special Project Company will be used as the collateral until full repayment of investments (credit).

### Revenue guarantees required

- Off-take or revenue stream guarantees like for example PPA (power purchase agreement) for energy projects, take or pay for pipeline projects, long tern transport contract for transport/logistics projects etc
- Concession agreements with government like for example for services, etc
- Direct government payment guarantees with fixed schedule of repayment within the payback period

### Information package for initial assessment:

- Project summary, key financial indicators, project concept / feasibility study / business plan / financial model (if available)
- Information on project initiators / stakeholders
- Statement that project initiators are ready to provide 2-10% of funds

## Step by step process to fund the project

1. Letter of application for project financing addressed to Africa Development Group requesting to organize project funding and statement that project initiator is ready to proceed as per procedure and has the required minimum cash contribution.
2. Attachments to the Expression of interest letter
  - o Non-disclosure agreement
  - o Project owner/initiator profile
  - o Short (2-3 pages) summary of the project, its current status and key financial indicators
  - o Project presentation, feasibility or prefeasibility study, confirmation of opportunity for revenue guarantee (offtake agreement, concession, detailed market study etc).
  - o Financial model in xls format
  - o Proof of financial capability for required minimum cash contribution (in form of Bank Comfort Letter or other negotiable format)
  - o Authorization of the signatory to act on and sign documents on company behalf (Board resolution)
3. Initial project assessment by ADG experts.
  - 3.1. In case of initial approval, move to step 4.
  - 3.2. In case the project is potentially fundable, but requires additional development components, ADG provides recommendations what is missing and the project initiator will apply for project funding again after putting together the full package required (step 2).
4. After initial approval of project, signing an MOU with ADG (management company nominated by the Investment Fund) regarding joint project implementation and the protocol specifying steps to fund the project.
  - o 5000 euro payment for the service of project assessment and initial approval by the Investment fund (payable after initial approval).
  - o Agreement for services to open Special Project Investment Company and investment account in Dubai, UAE and. Service is provided by lawyers nominated by the Investment Fund.

Total cost is 100 000 \$ including all required licenses, permits, working visas for Directors as well as minimum share capital of 30 000 \$. Timeframe for company registration and licenses - maximum 4 weeks, working visa and residence permit in Dubai, UAE - up to 10 days after company registration, requires physical presence of Directors in Dubai, UAE
  - o Transfer of required minimal own cash to the investment account of the established company in the name of project initiator.
5. Full project funding is available to fund the project in 3 months after transfer of initial own cash contribution.

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