



# Almaty LRT PPP Project. Financial aspects

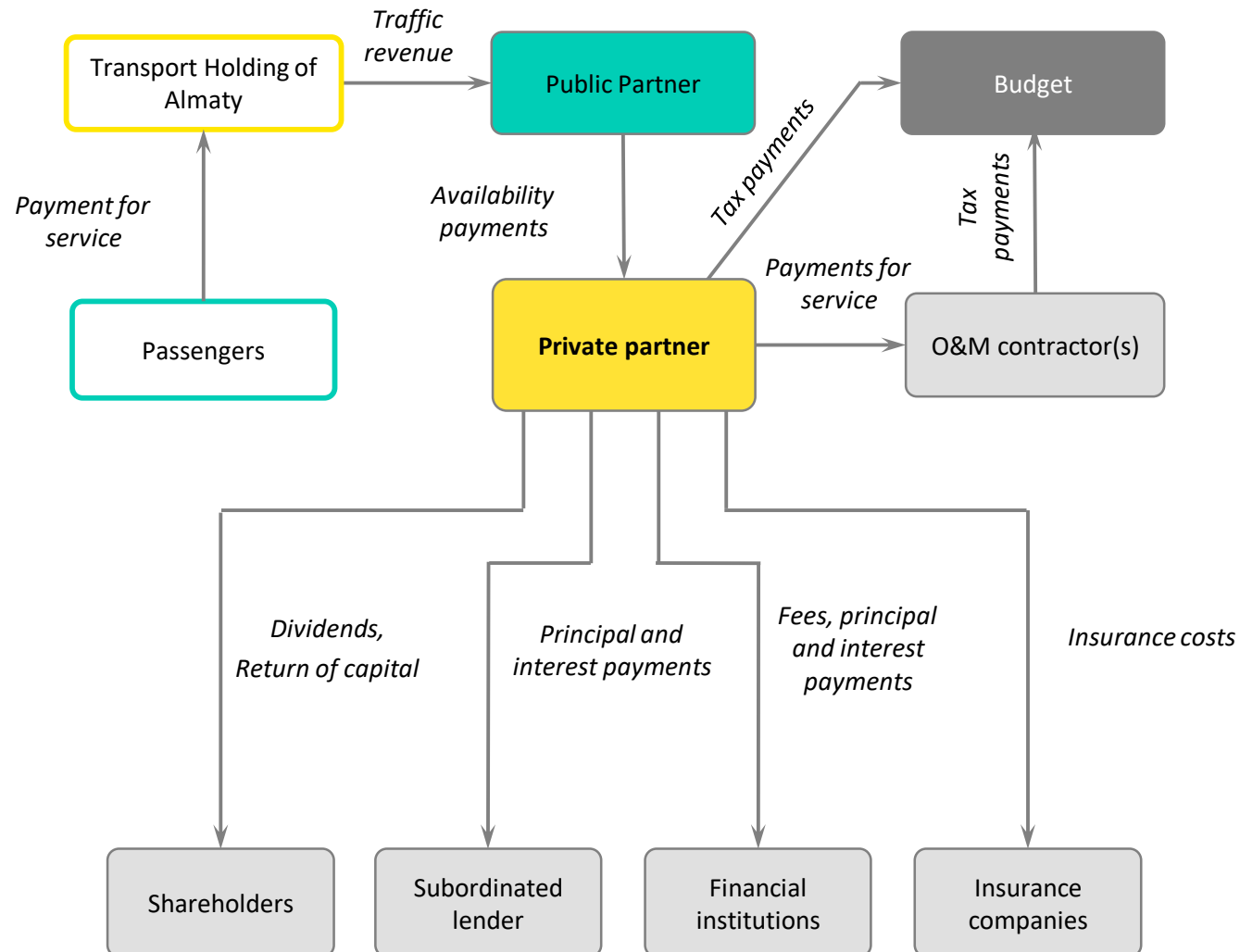
## Payment mechanism (1/2)

Availability payment will:

- be guaranteed by the City in accordance with the PPPA (Republican guarantee is not the part of the Project). Availability payments will be secured in the Almaty budget directly
- be linked to Project KPIs
- be determined based on the bid proposal
- cover:
  - capital expenditures
  - operation and maintenance cost
  - senior debt service (DSCR => 1.2)
  - payback of the equity subject to required return (Target Equity IRR is 15%)
- be subject to adjustment for the applicable official inflation indexes and currency exchange rates

The Project Company will not be required to take the tariff (including electricity tariffs) / demand / FX risks

## Payment mechanism (2/2)



## Financing of the Project

- Financing of the Project is the Project Company's responsibility
- Significant capital grant is planned (50% of Private Partner's CAPEX)
- Capital grant will be secured at contract award and denominated in local currency (FX component is subject to discussion)
- Preparation of land plots shall be done by Akimat on public procurement basis (not the part of the PPP agreement)
- A number of leading financial institutions have been consulted and have shown preliminary interest in the Project (EBRD)
- FX component will be included in availability payment to increase bankability of the Project

## Risk matrix

Risk category	Risk Allocation		
	Private	Public	Shared
Preparation of land plots		✓	
Design	✓		
Construction	✓		
Contamination on the Site present at handover to private partner		✓	
Demand (traffic)		✓	
Operation/Maintenance	✓		
Financing			✓
Changes in interest rates after financial close	✓		
Changes in rate of inflation during operation		✓	
Forex risk		✓	
Legislation and tax changes - general	✓		
Legislation and tax changes - specific		✓	
Political changes		✓	
Force majeure			✓

## Sources and Uses, construction stage (91,245 mln KZT, 222 mln USD)

