



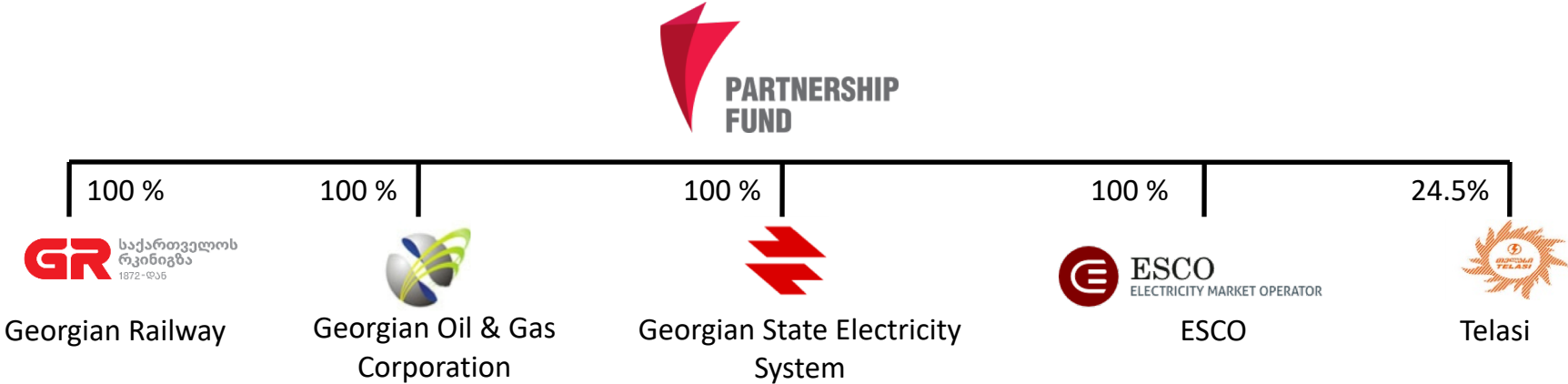
# **PARTNERSHIP FUND**

2019

# About Partnership Fund

<b>Name</b>	JSC Partnership Fund
<b>Ownership</b>	100% State owned
<b>Established</b>	2011
<b>Headquarters</b>	Tbilisi, Georgia
<b>Governance</b>	Supervisory Board (4 Ministers, 3 heads of commercial banks; Chairman: Prime Minister)
<b>Mission</b>	<ul style="list-style-type: none"><li>• To support investors by providing different financial instruments</li><li>• To share project related risks with investors</li><li>• To explore and promote new investment opportunities</li></ul>
<b>Total Assets</b>	3.0 bn USD
<b>Rating</b>	Fitch BB (Stable)

## Asset Management – Ownership of Georgia’s Strategic Assets



## Investment Activity - Five Key Sectors



# About Partnership Fund

**Financing**

## Investment Mandate

- Equity, Mezzanine & Debt Financing
- Greenfield & brownfield projects
- Stable mid-to-long term financing
- Predetermined exit strategy

## Investment Criteria

- Commercially viable projects
- Fund's participation - up to 49% of project's total equity
- Experienced partner or availability of operator

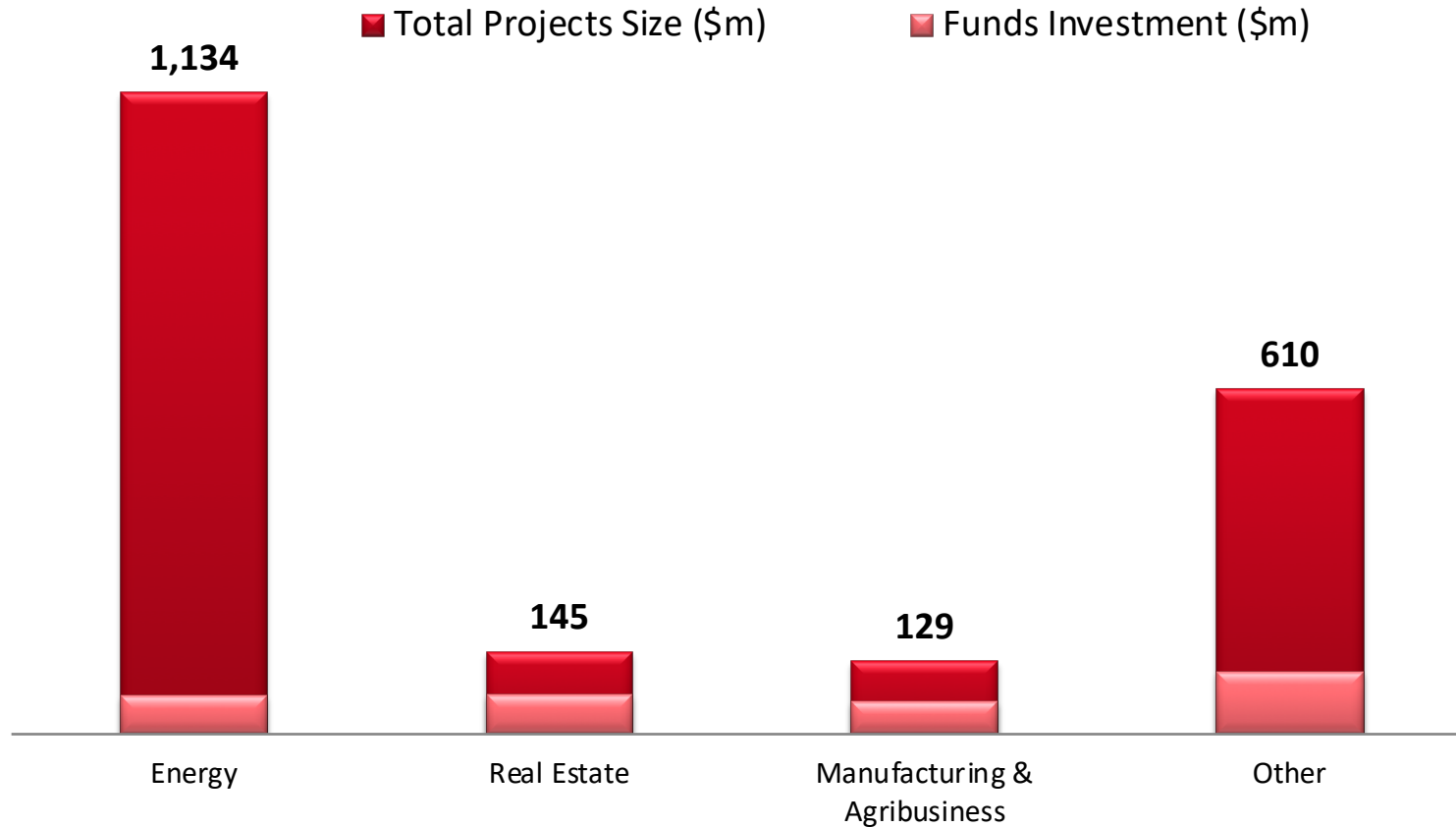
## Project Initiation

- By private investor or Partnership Fund (internally developed feasibility studies)
- Business Plan and financial model - In-depth analyses and evaluation process
- Final Supervisory Board approval



# Partnership Fund's Portfolio

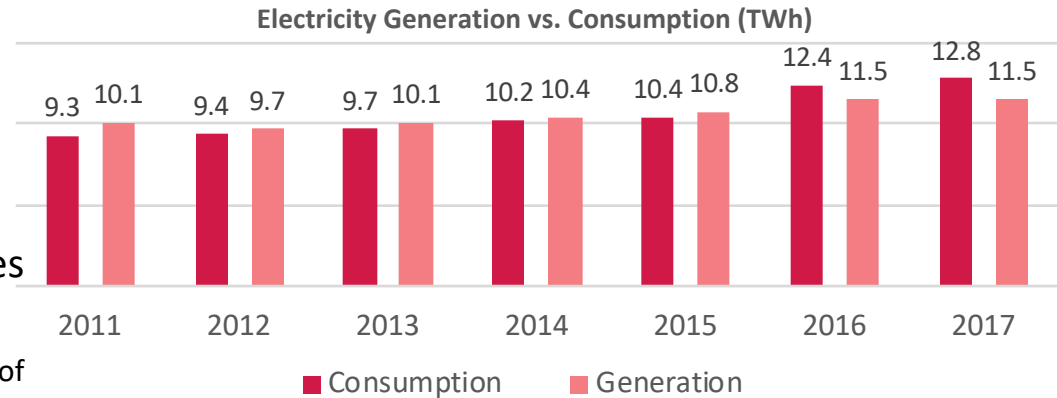
Snapshot



- Total projects size 2.5b USD
- Fund's portfolio up to 330m USD
- Enables projects to attract senior financing from commercial sources and/or IFIs (EBRD, ADB, IFC and others)

- Growing domestic demand & Export opportunities
- Liberalized and deregulated market
- Developed Grid Infrastructure
- Among top countries in terms of water resources per capita (only 25% utilized)

PF invests in Thermal and Hydro Power plants in the regions of Georgia. PF can also consider investment in wind and solar energy



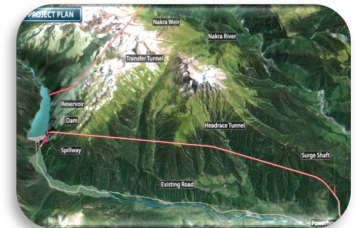
## PF Portfolio

- Total Portfolio Size : USD 1,134m
- Fund's Participation: USD 67.5m
- Total Installed Capacity: 529 MW
- Partners: Georgian Oil and Gas Corporation (Georgia), K-Water (S.Korea), Hydrolea (Bulgaria).

Gardabani TPP



Nenskra HPP



# Real Estate & Hospitality Sector

- Continuous Increase in International Visitors
- Regional Center
- Rich Natural and Cultural Resources
- Various Type of Resorts
- Considerable Potential to Develop Real Estate

PF's main priority is hotel development in the regions of Georgia



## PF Portfolio

- Total Portfolio Size: USD 160m
- Fund's Participation: USD 70m
- Total Number of Rooms: 611
- Operators: Radisson, Best Western, Hyatt etc.
- Partners: Silk Road Group, Block Invest (Georgia), Lopota Tour Service (Georgia), Redix, etc.

Likani Borjomi



Radisson Tsinandali



Hotel Abastumani



Park Inn by Radisson



## Tskaltubo Spa Resort



- Spa and Medical Resort destination, located in western Georgia (15 Km to Kutaisi International airport)
- 70 ha unique park, 9 bathing facilities, 18 former Sanatoriums
- Feasibility Study (market analyses, technical inventory, investment assessment) completed by Kohl & Partner (Austria)
- Total Investment Size: USD 750-800m
- Current Status: the first building is already privatized & under development by private investor
- Fund offers equity co-investment up to 25%

## Touristic Development of Racha

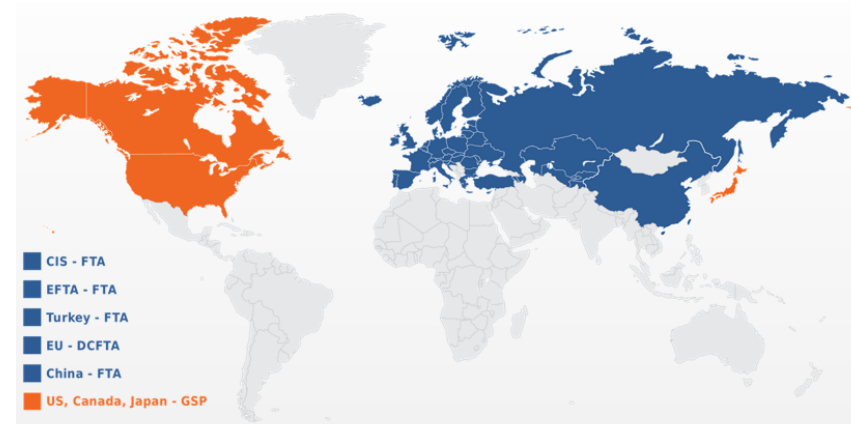


- Spa and touristic Resort destination, located in Western Georgia
- Mineral and Spa waters, Diverse natural attractions, Picturesque Lake, River and Mountains
- Three Different Resorts:
  - Shaori - Lake, Utsera - Spa, Shovi - Mountain
- Total Investment Size: USD 59-60m
- Feasibility Study (market analyses, Development Concept, investment Breakdown) completed by BDO
- Current Status: Government is in process of preparing infrastructure and other Investment promoting activities in the region
- Fund considers participation in PPP format



- Free Trade Agreements with 2.3 b consumer market
- Growing regional market
- Competitive labor costs
- Low utility costs

PF invests in different types of Industrial projects (High tech composite material production factory, energy efficient construction material production, etc.)



## PF Portfolio

- Total Portfolio Size: USD 114m
- Fund's Participation: USD 53.5m
- Partners: Ceramica El Torento (Spain) ELBIT Cyclone (Israel), ICES (Georgia), Xella Group (Germany), Owners of Archi Group (Georgia).

Composite Material Factory



Sandwich Panel Factory



Ytong Block Factory



- Natural resources and 21 micro-climatic zones
- Low costs
- Free Trade Agreements with 2.3 billion market
- Government incentives

Different types of agricultural projects (Greenhouses, animal farms, processing facilities, storage facilities, etc.)



## PF Portfolio

- Total Portfolio Size: USD 16m
- Fund's Participation: USD 4.5m
- Partners: Native Georgian (Spain).Vanrik Agro (Georgia), Food Ventures (the Netherlands), Karva Kolkhuri (Georgia).

Blueberry Plantation



Hog Farm



Vegetable Greenhouse



Corn Oil Factory - Kolkha



- Number of Projects: 5
- Projects: boutique and branded hotels, hog farm
- Total Size of Investment: USD 52m
- Fund's Total Participation: USD 12 m
- Financing: equity and subordinated debt
- Partners: Winiveria Group (Georgia), Eurocom Investment (Slovakia), Geoagro (Georgia), Capitol Holding (Georgia).

**Hotel Royal Batoni**



**Hotel Gino Wellness**



**Lopota Lake Resort**



**Kalanda Hog Farm**



**Hotel Best Western  
Kutaisi**





## Start Up Georgia

- Startup financing program for perspective and innovative projects
- 79 projects already approved
- Total Budget - 11 Million Gel
- Equity co-financing from 15,000 to 100,000 Gel
- Applicant's minimum cash contribution - 10% of total cash budget



## Gazelle Finance

- Gazelle Finance is an investment manager that manages Gazelle Fund LP, with \$42M in committed capital
- The fund provides growth-oriented risk capital to SMEs in the Eurasia region
- Gazelle Fund currently operates in Georgia and Armenia, and intends to further expand in the Eurasia region in the coming years. Our investors include FMO, DGGF, Partnership Fund, and OPIC



## Schulze Global Investment

- The World's Leading Frontier Markets Private Equity Firm
- Schulze Global has a 10-year track record of delivering strong investment returns while providing unique exposure to some of the world's most untapped economies
- For each individual region, Schulze Global picks a specific market and places a full-fledged investment team on the ground in that market





**Thank You For Your Attention**

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