

# PRIVATE PLACEMENT MEMORANDUM

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**Bahamas Grid Company Ltd.**

**Bahamas Grid Company  
Nassau, The Bahamas**



**B\$100,000,000 Senior Unsecured Bonds**

**July 12, 2024**

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## Disclaimer

This preliminary information memorandum (this “Memorandum”) is being delivered to a limited number of parties who, it is believed, meet certain qualifications and may be interested in acquiring the senior unsecured bonds (the “Bond Facility”) described herein. This Memorandum is furnished to you on a confidential basis solely for the purpose of evaluating the investment offered hereby. Under no circumstances shall this Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the Bond Facility in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification.

Colina Financial Advisors Limited (“CFAL”) is acting as the placement agent (the “Agent”) of Bahamas Grid Company Ltd. (the “Issuer”) with regards to the Bond Facility for Bahamian investors. This Memorandum is submitted in connection with the Bond Facility and may not be used for any other purpose and may not be redistributed or reproduced, in whole or in part, without the prior written consent of the Issuer. The Bond Facility offered hereby may not be sold without delivery of this Memorandum.

This Memorandum has been prepared solely for the purpose of soliciting expressions of interest in the Bond Facility from potential purchasers and is not intended as a comprehensive description of the transactions contemplated hereby or of the Issuer. Neither the delivery of this Memorandum nor any sale of the Bond Facility shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. No persons have been authorized to make any representations other than as may be set forth in the Bond Subscription Agreement to be entered into in connection with the transactions contemplated hereby and, if given or made, such representations should not be considered as authorized or relied upon.

Except where noted, the Agent has not independently verified the accuracy or completeness of the information contained in this Memorandum, and the Agent expressly disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this Memorandum or any other written or oral communication transmitted to any interested party in the course of such interested party’s evaluation of the Issuer. Only those particular representations and warranties that may be made by the Issuer to any purchaser in the bond subscription agreement to be entered into in connection with the transactions contemplated hereby (the “Bond Subscription Agreement”), when and if executed, and subject to such limitations and restrictions as may be specified in such documentation, shall have any legal effect.

It is expected that investors interested in participating in the Bond Facility will conduct (and will be deemed to have made) their own independent investigation of the financial condition and creditworthiness of the Issuer and the terms of the Bond Facility, including the merits and risks involved. The Agent will provide qualified prospective purchasers with such additional information as may be reasonably requested relating to the offering of the Bond Facility and representatives of the Issuer will be available to answer any questions concerning the Issuer, and will, upon request, make available such other information as may be reasonably requested. Neither this Memorandum nor any related enclosures, documents or additional information is intended to provide the sole basis of any credit or other evaluation of the Issuer. Except as indicated herein, you should not assume the information in this Memorandum is accurate as of any date other than the date of this Memorandum. This Memorandum shall remain the property of the Issuer.

This Memorandum is not required to be registered with the Securities Commission of The Bahamas (the “Commission”) under regulation 109 of the Securities Industries Regulations. While this document has not been registered with the Commission, a copy has been filed with the Commission as required by the Securities Industry Regulation 2012. However, the Commission has not checked and will not check the accuracy of the statements made herein and accepts no responsibility therefore or for the financial soundness of the issuer or the value of securities concerned and neither the Commission nor the Government of The Commonwealth of The Bahamas passes

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judgment on the merits of the offering and is therefore not liable for any statements or omissions contained herein.

As such, the Bond Facility is suitable only as an investment for, and are being offered only to persons who have, directly or through qualified representatives, the ability to evaluate the merits and risks of an investment in the Bond Facility and the ability to assume the economic risks involved in such investment. There is currently no trading market for the Bond Facility, and it is not contemplated that one will develop in the foreseeable future. Each purchaser will be required in connection with the purchase of the Bond Facility to make representations confirming its eligibility as a prospective investor and that it is purchasing the Bond Facility for its own account and not with a view to their resale or distribution.

The Bond Facility is being offered as a private placement in The Bahamas to a limited number of Accredited Investors, as defined in Regulation 2 of the Securities Industry Regulations, 2012, in reliance upon the exemption provided by the Securities Commission of The Bahamas under Regulation 109 of the Securities Industry Regulations, 2012, and will not be registered under the Securities Industry Act 2011 or under the laws of The Bahamas. Accordingly, the Bond Facility is subject to resale restrictions as per the Securities Industry Regulations. Investors should consult with their counsel as to the applicable requirements for a purchaser to avail itself of any exemption. The Bond Subscription Agreement to be executed and delivered in connection with the transactions contemplated hereby will contain restrictions applicable to the subsequent disposition of the Bond Facility designed to comply with the exempt status and applicable Bahamian securities laws. The Bond Facility will bear a legend to the effect that the Bond Facility has not been registered under the Act and may not be sold other than in a transaction that is exempt from registration under the Act and applicable securities laws.

Investors should be aware that they might be required to bear the financial risk of their investment for an indefinite period. The Issuer is not making an offer of the Bond Facility in any jurisdiction where the offer is not permitted and no subscriptions will be accepted from investors unless the Issuer, upon consultation with its counsel, is satisfied that the offering is in compliance with the laws of such jurisdiction.

No action has been or will be taken to permit an offer of the Bond Facility to the public and, in particular, no prospectus in relation to the Bond Facility is to be issued or registered. Accordingly, this Memorandum may only be distributed to persons invited by the Agent to subscribe to the Bond Facility pursuant to the private placement.

This Memorandum contains estimates of anticipated or future performance of the Issuer which constitute "forward-looking statements" under Bahamian securities laws and reflect various assumptions made by the Issuer that may or may not prove accurate, as well as the exercise of a substantial degree of judgment by the management of the Issuer as to the scope and presentation of such information. When used in this Memorandum, the terms "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "may," "objectives," "will," "plans," "possible," "potential," "projects," and similar expressions are intended to identify forward-looking statements, although other phrasing may be used. No representations or warranties are made as to the accuracy of such forward-looking statements or estimates of anticipated performance and such forward-looking statements and estimates are not guarantees of future performance and involve risks, uncertainties and other factors that may cause the Issuer's actual performance or achievements to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements or estimates. The Issuer's actual future results could differ materially from those predicted in such forward-looking statements or estimates. Accordingly, prospective investors are urged not to place undue reliance on these forward-looking statements or estimates.

Statements in this Memorandum that are forward-looking are based on the Issuer's current beliefs regarding a large number of factors affecting its business. There can be no assurance that (i) the

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Issuer has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Issuer's analysis is based is complete or accurate, (iii) the Issuer's analysis is correct or (iv) the Issuer's strategy, which is based in part on this analysis, will be successful.

The Issuer and the Agent make no representations as to the proper characteristics of the Bond Facility for legal, investment, accounting, regulatory and tax purposes, or the ability of particular investors to purchase the Bond Facility under applicable legal and investment restrictions. Neither the Agent nor the Issuer is acting as your advisor. Prior to entering into any transaction, you should determine, without reliance upon the Agent and the Issuer, or any of their respective affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. In this regard, by acceptance of these materials, you acknowledge that you have been advised that (i) neither the Agent nor the Issuer, is in the business of providing legal, tax or accounting advice, (ii) you understand that there may be legal, tax or accounting risks associated with the transaction, (iii) you should receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks, and (iv) you should apprise senior management in your organization as to the legal, tax and accounting advice (and, if applicable, risks) associated with this transaction and the disclaimer as to these matters.

This Memorandum contains summaries of the Bond Facility, and of certain documents, agreements and opinions relating to this offering. Reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto. All such summaries are qualified in their entirety by this reference. Copies of the documents, agreements and opinions referred to in this Memorandum are available from the Issuer.

The Issuer reserves the right, in its sole discretion and for any reason whatsoever, to modify, amend and/or withdraw all or any portion of the offering and/or accept or reject in whole or in part any prospective investment in the Bond Facility or to allot to any prospective investor less than the Bond Facility that such investor desires to purchase. None of the Agent or the Issuer shall have any liability whatsoever to any offeree and/or investor in the event that any of the foregoing shall occur.

The Agent may also provide (directly and through affiliates) other services to the Issuer from time to time. The Agent is receiving a fee from the Issuer for its role in placing the Bond Facility. The Issuer has agreed to indemnify the Agent with respect to any liability for material omissions or misstatements in this Memorandum excluding any such claims, liabilities, losses and damages, arising from the Agent's own gross negligence or wilful misconduct as determined by the final judgment of a court of competent jurisdiction and special, indirect exemplary, punitive or consequential damages of any kind whatsoever.

The Agent and its affiliates, and employees are not in the business of providing tax or legal advice to any taxpayer outside of the Agent, and its affiliates. These materials and any tax related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Tax-related statements, if any, may have been written in connection with the "promotion or marketing" of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any such taxpayer should seek advice based on the taxpayer's circumstances from an independent tax advisor.

## 1 Contacts

All contacts should be made through Colina Financial Advisors Limited (“CFAL”). Any question or requests for further information should be directed to:

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## 2 Executive Summary

Bahamas Grid Company Ltd. (“Bahamas Grid Company” or the “Company”) was formed in 2023 to work alongside Bahamas Power & Light Company (“BPL”), to undertake certain fundamental improvements to the electric transmission and distribution system on the Island of New Providence (the “T&D System”), and operate and maintain the T&D System thereafter, as detailed below. The Company seeks to carry out initial fundamental improvements to the T&D System in the amount of \$130 million.

While BPL will continue to be the core provider of energy in The Bahamas, BPL alone does not have the financial resources, buying power nor the requisite expertise to execute a timely on budget market-leading structural upgrade and operational structure envisioned by the Government of the Bahamas (“GOB”). By partnering with BPL, the Company believes we will be able to create such an upgrade, operational structure, maximizing the way power is purchased and the electric grid is maintained going forward.

Bahamas Grid Company will be a 40% BPL/government, 60% private partnership. For 40% of The Company ownership, BPL and GOB will contribute the existing New Providence T&D System, which BPL has assigned a value of approximately \$100 million along with its related facilities, properties and equipment. The 60% private contribution will come from a mix of debt and equity investors funding the foundational upgrades, as well as the partnership raising the financing and leading the T&D upgrade and maintenance work.

The Project will require \$130 million in initial financing, which will be sourced via debt and equity in tranches. The equity contribution was completed in June 2024.

A brief summary of the T&D System, the Project, the Issuer’s Board of Directors, key investment considerations and risks are presented in the following sections.

## 3 Project Overview

The Bahamas has been plagued by power reliability issues for decades with intermittent load shedding occurring at times.

### **New Providence Transmission and Distribution Public-Private Partnership Initiative**

The nation’s electric transmission and distribution system is the backbone of modern life, enabling the safe and reliable flow of power to all homes and businesses; and the nation has been plagued by power reliability issues with respect to this system for decades. The T&D System, as currently constructed, is in need of significant improvement and upgrade. The proceeds of this offering are intended to finance such an upgrade, as detailed below.

#### **A. Planned Activities**

1. **Implement Foundational Upgrades.** This initiative will begin with a \$130M investment to upgrade the most critical components of the T&D System. The work is anticipated to include:(a) storm hardening and upgrading the transmission infrastructure; (b) installing protection devices in specific substations; and (c) rebalancing the load to reduce voltage fluctuations on the distribution system. The specifications for this work are all in line with leading international standards for hurricane-prone environments. These activities are slated to be completed during the later part of 2024 and the first quarter of 2025.

- 2. **Streamline Ongoing Maintenance.** By carving out the long-term maintenance and operations of New Providence's T&D system, the initiative will allow for the ongoing targeted and effective management of the T&D grid, enabling us to elevate and maintain New Providence's T&D system at leading world-class standards for decades to come.



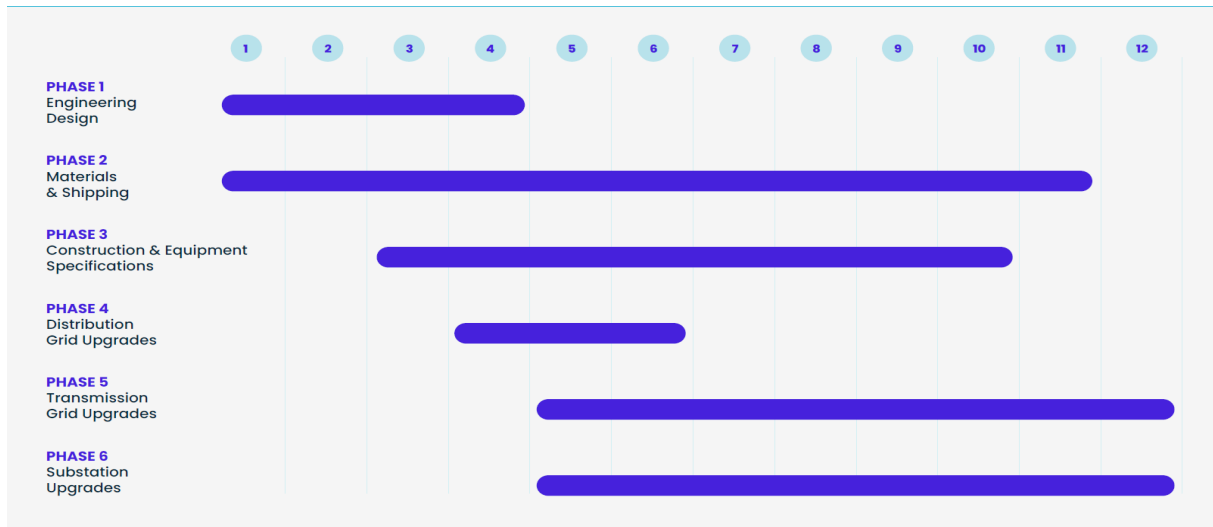
**Before and After**



**B. Project Timeline**

The project is expected to be completed by Q2 2025, assuming work can commence no later than Q3 2024.

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## C. Breakdown of Capex

		Project Value	
1	Transmission	\$	58,000,000
2	Substation	\$	55,000,000
3	Distribution	\$	7,000,000
4	Engineering	\$	5,000,000
5	Training & Education	\$	5,000,000
Total:		\$	130,000,000

## D. Proposed Structure

The New Providence T&D Public-Private Partnership will be structured as a new organization (Bahamas Grid) working alongside and in partnership with BPL to serve utility customers in the Bahamas. BPL will continue to maintain customer relationships and billing, as well as its owned power generation assets. Bahamas Grid Company will singularly focus on the T&D system, i.e., the network carrying the electrons between any grid-interconnected generation source and BPL customers in New Providence.

Where the two organizations will work in partnership is at the point of revenue allocation/cost capping and introduction of new load/capacity, as follows:

- Revenue Allocation and Cost Capping.** To ensure that the electricity cost in the Bahamas will continue to become more affordable as time goes on, each organization will use best efforts to limit costs on a going forward basis and collect revenues accordingly. Bahamas Grid Company will endeavor to limit cost to 5.5c/kWh, as outlined below in section “C. Economics”.
- New Generation Capacity and New Customer Load.** Strains on a T&D system arise when too much power is pushed through equipment that is not sized to handle the load. As such, when there is a new significant generation source or high-usage customer being proposed to interconnect with the system, Bahamas Grid Company and BPL will work together to ensure that the new customer load or new generation capacity adequately pays into the system for the needed upgrades.

This dual BPL-Bahamas Grid Company approach enables the much-needed infusion of capital into New Providence's utility T&D infrastructure and support systems, as well as the ability to systematically plan for future maintenance needs – both of which are prerequisites to our nation's ability to introduce cleaner generation sources and customers onto our system.

#### **E. Economics**

To pay back the investors for the capital needed to conduct the foundational upgrade, as well as to fund the ongoing maintenance work, Bahamas Grid Company will be allocated 5.5 cents per kilowatt hour billed and collected by BPL for five years initially, stepping down by .020 cents until 4.8 cents provided certain demand hurdles are achieved over the next [25] years in accordance with the waterfall payment schedule in the Heads of Agreement to be entered into as contemplated herein(HOA).

There are several key customer, BPL/GOB, and investor benefits embedded within the 5.5c/kWh allocation:

- **Existing BPL Debt Paydown:** [0.0025c/kWh] of the funds allocated per month will go towards repaying BPL's existing debts.
- **Hurricane/Major Weather Fund:** [0.0025c/kWh] of the funds allocated per month will go into an emergency management fund that will be used to repair the system in the event of a major weather event. Excess monies in this fund will be paid out to BPL customers periodically.
- **Shareholder Dividends:** As Bahamas Grid Company investors, BPL/GOB and any consumer/business investor in the Bahamas will receive dividends on a regular basis for their investment.

#### **F. Bahamas Grid Company Management and Workforce**

Bahamas Grid Company will engage Island Grid Solutions Ltd. as T&D Manager, to manage the foundational upgrades and ongoing maintenance work on New Providence.

Bahamas Grid Company's plan is to hire new Bahamian staff and upskill BPL staff as the core workforce to maintain the upgraded grid. Because this cannot happen overnight due to the additional training that will be required, Bahamas Grid Company's workforce plan is to stage employee growth as follows:

- **Hire Local.** Bahamas Grid will post for local job opportunities outline with the skills needed and what Bahamas Grid training will be available to bridge the gap between current training and skills needed. Bahamas Grid will hire the New providence T&D employees at BPL for a period of 1 year after which they will have the opportunity to remain with Bahamas Grid or return to BPL. As a benefit to BPL to lower its operating cost model, Bahamas Grid Company can release these job listings first to all BPL employees. The goal in this phase is to hire a core group of local employees that will be trained first.
- **Augment Temporarily with Contractors.** Bahamas Grid Company will bring in US-based contractors with storm hardened grid experience, to work efficiently on energized lines and get the foundational upgrades implemented. During this period, the locally hired workforce will shadow and learn from the contractors, in addition to participating in cooperative programs to learn energized work skills in the U.S.

- **Continue to Hire Local.** Once the foundational upgrades are complete and the steady-state T&D maintenance workload is clearer, Bahamas Grid Company will continue to hire and train local staff while bringing in offshore contractors on an as-needed basis for specific projects.

It is anticipated that during the construction period, more than 200 jobs will be created.

### G. Benefits of the Initiative to New Providence

The system benefits from this initiative are multifold:

- **Reduction in frequency and duration of large-scale outages**, enabled by the substation protection schemes.
- **Fewer appliance issues** stemming from the distribution upgrades, which will reduce voltage fluctuations on parts of the island that are most impacted by them.
- **Less line/voltage loss**, or more power delivered with the same fuel use, resulting from the transmission upgrades. The ongoing cost savings associated with this benefit will sustain the residential utility bill reductions beyond year one.
- **A scalable grid that can take on additional generation including renewables**, through the looping of the system on the transmission side.
- **Lower annual T&D operating cost**, enabled by the 2024 foundational upgrades streamlining maintenance work in future years. This benefit will allow Bahamas Grid Company to only need 5.5c/kWh to fund its ongoing maintenance while repaying investors.
- **Lower utility bills for all customers** resulting from this initiative creating a more efficient T&D system for many years to come.

### How the T&D Savings are Enabled and Grow Over Time



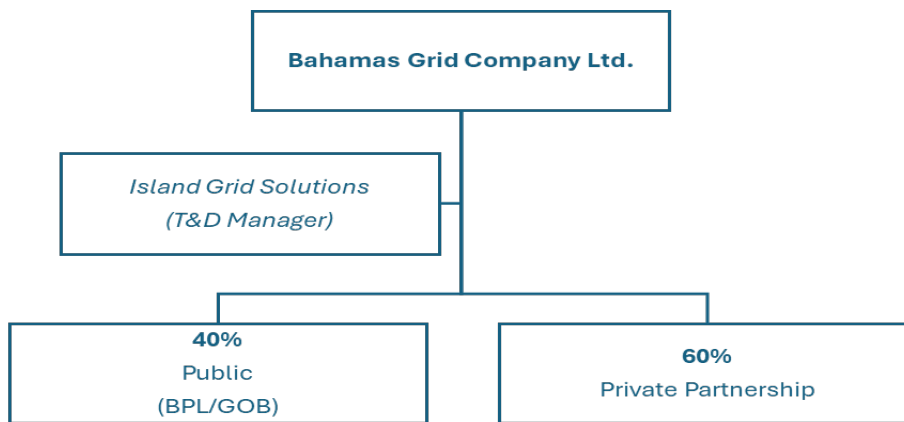
**H. Experienced Grid Manager**

**Overview of Island Grid**

Island Grid (T&D Manager) offers a one-stop shop for island-based infrastructure initiatives, spanning strategic advisory services, system engineering, system construction, project management office, local staff training and community engagement. Because having a robust and up-to-date infrastructure network is a necessary backbone of modern life anywhere, we provide end-to-end coverage for all your infrastructure needs, inclusive of electric grid, renewables, telecom, distribution gas and vegetation management. By augmenting our project design and implementation services with local staff training and community engagement, we ensure that your infrastructure project maximizes the economic development and community resilience goals of the customer. Island Grid is led by a highly experience team of infrastructure experts who bring 60+ years of US infrastructure project experience to modernize island infrastructures around the world, with long-term system reliability, resilience and sustainability in mind.

**4 Shareholder Overview**

Bahamas Grid Company is the issuer, established for the management and operation of the Transmission and Distribution network of New Providence. BGC shareholding will comprise forty (40%) percent by the Government/BPL and sixty (60%) by the private contribution and manager of the system. The equity of the company will be offered to accredited investors with an appetite and risk tolerance for infrastructural investments via a private placement.



**4.1 Board of Directors**

The Government shall have the right to appoint two of the five directors to the Board of Bahamas Grid Company Ltd., and the T&D Manager shall have the right to appoint three of the five directors to the Board. It has been agreed that Anthony Ferguson, J. Eric Pike and Mei Shibata will all initially be named as directors.

Eric Pike	Anthony Ferguson
Mei Shibata	Christina Alston
	Dr. Anthony Farrington

**Christina Alston**



Christina Alston stands as a beacon of innovation and leadership in the electric utility sector, with a career spanning over three decades dedicated to integrating sustainable energy solutions. As a Certified Energy Manager, her expertise encompasses demand side management, energy conservation, and the seamless integration of renewable energy technologies into the power grid, notably solar and battery energy storage systems. Her commitment to enhancing the resilience of power systems through innovative microgrid projects and distributed energy resources reflects a profound dedication to sustainable solutions, particularly for rural communities.

As the former Chief Operating Officer for Bahamas Power and Light, Ms. Alston was instrumental in steering the planning, engineering, operations, and maintenance of the electricity supply throughout the Bahamian Archipelago. She adeptly managed 27 generation facilities across 16 islands, focusing on cost reduction, operational efficiency, and reliability enhancement. This responsibility underscored her exceptional ability to implement complex energy solutions in diverse and challenging environments, solidifying her reputation as a visionary leader in the field.

Ms. Alston's illustrious career is marked by numerous accolades, including recognition from the Department of Energy (DOE), the Institute of Supply Management and her active participation in significant initiatives such as the State of Georgia Electric Mobility Innovation Alliance and DOE's Advanced Grid Research for Electrification and Microgrids Resiliency. Her advisory role on the industry board for the Florida A&M / Florida State University Electrical and Computer Engineering Department illustrates her unwavering commitment to mentoring the next generation of engineers in renewable energy and sustainable practices.

Christina Alston's strategic vision and extensive experience have been pivotal in driving the transformation of energy infrastructure and policy towards a more sustainable and resilient future. Her work showcases a deep commitment to environmental stewardship and paves the way for future advancements in the energy sector.

**Dr. Anthony Farrington, BSc., MBA., Ph.D., P.E.**



Dr. Anthony Farrington is a seasoned entrepreneur and a distinguished engineer, boasting a wealth of over 30 years of experience within the industry. As a testament to his entrepreneurial expertise, Dr. Farrington has successfully founded and currently serves as the Chief Executive Officer and Chairman of two prominent Engineering and Construction Companies – Island Dimensions & Development Company Ltd., based in Nassau, Bahamas, and SGF Engineering & Construction Ltd., located in Freeport, Grand Bahama.

Dr. Farrington's unwavering commitment to excellence is evident in the daily operations of both companies, which provide a spectrum of services to local and international entities. These firms, under his astute leadership, have played pivotal roles in major infrastructure and transformative projects across the Bahamas and the Caribbean region. Notable among these accomplishments are the recently completed \$300 million Nassau Cruise Port project and the ongoing Disney Cruise Line's Lighthouse House Point project.

Beyond his entrepreneurial endeavors, Dr. Farrington's expertise extends to the realms of business acumen, engineering, and management. His dedication to nurturing the next generation of leaders is a cornerstone of his professional philosophy, ensuring that knowledge and skills are passed down to shape the future of the industry. As a registered professional engineer in both the United States of America and the Commonwealth of the Bahamas, Dr.

Farrington brings a wealth of technical proficiency and regulatory understanding to his ventures.

Dr. Farrington's academic journey is equally impressive, marked by various educational diplomas, all earned with honors. From an Associate to a Doctorate Degree, his pursuit of excellence in education aligns seamlessly with his commitment to achieving the highest standards in his professional life.

In a unique blend of professional and spiritual leadership, Dr. Farrington is also an ordained Bishop, guiding one of the largest Pentecostal Denomination Organizations in the Bahamas and Turks and Caicos. This dual role showcases his ability to seamlessly integrate his business acumen with his commitment to spiritual leadership, creating a holistic approach to leadership that encompasses both corporate and community values. Dr. Farrington stands as a multifaceted and influential figure, leaving an indelible mark on the realms of business, engineering, education, and spirituality.

### **Anthony Ferguson**



Anthony Ferguson, Chartered Financial Analyst, Chartered Family Wealth Advisors and investment advisor, is President of CFAL, one of the leading investment firms in The Bahamas with B\$2.4 billion in Assets Under Management (as of December 2023). He is a Director of Colina Holdings Bahamas Ltd., AF Holdings Ltd., Carbon Management Limited, Alternate Director of the UNFCC Lost and Damage Fund, and various other companies.

Mr. Ferguson is a leading authority on matters of economic and national significance, appearing frequently as a guest on local talk shows and at industry events and conferences.

Before establishing CFAL, Mr. Ferguson was the President of International Portfolio Analytics, an international investment firm based in The Bahamas, which held assets under management in excess of B\$600 million. Over the last 35 years, he has held key positions at a number of internationally based financial institutions with Bahamian offices.

In addition to his professional experience, he has served as President and Director of the Bahamian Association of Investment Management Research (now the CFA Institute). Mr. Ferguson holds a B.B.A. from Acadia University and is a graduate of the Kellogg School of Business Executive Program and various financial professional designations.

### **J. Eric Pike**



Eric Pike brings 40 years of power infrastructure expertise to the Bahamas Grid Company. He is co-CEO of Island Grid and Chairman with Pike Corporation, where he was its Chairman and CEO from 2002-2023. At Island Grid, Eric leads all infrastructure design, engineering and construction initiatives in partnership with Island Grid clients.

Eric has a long and distinguished career in infrastructure. He started working his high school summers on power line crews and joined Pike full time in 1990 as an overhead A Lineman. He progressed to working as a crew leader and then assumed various management positions within the company prior to becoming CEO in 2002.

In his CEO role at Pike, Eric guided the company through 20+ years of significant organic growth by pursuing corporate strategies that have kept the company one step ahead of the marketplace. He developed and executed an acquisition strategy that resulted in 12 strategic acquisitions since 2003. These efforts broadened Pike's services to encompass electric infrastructure construction and engineering, telecom construction and engineering,

renewables and gas distribution services, and right of way vegetation management. These moves also expanded Pike's operating footprint nationally and employee base to over 12,000. In addition, Eric led the successful Initial Public Offering of PIKE on the New York Stock Exchange in 2005, followed by the strategic reprivatization of the company in 2014.

Operationally, Eric has contributed significant thought leadership to the electric infrastructure sector, at the intersection of safety and careers. By applying his decades-long knowledge of training and leading tens of thousands of Pike line workers, Eric has developed custom VR training tools and field apps to continuously improve worker safety and efficiency. In addition, Eric has implemented many lineman training and leadership programs, which he uses to promote local economic development by identifying and training new line workers in any new market that Island Grid enters.

In addition, Eric serves on the Global Leadership Council of the World Resources Institute, where he contributes his energy expertise to accelerate the adoption of clean infrastructure initiatives around the globe.

Eric has a Bachelor of Arts from Emory University.

### **Mei Shibata**



Mei Shibata brings a diverse professional experience base to the Bahamas Grid Company. She is currently co-CEO of Island Grid and is a Partner in the Energy Practice at Oliver Wyman. At Island Grid, Mei leads strategy and communications initiatives for infrastructure clients, from building out infrastructure roadmaps to communicating infrastructure projects to all constituents. In this capacity, she has worked with 20+ governments and 60+ utilities on strategic infrastructure projects.

Through her 30-year career, Mei has developed a complementary set of expertise in strategy, operations, technology and marketing. An entrepreneurial strategist at heart, Mei successfully started, grew and sold two energy startup businesses: demand response technology company ThinkEco and marketing agency Essense Partners. As co-founder of startup ThinkEco, Mei authored four patents in the cleantech space, won 20+ marketing awards, and was recognized as a New York Top 10 Energy Entrepreneur. Through all her startup work, Mei was selected as an NYC Venture Fellow by the New York Economic Development Corporation and has been an Entrepreneur in Residence for New York State and Columbia University for over ten years.

Mei has strategy experience as Engagement Manager at Boston-based healthcare consultancy Vertex Partners in addition to her current role at Oliver Wyman, a global strategy consulting firm with 7,000 employees across 30+ countries. She has also led large advertising agency teams as Managing Director of Strategy at communications agency Havas Life and Senior Director of Strategy with brand consultancy Interbrand. Lastly, Mei honed her financial analysis skills as Associate Equity Research Analyst with Smith Barney Citigroup, where she initiated research coverage of three large-cap MedTech companies in the orthopedic space.

Among her volunteer roles, Mei sits on the Global Leadership Council at the World Resources Institute where she advises on city resiliency initiatives around the world, and she serves as an alumni interviewer for Harvard College, engaging with prospective students in the New York and Bahamas regions.

Mei holds a BA in Physics from Harvard, a MS in Medical Engineering and Medical Physics from the joint Harvard-MIT Program in Health Sciences and Technology, and an MBA from Harvard Business School.

**Company Leadership Team**

**Christopher Snyder, Esq.**



Chris's role as the CEO of Bahamas Grid Company will include the oversight of all corporate and legal functions of the company, as well as communication with the Board of Directors.

Chris brings 20-plus years of professional experience to Bahamas Grid Company, with a focus on energy and infrastructure, project development, corporate/fund structuring, growth strategies via mergers & acquisitions and private equity investments. He has over two decades of experience working with multinational organizations in the power generation, transmission and distribution sectors.

Chris began his career with the law firm Cravath, Swaine & Moore before moving to the firm of Latham & Watkins. Chris was then recruited to the private sector where he spent over 15 years with major investment firms focused on multibillion dollar project developments, joint ventures, as well as compliance matters and private equity transactions.

Chris holds a BA in Philosophy from Williams College and a J.D. from the University of Virginia School of Law. He is a member of the Bar of the State of New York.

**Ken Isett**



Ken Isett is the CFO of Bahamas Grid Company, overseeing all of the financial and reporting functions within the company.

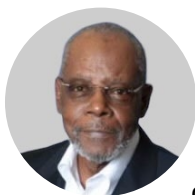
Ken has over 30 years of accounting experience, and has spent the majority of his career in the Engineering, Procurement and Construction industry, leading business services for large-scale EPC projects globally.

Ken spent 25 years of his career with Fluor Corporation working in the finance and accounting organization receiving diverse experience in project accounting, financial system implementations, financial planning and analysis, mergers and acquisitions, internal audit, and government contracting compliance. He has managed large teams of accounting professionals at both the corporate and business line levels.

In addition, Ken has field experience leading the business services on large scale EPC projects which includes the finance and accounting, human resources, information technology, and procurement functions of billion dollar projects.

Ken holds a BA in Economics from the University of California, Irvine and is a licensed Certified Public Accountant.

**Nathaniel Frayer**



Nate is the Senior Director of Engineering and System Planning for Bahamas Grid Company, where he will manage the engineering, project management, and system planning for the company.

Nate brings 49 years of experience in the Electric Utility Industry, with a focus on electric distribution design, operations and maintenance.

Nate began his career with South Carolina Electric and Gas Company in Charleston, South Carolina. In his various roles with SCE&G, Nate performed engineering, system planning, operations management, as well as, key leadership roles in multiple hurricane restoration efforts.

Nate joined Pike Engineering in 2015, where he has served as Senior Director of Operations, leading the design of turnkey projects for Dominion Energy, Florida Power and Light and Cayman Utilities Company.

### Josh Eller



Josh Eller is the Senior Director of Construction for Bahamas Grid Company. He will be responsible for the successful completion of the foundational upgrade projects, as well as, the future system improvements to the distribution, transmission and substations on New Providence Island.

Josh has over seven years of infrastructure experience managing turnkey distribution, transmission and substation projects for utilities in Florida and the Caribbean. This work includes material management, multi-discipline coordination, scheduling, and financial and operational analytics.

He also has experience managing the implementation of distributed energy resource projects, including solar, BESS and temporary generation installations, and EV charger installation efforts.

Prior to joining the Bahama Grid Company, Josh was managing large transmission EPC projects for Pike Electric in Florida. Additionally, he has led storm response and restoration efforts across the Southeast.

Josh graduated cum laude from the University of South Carolina with a B.S.B.A. in Finance and Operations Management. In 2023, he earned an M.B.A. from the University of North Carolina – Chapel Hill. He is also a Project Management Professional (PMP).

## 4.2 Government Purchase Right

Commencing on the date seven years from the execution of the operative agreements to be agreed to be set forth in the Heads of Agreement, the Government shall have the right, exercisable at any time in its sole discretion, to purchase additional shares in the capital of the Issuer constituting 9% of the issued and outstanding shares from the share block held by the group of private investors (“Private Investors”), at the then-current fair market value of such shares. As and when the Government shall exercise such option, resulting in its holding of 49% of the shares in the capital of the Issuer, the Private Investors shall simultaneously contribute not less than 2% of their shares to a Government designated charitable institution. The terms upon which the aforementioned option is to be exercised, inclusive of the mechanism for determining the then-current fair market value of the shares to be acquired, shall be detailed in a subsequent agreement to be executed by the parties.

## 5 Risk Factors

Prior to making an investment decision, investors should review this Memorandum and consider the suitability of this investment in light of the circumstances. Investors should note that the individual bond issued under the Bond Facility (“Bonds” or “Bond Facility”) have a return risk dependent on the ability of Bahamas Grid Company to earn profits, as such, investors could lose all or a portion of their investment. In addition to other information outlined in this Memorandum, the Issuer will be subject to several risk factors, which may impact its future performance. Investors should consider the following factors in addition to the information in this Memorandum before subscribing for the Bond Facility described herein and are encouraged to seek independent professional investment and legal advice.

### Liquidity Risk

An active trading market may not develop for the Bond Facility. The Bond Facility will not be listed on the local stock exchange (BISX) or other public exchanges. As such, it cannot be assured to investors as to the liquidity of any market that may develop for the Bond Facility, the ability of holders of the Bond Facility to sell them or the price at which the holders of the Bond Facility may be able to sell them. The liquidity for any market for the Bond Facility will depend on the number of holders of the Bond Facility, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and Bahamas Grid Company’s financial condition, performance and prospects, as well as recommendations by securities analysts. It cannot be assured to investors that if a market for the Bond Facility were to develop, such a market would not be subject to similar disruptions. As a result, it cannot be assured to investors that an active trading market for the Bond Facility will develop or if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Bond Facility. Market fluctuations, as well as economic conditions, have adversely affected the market price of any securities. It cannot be assured to investors that these conditions will not adversely affect the market price of the Bond Facility. If a market for the Bond Facility does develop, it also cannot be assured to investors that will be able to sell their Bond Facility, if issued, at a particular time or that the prices that you receive when you sell will be favorable. It also cannot be assured to investors as to the level of liquidity of the trading market for the Bond Facility.

### Price Risk

The Bond Facility may not trade at or above the subscription price. In the event, investors wish to liquidate holdings before maturity date they should be aware that the market value of the Bond Facility may go down as well as up.

### Operational Risk

Actual operating results may differ from forward-looking statements made in this Memorandum. This Memorandum contains forward - looking statements about the objectives, plans, and intentions of Bahamas Grid Company. Forward-looking statements do not guarantee future performance and involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The information contained in the Memorandum, whether stated explicitly or implicitly, identifies certain important factors that could cause such differences to occur.

**Representation - No independent representation; limited voting rights**

Bahamas Grid Company has consulted with legal counsel, financial advisors and other experts regarding the structure of the Bond Facility. Such counsel and advisors are accountable to Bahamas Grid Company only and not to the bondholders. Each prospective investor should consult their own independent advisors in determining the desirability of an investment in the Bond Facility.

**Conflicts**

Claims arising by reason of conflicts of interest will be waived. CFAL holds several roles in connection with this offering. Consequently, conflicts of interest may arise in a variety of situations; including the provision of investment research, pricing of debt & equity securities, proprietary trading, portfolio management, personal account dealing and ownership and shareholding interests. Among other reasons, these potential conflicts may result from CFAL's investment activities on behalf of its other clients; securities offered maybe recommended as investments to clients of their brokerage and/or investment advisory services and/or clients invested in their mutual funds. Further, CFAL had, has, or may aspire to have investment banking, lending or other credit relationships with clients and may have received compensation from such clients in connection with transactions that have not been publicly disclosed. CFAL or its shareholders, directors, officers and/or employees, may have a shareholding or deal as principal in the securities of a client. Prospective investors should assume that CFAL may have a conflict of interest and recognize that by execution of the application form for the Bond Facility, each such investor agrees not to assert any claim against CFAL arising in connection with any conflict of interest experienced by CFAL, whether or not specifically set forth above.

**General Risk Factors**

**Macroeconomic Risk**

The Bahamas has experienced significant growth in tourism arrivals over the past year. The economy however remains dependent on growth in the U.S. economy which provides the bulk of its tourists. Any adverse changes in the economic conditions of its source markets could have an adverse effect on Bahamas Grid Company's results.

**Key Man Risk**

Bahamas Grid Company relies on its key management personnel, and its inability to retain current personnel or attract other talented professionals may have an adverse impact on Bahamas Grid Company's business.

**Country and Counterparty Risk**

Bahamas Grid Company could be subject to unexpected political, economic or legal developments that impact tourism and general business and financing conditions in The Bahamas and lead directly or indirectly to an adverse impact on its operations or the ability for its customers to access its services.

GOB is Bahamas Grid Company's counterparty in the Heads of Agreement. Any failure by GOB to honor its obligations under the Heads of Agreement may adversely affect the financial and business conditions of Bahamas Grid Company.

### **Concentration**

Bahamas Grid Company's operations are centralized in New Providence, which exposes to the risk of significant disruptions of service should a natural catastrophe occur on the island.

### **Taxes and Fees**

There can be no assurance that the laws or administrative practices relating to taxation (including but not limited to VAT taxes on goods and services sold in The Bahamas introduced in 2015, increased to 12% in 2018 and reduced to 10% in 2022), foreign exchange or otherwise in these jurisdictions will not change.

### **Demand Risk**

Demand for electricity can be influenced by trends and perceptions beyond the Bahamas Grid Company's control.

### **Hurricane Risk**

The Caribbean is subject to unpredictable natural disasters such as hurricanes which can cause downstream product interruptions to a regional location / destination. Hurricane season lasts from the 1<sup>st</sup> of June to 30<sup>th</sup> of November. During this time of the year, there is a higher chance the Caribbean will be hit by hurricanes. On the other hand, hurricanes do not occur in the Bahamas as frequently as they do along the east coast of the US mainland, especially, Nassau had been directly hit 3 times by Great Nassau, Great Bahamas and Matthew Hurricanes in 1926, 1929 and 2016, respectively. As the Caribbean Islands have come face to face with many catastrophic hurricanes in the past decades, Nassau has proven its resilience of location. On the other hand, hurricanes change Nassau's landscape and impact the economy, and Bahamas Grid Company will to the greatest extent possible seek to insure the assets of the company as well as the loss of business that may result from a temporary disruption of service. In the event of a hurricane, Bahamas Grid Company may seek short term financing measures to supplement lost revenue until operations resume or insurance proceeds are received.

## **6 Key Investment Considerations**

The following key investment considerations do not address all risk factors related to the Project and/or Bahamas Grid Company, nor can they completely eliminate the relevant risks involved. However, the following seeks to provide investors with additional information as they make their investment decisions.

### **Strategic Infrastructural Investment**

Electricity is essential to any economy as it is needed to power most activity and industry. Infrastructural investments are important to providing economic growth. An improvement in the electrical grid would provide significant benefits to the company and thus it is in the national interest for this project to succeed. This is seen by the government's investment in the project.

### **Dominant Position**

There is only one electricity provider in New Providence and thus the company will have a dominant position in the transmission and distribution.

## 7 Transaction Overview and Term Sheet

The total financing being put in place for grid improvements is one hundred and thirty million dollars (\$130 million), made available through the following means of financing. This offering will raise B\$100 million in bonds. B\$30 million in equity was raised in Q2 2024.

### 7.1 Key Highlights of the Bond Facility

The Bond Facility will have a 20-year final maturity (July 31, 2044). The Bond Facility will make semi-annual payments of interest in arrears on the principal balance outstanding at the time of such payment based on 1/2 of the following annual percentage rate: 8.00%.

The first interest payment will be on Jan 31, 2026, and will be paid at the end of every July and January afterwards until maturity. Principal payment will occur in 10 equal installments, beginning on July 31, 2035 and each end of July afterwards through to the final maturity, unless earlier redeemed as set out herein.

The Issuer may not redeem the Bond Facility prior to the date which is eighty-four (84) months after the Closing Date (as defined below). After such date, the Issuer may at its option redeem the Bond Facility in whole or in part in their nominal amount (100%) upon the provision of 90 days' written notice to the bondholders.

The Issuer reserves the right to increase the size of the Bond Facility at the Closing Date, or anytime thereafter, without the consent of the bondholders. Bondholders will not have an equity interest in the Issuer, nor will they have any voting rights.

#### *Liquidation Preference:*

If the Company liquidates, dissolves or winds up or should any leading financial institution claim or begin default proceedings against the Company in accordance with the terms and conditions of the agreement or instrument relating to such indebtedness due to the failure by the company to any outstanding principal of or premium or interest in the aggregate amount in excess of US\$1,000,000 or should two sequential interest payments on the Bonds have not been paid in full by the respective interest payment dates, holders of Bonds will have the right to immediately redeem their Bonds, that is the right to receive the return of the par value less any redemption installment previously made with respect to these Bonds plus any accumulated and unpaid interest on those Bonds to that date of redemption before any distribution is made to any subordinated class of share, including the Company's ordinary shares, but after the distribution on any of the Company's indebtedness ranking senior to the unsecured bonds.

### 7.2 Summary of Key Terms and Conditions of the Bond Facility

Terms	Description
Issuer	Bahamas Grid Company Ltd.
Issue Type	Senior Unsecured Bonds
Issue Size	B\$100,000,000
Opening Date	July 15 2024
Closing Date	July 26 2024
Auditor	PriceWaterhouseCoopers

## PRIVATE PLACEMENT MEMORANDUM

Legal Counsel	Lennox Paton
Escrow Agent / Placement Agent	Colina Financial Advisors Limited (“CFAL”)
Paying Agent / Registrar	Colina Financial Advisors Limited (“CFAL”)
Bankers	CIBC FirstCaribbean International Bank
Listed Exchange	None
Ranking	With respect to the payment of interest and principal payments upon liquidation, the Bond Facility will be an unsecured obligation of the Issuer. The Bond Facility will rank equally among themselves and with all other future unsecured financial debt of the Issuer.
Security/Collateral	The issuance of the Bond Facility will create a general obligation of the Issuer and are not secured by any specific collateral or guarantee.
Interest Rate & Frequency	The Bond Facility will make semi-annual payments of interest in arrears on the principal balance outstanding at the time of such payment based on 1/2 of the 8% interest rate on a 30/360 basis. Interest payments will accrue until and begin on January 31, 2026, and will be paid at the end of every July and January afterwards until maturity.
Principal Repayment	Principal payment will occur in 10 equal installments, beginning on July 31, 2035 and each end of July afterwards through to the Maturity date, unless earlier redeemed as set out herein.
Early Redemption	The Issuer may not redeem the Bond Facility prior to the seventh anniversary after the Closing Date. After such seventh anniversary, the Issuer may at its option redeem the Bond Facility in whole or in part in their Par Amount (100%) upon the provision of 90 days’ written notice to the bondholders.
Maturity	The Bond Facility will mature on July 31, 2044.
Debt Service Reserve Account (“DSRA”)	<p>The DSRA shall be funded in six (6) equal monthly installments immediately prior to the next scheduled interest payment and twelve (12) equal monthly installments immediately prior to the next scheduled principal repayment.</p> <p>Each principal repayment and/or interest payment shall be payable with priority from the accumulated amounts in the Debt Service Reserve Account at the scheduled payment date.</p>
Sinking Fund	None
Minimum Subscription	B\$50,000 (50 bonds) and in increments of B\$10,000 (10 bonds) thereafter.
Par Amount/ Issue Price	Issued at 100% of Par (\$1,000). No fractional amounts will be issued.
Conversion Rights	None

## PRIVATE PLACEMENT MEMORANDUM

Use of Proceeds	The proceeds of the Bond Facility will be used fund the project.
Further Issuance/Upsizing	The Issuer reserves the right to increase the size of the Bond Facility issue at the Closing Date, or anytime thereafter, without the consent of the bondholders.
Basis of Allotment	The Directors reserve the right to allocate the Bonds in their sole discretion including in the event of oversubscription. Any subscriptions that are not allocated will be refunded without interest within 10 business days.  In the event of under-subscription by the closing date, the Directors of Bahamas Grid Company Ltd. may in their sole discretion extend the offering period for additional subscriptions until such time as the Bond Facility is fully subscribed.
No Voting Rights or Equity Ownership	Bondholders will not have an equity interest in the Issuer, nor will they have any voting rights.
Default	Include without limitation, failure to pay principal and interest when due, cross default against material agreements and breach of representations, warranties and covenants by the Issuer, subject to grace periods, thresholds and remedy rights to be agreed.
Restrictive Covenants	Bahamas Grid must maintain a minimum debt service coverage ratio of 1.30x prior to the distribution of any dividends to shareholders.
Special Rights	None
Evidence of Ownership	Book Stock
Governing Law	The Laws of The Commonwealth of The Bahamas

### 7.3 Eligible Investors

Eligible Investors include residents, trusts designated 'resident' for exchange control purposes and Bahamian companies wholly owned by Bahamians who or which also qualify as accredited investors (as defined below). Other interested investors, including international investors with interest may subscribe for the Bond Facility upon obtaining prior approval from the Central Bank of The Bahamas.

Minors are not eligible as investors.

This offer is made only to the following eligible investors who are also accredited investors based on the definitions below:

If an individual:

- The applicant is 18 years of age or older; and
- The applicant is a citizen of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Bahamas; or holds a permanent residency permit which does not carry the unrestricted right to work or a work permit granting the right to work in The Bahamas; or

## PRIVATE PLACEMENT MEMORANDUM

- The applicant is granted approval as an investor in the offering by the Central Bank of The Bahamas; and
- The applicant is not applying for the Bond Facility as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a corporation:

- The applicant is incorporated under the laws of The Commonwealth of The Bahamas and is resident for exchange control purposes; and
- The applicant is wholly owned by resident individuals or by individuals granted approval as investors in the offering by the Central Bank of The Bahamas via the applicant; and
- All necessary corporate action has been taken to authorize the purchase of the Bond Facility; and
- The applicant is not applying for the Bond Facility as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a trust or pension fund:

The Settlor or the Beneficiaries of the trust or fund are Residents of The Bahamas, Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is granted approval as an investor in the Bond Facility by The Central Bank of The Bahamas; and Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite action has been taken to enable them to effect the purchase of the Bond Facility; and The applicant is not applying for the Bond Facility as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

### ACCREDITED INVESTORS

“Accredited Investors” carries the meaning set out in Regulation 109 of the Securities Industry Regulations, 2012. This Offering is made to Accredited Investors only and will be made in accordance with Regulation 109 of the Securities Industry Regulations, 2012.

An “Accredited Investor” means any person who comes within any of the following categories, or whom the Issuer reasonably believes comes within any of the following categories, at the time of the sale of the Bond Facility to that person -

- a) Any bank licensed under the Banks and Trust Companies Regulation Act (Ch.316) or licensed and operating outside of The Bahamas, whether acting in its individual or fiduciary capacity;
- b) Any registered firm under the Securities Industry Act 2011 or company registered to conduct securities business and operating outside of The Bahamas, acting for its own account;
- c) Any insurance company registered under the Insurance Act (Ch. 347) or licensed and operating outside of The Bahamas;
- d) Any investment fund licensed or registered under the Investment Funds Act (Ch. 369A) or regulated and operating outside of The Bahamas;
- e) Any employee benefit plan if the investment decision is made by a plan fiduciary, which is either a bank or trust company licensed under the Banks and Trust Companies Regulation Act (Ch. 316), an insurance company registered under the Insurance Act (Ch. 347), or a registered firm under the Securities Industry Act 2011 or if the employee benefit plan has total assets in excess of B\$5,000,000;

## PRIVATE PLACEMENT MEMORANDUM

- f) Any director, senior officer or general partner of the issuer of the securities being offered or sold, or any director, senior officer or general partner of a general partner of that issuer;
- g) Any individual whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds B\$1,000,000;
- h) Any individual who had an individual income in excess of B\$200,000 in each of the two (2) most recent years or joint income with that person's spouse in excess of B\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- i) Any person, other than an individual, with total assets in excess of B\$5,000,000, not formed for the specific purpose of acquiring the securities offered;
- j) Any entity in which all of the equity owners are Accredited Investors;
- k) The Government of The Bahamas or any public authority established in The Bahamas;
- l) The government of any foreign jurisdiction, or any agency of that government;
- m) Any person purchasing on behalf of an account that is managed on a fully discretionary basis by that person, if that person is registered or authorized to carry on business as an adviser managing securities on a discretionary basis under the laws of the Bahamas or a foreign jurisdiction;
- n) Any person residing outside of The Bahamas who qualifies as an Accredited Investor, however defined, or has similar status, under the securities legislation of that person's country of residence, or who meets the criteria specified in paragraph (g) or (h) and is otherwise lawfully entitled to purchase the securities under the securities laws applicable to such purchase; or
- o) Any person that is recognized or designated by the Securities Commission of The Bahamas as an Accredited Investor.

## 8 Heads of Agreement

Key terms and conditions of the agreement are summarized below:

Terms	Description
Concession Period	25 Years (+10 year extension option with mutual agreement between parties)
Ownership Structure	Bahamas Grid Company, with the following shareholder structure: <ul style="list-style-type: none"><li>- BPL/GOB – 40%;</li><li>- Private Investors – 60%;</li></ul>
Project Scope	Finance, Upgrade and Manage the electrical grid in The Bahamas
Service Fee	Following the aforementioned contribution, the Issuer shall be entitled to all amounts collected by BPL or any third party which revenues are properly attributed to the T&D System in accordance with such methodology as agreed between the Parties in good faith (the "T&D System Revenues"). The T&D System Revenues shall be set at a rate as follows:

PRIVATE PLACEMENT MEMORANDUM

	<p>a) \$.055 per kilowatt hour for the duration of the performance of the Principal Infrastructure Upgrades and for a period of 5 years thereafter (the “Initial Revenue Term”);</p> <p>b) following the Initial Revenue Term, the rate shall reduce by \$.002 per kilowatt hour each year until the rate reaches \$.045 per kilowatt hour, where it shall remain unless both the Issuer and the Government mutually agree that continued efficiencies would justify a further reduction.</p> <p>The T&amp;D System Revenues shall further include any one-time interconnection fees or demand charges which the T&amp;D Manager shall have the right to levy and collect on account of new generation and/or large customer loads introduced to the T&amp;D System by BPL from time to time.</p>
Project Scope	<p>The Project shall consist of (i) the undertaking of Fundamental Infrastructure Upgrades (as defined directly below) by the Issuer and the T&amp;D Manager; and (ii) the subsequent ongoing management of the electricity transmission and distribution grid infrastructure on the Island of New Providence by the T&amp;D Manager.</p> <p>“Fundamental Infrastructure Upgrades” shall mean a series of near-term (i.e. within the 2024 calendar year) fixes and upgrades to the electric transmission and distribution infrastructure on the Island of New Providence, which will facilitate greater power delivery efficiency and reliability through improved system architecture.</p> <p>It is contemplated that the Principal Infrastructure Upgrades will include the upgrade of the transmission system, which will improve the capacity of power that can be moved across the Island of New Providence and will install protection within all critical substations to dramatically reduce outages and increase reliability. This transmission work will have the additional benefits of “looping” the transmission system, which will allow any type of new generation to be installed at any location on the Island of New Providence, as well as reduce the “line loss” of power from existing generation assets.</p> <p>The Fundamental Infrastructure Upgrades are also intended to improve critical aspects of the distribution grid. The proposed improvement activities contemplated by the Project will mitigate and reduce voltage fluctuations with the aim of bringing about stable voltage so that household appliances will not be adversely affected.</p> <p>Additionally, the Project will incorporate a centralized communication and education campaign that will be led jointly by the T&amp;D Manager, Issuer, and the Government, with the objective of ensuring that all Bahamians see and understand the benefits of the Project and the resulting improvement in the Island’s reliability and hurricane readiness, and overall customer experience. This communication and education campaign is contemplated to involve both Issuer and BPL in partnership with the Government and T&amp;D Manager.</p>

## 9 Documents Available for Inspection

- Private Placement Memorandum
- Bahamas Grid Company Ltd. - Certificate of Incorporation
- Bahamas Grid Company Ltd. - Certified Memorandum & Articles of Association
- Heads of Agreement
- A copy of Companies Act, 1992 (as amended)
- The Administration, Escrow, Registrar & Transfer Agency Agreement between the Issuer and the Agent
- Board of Directors resolution approving the fund raising
- Copies of the Securities Industry Act, 2011 and the Securities Industry Regulations, 2012

## 10 Summary of Financial Projections

### Summary Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash	7,451,204	7,912,658	12,277,761	12,145,410	17,144,501
Accounts Receivable	5,000,000	5,250,000	5,512,500	5,750,000	6,050,000
Inventory	4,000,000	4,200,000	4,410,000	4,630,000	4,850,000
Financial Investments	5,000,000	13,000,000	20,000,000	25,000,000	25,000,000
Other assets	1,000,000	1,050,000	1,102,500	1,150,000	1,200,000
PPE	220,000,000	221,100,000	222,200,000	223,311,000	224,500,000
Intangibles	500,000	550,000	605,000	665,500	732,000
<b>Total Asset</b>	<b>242,951,204</b>	<b>253,062,658</b>	<b>266,107,761</b>	<b>272,651,910</b>	<b>279,476,501</b>
Accounts payables	2,500,000	2,625,000	2,750,000	2,900,000	3,050,000
Long Term Debt	100,000,000	100,000,000	100,000,000	93,000,000	86,000,000
Lease Obligations	1,000,000	1,050,000	1,102,500	1,150,000	1,200,000
<b>Total liabilities</b>	<b>103,500,000</b>	<b>103,675,000</b>	<b>103,852,500</b>	<b>97,050,000</b>	<b>90,250,000</b>
Contributed Capital	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Retained Earnings	9,451,204	19,387,658	32,255,261	45,601,910	59,226,501
<b>Total Equity</b>	<b>139,451,204</b>	<b>149,387,658</b>	<b>162,255,261</b>	<b>175,601,910</b>	<b>189,226,501</b>
<b>Total liabilities &amp; Equity</b>	<b>242,951,204</b>	<b>253,062,658</b>	<b>266,107,761</b>	<b>272,651,910</b>	<b>279,476,501</b>

**Summary Income Statement**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Revenue</b>	75,160,800	75,160,800	75,160,800	75,160,800	75,160,800
<b>Expenses</b>					
Salaries & Benefits	9,800,000	8,980,000	8,750,000	8,500,000	8,585,000
<b>Management fee</b>	4,359,326	4,359,326	4,359,326	4,359,326	4,359,326
Maintenance AND OPERATIONS	21,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Debt Financing	8,000,000	8,000,000	8,000,000	7,440,000	6,880,000
Hurricane fund	3,416,400	3,416,400	3,416,400	3,416,400	3,416,400
Depreciation	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Legal & compliance	1,250,000	1,268,750	1,287,781	1,307,098	1,326,704
Legacy Debt Contribution	3,416,400	3,416,400	3,416,400	3,416,400	3,416,400
Other	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Expenses</b>	64,742,126	62,940,876	62,729,908	61,939,224	61,483,831
<b>Net Income</b>	10,418,674	12,219,924	12,430,892	13,221,576	13,676,969

## 11 Application Forms

**APPENDIX A**

**BAHAMAS GRID COMPANY LTD.  
APPLICATION FORM FOR SENIOR UNSECURED BONDS**

**FOR USE BY INDIVIDUAL(S)**

Applications for a minimum of 50 Bonds will be accepted from 9:00 A.M. on Monday, 15 July 2024 until 5:00 P.M. on Friday, 26 July 2024 unless extended. Proof of full payment for the bonds subscribed must accompany this application. **CASH & CHEQUES WILL NOT BE ACCEPTED.**

Number of Bonds Requested: \_\_\_\_\_ Senior Unsecured Bonds

Payment made/Enclosed: B\$ \_\_\_\_\_

*(at B\$1,000.00 per Bond for a minimum of 50 Bonds and in multiples of 10 Bonds thereafter)*

Surname: \_\_\_\_\_ First Name(s): \_\_\_\_\_

Bahamian Citizen or  Permanent resident with unrestricted right to work in The Bahamas

House Number and Street: \_\_\_\_\_

City: \_\_\_\_\_ Country: \_\_\_\_\_ P.O. Box: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ (M) \_\_\_\_\_ (H) \_\_\_\_\_ (W)

Employment:  Self-Employed  Retired  Employed

Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

If self-employed, Name & Nature of Business: \_\_\_\_\_

Nationality: \_\_\_\_\_ NIB Number: \_\_\_\_\_ Passport Number: \_\_\_\_\_

*if applicable, Co-Owner:*

Surname: \_\_\_\_\_ First Name(s): \_\_\_\_\_

Bahamian Citizen or  Permanent resident with unrestricted right to work in The Bahamas

House Number and Street: \_\_\_\_\_

City: \_\_\_\_\_ Country: \_\_\_\_\_ P.O. Box: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ (M) \_\_\_\_\_ (H) \_\_\_\_\_ (W)

Employment:  Self-Employed  Retired  Employed

Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

If self-employed, Name & Nature of Business: \_\_\_\_\_

Nationality: \_\_\_\_\_ NIB Number: \_\_\_\_\_ Passport Number: \_\_\_\_\_

***If the application includes a Co-Owner, please register joint accounts as \_\_\_\_\_ Joint tenants with rights of survivorship or \_\_\_\_\_ Tenants in Common (Joint tenants with rights of survivorship will be used if no indication is made).***

*If Bonds are held on Trust – provide details of each ultimate beneficial owner (add additional sheets as necessary):*

Indicate Status of the Beneficiary Designation:  Revocable or  Irrevocable

Primary Beneficiary  Individuals  Estate

Name of Beneficiary: \_\_\_\_\_ % \_\_\_\_\_

Relationship to Investor: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Please note that all interest payments will be made electronically to the bank account below:

Account Type:  Checking or  Savings

Bank Name: \_\_\_\_\_ Branch: \_\_\_\_\_

Bank Address: \_\_\_\_\_ Branch Code: \_\_\_\_\_

Name on Account: \_\_\_\_\_ Bank Account Number: \_\_\_\_\_

Address on Account: \_\_\_\_\_

**Declaration:** I/We certify, that this Source of Funds Statement represents my true source of funds status as of this date, and my/our contribution to the account referenced. I/We further declare that the proceeds declared are derived from legitimate sources and that the source of this transaction is:

- |                                                  |                                 |                                          |                                        |
|--------------------------------------------------|---------------------------------|------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Savings and Investments | <input type="checkbox"/> Salary | <input type="checkbox"/> Business Income | <input type="checkbox"/> Rental Income |
| <input type="checkbox"/> Sale of Property        | <input type="checkbox"/> Gift   | <input type="checkbox"/> Inheritance     | <input type="checkbox"/> Other         |

### Declaration

The Subscriber(s), by signing this application, acknowledge(s) receipt of the Memorandum dated 12 July 2024 and make(s) the declarations as indicated on the continuing page of this application.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Joint Subscriber/Co-owner (if applicable)

The Subscriber(s), by signing this Application Form make(s) the following declarations:

1. the Subscriber is a natural person; and
2. Subscriber is 18 years of age or older; and
3. the Subscriber is a citizen of The Bahamas or a permanent resident with an unrestricted right to work; and
4. the Subscriber is not a U.S Person; and
5. the Subscriber is not applying for the Bonds as nominee for any other person that is not a Bahamian citizen or a permanent resident with the unrestricted right to work.

The Subscriber(s), by signing this Application Form:

1. agrees to the Terms and Conditions outlined in the Memorandum;
2. makes the Representations and Warranties in the Memorandum; and
3. agrees this is legal and binding agreement governed by the laws of The Bahamas.

The completed application and remittance must be received by 5:00 P.M., 26 July 2024, at the address below:

**COLINA FINANCIAL ADVISORS LTD**  
3<sup>rd</sup> Floor, 308 East Bay Street  
P.O. Box CB-12407 Nassau, The Bahamas  
Phone: (242) 502-7010 | Email: registrar@cfal.com

**Beneficiary Bank:** CIBC FirstCaribbean International Bank

**Branch Code:** 9706 - Main Branch, Shirley Street

**Account Name:** Colina Financial Advisors Ltd. (CFAL)

**Account Number:** 201698297

**Reference:** Applicant Name + "BGC Subscription"

Enclose the following:

1. First 4 pages of passport
2. Copy of NIB card or driver's license
3. Proof of address (Utility Bill, Bank Statement or Voters Card)

**APPENDIX B**

**BAHAMAS GRID COMPANY LTD.  
APPLICATION FORM FOR SENIOR UNSECURED BONDS**

**FOR USE BY A BODY CORPORATE, TRUST OR FUND**

Applications for a minimum of 50 Bonds will be accepted from 9:00 A.M. on Monday, 15 July 2024 until 5:00 P.M. on Friday, 26 July 2024 unless extended. Proof of full payment for the bonds subscribed must accompany this application. **CASH & CHEQUES WILL NOT BE ACCEPTED.**

Number of Bonds Requested: \_\_\_\_\_ Senior Unsecured Bonds

Payment made/Enclosed: B\$ \_\_\_\_\_

*(at B\$1,000.00 per Bond for a minimum of 50 Bonds and in multiples of 10 Bonds thereafter)*

Entity Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Registered Address: \_\_\_\_\_ City: \_\_\_\_\_

Country: \_\_\_\_\_ P.O. Box: \_\_\_\_\_ Telephone: \_\_\_\_\_

Location of Principal Place of Business: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Contact Email Address: \_\_\_\_\_

*Please note that all interest payments will be made electronically to the bank account below:*

Account Type:  Checking or  Savings

Bank Name: \_\_\_\_\_ Branch: \_\_\_\_\_

Bank Address: \_\_\_\_\_ Branch Code: \_\_\_\_\_

Name on Account: \_\_\_\_\_ Bank Account Number: \_\_\_\_\_

Address on Account: \_\_\_\_\_

**Declaration:** I/We certify, that this Source of Funds Statement represents my true source of funds status as of this date, and my/our contribution to the account referenced. I/We further declare that the proceeds declared are derived from legitimate sources and that the source of this transaction is:

- |                                                  |                                 |                                          |                                        |
|--------------------------------------------------|---------------------------------|------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Savings and Investments | <input type="checkbox"/> Salary | <input type="checkbox"/> Business Income | <input type="checkbox"/> Rental Income |
| <input type="checkbox"/> Sale of Property        | <input type="checkbox"/> Gift   | <input type="checkbox"/> Inheritance     | <input type="checkbox"/> Other         |

**Declaration**

The Subscriber(s), by signing this application, acknowledge(s) receipt of the Memorandum dated 12 July 2024 and make(s) the declarations as indicated on the continuing page of this application.

\_\_\_\_\_  
Signature of Authorized Signatory

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Authorized Signatory

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

The Subscriber(s), by signing the Application Form on the previous page, make(s) the following declarations:

**If a Corporation:**

1. the Subscriber is established under the laws of The Bahamas and is resident for exchange control purposes;
2. the Subscriber is wholly owned by individuals who are not U.S. Persons and who are citizens of The Bahamas or permanent residents with the unrestricted right to work; and
3. all necessary corporate action has been taken to authorize the purchase of the Bonds; and
4. the applicant is not applying for the Bonds as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

**If a Trust or Pension Fund:**

1. beneficiaries of the trust or fund are not U.S. Persons and are citizens The Bahamas or permanent residents with the unrestricted right to work; and
2. the Subscriber is resident for exchange control purposes;
3. the Trustees of the trust and managers of the Pension Fund represent that they have the necessary power and all requisite actions have been taken to enable them to effect the purchase of the Bonds; and
4. The Subscriber is not applying for the Bonds as nominee for any other person, corporation, trust, or fund that would not be an Eligible Investor.

The Subscriber(s), by signing this Application Form:

1. agrees to the Terms and Conditions outlined in the Memorandum;
2. makes the Representations and Warranties in the Memorandum; and
3. agrees this is legal and binding agreement governed by the laws of The Bahamas.

The completed application and remittance must be received by 5:00 P.M., 26 July 2024, at the address below:

**COLINA FINANCIAL ADVISORS LTD**  
3<sup>rd</sup> Floor, 308 East Bay Street  
P.O. Box CB-12407 Nassau, The Bahamas  
Phone: (242) 502-7010 | Email: registrar@cfal.com

**Beneficiary Bank:** CIBC FirstCaribbean International Bank

**Branch Code:** 9706 - Main Branch, Shirley Street

**Account Name:** Colina Financial Advisors Ltd. (CFAL)

**Account Number:** 201698297

**Reference:** Applicant Name + "BGC Subscription"

Enclose the following:

1. Certificate of Good Standing
2. Certified or Notarized copy of the entity's formation document (Certificate of Incorporation, Memorandum & Articles of Association, trust agreement, etc.)
3. Certified or Notarized copy of list of authorized signatories
4. Register of Listing of Directors
5. Verification of identification for each Director (Certified or Notarized copy of Passport)
6. Proof of address for each Director (Certified or Notarized copy of utility bill, bank statement or voters card)

## 12 List of Abbreviations

BGC	Bahamas Grid Company Ltd.
BISX	The Bahamas International Securities Exchange
BPL	Bahamas Power & Light Company
CAGR	Compound Annual Growth Rate
CAFDS	Cash Flow Available for Debt Service
CFAL	Colina Financial Advisors Limited
CPI	Consumer Price Index
DSCR	Debt Service Coverage Ratio
DSRA	Debt Service Reserve Account
EBITDA	Earnings Before Interests, Taxes, Depreciation and Amortization
GOB	The Government of the Commonwealth of The Bahamas
HOA	Heads of Agreement
IGS	Island Grid Solutions
U.S.	United States