

HELLENIC - AFRICAN
CHAMBER OF COMMERCE
& DEVELOPMENT



CHAMBRE DE COMMERCE
ET DE DEVELOPPEMENT
HELLENO - AFRICAINE

ΕΛΛΗΝΟ - ΑΦΡΙΚΑΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΕΜΠΟΡΙΟΥ & ΑΝΑΠΤΥΞΗΣ



STANDARD BANK CORPORATE & INVESTMENT BANKING

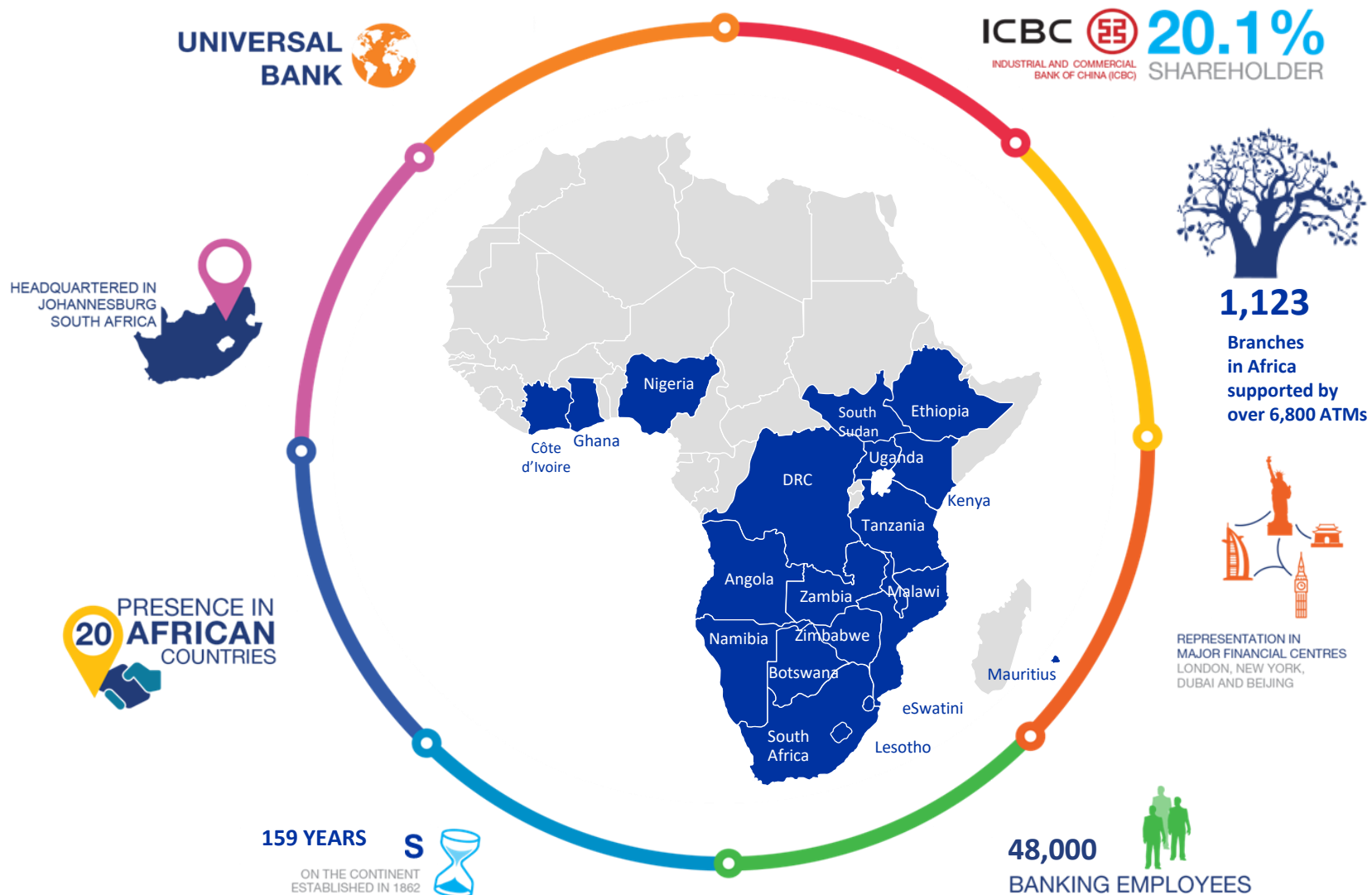
Power & Infrastructure – Opportunities for Growth

George Kotsovos
The Standard Bank of South Africa Limited
June 2022





AFRICA IS OUR CALLING CARD

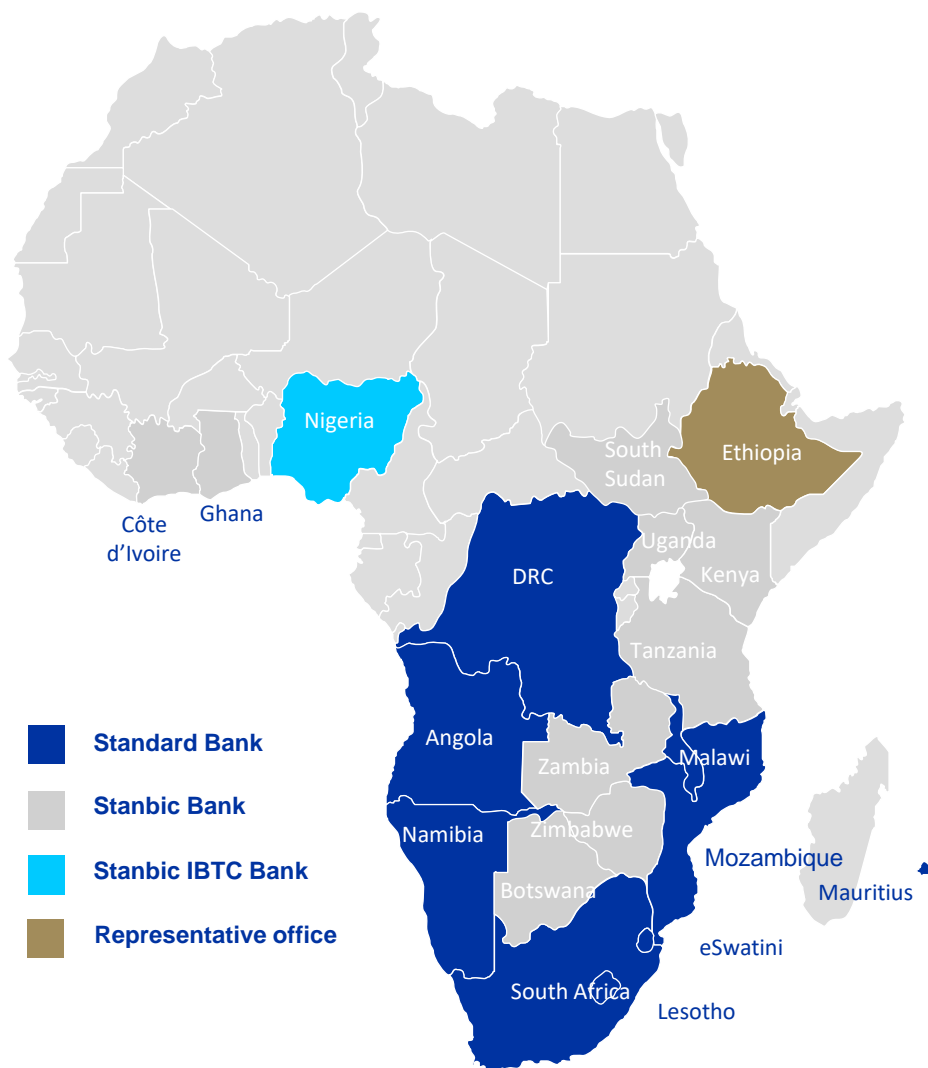


International presence in: Beijing, Dubai, Isle of Man, Jersey, London, New York and Sao Paulo

IT CAN BE™



LOCAL ON-THE-GROUND EXPERTISE SUPPORTED BY A STRONG RETAIL PRESENCE

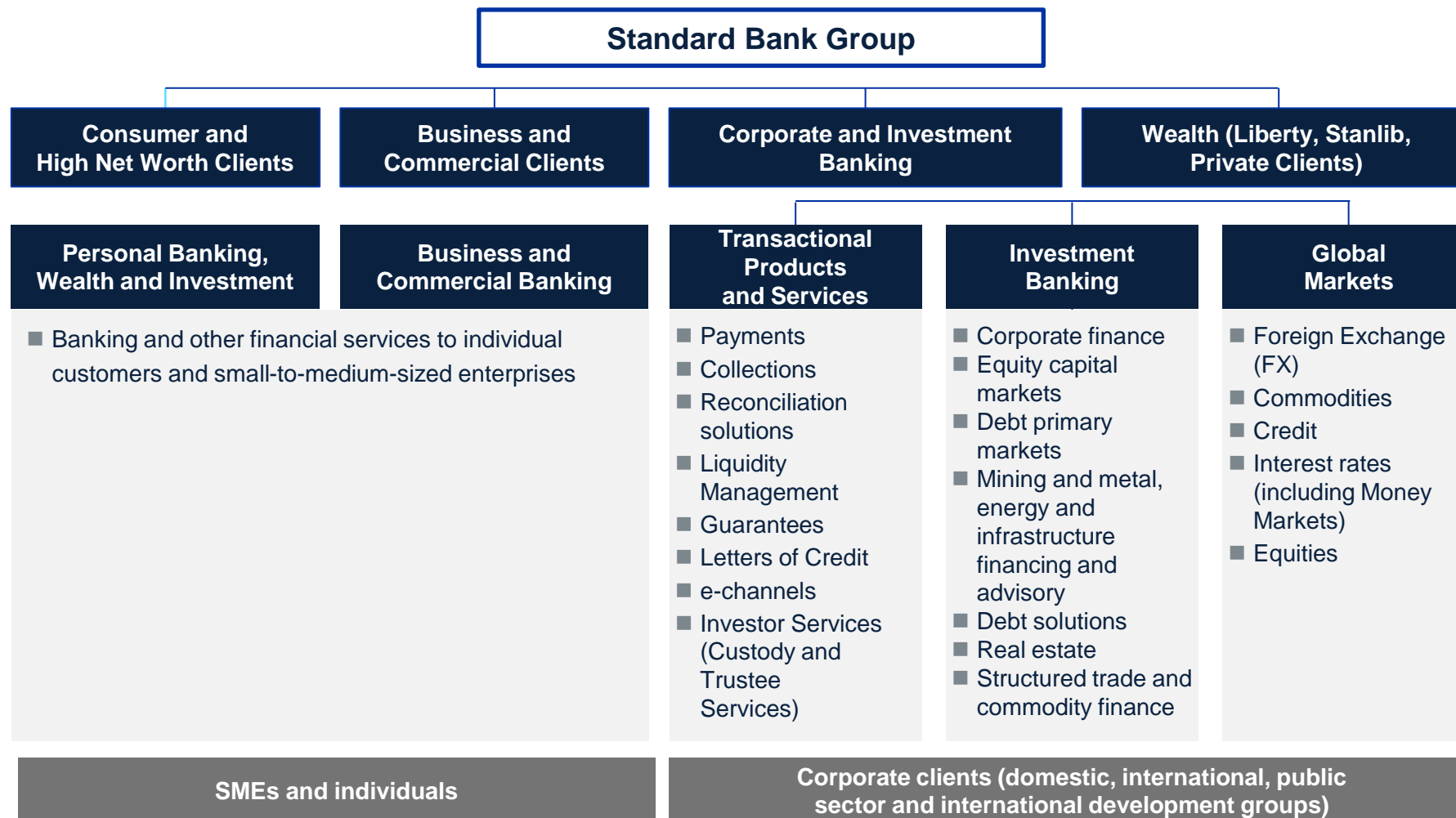


Country	Standard Bank branches*	ATMs	Corporate banking	Retail banking	Investor services	Investment banking
South Africa	538	4,444	✓	✓	✓	✓
Angola	18	68	✓	✓	-	✓
Botswana	13	77	✓	✓	✓	✓
Côte d'Ivoire	1	-	✓	-	✓	✓
DRC	3	2	✓	-	-	✓
eSwatini	11	96	✓	✓	✓	✓
Ghana	40	132	✓	✓	✓	✓
Kenya	25	109	✓	✓	✓	✓
Lesotho	18	110	✓	✓	-	✓
Malawi	27	129	✓	✓	✓	✓
Mauritius	1	-	✓	Private clients	✓	✓
Mozambique	50	237	✓	✓	✓	✓
Namibia	63	259	✓	✓	✓	✓
Nigeria	175	804	✓	✓	✓	✓
South Sudan	1	1	✓	✓	-	✓
Tanzania	13	38	✓	✓	✓	✓
Uganda	80	173	✓	✓	✓	✓
Zambia	29	101	✓	✓	✓	✓
Zimbabwe	17	28	✓	✓	✓	✓
Rep. offices	-	-	-	-	-	✓
Total	1,123	6,808				

* Includes service centres and access banking centres



ACCESS TO A UNIVERSAL BANK



Experienced Client Coordinators ensure that your needs are serviced through a single point of entry across a wide range of products, geographies, industries and sectors.



ACCESS TO A UNIVERSAL BANK

Client engagement and service is central

- Client service teams with specialists across disciplines
- One point of contact with the bank: client co-ordinator
 - Provides access to products and services across the bank
 - Pan-African relationships managed through central relationship manager, supported by in-country relationship managers
- Client service supported by product specialists:
 - Transactional Solution Managers and service advisors
 - Trade sales managers
 - Global markets sales managers and dealers
 - Investment banking coverage and senior bankers
- Client service desks
 - High first-time resolution and escalation procedures

Using our insights based on our location, legitimacy, reputation and our deep industry knowledge, we can develop meaningful and relevant client relationships.

This allows us to provide you with appropriate products and services to help deliver your strategy.



“

They call it Africa
We call it home

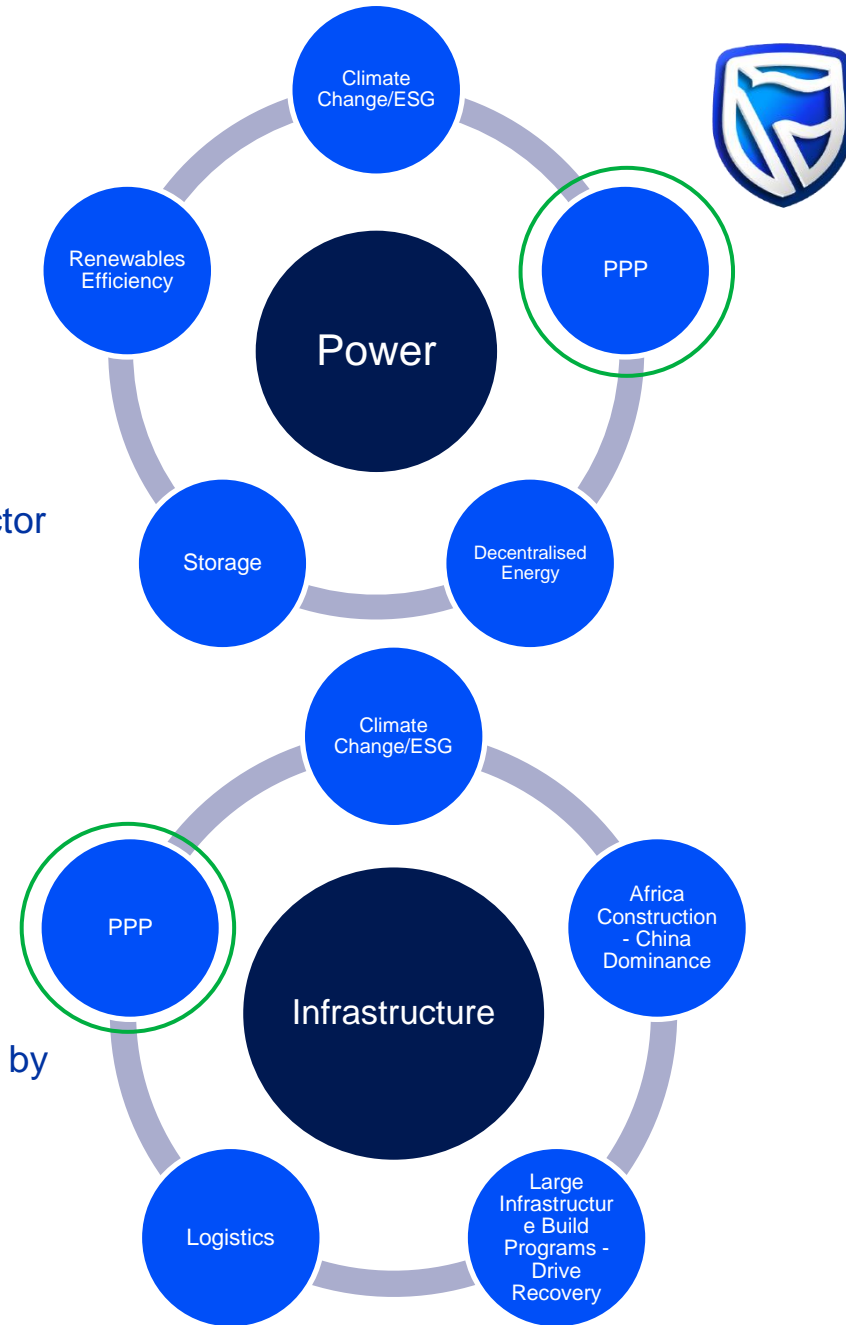


01

POWER & INFRASTRUCTURE -
THEMES

SETTING THE SCENE: SECTOR THEMES

- **Private Public Partnerships** are increasingly gaining momentum in Africa, mainly due to:
 - **Constraints** on public sector resources, **growing pressure** on government budgets and efficiency constraints.
 - Leading to **partnering opportunities** for governments with entities in the private sector towards a more **collaborative approach**;
- **Important drivers:**
 - Partnerships can be an effective way to mitigate some of the risks associated with privately financed and managed projects.
 - Correct **regulatory framework** and **strong political commitment** is required for successful partnerships, but will also **require thorough planning, good communication, strong commitment** and **effective monitoring and enforcement** by government;
 - PPP's offer good **value for money** to governments and opportunities for investors.

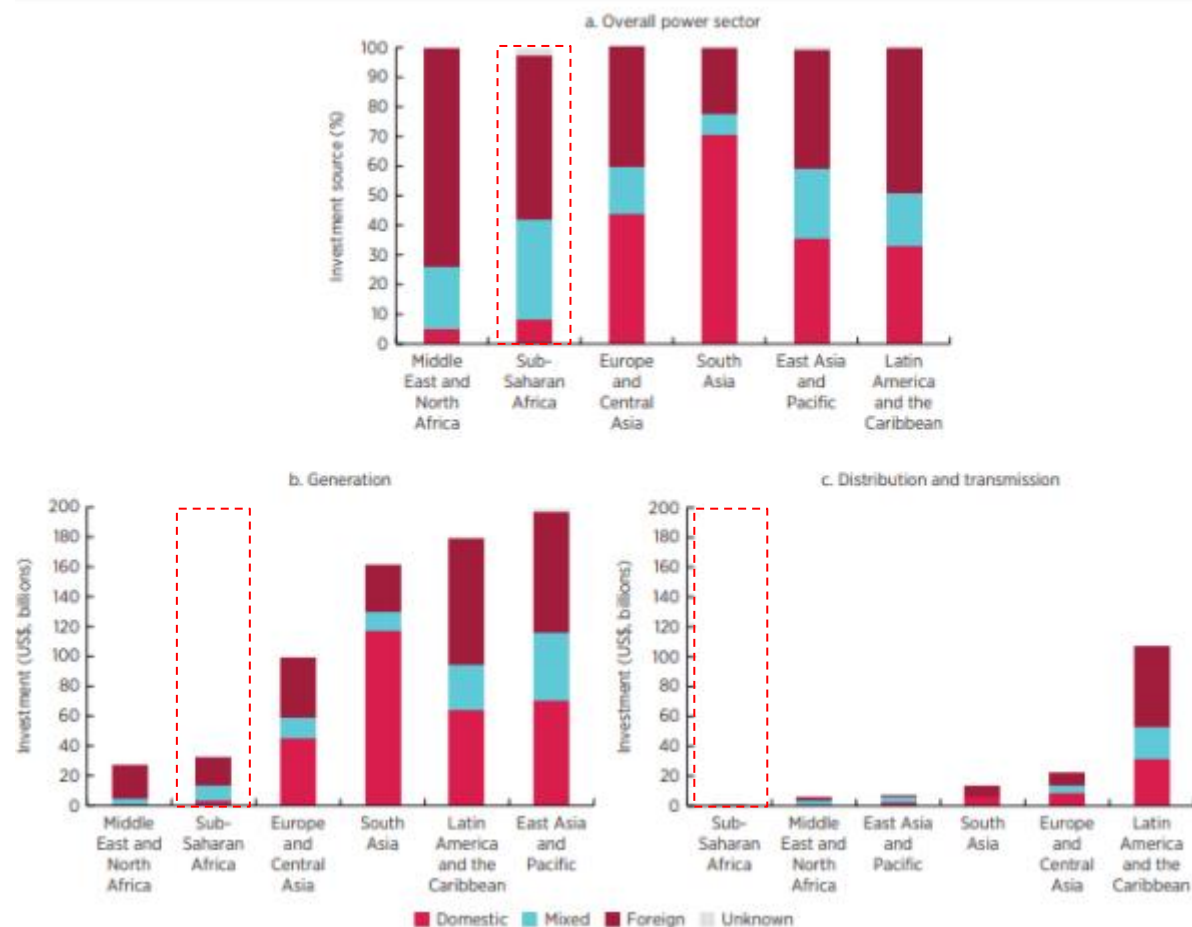




SETTING THE SCENE: SECTOR THEMES

- Private sector investment in the power sector in Sub Saharan Africa has largely been driven by **foreign investment** ...
- Investment also tends to be towards **generation assets** & greater investment is required to maintain and build new transmission and distribution networks.
- PPPs would be required going forward between the various utilities on the African continent and private investors to maintain and extend **existing transmission and distribution networks**.
- According to Global Transmission Research, Africa is expected to add on an additional **103 466 km's of transmission network between 2020 and 2030**. The additional transmission network represents an estimated **USD 79bn** according to Global Transmission Research.
- Successful examples of PPPs to note: REIPPP, Toll roads (SA, Kenya), Water & health

Private investment in the power sector by region and source (2019)



Source: World Bank, Rethinking Power Sector Reforms in The Developing World, 2019.



POWER SECTOR THEMES

Global Themes

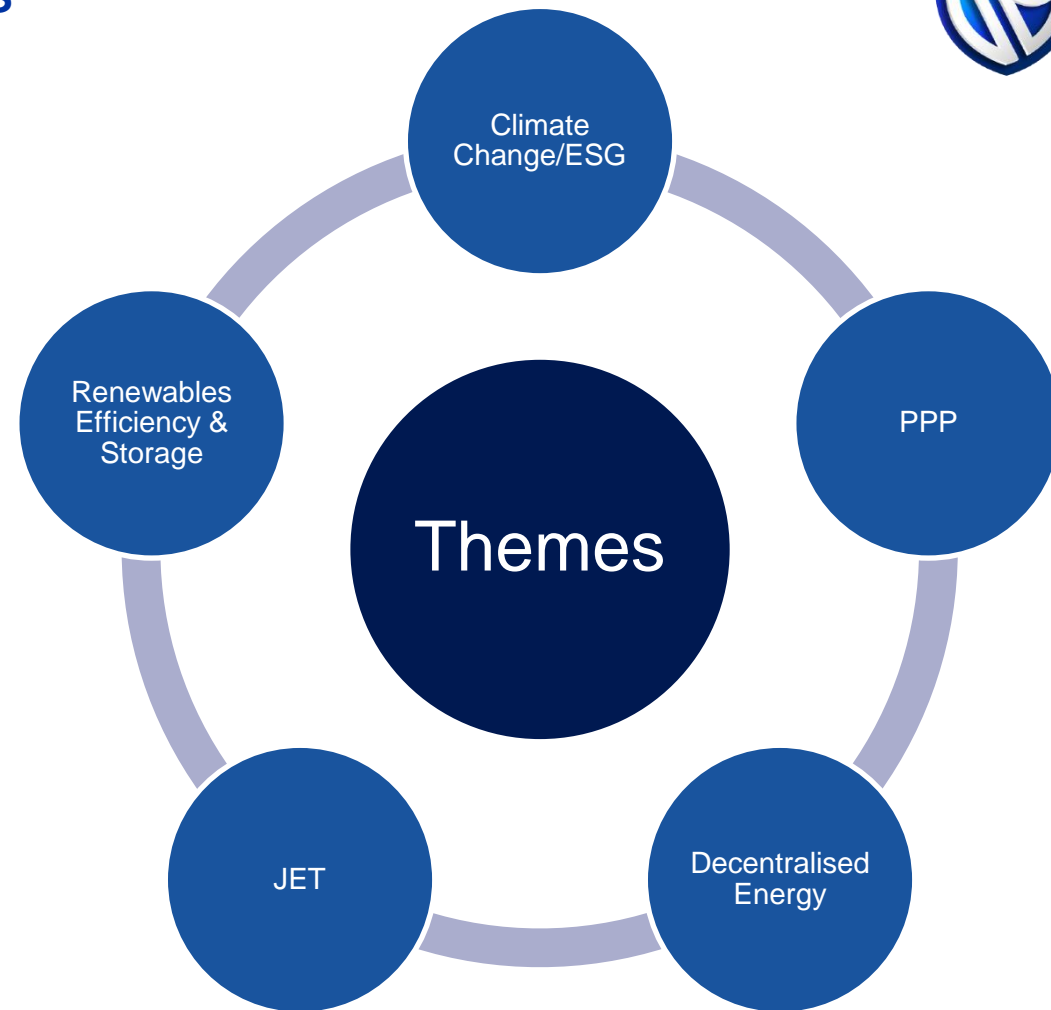
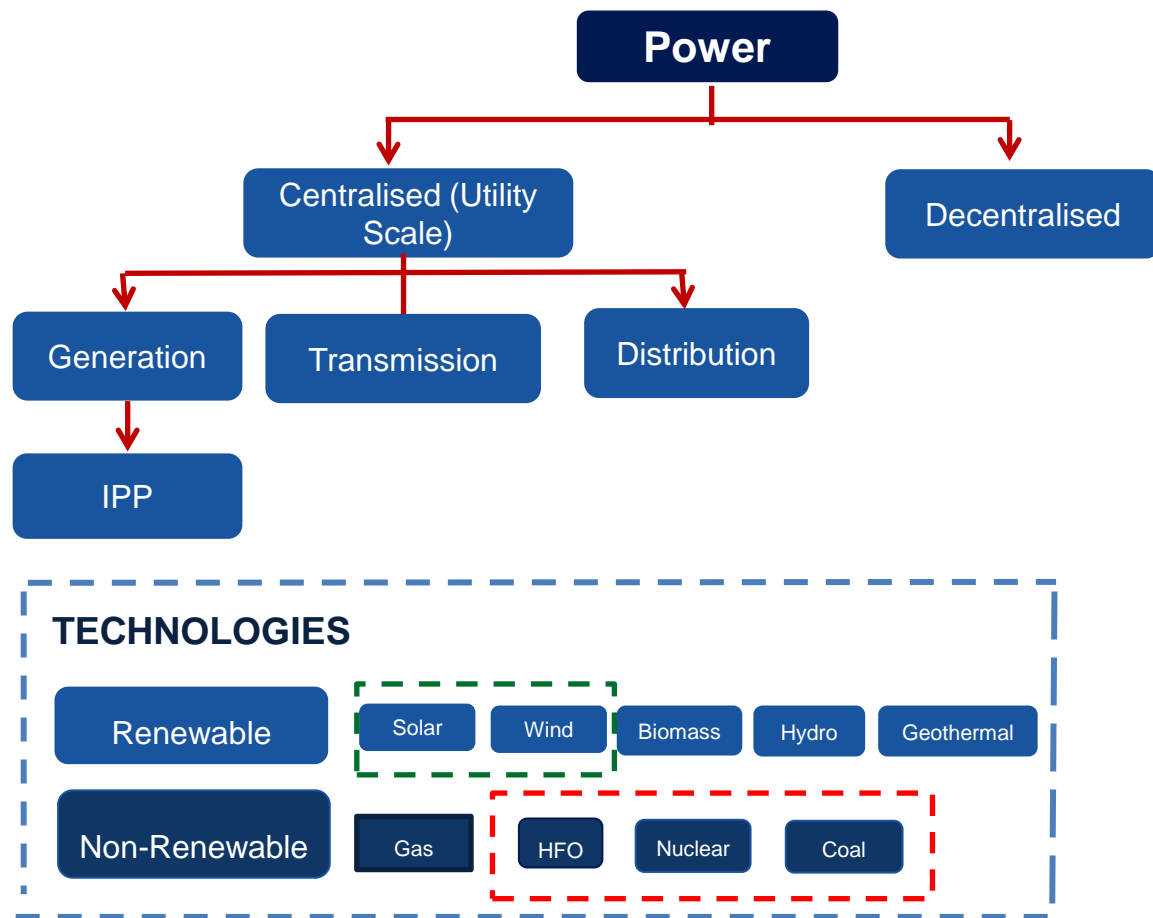
General	
Banking regulation	<ul style="list-style-type: none"> Basel Regulation has fundamentally increased cost of capital and liquidity thereby decreasing the Commercial Banks' ability to support long dated financing structures
Capital enhancement products and structures	<ul style="list-style-type: none"> DFIs and ECAs more willing to provide necessary structural support to commercial Banks to fund P&I opportunities – particularly with regards to tenor
Climate change	<ul style="list-style-type: none"> Regulation and activism makes it increasingly difficult for Commercial Banks to support non-renewable technology Funds set up with specific green / responsible mandate looking for investment opportunities
PPP	<ul style="list-style-type: none"> Global move towards PPP with less investment funded directly by government balance sheets
Off-grid	<ul style="list-style-type: none"> Movement away from reliance on centralized utilities to grid tied solutions and self contained systems through a modular approach including rural development and captive power solutions
Renewable's efficiency	<ul style="list-style-type: none"> Significant improvements in the cost and quality of renewable technology, in particular solar panels, further enhancing feasibility and attractiveness of sector
Storage	<ul style="list-style-type: none"> Rapid advances in the battery storage changing the renewable energy proposition – sustainable cost effective solutions will fundamentally change the power sector

Africa-specific themes

General	
Significant power and infrastructure investment required across Africa	<ul style="list-style-type: none"> More than six hundred million people across the continent do not have access to electricity Infrastructure spend required is between USD130bn – USD150bn per annum and the financing deficit is c.USD70bn per annum over the next decade
Macroeconomic concerns limit sovereign appetite	<ul style="list-style-type: none"> Bank / investor appetite for sovereign assets is constrained due to generally high levels of sovereign indebtedness and low levels of growth
Policies	<ul style="list-style-type: none"> Policy uncertainty and non-existence complicates ability for investors to take long term view on many Sub-Saharan markets
Significant appetite for African risk from Asian giants in particular China	<ul style="list-style-type: none"> China is the source for 21% of Africa total imports and 17% of its exports China policy banks have extended nearly USD100bn in loans to Africa sovereigns Chinese FDI in Africa is close to USD30bn
Decentralised energy/Off-grid	<ul style="list-style-type: none"> Off grid and Captive Power Solutions increasingly a solution to solving electrification rates and reducing reliance on sovereigns to fund power infrastructure Significant improvements in the cost and quality of renewable technology, in particular solar panels, further enhancing feasibility and attractiveness of sector



POWER – SETTING THE SCENE: STRATEGIC FOCUS



CLIENT
TYPE

SOE's (incl. Utilities)

Services & Suppliers

EPC's

Developers / Sponsors

POWER: KEY THEMES WE ARE SEEING IN SSA

West Africa

- Average Electrification Rate: >47%
- High dependence on Hydro & Gas
- Installed Capacity: ~17 GW

Nigeria

- IPPs: Gas to power & Renewables (REFIT Programme)
- Decentralised Energy, SHS & C&I opportunities
- Sector regulatory reform through World Bank support

Ghana

- Sector reform: Towards cost reflective tariffs, significant progress
- IPPs: Uncertainty remains related to renegotiation on tariffs
- Increased focus on Renewable Energy

Côte d'Ivoire

- IPPs (Gas & Coal)

South & Central Africa

- High dependence on Hydro
- Installed capacity – 9GW

Angola

- Increase generation capacity: New hydro
- Power sector strongly tied to government

Botswana

- Coal IPPs & Renewables
- Solar tender (2x50MW) & smalls
- Renewable energy: Mega Solar

Mozambique

- Gas to Power & Hydro
- Decentralised energy eg. Mozal
- Medium size Renewable Energy projects

DRC

- Decentralised energy opportunities with Mining

Namibia

- Growing power sector focus on Renewables (Wind & Solar), Mega Solar
- Decentralised power drive

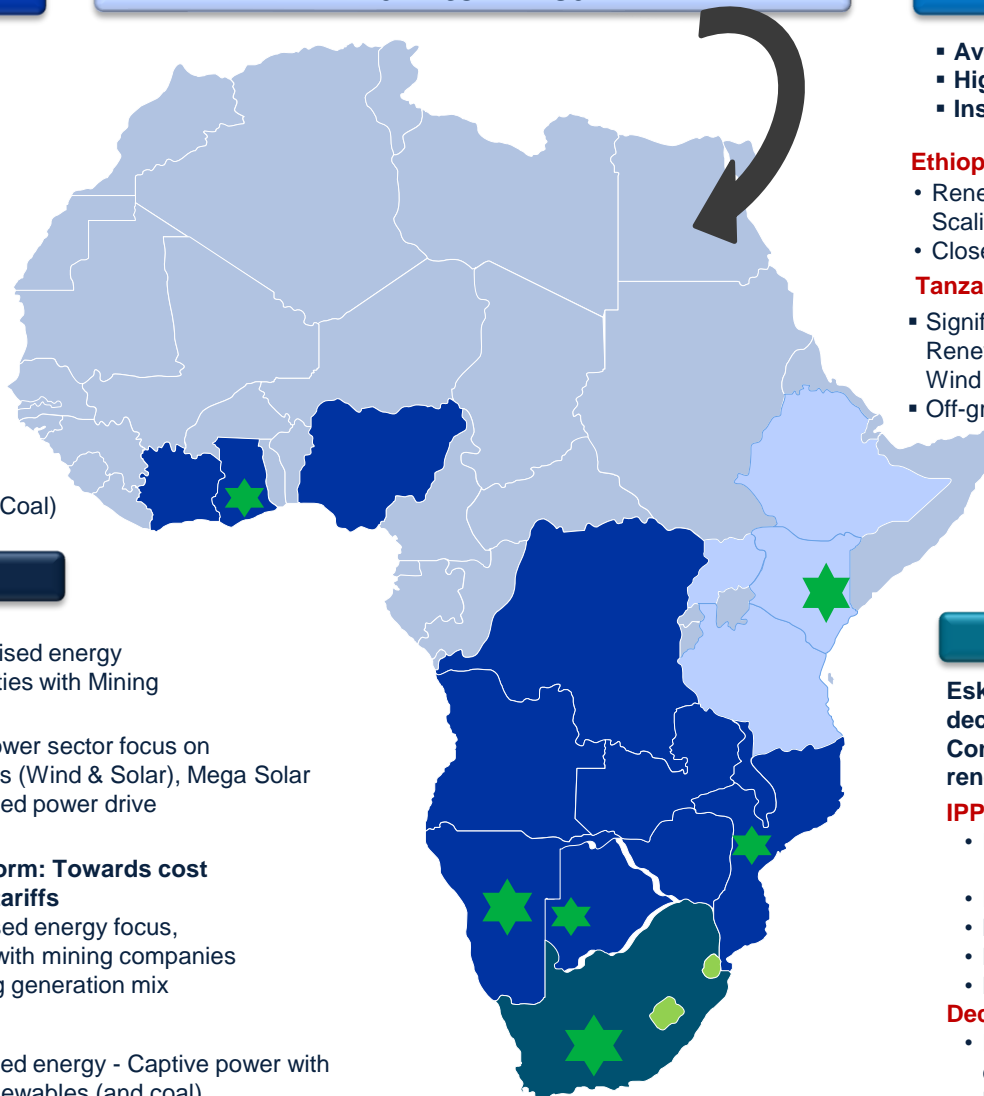
Zambia

- Sector reform: Towards cost reflective tariffs
- Decentralised energy focus, especially with mining companies
- Diversifying generation mix

Zimbabwe

- Decentralised energy - Captive power with mines/ Renewables (and coal)

China into Africa



East Africa

- Average Electrification Rate: ~37%
- High dependence on Hydro
- Installed Capacity: ~8.9 GW

Ethiopia

- Renewables (IFC Scaling solar)
- Closed market

Tanzania

- Significant focus on Renewable Energy (mainly Wind power)
- Off-grid solar

Kenya ("international darling")

- Renewables
- Established IPP market with operational Solar and Wind
- PPA uncertainty
- Conversion to gas from HFO

Uganda

- GETFIT- RE power projects (1-20 MW) , developed by IPPs for a total installed capacity of 170 MW
- Significant new capacity, mainly Hydro
- Significant focus on Transmission projects and interconnectors

South Africa

Eskom to decarbonise , The utility is seeking \$10bil to decommission majority of its coal plants by 2050. Conversion of existing plants through Gas and renewables

IPP programs

- REIPPP- 92 projects (6328MW) R192bn - low RE tariffs (<60c/kwh)
- Emergency power procurement program – (2000MW)
- New REIPPP & Gas to Power (Bd5,6,7 – 2021/2)
- RMIPP 2000MW bid award Mar'21 – FC 2022
- REIPP Round 5 (awarded) FC Q3/4'22

Decentralised Energy opportunities

- Regulatory changes: New threshold of 100MW for license exemption
- PowerPulse



02

**SOUTH AFRICA – POWER SECTOR
2022 OPPORTUNITIES**



ESSENTIALS OF JUST ENERGY TRANSITION IN SOUTH AFRICA

ESSENTIAL BUILDING BLOCKS



ACCESSIBLE AND AFFORDABLE ELECTRICITY

Millions of South Africans lack access to electricity. All South Africans need access to affordable, low carbon electricity to provide for basic need

WHAT SHOULD BE DONE?

- Draft and implement a national low-income household energy strategy
- Prioritize energy access for those without reliable access to electricity, using renewable energy solutions which are more affordable and accessible
- Increase electricity subsidies for low-income households



CORPORATE AND BUSINESS REFORM

We need to move away from business as usual. Corporations need to prioritize social and environmental issues and must implement tools to reduce emissions, pollutions and waste but also secure decent jobs

WHAT SHOULD BE DONE?

- There must be strict legal compliance with all environmental regulations such as air & water pollution, carbon emissions and site rehabilitation along with workplace and employment standards
- Government should monitor and enforce these obligations while the private sector must have their own transition plans, which protect workers



SHIFT IN OWNERSHIP OF ENERGY

Using renewable energy opens opportunities for more socially or community owned and less corporate or privately owned energy generation

WHAT SHOULD BE DONE?

- Support communities in setting up their own energy projects
- Include more women and youth in the energy sector
- Revise South Africa's renewable energy programme
- Support the shift from a centralized system to a decentralized energy system



EMPOWERMENT OF WORKERS AND COMMUNITIES

Workers and communities should not shoulder the burden of shifting to a low carbon economy. We need decent jobs and economic opportunities for all to 'to leave no one behind

WHAT SHOULD BE DONE?

- Set up programmes for worker placement and re-train workers in coal and other impacted sectors
- Provide training and education for other workers in need of jobs
- Invest in infrastructure in areas in need
- Promote economic diversification and the creation of alternative industries



ENVIRONMENTAL RESTORATION AND PROTECTION

Modern agriculture, mining and industrial development have degraded the quality of our soil, air and water resources. We have to restore these areas and prevent further damage

WHAT SHOULD BE DONE?

- Apply the polluter pays principle, ensuring polluters pay for restoration of degraded ecosystems
- South Africa needs to hold government and companies accountable
- Create space for small scale agriculture which can restore and protect the environment whilst feeding people

THE PRINCIPLES OF A JUST ENERGY TRANSITION (JET) IN SOUTH AFRICA

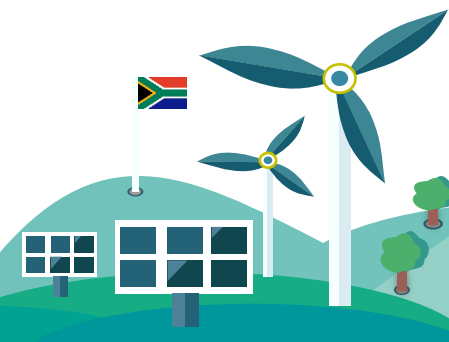
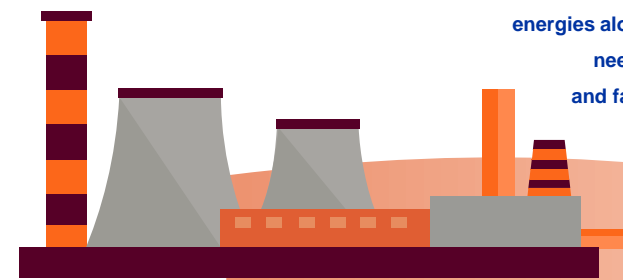
A shift from dirty and harmful fossil fuels to cleaner, affordable and sustainable renewable energies along with energy efficiency is needed. For this shift to be just and fair these building blocks are recommended as minimum

WE NEED ENERGY DEMOCRACY IN SOUTH AFRICA

South Africa needs to move from a monopolised fossil fuel dominated system, without room for meaningful engagement, to a participatory renewable energy system with inclusive decision-making processes.

WHAT SHOULD BE DONE?

- Conduct regular public participation and stakeholder consultations that include youth and vulnerable groups
- Draft a joint vision of KET and undertake transparent planning processes
- Set measurable goals and ensure clear accountability
- Implement measures to improve and ensure gender equality
- Educate and raise awareness on energy issues
- Look at related issues such as land and water



Source: South Africa just transition Transaction report



SA POWER SECTOR CONTEXT

IRP2019 sets out future power generation with a shift towards Renewables

- Significant demand supply gap estimated at **5-7GW** over medium term;
- A total of **11 017MW** of coal plants are to be decommissioned between **2019 and 2030**, followed by **additional 35 GW** from **2030 to 2050**;
- **Conversion** of all current diesel peaking plants to gas is an immediate key priority, Just, timing will be critical. **Eskom repurposing tender** under way, **Just Transition Transaction**;
- Gas to Power: **3 000MW** (2024 & 2027) – Critical to support increased roll out of Renewables to ensure grid stability;
- Presidential Climate Commission identified Gas as a **Transitional fuel** with a key priority to build stakeholder consensus;
- Distributed generation opportunities as market opens up and regulations are amended, **100MW licensing** threshold and Schedule 2 amendments – significant interest from industry;
- Power sector **reform** and **Just Energy Transition** considerations towards low cost electricity, job creation, economic growth & long term sustainability.

	Coal	Coal (Decommissioning)	Nuclear	Hydro	Storage	PV	Wind	CSP	Gas & Diesel	Other (Distributed Generation, CoGen, Biomass, Landfill)
Current Base	37 149		1 860	2 100	2 912	1 474	1 980	300	3 830	499
2019	3 355	2 339					244	300		Allocation to the extent of the short term capacity and energy gap.
2020	1 433	2 533				114	300			
2021	1 433	2 402				300	814			
2022	711	3 88			513	400	1 000	1 600		
2023	750	2 55				1 000	1 600			
2024			1 860				1 600		1 000	500
2025						1 800	1 600			500
2026		2 219					1 600			500
2027	750	3 93					1 600		2 000	500
2028		4 15				1 800	1 600			500
2029		3 694			15 75	2 000	1 600			500
2030		3 050		2 500		1 000	1 600			500
TOTAL INSTALLED CAPACITY by 2030 (MW)		11 364	1 860	4 600	5 000	8 208	17 747	900	6 180	
% Total Installed Capacity (% of MW)		43	2.36	5.84	6.35	10.52	22.53	0.76	8.1	
% Annual Energy Contribution (% of MWh)		58.8	4.5	8.4	1.2*	6.3	17.8	0.6	1.3	

Installed Capacity
 Committed / Already Contracted Capacity
 Capacity Decommissioned
 New Additional Capacity
 Extension of Koeberg Plant Design Life
 Includes Distributed Generation Capacity for own use

Decentralized Energy Drivers



Affordability



Predictability & control



Security of supply

The South African power sector is set to grow through increased focus on **Renewable Energy** as tariffs continue to decline as a result of competition and technology advancements. This will drive the need to fast track the roll out of **Gas to Power** within the power system.



TOWARDS A SUSTAINABLE POWER SECTOR

POLICY CERTAINTY AND LONG-TERM PLANNING IMPORTANT DRIVERS



Current IPP programs (announced)

- RMIPP: 2 000MW
- REIPPP:
 - Round 5 (2 600MW)
 - Round 6 (2 600MW)
 - Storage (513MW)
 - Round 7 (1 600MW)
- Gas to Power: 3 000MW

Eskom Just Transition projects (ca 7,5GW)



Key Considerations

- IRP2019 already outdated
- Slow pace of procurement
- Government support
- Grid availability
- Reduced IRRs
- Local content & participation
- Distributed power: Timing & process

Eskom Just Transition Transaction



Immediate Priorities

- Launch Gas to Power RFP
- Finalize grid upgrade & expansion plans
- RE industrialization & Local devel. plan
- New IRP
- Distributed power implementation
- Climate Change Commission priorities incl:
 - * Power sector reform (market & tariff)
 - * RE, Gas & Green H2



Other key trends and observations:

- Significant **competition** to fund Renewable projects from DFIs and Commercial Banks with more aggressive funding structures and margin compression across all levels of funding;
- REIPPP round 5 is expected to have **lowest tariffs** with 104 projects bid (preferred bidders expected to be announced Oct/Nov), noting constraint in Northern Cape which prevented many competitive projects from bidding;
- Focus on **Decentralised Energy** projects driven by reliability, affordability and predictability of electricity costs, with a significant increase in clients considering procurement processes. Main technologies being considered – RE and gas for industrial use. Mining clients are leading with 1,6-2GW RfPs in process
- Standard Bank launching **PowerPulse – Innovative** digital platform that facilitates, funds & optimises Africa's DE supply.

Transmission supply Capacity Assessment 2021

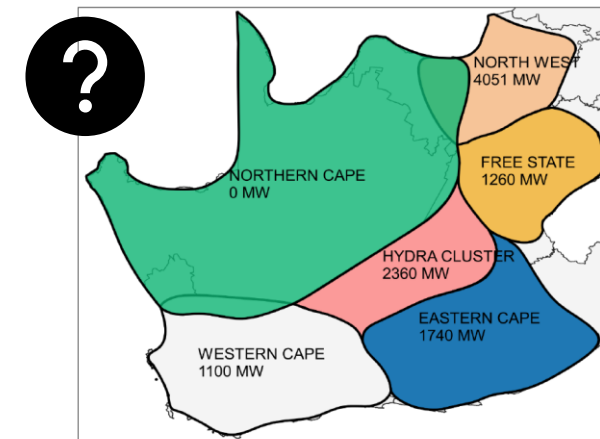
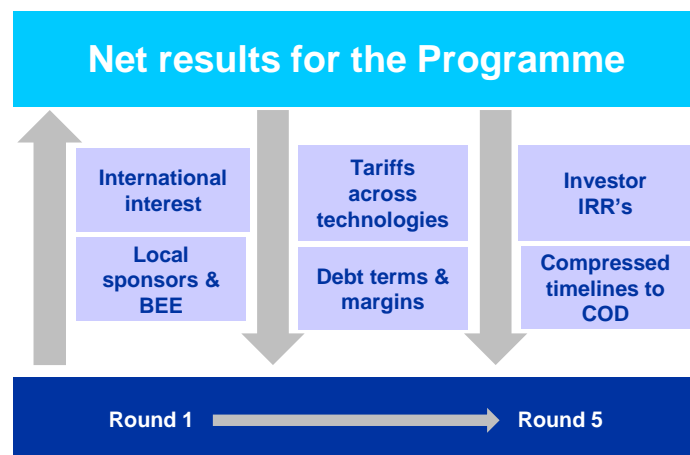


Figure 5: Supply area capacity

Current procurement of new generation capacity is still slow, whilst funders remain committed.

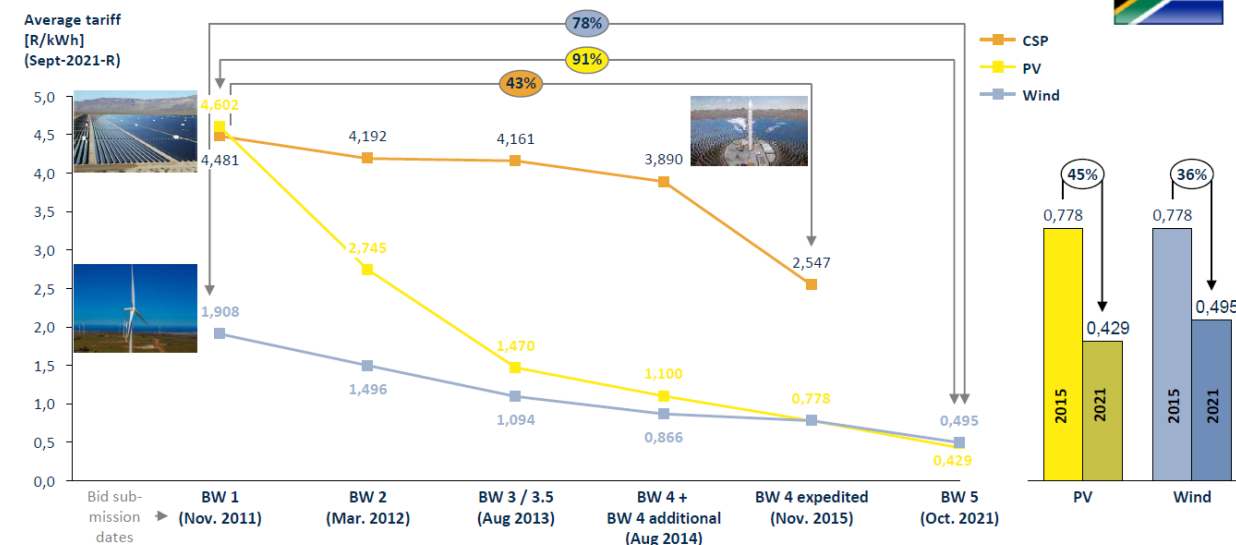
SA POWER PROGRAMS



Market opportunity for developers, investors & financiers

- Financial institutions continue to focus investment towards the power sector, especially green power;
- Government commitment towards new generation and market development remains critical
- Sector opportunity**
 - Total debt funding opportunity of R271bn over next 2 years;
 - Increased competition from commercial lenders, DFIs and pension funds;

Actual tariffs: Reductions in tariff since 2011 for new wind 90%, solar PV 75% and CSP 43%
Results of South African Department of Mineral & Energy REIPPPP



Notes: For CSP Bid Window 3 and 3.5, the weighted average of base and peak tariff is indicated, assuming 50% annual capacity factor and 64%/36% base/peak tariff utilisation ratio; BW = Bid Window;
Sources: Department of Mineral & Energy's publications on results of first four bidding windows <http://www.energy.gov.za/IPP/Preferred-Bidders/Window-three-04Nov2013.pdf>; http://www.energy.gov.za/IPP/Renewables_IPP_ProcurementProgram_WindowTwoAnnouncement_21May2012.pptx; <http://www.ipprenewables.co.za/bona/widoe/file/downloadid/278>; StatsSA on CPI (<http://www.statssa.gov.za/publications/P0141/CPIHistory.pdf>); CSIR analysis



Program	RFP to market	Estimated Financial Close	MW	Estimated COD	Estimated Debt Total	Estimated Ancillary Total	Estimated Total Opportunity
RMIPP	2020	H1 2022	2 000	2022/23	R50bn	R21bn	R71bn
REIPP BD 5	Apr-21	H1 2022	2 600	2023	R33bn	R23.5bn	R78.5bn
REIPP BD 6	Jan-22	H1 2023	2 600	2023/4	R55bn	R23.5bn	R78.5bn
Storage	Q1-22	H1 2023	513	2023	R30bn	R13bn	R43bn
			7 213		R190bn	R81bn	R271bn



IT CAN BE™



SUMMARY OF REIPPP: MARKET SIZE & DEVELOPMENT: EQUITY AND DEBT PERSPECTIVE

SBSA strategic approach

- Standard Bank continues to participate in Project Financing rounds under the REIPPP and RMIPP (RfP launched – SBSA target 30-40% market share) program.
- Competition within this sector has become extremely intense with developers seeking innovative financing solutions to optimise project returns
- **Sector strategy:** focusing on
 - Increased **debt** underwrite;
 - Future participation in new REIPPP rounds targeting strong sponsors with track record;
 - Focused **equity finance** approach aligned with targeted clients and appetite incl BEE;

Financial breakdown (project cost)



Future Rounds

- REIPPP Round 6**
 - 2600MW
 - Bid RfP (Q2/3 2022)
 - Submission (Aug'22)
 - FC [2023]
- REIPPP Storage**
 - Timing: RfP Q3/4'22
 - FC [2023]
 - Estimated MW to be procured (513)



DECENTRALISED ENERGY - SUB SECTOR FOCUS

Client offering – Summary

Client Universe

Retail &
Business
Banking

Commercial
Banking

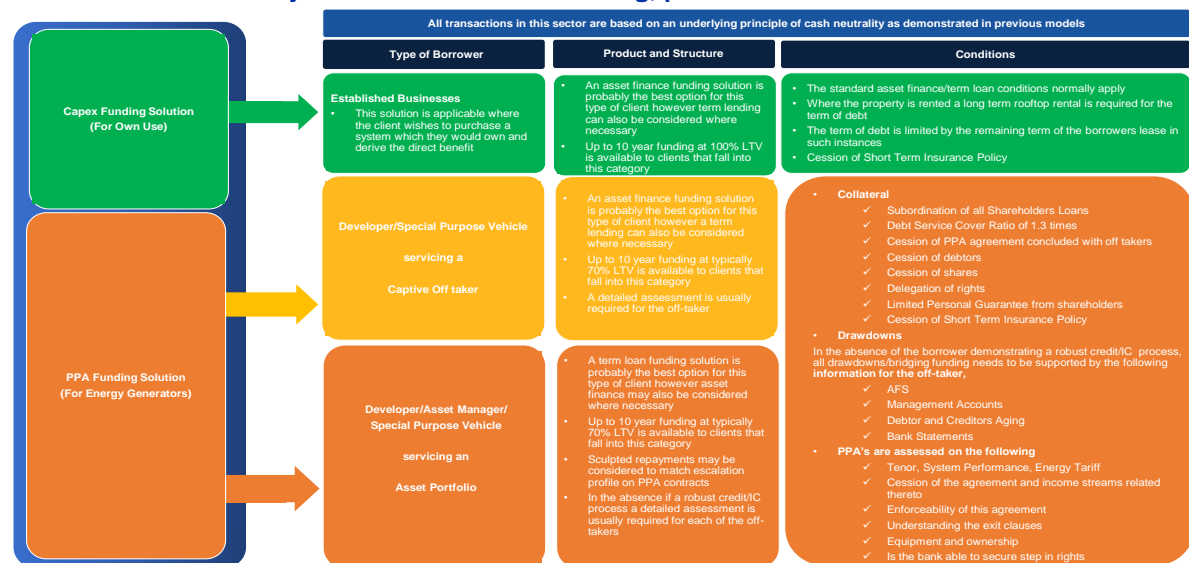
CIB

Main Product:

- ❑ VAF offering up to 10 years (to be expanded to Wholesale)
- ❑ Term loan
- ❑ Current portfolio: [R300m] (230 transactions)



Formats of Solar PV Projects we consider for funding, products and conditions



Funding Options

On-balance sheet funding

- Simplest and quickest way of installing a captive power plant.
 - Client develops, finances, and operates the power plant for own use.
 - Depending on regulation, excess power can be sold to other consumers or back into grid.
 - One-time cost, however, upfront cost could be high.
 - Own the power plant directly.
 - Could be funded through own funds only or a combination of external debt and own funds.
 - Funding on balance sheet may come at better funding rates, as benefit of corporate balance sheet can be taken into account, however the limited-recourse nature of funding is lost.

Limited recourse funding

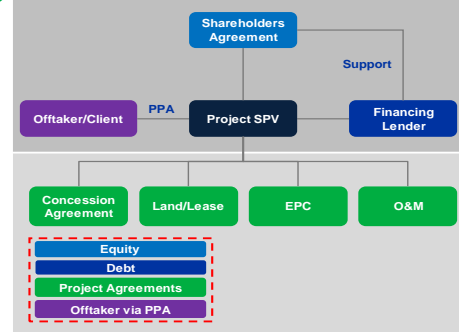
- Provides access to electricity without owning or operating power plant.
- Independent Power Producer (IPP) develops, finances and operates power plant.
- No upfront capital cost for client.
- Power plant owned by third party.
- Payment per kWh consumed (tariff charged).
- Offers simplicity for clients in the sense that they do not need to 'get in the power business'.
- Contracting structure and lenders' due diligence likely to lead to long lead time before power plant is available to produce power.

Up-front cost

On-going PPA

2

Diagrammatic representation



CIB clients funding options & approach need to be flexible

SUSTAINABILITY FINANCE - PRODUCTS

Integrated



	Sustainability Linked Funding	Green Loan	Green Bond	Sustainability Linked Bond
Description	Loan for general corporate purposes (links the margin to the improvement on pre-agreed ESG scores)	Loan where the use of proceeds are designated for eligible Green Assets or Projects that are directly owned/funded by the corporate	Bond of which the proceeds are used to finance Green Assets or Projects	Bond for general corporate purposes (linked to improvement of pre-agreed ESG Scores)
Facility Type	RCF/ Term Loan / Preference Share/ HQLA/ Notice Facility	Term loan / RCF	Bond	Bond
Pricing	Margin improvement upon meeting pre-agreed ESG targets	Upfront pricing benefit	Marginal upside potential to conventional bond	Quantifiable upside potential to conventional bond, or 2. Coupon improvement upon meeting pre-agreed ESG targets
Verification	Ratings agency Sustainalytics, MSCI etc. External Auditor: EY, KPMG, consulting company (ERM) etc.	Green Assets/Projects need to be appropriately described in the finance documents and verified by Standard Bank (as the Sustainability Agent)	Review and confirmation of alignment with Green Bond Principles, Sustainalytics, E&Y, DNV GL etc.	Independent verification of agreed targets : Sustainalytics, E&Y, KPMG etc.
Use of Proceeds	General Corporate Purposes	Eligible Green Assets/Projects, or refinances thereof	Eligible Green Assets/Projects, or refinances thereof	General Corporate Purposes
Project Evaluation & Selection	N/A	The borrower needs to clearly inform Standard Bank of the sustainability objectives and the process used to evaluate eligibility of Assets/Projects	Internally develop Green Bond Framework Upfront identification of eligible Assets/Projects in line with Green Bond Principles	Bespoke Amazon metrics or Amazon ESG Risk Rating Report
Management of Proceeds	N/A	Applied towards identified capex, opex or refinancing of Green Assets/Projects	Applied towards identified capex or refinancing of Green Assets or Projects	N/A
Reporting & Disclosure	Option 1: Assurance from external auditor that bespoke metric targets have been met Option 2: Annual ESG rating report determines margin discount and rate. No additional external disclosure required	Annual reporting / disclosure on the use of proceeds to Standard Bank	Annual reporting / disclosure on the use of proceeds to investors	Annual reporting / disclosure the performance of the selected KPIs, including baselines where relevant

AMAZON.COM, INC. SUSTAINABILITY FINANCE DISCUSSION PAGE 16

Standard Bank **IT CAN BE.**

IT CAN BE™



CASE STUDY:

SCATEC SOLAR BID DATE 4 REIPPP PROJECTS, ZAR2.29BN, SOUTH AFRICA



Considerations:

Enabling environment – predictable licensing process creates confidence; IPP Office & project champion, Government supporting utility/Eskom obligations;

Experienced developers (EDF, Engie, Enel, Globeleq, Scatec, TotalEnergies)

Lending parameters; local content



Standard Bank Involvement

- Standard Bank was the sole mandated lead arranger and underwriter for the transaction. Standard Bank Also provided long-dated interest rate and currency hedges
- The facilities granted included both Jibar– and CPI senior debt and subordinated debt
- Additional guarantees were also issued by Standard Bank to Eskom
- The three projects totalling 258MW has a 20 year Power Purchase Agreement with Eskom and was procured under Round 4 of the Renewable Energy Independent Power Producers Programme (REIPPP)
- Standard Bank brought Liberty Group, Prescient Investment Management, Sanlam Capital Markets and Development Bank of Southern Africa in as additional lenders into the transaction at financial close for an amount of ZAR1.9bn across the projects



Borrower Overview

- The primary shareholder and developer of the three projects are Scatec Solar ASA
- A long term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants, and already has an installation track record of 1,000MW
- Currently, the company is producing electricity from 322MW of solar power plants in the Czech Republic, South Africa, Rwanda, Honduras and Jordan and another 434MW are under construction
- With an established global presence, the company is growing briskly with a project backlog and pipeline of more than 1.5 GW under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway
- The EPC and O&M contract is being fulfilled by Scatec Solar ASA group entities



Financing Summary

Project Developer	Scatec Solar AS
Main Shareholders	Scatec Solar AS (42%), Norfund (18%) & Black Industrialist Investor (35%), BEEE Trust (5%)
Borrower	Sirius Solar PV Project One (RF), Dyasons Klip 1 (RF) & Dyasons Klip 2 (RF)
Debt Amount	ZAR2.29bn (ZAR764m x 3)
Standard Bank Role	Mandated Lead Arranger, Underwriter and Hedge Provider
Purpose	Design, construction and operation of 3x 75MW solar photovoltaic projects under Round 4 of REIPPP
Transaction Value	ZAR3.68bn
Tenor	COD + 17 years
Country	South Africa
Hedged value	Confidential



Transaction Highlights

- These projects were 3 of only 6 projects of the 27 Round 3.5 and Round 4 projects that were signed with unconditional PPAs
- Some of the first projects of this round to reach Financial Close
- Standard Bank providing CPI debt to Renewable Energy project in SA for first time
- National Treasury support for Eskom payment obligations

THANK YOU

George Kotsovos
Executive: Energy & Infrastructure Finance
The Standard Bank of South Africa Limited
Tel: +27 11 721 8302
Email: george.kotsovos@standardbank.co.za

Disclaimer

**If you received this document in error, please immediately return the document and other related documents to Standard Bank.
On receipt of this document, you agree to be bound and are deemed to understand that:**

This presentation is provided for information purposes only on the express understanding that the information contained herein will be regarded as strictly confidential. It is not to be delivered nor shall its contents be disclosed to anyone other than the entity to which it is being provided and its employees and shall not be reproduced or used, in whole or in part, for any purpose other than for the consideration of the financing or transaction described herein. If this presentation has been received in error it must be returned immediately to The Standard Bank of South Africa Limited ("Standard Bank"). This is a commercial communication. The information does not include a personal recommendation and does not constitute an offer, or the solicitation of an offer for the sale or purchase of any financial product, service, investment or security. The information, investments and/or strategies discussed here may not be suitable for all investors; if you have any doubts you should consult your investment advisor.

No liability is accepted by Standard Bank and/or any affiliate, subsidiary or branch thereof (the "Standard Bank Group") whatsoever for any direct or consequential loss arising out of reliance upon all or any part of the information contained in this presentation. You are not relying on any communication (written or oral) from any member of the Standard Bank Group as investment advice or as a recommendation to enter into any transaction; it being understood that information and explanations related to the terms and conditions of a transaction shall not be considered investment advice or a recommendation to enter into that transaction. No communication (written or oral) received from any member of the Standard Bank Group shall be deemed to be an assurance or guarantee as to the expected results of that transaction. The investments discussed may fluctuate in price or value. Whilst every care has been taken in preparing this presentation, no member of the Standard Bank Group gives any representation, warranty or undertaking, express or implied, and accepts no responsibility or liability as to the accuracy, or completeness, of the information, statement, assumption or projection contained in this presentation. Past performance is not indicative of future results.

For the avoidance of doubt, our duties and responsibilities shall not include tax, advisory, legal, regulatory, accounting or other specialist or technical advice or services. You are to rely on your own independent appraisal of and investigations into all matters and things contemplated by this presentation. By accepting this presentation, you agree to be bound by the foregoing limitations. Kindly note that this presentation does not represent an offer of funding since any facility to be granted in terms of this presentation would be subject to the Standard Bank Group obtaining the requisite internal and external approvals.

International UK

This information is not intended for the use of retail clients and must not be acted on or relied on by persons who are retail clients. Any investment or investment activity to which this information relates is only available to persons other than retail clients and will be engaged in only with such persons. Standard Advisory London Limited ("Standard London") is authorised and regulated by the UK Financial Conduct Authority. This presentation is for distribution in the UK only to, and is only intended to be directed at, persons within paragraphs 19(5) or 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Persons into whose possession this information comes are required by Standard London to inform them about and to observe these restrictions. Telephone calls may be recorded for quality and regulatory purposes. Standard Advisory London Limited, 20 Gresham Street, London, EC2V 7JE.

United States

In the US, the Standard Bank Group is acting through its agents, Standard New York, Inc. and The Standard Bank of South Africa Limited, Representative Office. Standard New York, Inc. is a member of FINRA and SIPC and it is neither a bank, regulated by the United States Federal Reserve Board, nor insured by the FDIC. The Standard Bank of South Africa Limited, Representative Office is regulated by the New York State Department of Financial Services and the Federal Reserve Bank of New York as a Representative Office, and it is neither a bank nor a depository institution and it is not insured by the FDIC or any other agency of the United States.

If this presentation relates to securities, please note that in the US, the Standard Bank Group is acting through its agent, Standard New York, Inc., which is a member of FINRA and SIPC and it is neither a bank, regulated by the United States Federal Reserve Board, nor insured by the FDIC. Neither this presentation nor any copy of it nor any statement herein may be taken or transmitted into the US or distributed, directly or indirectly, in the US or to any US person except where those US persons are, or are believed to be, (a) qualified institutions acting in their capacity as holders of fiduciary accounts for the benefit or account of non US persons (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")) or (b) qualified institutional buyers within the meaning of Rule 144A under the Securities Act.

Dubai

The Standard Bank of South Africa Limited (Dubai Branch) is authorised and regulated by the Dubai Financial Services Authority (register number F002907). Within the Dubai International Financial Centre the financial products or services to which this marketing material relates will only be made available to Professional Clients, including a Market Counterparty, who meet the regulatory criteria of being a Client.

Hong Kong

Standard Advisory Asia Limited is licensed by the Securities and Futures Commission under the Securities and Futures Ordinance in Hong Kong. Any investments and services contained or referred to in this presentation may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services.

South Africa

The Standard Bank of South Africa Limited (Reg.No.1962/000738/06) is regulated by the South African Reserve Bank and is a Licensed Financial Services Provider and Registered Credit Provider (NCRCP15).

Copyright 2020 Standard Bank Group. All rights reserved.

