



Loadshed the hard work!

How EY can support your renewable
energy aspirations



The better the question. The better the answer.
The better the world works.



Building a better
working world

EY Global Renewable Rankings

- ▶ **EY ranked #1** in Global, EMEA and APAC Financial Advisors and Global Renewables Financial Advisors rankings by deal count
- ▶ **Ranked #2** in Global Energy Transition Financial Advisors ranking by deal count
(Published by: Infralogic global and regional League Tables for 2022)
- ▶ **Ranked #1** in the Inspiratia 2022 Renewable Financial Adviser Rankings
- ▶ **Ranked #2** position in Inspiratia 2022 Infrastructure Financial Adviser Rankings by deal count.

EY can support you comprehensively in your renewable energy journey

CONCEPTUALISATION

- The journey to net zero carbon
- Renewable energy as part of strategy
- Market entry into Africa
- Capital allocation to renewable energy



FINANCING

- Financial modelling
- Grants and incentives
- Capital raise
- Loan administration and engagement



EXIT AND ENTRY M&A

- Transaction advisory services
- Due diligence
- Valuation
- Structuring
- Integration and separation



FEASIBILITY

- Project modelling
- Financial modelling
- Feasibility study



OPERATOINAL MANAGEMENT SUPPORT

- Managed accounting services
- Managed tax services
- Loan management services



EY END-TO-END EXECUTION OFFICE SUPPORT

Loadshedding the hard work

EY understands that your independent power producer journey can be complex, challenging and time-consuming.

We have therefore developed a catalogue of services to support you in conceptualising, financing, constructing and managing your investment in a cost-effective way, which ensures that you achieve your objectives and mitigate your risks in this business.

If you are a new market entrant, we can support your entry by way of M&A - but, if you are a mature player in the industry, we can equally facilitate your exit.

Our catalogue of services is designed to address your needs at each bespoke stage of the journey.

We can help you with any one, or all of our services, or whatever solution we can shape to fill in the gaps in your own capabilities.

We can step in, wherever you are:

1. Strategy and conceptualisation
2. Feasibility
3. Financing
4. Construction and development
5. Post construction or operational management
6. Portfolio exit

We have deep experience and understanding of the renewable energy and IPP sectors through our extensive work, over decades, for stakeholders on all sides of the equation.



Conceptualisation

From strategy to capital allocation

Strategy as the start

Strategy

EY's approach to strategy starts with purpose and establishes a clear linkage to measurable business outcomes. Our services entail:

- Collaboratively articulating your sustainability purpose
- Assessing your business model and playing field
- Agreeing on the unique focus to win
- Defining the core supporting activities
- Developing a plan for implementation

We can help you articulate a strategy to align your resources and efforts to achieve your renewable energy aspirations.

ESG and Net Zero Carbon

We leverage our strategy approach and apply an ESG lens to build your ESG strategy.

- Assessing your organisation's current ESG performance
- Setting ESG goals and objectives aligned to industry expectations
- Developing an actionable implementation plan
- Implementing the strategy
- Developing the monitoring and reporting frameworks

Our team of experts will work with you to design a roadmap for sustainable growth, positioning your organisation for long-term success and resilience in the face of an ever-changing business landscape.

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Developing the concept

Exploring and assessing the opportunities

EY can support you by conducting market studies on renewable energy industries across Africa. Our services include:

- ▶ Economic and industry trends analysis and outlook
- ▶ Assessment of the key policies and regulations affecting the industry
- ▶ Competitor and customer identification and assessment
- ▶ Market sizing

We can help you identify investment opportunities and potential off-takers in the market.

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Capital allocation

Integration into current investment processes

Any investment process requires an assessment based on a balanced scorecard, incorporating:

- ▶ Alignment to corporate strategy
- ▶ Financial returns
- ▶ Environmental impacts
- ▶ Social impacts
- ▶ Governance framework
- ▶ People impacts

EY can help you develop a balanced scorecard to assess any investment in renewable energy against your existing corporate framework.

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Feasibility

Concept to bankability

Feasibility Study

EY can support project sponsors during the development phase to ensure bankability is achieved.

Our services include:

- ▶ Assessing the status of the development work undertaken, and provide recommendations as to outstanding development items to ensure bankability
- ▶ Coordination of development activities and project management functions, as an extension of the owner's team
- ▶ Development of a project risk register which typically will include:
 - ▶ The potential effect of risks on the project, in particular the risks on the ability to service debt;
 - ▶ Mitigation measures to the project structure; and
 - ▶ Residual risk acceptances.

Financial modelling

EY can support project sponsors with financial modelling support.

Our services include:

- ▶ Development of Bankable Financial Models
- ▶ Balance Sheet Restructuring
- ▶ Debt Capacity and Peak Funding
- ▶ Sensitivity analysis and Scenario Planning
- ▶ Decision support Modelling
- ▶ Data Visualisation

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Financing options

Equity capital raise

EY can support you in raising the equity capital required to support your renewable energy project. Our services include:

- Strategic advice;
- Preparation of financial models and marketing materials;
- Valuation;
- Market sounding and engagements; and
- Project management from inception to completion.

Our advisory services can, for the right project, deliver a concrete financial investment into your project.

Debt capital raise

EY can support you in raising the debt capital required to support your renewable energy project. Our services include:

- Strategic advice;
- Preparation of financial models and marketing materials;
- Valuation;
- Market sounding and engagements; and
- Project management from inception to completion.

Our advisory services can, for the right project, deliver a concrete financial investment into your project.

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Grants and incentives

Grants and incentives

The South African government offers several grants and incentives that can help you kick-start your project.

EY can support your feasibility study to identify various grants and incentives that you could benefit from.

EY offers

- High level advisory on which grants and incentives are most appropriate for the project.
- Feasibility studies on grants and incentives at a project level.
- Assisting clients with the application process - ranging from an advisory role to full outsourcing.
- Preparing and reviewing claims and progress reports, to ensure full benefits are received.
- Advising clients on the latest developments on grants and incentives.
- Providing advice on the location of projects to ensure all potential incentives are taken into account in the investment decision.
- Advising on various industry-specific incentives and grants.

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Capital raise
From capital raise to
final repayment

Other components of the financing process

Financial modelling

- Development of Pre Feasibility & Bankable Financial Models
- Sensitivity analysis and Scenario Planning
- Decision support Modelling
- Corporate Models
- Operational Models
- Valuation Models
- Economic Modelling
- Balance Sheet Restructuring
- Capital Raise and Funding Capacity
- Data Management & Visualisation
- Data Analytics

Model review for Funders

- Full scope model review including local Tax and IFRS reviews
- Limited scope reviews

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Post-financing support

Loan management

We can help you with accurate compliance with loan covenants and reporting requirements and undertakings, including strategic advice.

This includes:

- Supporting information to allow issuance of covenant certificate/s (tied to the model generated under above-mentioned modelling activities)
- Dashboard type monitoring of undertakings - including reporting requirements
- Dashboard type monitoring, and alerts for capital and interest payments
- Strategic loan advice i.e. refinancing considerations

Model conversion

EY can also provide you with a tool to manage the project through its post financial close lifecycle, which will enables the project company to measure, monitor and report on financial covenants to lenders, as well as enabling shareholders to negotiate refinancing and sell-downs.

This includes an operational financial model incorporating actuals (from current and historical periods) and forecasts (based on the financial close model, loan documents, and counter-party contracts).

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Post-construction managed services

From strategy to capital
allocation

Financial management

Finance operate

EY can support you with end to end operations support.

Our support can include, but is not limited to:

- ▶ Monthly Management reports
- ▶ Statutory Annual Financial Statements (AFS) due within 6 months after year end
- ▶ Conversion of AFS to XBRL format

Tax operate

EY can support you with standardised, technology driven Regulatory compliance - especially where accurate compliance is critical to avoid penalties and lengthy controversy.

We can prepare:

- ▶ Annual Corporate Income Tax Returns due 12 months after year end
- ▶ 2 Provisional tax returns: 1st return due 6 months before year end and 2nd return at year end

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Other management support

Company secretarial

EY will deliver a service to ensure your regulatory compliance - as non-compliance bears a risk of de-registration.

Our deliverables could include, but is not limited to:

- ▶ Annual Return (AR) and Financial Accountability Supplement or XBRL financial statements and Compliance checklist
- ▶ AR due annually on the anniversary of company registration

Payroll

We can provide you with:

- ▶ Monthly Payroll reports
- ▶ Statutory Filings (monthly and annual)
- ▶ Employee Payslips and annual IRP5's

This will enhance your regulatory compliance - as well as your employee experience!

Contacts



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Reporting

Implementation Agreement

EY can support you with to collate data and prepare quarterly reporting to the IPP Office or your client on the ED performance metrics or commitments outlined in your implementation agreement

This will:

- ▶ Reduced administrative burden, allowing you to focus on your core business
- ▶ Reduction in errors in reported information, which can have significant cost savings
- ▶ Provide insights on how to improve performance in meeting the ED obligations

Loan Agreement

EY can support you with a comprehensive loan management service that enables you to:

- ▶ Evaluate loan management options from time to time, e.g. elective pre-payment, interest payments, etc
- ▶ Comply with reporting obligations under relevant finance documents
- ▶ Regular base case and/or sponsor model updates, as required by lenders

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ESG

Reporting

Enhanced sustainability/ ESG disclosures that articulate achieved outcomes, impact and contribution to sustainable development agenda to various stakeholders.

Contacts

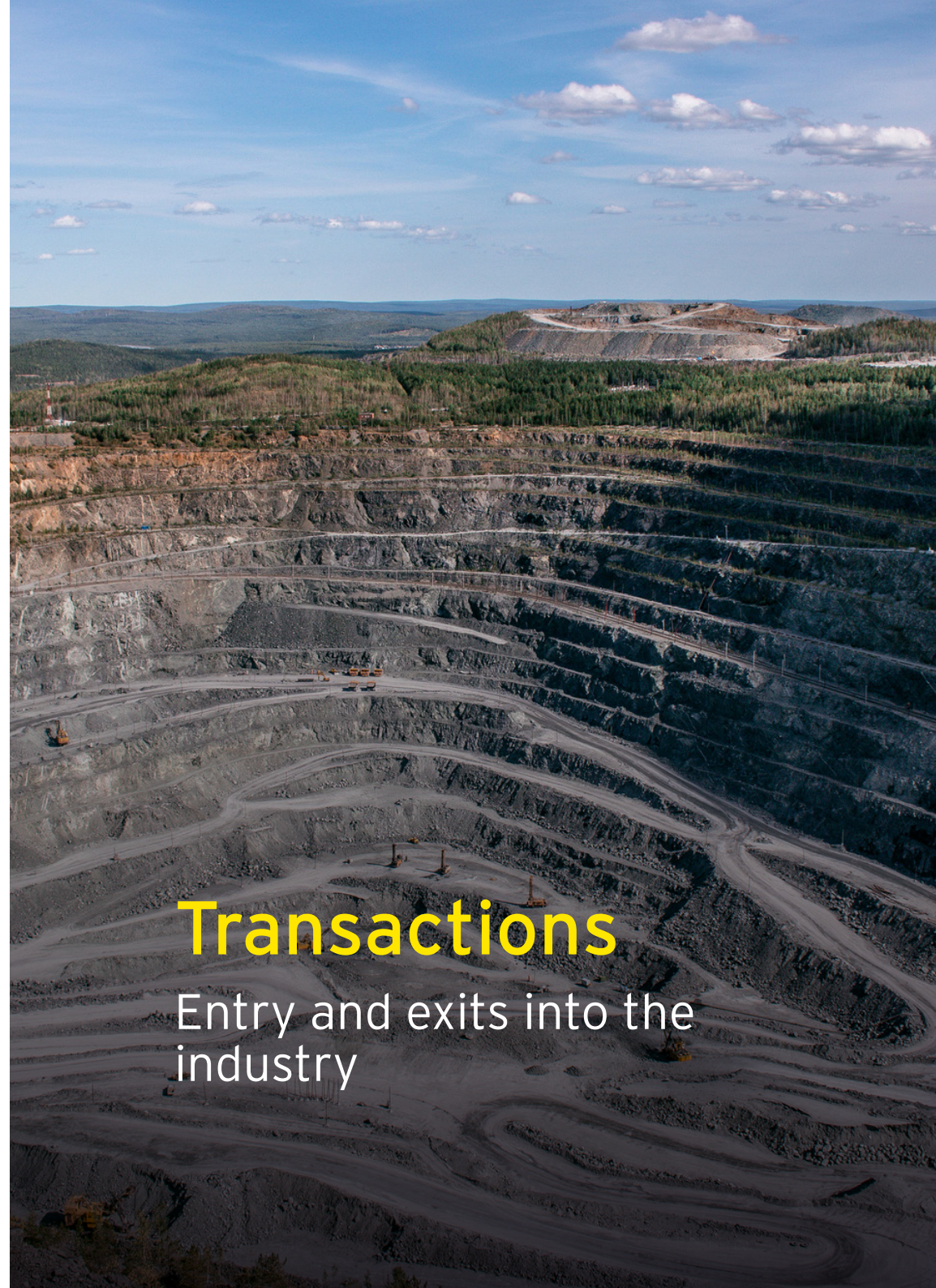


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Transactions

Entry and exits into the industry



Mergers and acquisitions

Buy and integrate

If you have ambitions to enter the renewable energy market, EY can support you in identifying strategic targets, and executing on transactions.

Our full range of advisory services, set out in this section of the service catalogue, will provide you with an end-to-end solution for your M&A transaction, wrapped in strategic advice that will deliver a seamless transaction outcome.

EY offers a unique and technically informed one-stop solution.

Sell and separate

If your portfolio has matured, and you have decided to divest your renewable energy investment, EY can help you achieve a clean and certain exit - at the best valuation the market offers.

Our full range of advisory services, set out in this section of the service catalogue, will provide you with an end-to-end solution for your M&A transaction, wrapped in strategic advice that will deliver a seamless transaction outcome.

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Due diligence

Financial

EY has extensive experience in supporting clients with both buy-side and sell-side financial due diligence services in the renewable and wider energy sector.

We take an 'issues-based' approach to our due diligence, focusing on what really matters for the transaction and thus aiming to be your trusted transaction advisor.

We also integrate with other due diligence workstreams to consider their findings which may have a financial and/or commercial impact.

Our due diligence reports are concise focusing on key findings and supporting analysis to these findings, and advice that helps you execute on your transaction in an informed manner.

Tax

We provide our tax due diligence services based on a proven methodology, approach and delivery frameworks utilised by EY globally.

EY's tax team is skilled and has the most applicable knowledge and experience are mobilised for the renewable energy industry. The team includes individuals with global as well as local expertise.

The integrated workstreams entail we deliver support, consistently and seamlessly on a global scale.

Tax has an established renewable energy client base reflected in our numerous credentials related to large and complex transactions across the African continent.

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Due diligence

Commercial

If you are interested in an acquisition in the renewable energy market, EY can support you by assessing the environment and industry in which your target operates. This will provide the context for the financial due diligence, and present a clearer picture of the current and future operating environment.

Our services include:

- ▶ Economic and industry trends analysis and outlook
- ▶ Assessment of the key policies and regulations affecting the industry

ESG

The way a company handles environmental, social and governance (ESG) issues can affect its long-term performance and its valuation.. **ESG can seal the deal or break it.**

EY's ESG due diligence offering is aligned with the investment process and can be tailored to the asset and your requirements. The due diligence will focus on the three pillars of Environment, **Social and Governance**.

The output is a fatal flaws review matrix following an integrated due diligence process.

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Value

Valuation

EY can assist with all your valuation related requirements, which includes valuations for transaction purposes and financial reporting purposes.

Our seamless approach is in line with global best practice, benchmarked with our internal research and considers market sentiments on the valuation related topics (for example the valuation post the PPA period).

We have deep specialist experience with a global network of EY professionals in different markets who bring not only their technical skills and expertise, but also a practical approach to valuing these assets.

Structuring

A tax efficient structure is vital to the success of the investment and EY has observed a number of critical success factors from our deep understanding of investments made in renewable energy projects (investments).

EY assists to determine a suitable structure that ensures that investment is made in a tax efficient manner and in line with your commercial objectives, covering, but not limited to, the following key items:

- ▶ The most tax advisable holding and financing structure,
- ▶ Cash repatriation throughout the life of the investment.
- ▶ Future exit considerations (and options to achieve tax efficiency)
- ▶ Impacts of the Base Erosion & Profit Shifting (BEPS) Project

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Transaction support

Carve-out

We support our clients from the very beginning of the divestment journey until the separation is complete, providing the flexible support they need to address the inevitable complexity of the deal to help maximize value and minimize risk.

Our divestiture support typically includes carve-out financials and sell-side financial diligence, stand-alone/one-time costs, Day 1 operating model design and separation planning and execution, tax diligence and structuring advice, project management and transaction governance.

Integration

We work with clients to buy and integrate acquired businesses and assets and in doing so prevent value erosion, help accelerate synergy realization, and minimize transaction risk.

Services include, but are not limited to:

- Integration management office (IMO) and workstream setup
- Program governance and cadence
- Stakeholder impact and adoption plans
- Synergy assessment and delivery
- Operating model and organizational design
- Target operating model

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EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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