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Executive Summary of Energiya Global

June 2014

Introduction

1.3 billion people around the world live without electricity. 600 million of them — 70% of the population — are in Sub-Saharan Africa. Energiya Global is a multinational solar energy company that was founded with the purpose of bringing new sources of power to Africa and other underserved and emerging markets. Founded in December 2010, Energiya Global is led by a world-class team that includes seasoned project developers, financiers, and strategists. Energiya Global's goal is to provide electricity to 50 million people worldwide by 2022. EG is a founding partner of the United States Government's Power Africa and Beyond the Grid initiatives. **EG has earned \$2 million in revenues in 2014 to date.**

Who we are

The company is led by **Yosef Abramowitz**, an internationally renowned solar energy pioneer. Mr. Abramowitz is Co-founder of Arava Power Company (APC), Israel's leading solar developer. Founded in 2006, APC built Israel's first utility-scale solar field at Kibbutz Ketura and is committed to building an additional 400 MW in Israel. Upon completion of the first solar field in Israel, APC was approached by 58 countries worldwide. Energiya Global was created to address both the enormous global demand for solar energy. Energiya Global has developed a successful business model based on APC's track record.

The Opportunity

Energiya Global is addressing emerging markets - the fastest growing sector of the global solar market. McKinsey and Co. (McKinsey and Co. "Darkest before Dawn," 2012) estimates that there will be an additional 400-600 GW of solar PV installed by 2020 and that emerging markets will take a far larger share of this market. This growth is driven by both the acute energy shortage and falling solar PV costs: panel prices fell by 40% in 2011 and 20% in 2012. Solar is approaching cost parity with fossil fuel generation.

How we Choose a Potential Market

Energiya Global seeks to identify and enter countries where there is potential to develop large-scale solar projects based on:

- a clear need for additional electrical power;
- a favorable regulatory and business environment for solar;
- our ability to gain first or early-mover advantage and to source a strong local team.
- high levels of insolation — the amount of solar radiation received on a given surface over a given period of time.

What We Do

Energiya Global's project development process consists of:

- securing suitable land at a favorable price;
- ensuring safe and efficient connection of the project to the grid;



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- carrying out all required permitting, studies and tests;
- negotiating and signing a long-term binding PPA (Power Purchase Agreement) with the utility or government;
- securing debt and equity finance to build the project
- contracting with the EPC (Engineering Procurement and Construction) company to build the project
- hiring an Operation and Maintenance company to operate and maintain the project.

Recent Progress

Rwanda

- The Government of Rwanda signed a 25-year Power Purchase Agreement (PPA), Concession Agreement and Government Guarantee on July 22, 2013 for our 8.5 MW solar project.
- The Rwanda project achieved financial close in February 2014. The lead debt provider is FMO, the Dutch Development Bank and the lead equity investors are Norfund, the Norwegian Investment Fund for Developing Countries, and Scatec Solar, which is also the EPC company. **This is the first large-scale solar project to reach financial close in Sub-Saharan Africa (except South Africa)**
- Construction is underway, and project interconnection is expected by July 2014.

Nigeria

- NSCP (our 50:50 joint venture in Nigeria with Industry Capital, a US based private equity group) has submitted a license application for its 100 MW project in Bauchi State. This is the first solar license application in the history of Nigeria, confirming us as first solar mover in the country.
- NSCP has secured the Certificate of Occupancy, confirming its title to the land site for the project.
- NSCP has submitted the first-ever draft solar PPA to the electricity off-taker.
- The project was nominated by the Ministry of Finance for the World Bank's Partial Risk Guarantee.
- An MOU has been drafted between NSCP and Gombe State to develop a further 100 MW solar site.
- NSCP is in advanced discussions with GE about a partnership to develop 500 MW in Nigeria.

Revenues and Costs

Energija Global projects 4 revenue streams:

- **Developer Fees:** Due and payable on financial close and typically \$100,000 to \$250,000 / MW
- **Reimbursement of Pre-development Expenses:** payable at financial close.



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- **Management Fees:** Energiya may be hired to oversee the management of its projects during their operation would receive an annual Management Fee for its services
- **Project Dividends:** Energiya Global generally retains a 20% carried interest in the projects developed. That carried interest results in annual dividend payments from projects after preferred investors have received certain predefined payouts (typically 6-8 years after project interconnection).

In addition, Energiya Global has the option of generating additional revenue through the advanced sale of cash flows as a source of future working/expansion capital. Energiya Global has a relatively low monthly cash outflow of around \$150k, for G&A and project pre-development expenses.

Investment Opportunity

Energija Global is raising \$2 million in company-level equity and \$100 million in project equity.

Proceeds from the \$2 million will be allocated towards G&A expenses and project pre-development costs to develop the existing pipeline. This is expected to carry the company through to financial close in its 100 MW project (expected in H1 2015), after which the company will be profitable. Energiya Global has a pipeline of several hundred MW of projects that are expected to reach financial close in 2015.

Energija Global plans to begin paying dividends to investors after it has secured revenues sufficient to cover two years of G&A expenses for existing and future projects (expected to be 2015.) According to the financial model based on our project pipeline, an investor should break even on the investment in 4-5 years, depending on the proportion of the pipeline that is realized.

Potential exit scenarios for investors in Energiya Global would be for Energiya Global to be wholly or partially acquired by an energy company looking to expand pipeline and gain a foothold in new markets, or for the company to carry out an IPO.