

CMCF

The Catalyst MENA Clean Energy Fund

March 2017

CMCF is the second fund launched through the Catalyst Private Equity platform. CMCF will continue to focus on backing solar PV projects in the MENA region, with a primary focus on Jordan. It will also evaluate investments in SMEs serving clean energy, energy efficiency and water markets within the broader MENA region and internationally. In its First Close CMCF secured USD 47.7 million of commitments from blue chip international investors and is targeting USD 100 million for a Final Close in H2 2017. So far, CMCF has already secured four (4) solar PV projects (of which two are now operating), committing a minimum of USD20 million for its various equity stakes (40-100%) in a total of 81 MW of capacity, with USD-based "take or pay"

INVESTMENT HIGHLIGHTS

MARKET OPPORTUNITY

- ▶ Major investment opportunity for MENA as economic growth and costs drives electricity demand and power markets restructure away from fossil fuels
- ▶ MENA will install 224 GW of utility scale solar over next 25 years, investing USD 189 billion
- ▶ Significant scope for de-risking investments while generating attractive returns

CATALYST INVESTMENT PLATFORM

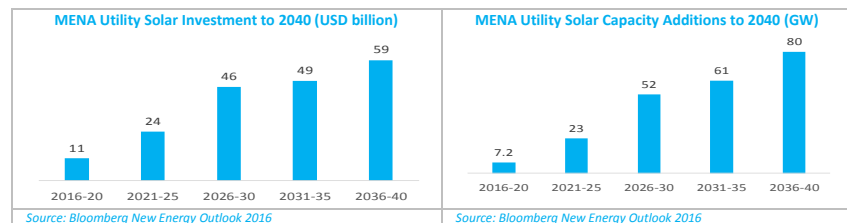
- ▶ Ten years' track record as a MENA fund manager and still one of the few PE players focused on clean energy
- ▶ CMCF builds on the experience of predecessor fund CPEF I
- ▶ Initial portfolio investments made bringing projects to fruition while quality deal pipeline continues to grow

ATTRACTIVE RISK/RETURN PROFILE

- ▶ Project investments are structured to target gross IRRs averaging 20%
- ▶ Projects will be prioritized that offer de-risking features such as offtake guarantees, dollar indexation and insurance

ABOUT CMCF

▶ **COMPELLING MARKET OPPORTUNITY:** Over the next 25 years, the MENA region will invest USD 189 billion into 224 GW of utility scale solar PV. The region also has huge growth potential for SMEs that serve renewable energy, efficiency and desalination sectors. Low risk countries such as Jordan offer bankable agreements for solar projects with non-recourse financing, overlaid with sovereign guarantees, political risk insurance, currency hedging and other mitigants while returns are attractive.



▶ **FIRST-MOVER ADVANTAGE:** Based in Jordan since 2006, Catalyst Investment Management (CIM) is the first MENA region fund manager specializing in renewable energy and efficiency and one of a very limited number of players with a regional track record of operating investment in solar PV. CIM has built extensive networks for proprietary deal origination and co-investment, a deep pipeline of projects, strong global strategic relationships, a multidisciplinary and complementary team and demonstrated the ability to raise capital and take projects from concept to revenue generation.

▶ **FOCUSED INVESTMENT STRATEGY:** CMCF will deploy most its capital (up to 80%) into high quality solar PV projects in Jordan, which offers multiple incentives and support mechanisms such as tax breaks, sovereign guarantees, grid connection costs and USD indexation for 85 to 100% of the tariff. Egypt, Morocco and Tunisia are also within scope and projects will be evaluated opportunistically. Catalyst expects to invest up to 20% of the Fund in growth capital opportunities with SMEs focused on clean energy, energy efficiency and water within these four countries that address broader MENA and international markets.

CRITERION	PARAMETERS	RATIONALE
MARKETS	Primarily Jordan Plus Egypt, Morocco & Tunisia	<ul style="list-style-type: none"> ▶ Demand for solar power and enabling environments ▶ Uncontested markets ▶ Lower risk

▶ **TEN-YEAR TEAM TRACK RECORD:** Catalyst has over 10 years of experience in these sectors in the MENA region and was also one of the first developers of a solar PV independent power producer (IPP). Most of Catalyst's core team have been working together for over 10 years and are building on the experience of CMCF's predecessor fund CPEF, which deployed approximately USD 20 million mostly in clean energy and efficiency in the MENA region since 2007 through a combination of equity and convertible debt investments.

► **INITIAL PORTFOLIO SECURED AND COMPELLING PIPELINE:** CMCF has secured its first four (4) solar PV projects amounting to over 80 MW in total (approx. USD 20 million equity), where it was the lead developer in two of the projects. The first two projects are already in operation and will begin distributing dividends in late 2017.

CMCF portfolio as of January 2017

COUNTRY	PROJECT	SECTOR	CAPACITY	EQUITY	SHAREHOLDING	COD
Jordan	Zara	Solar PV	14.5 MW	\$4.5 M	80%	Late 2017
Jordan	Orange	Solar PV	34 MW	\$4.4 M	40%	Early 2018
Jordan	Falcon Ma'an	Solar PV	23 MW	\$4.3 M	50%	Oct. 2016
Jordan	Confidential	Solar PV	10 MW	Approx. \$6 M	100%	2016
			81.5 MW	\$19.2 M		

Within its deal pipeline, CMCF has prioritized a further 22 projects requiring between USD 111-216 million of equity that would deliver 658 MW of new solar PV capacity.

► **LEADING REGIONAL INVESTMENT PLATFORM WITH INSTITUTIONAL INVESTORS:** CMCF held a First Close in July 2016 and currently with USD 47.7 million of commitments from blue chip institutional investors including the European Union through the European Investment Bank (EIB) Global Energy Efficiency and Renewable Energy Fund (GEEREF), German Government (DEG), Netherlands Government (FMO), Finnish Government (FinnFund). Additional investors are currently working towards participating in a Second Close in June 2017. CMCF is now intending to reach USD 100 million by end of 2017 and thus on average fund 50% of over 800MW.

KEY DIFFERENTIATORS

MENA / Jordan Based Investment and Technical Team	Catalyst's 10+ person management team is based in the heart of the MENA region, Jordan, and is one of the most experienced in MENA based solar PV project development and realization.
Jordan Solar PV Experience from Development to Realization and Operations	Catalyst is one of the few fully functional local teams that has lead the full process from initiation of solar PV project development through PPA negotiation, lender due diligence, financial closing, permitting, construction oversight, commissioning, and operations and maintenance including managing community and social responsibility (CSR) matters.
Synergy / Economies of Scale in Asset Management	Having four (4) solar PV projects in Jordan to date, results in synergy and economies of scale as it relates to new / additional projects. The experience and the synergy allows for potential operational enhancements beginning with asset management and beyond, resulting in equity IRR improvement and risk mitigation.
Advantage Through CMCF's Sovereign Owners	CMCF's primary investors include influential European Governments including the EU itself, and therefore serve as an important escalation platform if required for resolving any important local Government issues that may emerge during project operation.
Preferential Access to Debt and Technical Assistance / Grants	CMCF's primary investors also provide senior, mezzanine, and have access to debt below market cost and/or technical assistance / grant packages. In many cases this is only available to CMCF.
Long Term Investment Horizon	CMCF's long term investment horizon aligns interest in developing a project that is "built to last" and a win-win approach to partnership.
Positive Track Record for Project Entry, Realization, Operation, and Potential Exit	Catalyst's track record with the various Government departments in Jordan provide positive references for future project involvement, this includes the regulator, the Ministry of Energy, the transmission company, as well distribution companies, construction authorities, material clearance, tax, and other local authorities in particular for solar PV projects.