

To Whom It May Concern,

AN INTRODUCTION: POWGEX'S AMBITIOUS RENEWABLE ENERGY PROJECT IN SOUTH AFRICA

I am writing to you in my capacity as [Your Role] at PowGex, a prominent renewable energy company, to introduce our ambitious initiative, which seeks to transform the energy landscape of South Africa. In the coming decades, we aim to expedite South Africa's utility-scale transition to renewable energy, thereby contributing to a more sustainable future.

Our Information Memorandum is summarised in the two-page document appended to this letter. This concise document provides an overview of our project, including our collaborations with international partners, extensive financial planning, organisational structure, and funding request.

Key features of our undertaking include:

- Implementation of the National Rooftop PV programme, construction of solar and wind utility power plants, and establishment of solar PV and battery manufacturing facilities.
- Our alliances with global leaders in renewable energy and finance, such as Canadian Solar, Sterling Wilson, Armada Asset Management, and Access Bank.
- The funding request for the primary project and working capital needs.

Please find appended for your consideration a two-page summary of our endeavour. Despite the fact that this document provides an overview of our project, I would gladly provide additional documentation outlining the project's subtler points upon request.

We believe that with your assistance, our initiative will be able to set a global standard for the transition to renewable energy. We sincerely appreciate your time and consideration, and we welcome the opportunity to discuss our endeavour in greater detail.

If you have any queries or require additional information, please feel free to contact me directly.

Again, we appreciate your consideration of our proposal.

Best wishes,


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POWGEX FINANCIAL PROPOSAL:

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13th JULY 2023

POWGEX'S TRANSFORMATIONAL LEAP INTO RENEWABLE ENERGY: AN INTRODUCTORY OVERVIEW OF THE LARGEST GLOBAL RENEWABLE PROJECT TO DATE

PowGex is in the forefront of efforts to advance the global transition to renewable energy. With its extensive presence in South Africa, this innovative renewable energy company has formed strategic alliances with a variety of entities, including the National Treasury, COGTA, the Province of Mpumalanga, Medibank Armada Asset Management, Access Bank, and, most recently, HYFI. In addition, PowGex has partnered with some of the world's largest renewable suppliers and engineering procurement contractors, such as Canadian Solar and Sterling and Wilson, to assure the successful delivery of this unprecedented undertaking. These alliances, developed in the context of an increasing international emphasis on sustainability and renewable energy, are accelerating PowGex's efforts in a remarkably ambitious endeavour. This document provides an overview of PowGex's project, its scope, and financial prospects as the company embarks on a journey to become the global leader in the transition to renewable energy.

PowGex has positioned itself as a key participant in South Africa's transition to renewable energy on a utility scale. PowGex intends to generate 300 gigawatts (GW) from solar, wind, battery, and renewable hydrogen technologies over the next 30 to 45 years. In June 2023, PowGex and the Mpumalanga province signed an initial Letter of Intent (LOI) for one gigawatt, marking a significant advancement. This partnership has the potential for expansion up to 30 GW in Mpumalanga, making it a significant contributor to PowGex's 300 GW goal.

The province of Mpumalanga has obtained the draught Power Purchase Agreement (PPA), a significant development that enhances the project's financial security. This PPA is expected to be finalised in the fourth quarter of 2023 with provisions that ensure the project's viability and profitability for all parties involved. This agreement generates a 'waterfall effect' of guarantees that propagate from the local to the provincial to the national level. The acquisition of a guarantee at the level of the South African National Treasury and a guarantee at the level of the South African COGTA Ministry, up to the value of USD \$4.9 Billion, strengthens the financial foundation of PowGex's project. In addition, PowGex, in collaboration with its advisory partner MetBank, has secured a Swiss RE Insurance cover for the project in the amount of USD \$11.25 Billion, thereby bolstering the project's financial security.

In the first quarter of 2024, PowGex will commence deployment and intensify its expansion programme by signing comparable agreements in the provinces of North West and Limpopo. The objective is to accelerate its goal of generating 300 GW and to take a proactive posture towards a sustainable future.

PowGex reached a significant milestone in May 2023 when it formed a joint venture partnership with HYFI. This strategic alliance positions PowGex to receive robust funding support for its expansive initiative, with HYFI serving as a link to financial institutions. The objective is to amass a total of \$660 billion in the next three to four decades. HYFI is poised to be a vital ally in PowGex's pursuit of

realising this immense financial endeavour, thanks to its seasoned team and extensive knowledge of the finance industry.

PowGex's partnerships with industry-leading suppliers and contractors, such as Canadian Solar and Sterling and Wilson, demonstrate the company's dedication to quality and execution. PowGex seeks to improve project delivery and promote the effective and efficient implementation of renewable energy technologies by leveraging their expertise.

PowGex is poised to establish not only the largest renewable project to date, but also a model for the rest of the world as it embarks on its South African project. This initiative has an impact that transcends national boundaries and serves as an unmatched illustration of the transition to renewable energy. The purpose of this paper is to cast light on PowGex's innovative endeavour and its financial ramifications as the company prepares for a revolutionary plunge into the renewable future.

KEY POINTS:

1. PowGex is an innovative renewable energy company with a strong presence in South Africa, and strategic alliances with various entities including National Treasury, COGTA, the Province of Mpumalanga, Medibank Armada Asset Management, Access Bank, and HYFI.
2. PowGex has partnered with some of the largest renewable suppliers and engineering procurement contractors in the world, including Canadian Solar and Sterling and Wilson, to ensure optimal project delivery.
3. Over the next 30 to 45 years, PowGex aims to generate a total of 300 gigawatts (GW) from solar, wind, battery, and green hydrogen technologies.
4. In June 2023, PowGex signed an initial Letter of Intent (LOI) for one gigawatt with the Mpumalanga province, with the potential for expansion up to 30 GW in Mpumalanga alone.
5. The Mpumalanga province has received a draft Power Purchase Agreement (PPA) which is anticipated to be finalized in Q4 2023 with agreeable terms ensuring the project's viability and profitability.
6. PowGex has obtained a guarantee at the South African National Treasury level and another at the South African COGTA Ministry level up to the value of USD \$4.9 Billion, enhancing the project's financial security.
7. Additionally, PowGex, with advisory partner MetBank, has secured a Swiss RE Insurance wrap for the project to the value of USD \$11.25 Billion, further bolstering the project's financial foundation.
8. Starting Q1 2024, PowGex plans to begin deployment and intensify its expansion program with similar agreements in the North West and Limpopo Provinces.

9. In May 2023, PowGex formed a joint-venture with HYFI, securing a potential funding avenue to secure a total of USD \$660 billion over the next three to four decades.
10. PowGex's South African project has the potential to be the largest renewable project to date, setting a precedent for the world's transition to renewable energy.

FUNDING REQUEST

The significance of solid financial planning cannot be overstated as we embark on the ambitious voyage of establishing the world's largest renewable energy project. PowGex is poised to take the lead in establishing a more sustainable future for South Africa, but this transformative vision is contingent upon securing adequate funding to implement our plans. In this section, we describe the requested funds in detail:

1. **Principal Project:** For the primary execution of our renewable energy project, we seek either a \$2.5 billion bond issuance or private placement. These funds will be used predominantly for infrastructure development, equipment acquisition, and system implementation of our solar and wind utility power facilities, as well as for other essential project components.
2. **Principal Working Capital:** To support the plethora of operational requirements that underpin the successful execution of the project, we require USD \$450 million in working capital. This fund will be used to administer the day-to-day operations of the project, ensuring that we can respond quickly to any imminent financial obligations that may arise during project implementation.
3. **Initial Working Capital:** In the initial phases of the endeavour, \$20 million in immediate working capital is needed. This fund will cover the initial operational expenses associated with the project's launch, laying a secure foundation for the project's future growth.

For a clearer comprehension of the allocation of the Main Working Capital and Initial Working Capital, supplementary documentation detailing the breakdown of these quantities will be supplied. The documentation will cast light on a variety of expenditure categories, including office setups, the employment of personnel, deposits for suppliers, feasibility studies, and government processing fees, among others. This transparency enables stakeholders to appreciate the financial planning that underpins the successful execution of the project.

The success of our renewable energy initiative, which has the potential to transform South Africa's energy landscape, is significantly dependent on securing these funds. We are confident that, with your help, we can realise our shared vision of a sustainable future. We deeply appreciate your confidence in our initiative and eagerly await your favourable consideration of our funding request. Always available to provide any additional information or clarification you may require.

UNDERSTANDING THE SOUTH AFRICAN RENEWABLE ENERGY MARKET WITH POWGEX'S INITIATIVE

The South African renewable energy market, bolstered by copious resources and supportive policies, is undergoing a substantial transition to greener energy sources. PowGex's ambitious initiative seeks to reshape the energy profile of the nation within the context of this transformative environment.

- **Renewable Energy Resources and PowGex's Initiative:** South Africa's solar and wind resources are exceptional. Using solar, wind, battery, and renewable hydrogen technologies, PowGex intends to generate 300 GW over the course of the next 30 to 45 years.
- **Policy Support and PowGex's Impact:** The Integrated Resource Plan (IRP) 2019 and Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) of the South African government are promoting renewable energy investments. With its massive undertaking, PowGex is a vital player in these strategic initiatives and a significant contributor to the nation's renewable energy capacity.
- **Partnerships and Collaborations:** PowGex has established alliances with various global entities including Canadian Solar, Sterling and Wilson, and financial entities such as Medibank Armada Asset Management, Access Bank, and HYFI. This international assistance demonstrates the global significance of PowGex's project.
- **Cost Competitiveness and Technological Advancements:** PowGex's project capitalizes on the decreasing costs of renewable energy technologies. PowGex seeks to ensure the viability and profitability of the project by collaborating with industry-leading suppliers and engineering procurement contractors to implement the most advanced and effective technologies.
- **Difficulties and Strategies:** PowGex has acquired considerable financial guarantees at multiple levels in order to overcome obstacles such as grid connectivity and regulatory complexities, thereby enhancing the project's financial security. The company is also finalising Power Purchase Agreements (PPAs) to guarantee the profitability of the project.
- **Outlook for the Future:** With its massive initiative, PowGex is poised to become a significant player in South Africa's renewable energy industry, propelling the country towards a sustainable energy future. The undertaking, which will be the largest renewable endeavour in the world, will serve as a model for the transition of other nations to renewable energy.

In conclusion, PowGex's initiative is a game-changer for the renewable energy market in South Africa. PowGex is poised to make a significant contribution to the global transition towards a sustainable energy future by utilising the country's abundant renewable resources, leveraging advanced technologies, and leveraging global partnerships.

INTRODUCTION OF THE ATTACHED POWGEX INFORMATION MEMORANDUM DOCUMENT

Attached is the PowGex Information Memorandum, a comprehensive document designed to provide in-depth insight into our proposed South African renewable energy initiative. This memorandum functions as a guide for our esteemed stakeholders, providing information about our business plan, feasibility study, and other crucial project aspects.

Our endeavour represents a significant milestone in the renewable energy industry. Utilising resources such as solar, wind, battery, and renewable hydrogen technologies, we intend to generate a total of 300 GW over the next 30 to 45 years. This initiative is designed, in collaboration with our international partners, to accelerate South Africa's utility-scale transition to renewable energy and serve as a model for renewable projects worldwide.

Details of the project include:

- National Rooftop PV Programme: Installation of photovoltaic (PV) systems on 81GW of residential rooftops and 54GW of commercial and government rooftops.
- Solar PV Utility Power Plants: Construction of utility-scale solar power plants generating 120 GW, complemented by 60 GW of battery storage systems.
- Wind Utility Power Plants: The construction of 40GW of wind power plants.
- Province-Specific Solar PV Utility Power Plants: Installation of 40GW solar PV power plants and 20GW battery storage systems in specific provinces.
- Establishment of three solar photovoltaic (PV) manufacturing plants and
- Establishment of two battery manufacturing plants

The Business Plan and Feasibility Study section of this memorandum provides a comprehensive analysis of the viability of our project, including market analysis, feasibility study, business strategy. These sections are intended to provide stakeholders with a thorough comprehension of the strategic, operational, and financial dimensions of the project.

We appreciate your interest in PowGex's renewable energy endeavour and encourage you to review the attached memorandum. We remain available to provide any additional information or clarification you may require.

ADDITIONAL DOCUMENTATION SECTION

This section is to provide context to the PowGex Additional Documentation. This section of our exhaustive document has been extensively revised to include a variety of supplementary documents, reflecting the wide range of support and approvals we've received for our innovative renewable energy project in South Africa.

Additional documentation is essential for any endeavour, especially in a complex and vital industry like energy. These documents serve as tangible evidence of our due diligence, risk mitigation strategies, and dedication to our stakeholders and corporate responsibility.

In this revised section, we've included revised and additional documents that emphasise PowGex's efforts and the broad support we've received from a variety of authorities and partners. These documents illustrate our meticulous approach to this endeavour and the broad support we've received.

Environmental considerations, health and safety standards, technical specifications, construction details, and financial guarantees are covered in these documents. In addition, they contain vital correspondence with key partners and authorities, such as the National Treasury, COGTA, MetBank, Canadian Solar, Sterling and Wilson, Armada Asset Management, and Access Bank, among others.

It is essential to observe that these documents are not static; they may change in response to the development of our endeavour. As our project progresses, we assure all stakeholders that we will keep apprised of any changes and continue to update our documents.

We invite interested parties to review these updated documents in order to gain a better understanding of PowGex's comprehensive approach and our success in securing crucial support for our project. We are always available to provide any additional information or clarification you may require.

Please note that the information provided in this revised section is accurate as of [insert date], and we advise stakeholders to confirm the current status and specifics prior to making any financial or strategic decisions that may be impacted by the information.



INTRODUCTION TO THE MANAGEMENT TEAMS AND ORGANISATIONAL STRUCTURE OF POWGEX AND HYFI

The Management Teams and Organizational Structure section of our PowGex and HYFI additional documentation. This section of our comprehensive report illuminates the competent leadership guiding our ambitious renewable energy initiative in South Africa. Our executive team is comprised of a variety of professionals with sector-specific expertise. Herein, we describe the main individuals guiding PowGex and HYFI, including their backgrounds, areas of expertise, duties, and contributions to the success of the project.

PowGex is led by a team of seasoned professionals, each of whom brings extensive experience in a variety of fields, including renewable energy, business development, finance, technology, and regulatory affairs. This combined experience serves as the foundation of our enterprise, guiding our operations with knowledge, sagacity, and foresight.

Our associates at HYFI have an equally illustrious team, whose extensive knowledge of the finance industry and global perspective lend substantial strength to our endeavour. Their contribution to the formulation of the solid financial structures that support our grand vision was indispensable.

Together, the PowGex and HYFI executive teams constitute a formidable alliance, characterised by industry-specific expertise, financial acumen, strategic foresight, and a shared commitment to renewable energy.

In addition to describing the individual profiles of our management team, this section presents an organisational chart depicting the current management hierarchy and structure within PowGex and HYFI. The chart depicts each team member's function, their interactions within the organisation, and the flow of decision-making processes in a comprehensible manner.

In addition, to provide stakeholders with insight into PowGex's future evolution, we have included an illustration describing the proposed expansion and reorganisation of the organisation at the time of funding. This graphic depicts the enhancements and modifications intended for our structure in order to effectively manage the substantial budget and expansive scope of the project.

All interested parties are encouraged to read this section to gain a better comprehension of the strong leadership and strategic organisational planning that underpin our ambitious project. We are always available to provide any additional information or clarification you may require.

The PowGex Project Partners Documentation is also included, highlighting our partnerships with industry stalwarts such as Canadian Solar, Sterling and Wilson, Medibank Armada Asset Management, Access Bank, and HYFI, among others. The purpose of this section is to emphasise the global significance and prospective impact of our undertaking.

Please note that the content of this section is accurate as of [insert date]. Before making consequential financial or strategic decisions, stakeholders are urged to confirm the current status and particulars.

STRATEGY FOR EXIT

In this section of the PowGex Information Memorandum, we discuss our long-term vision for our South African renewable energy endeavour. Our exit strategy is a fundamental component of our business plan that denotes the projected trajectory of the project and provides a roadmap for investors' returns on investment.

Our commitment to this initiative is profoundly rooted in long-term engagement and stewardship within the context of PowGex. Our exit strategy deviates from the norm; we have no plans to leave the company. Instead of perceiving this extensive project as an opportunity to develop value for resale, PowGex's strategy focuses on retaining ownership and managing this utility-scale project throughout its lifetime.

This strategy corresponds with our mission to provide South Africa with sustainable, renewable energy, thereby substantially contributing to the global energy transition. Our engagement is not focused on short-term gains, but rather on initiating a profound shift in the energy sector, recognising that the realisation of this vision requires time and consistency.

Our determination to retain ownership of the initiative demonstrates our confidence in its long-term viability and commitment to its success. We see significant financial value in retaining ownership, as well as the opportunity to have an enduring impact on South Africa's renewable energy landscape and beyond.

The issuance of a bond to finance the undertaking is an integral element of our financial planning. According to our cash flow modelling, this bond will have a term of 20 to 25 years, during which investors can anticipate a stable rate of return. Our continued ownership of the project ensures that it will generate sustainable revenue streams from the sale of electricity, thereby providing investors with consistent returns.

Moreover, our sustained ownership and management ensure that the project's original vision, mission, and values remain intact throughout its lifecycle, thereby directing its progression. This continuity assures stakeholders of our unwavering dedication, operational consistency, and unyielding determination to establish this project as a benchmark in the renewable energy industry.

We greatly value your confidence and collaboration as we work together to redefine energy production in South Africa. We are always available to provide any additional information or clarification you may require.

The information in this section is accurate as of [insert date]. Before making consequential financial or strategic decisions, we advise all stakeholders to confirm the current status and details.

CONCLUSION

As we reach the conclusion of this comprehensive PowGex Information Memorandum, we pause to reflect on the information, strategic plans, and commitments that have been outlined. We have detailed the extent of our vision and operational plans for a ground-breaking renewable energy project in South Africa, one of the largest of its kind in the world.

Our powerful partnerships with global leaders in renewable energy supply and finance, such as Canadian Solar, Sterling Wilson, Armada Asset Management, Access Bank, and HYFI, ensure seamless execution of the project on an unprecedented scale. This project signifies a bold step in our unwavering commitment towards contributing to South Africa's transition to renewable energy.

Key highlights of the project include our plans for the National Rooftop PV program, solar and wind utility power plants, and manufacturing plants, which together form a robust framework for a sustainable energy future for South Africa. The project is backed by comprehensive financial planning and guarantees, including those acquired at a South African National Treasury level, from the COGTA Ministry, and from our advisory partner MetBank.

The management teams of both PowGex and HYFI, represented in our current organizational chart and future expansion plans, showcase our robust leadership and operational capacity to successfully undertake this project of enormous scale and complexity. Our collective expertise and experiences will be crucial to navigating the challenges and opportunities that lie ahead.

Most importantly, our commitment to long-term ownership of the project underscores our confidence in its success. We understand the importance of continuity, stability, and sustained engagement in such a transformative initiative. As stated in our exit strategy, we plan to see through the term of the project and the bond, reaffirming our commitment to our investors and stakeholders.

The comprehensive body of information presented in this document, including key project specifics, our understanding of the renewable energy market, and the business plan, provides a detailed roadmap of our strategic plan. This plan, backed by strong financial structures and a team of dedicated professionals, holds the potential to revolutionize the energy sector in South Africa.

We sincerely appreciate your trust and partnership in this ambitious project. We look forward to working together to not only change the face of energy production in South Africa but also set a global benchmark in the transition towards renewable energy.

Please note that the information provided in this conclusion is accurate. We remain available for any further information or clarification you may need.