

Island Energy Project

Confidential Information Memorandum

March 2023

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Executive Summary

Opportunity Overview

Opportunity	Island Energy Project LLC (“Island Energy” or the “Company”) is developing a 750 MW High Voltage Direct Current (HVDC) undersea transmission system to take advantage of supply and demand imbalances between ABSCO and the Hampton Island Power Utility (HIPU)
Current Status	The company has completed initial design work and environmental review, and has a draft Engineering, Procurement, and Construction (EPC) with a major construction firm. The company has also negotiated Power Purchase Agreements (PPAs) in each of the energy markets in which it plans to operate.
Value to Investors	Island Energy has secured a long-term, 20-year PPA with HIPU. The Transaction is ideal for investors seeking a leadership position in the HVDC and foothold in the ABSCO markets.
Structure & Timeline	Island Energy is interested in seeking \$100 M - \$150M in additional equity investment to complete the project financing

Investment Overview

Required Return on Equity	11%
Targeted Shareholding	100% ownership
Valuation	\$777,015,712.41
Structure	The Advisory Committee recommends taking a 100% interest in the project with backleverage

Section I

Project Overview

Project Summary

Key Milestones

- Financial Close: 7/1/2023
- Construction Start: 8/1/2023
- COD: 7/1/2025

Designed Capacity
Up to 750 MW

COD
July 1, 2025

Permitting & Interconnection

- Interconnection - Completed
 - IE has signed IX Agreements with both ABCSO and HIPU
 - IX Costs: \$2.5M (ABCSO) + \$2M (HIPU)
 - Network Upgrades: \$5.2M
- Environmental Permitting
 - Federal Water Construction Permit - Complete
 - Waterfront Dev't Permit - Complete
 - Water Quality Certificate - Complete
 - Local Building Permits - Complete
 - Federal Wetland Construction Permit - Under Review

Key Agreements

Development & Operation

EPC	BuildCo	\$455,000,000 Warranties for Schedule Delays, Capacity Shortfall, & System Losses
O&M	MaintCo	Quarterly Fee: \$690,000; Term: 5 years Warranty for defects (LDs (Max): \$15M
AM	TopCo	\$9,602,000.00 / Year
PPA	HIPU	\$10,520 / MW-Month + 0.5% Ann. Esc.

Project Loan

Loan Amount	\$550,062,792
Term	20-Year
DSCR	1.4

Section II

Financial Overview

Base Case Construction Costs

EPC Contract

Service payments	Distributed per	\$455,000,000.00
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Permitting & Fees

Interconnection

ABC SO IX Fee	\$2,500,000.00	COD	\$2,500,000.00
ABC SO Network Upgrade	\$5,200,000.00	COD	\$5,200,000.00
HIPU IX Fee	\$2,000,000.00	COD	\$2,000,000.00

Environmental Permitting & Monitoring

Consulting Fees & Surveys	\$3,000,000.00	FC	\$3,000,000.00
State Monitoring	\$800,000.00	CS	\$800,000.00
Fisheries Mitigation	\$130,000.00	Annual	\$390,000.00

Subtotal			\$13,890,000.00
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Other Project Costs

Land Acquisition	\$12,500,000.00	FC	\$12,500,000.00
Development Expenses	\$28,500,000.00	FC	\$28,500,000.00
Development Fees	\$14,700,000.00	FC	\$14,700,000.00
Management and Oversight	\$8,150,000.00	Const	\$8,150,000.00
Insurance	\$25,000,000.00	Const	\$25,000,000.00
Interest and Fees During Constr	\$56,853,000.00	Const	\$56,853,000.00
Closing Costs	\$14,392,000.00	FC	\$14,392,000.00
Contingency	\$30,754,000.00	FC	\$30,754,000.00

Subtotal			\$190,849,000.00
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Corporate costs

Corporate Resources

\$1,900,000.00	Annual	\$3,800,000.00
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Outside Resources

Engineering	\$220,000.00	Annual	\$440,000.00
Legal	\$315,000.00	Annual	\$630,000.00
Accounting	\$180,000.00	Annual	\$360,000.00
Community Relations	\$80,000.00	Annual	\$160,000.00
Industry Relations	\$20,000.00	Annual	\$40,000.00
Miscellaneous	\$50,000.00	Annual	\$100,000.00

Overhead

Station Power Service	\$285,000.00	Annual	\$570,000.00
Utilities	\$65,000.00	Annual	\$130,000.00
Rent	\$82,000.00	Annual	\$164,000.00
Telecommunications	\$50,000.00	Annual	\$100,000.00
Travel/Office	\$260,000.00	Annual	\$520,000.00
Miscellaneous	\$200,000.00	Annual	\$400,000.00
Contingency	\$120,000.00	Annual	\$240,000.00

Other Annual Costs

Insurance	\$2,500,000.00	Annual	\$5,000,000.00
Property Taxes	\$2,550,000.00	Annual	\$5,100,000.00
Cable Easement	\$700,000.00	Annual	\$1,400,000.00
Contribution to SGPC	\$25,000.00	Annual	\$50,000.00

Subtotal			\$19,204,000.00
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Base Case Financial Overview

Actual FC	7/1/23
Actual Construction Start	8/1/23
Actual COD	7/1/25
<u>EPC</u>	
Currency Rate (EPC) (1 EUR to USD)	1.3
EPC Contract Price	\$455,000,000.00
Actual Capacity	660
O&M inflation	2.50%
<u>Revenue</u>	
Currency Rate (PPA) (1 USD to EUR)	0.769
PPA Contract Price (\$/MW-month)	\$10,520.00
Actual System Losses	2.68%
Project Costs	\$678,943,000

EPC Contract Price subject to change depending on deviation from 1.3 EUR:USD exchange rate

PPA Contract Price subject to change based on USD:EUR exchange rate

Base Case assumes anticipated O&M inflation rate of 2.5% and system losses of 2.68% as warranted by BuildCo.

Base Case Construction

Timing	Financial Close	EOY 2024	COD
Construction			
<i>EPC Payments</i>	\$63,700,000.00	\$286,650,000.00	\$104,650,000.00
<i>Permitting & Fees</i>	\$3,930,000.00	\$130,000.00	\$9,830,000.00
<i>Other CX Costs</i>	\$119,596,625.00	\$45,001,500.00	\$26,250,875.00
<i>Corporate</i>	\$9,602,000.00	\$9,602,000.00	\$0.00
<i>Escrow</i>	\$7,000,000.00	\$0.00	\$22,500,000.00
Total Uses	\$203,828,625.00	\$341,383,500.00	\$163,230,875.00

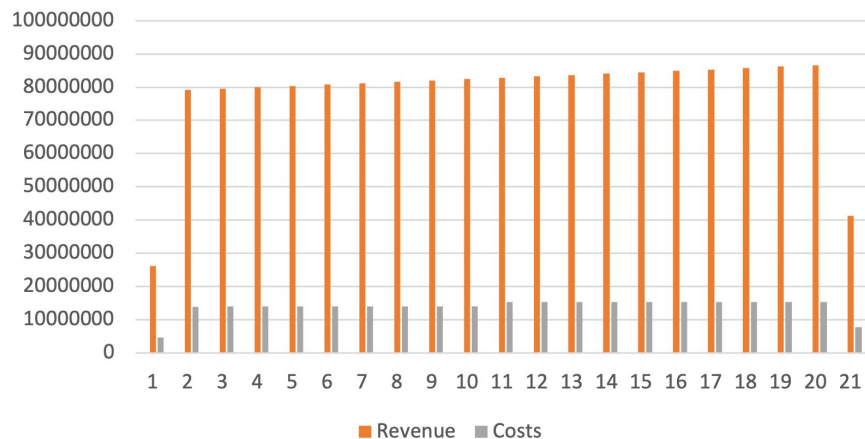
Project Costs = \$678,943,000

Total Uses = \$708,443,000

Base Case Operation - Comparing Revenue & Operating Costs

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Revenue	26.1	79.2	79.6	80.0	80.4	80.8	81.2	81.6	82.0	82.4	82.8	83.2	83.6	84.1	84.5	84.9	85.3	85.7	86.2	86.6	41.3
Costs	4.6	13.8	13.9	13.9	13.9	13.9	13.9	13.9	13.9	13.9	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	7.7

Revenue - cost comparison

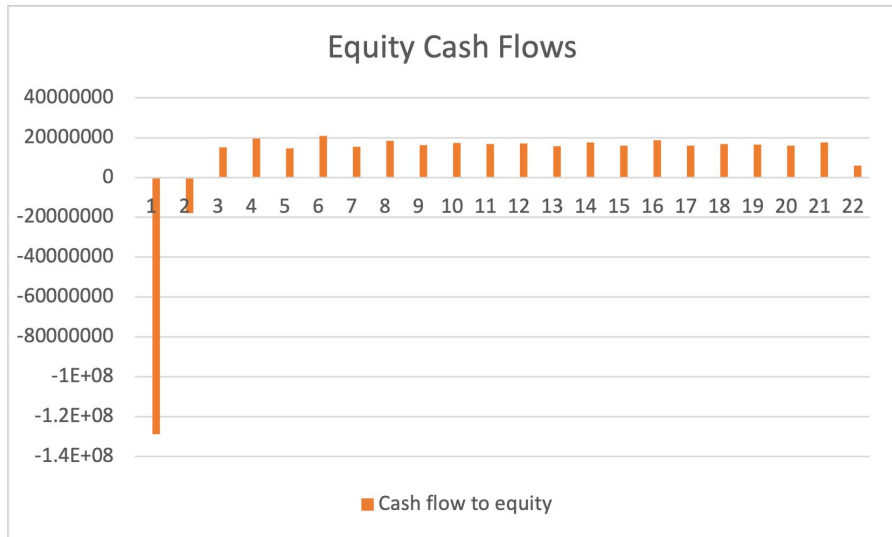


Note: All revenue and costs are in millions USD

- Stable inflation-indexed revenue stream (PPA with HIPU)
- Costs include corporate expenses, interconnection and O&M service fees
- CapEx of project = \$678.9M USD

Free Cashflows

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Cash flow to equity	-129	-17.7	15.1	19.6	14.7	20.9	15.4	18.4	16.2	17.3	16.7	17.1	15.7	17.6	15.9	18.7	16.0	16.8	16.5	16.1	17.7	6.1



(Cash flows in millions USD)

- Stable cash flows to equity
- 17M USD on average through 20 year period

Summary of Returns - Unlevered Equity Position

Project Costs	\$ 678,943,000.00
Project Loan (Debt)	\$ 550,062,792.00
Equity Position	\$ 128,880,208.00

Net Present Value @ COD = **\$777,015,712.41**

*assuming 11% Discount Rate

Project Returns - Sponsor (Unlevered)

Equity Position	\$(128,880,208.00)
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DSCR	1.287
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Sponsor ROE	8.52%
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Sponsor IRR	7.17%
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Section III

Sensitivity Analysis Overview

Key Risk Factors

	<u>Description of Key Risks</u>	<u>Severity</u>	<u>Probability</u>
<i>Capacity Shortfall</i>	The risk of the project being underbuilt <660 MW	High	Low
<i>Construction Delay / timing</i>	Construction delays which could result in the delay of the project opening (affecting revenues) and cause penalties to be incurred as stipulated by the contract	Low	High
<i>Inflation Rate</i>	Macroeconomic rate of increase in prices which would trickle down and effect project costs	Moderate	Moderate
<i>O&M Costs / Esc</i>	Includes the planning and execution of all operations and maintenance costs associated with the cable and each of the converter stations	Low	High
<i>Currency Risk</i>	Risk Associated with fluctuations in currency valuation of the euro to dollar (assumed initially at 1.30 euros to dollar) and dollar to euro	High	High
<i>System Outage/Losses</i>	Risk of damage occurring in the underwater cables which would result in a system outage and associated costs	Moderate	High
<i>Permitting Fees</i>	Fees incurred from obtaining permits for Island Energy necessary due to the regulatory environment	Low	Low
<i>Income Taxes</i>	Changes within the tax rates relevant to this project which would impact net costs	Low	Low

Deep Dive: FX Risk

- Changes in the currency exchange rate had a significant impact on the IRR and ROE
- Lower Euro to Dollar FX rate resulted in a much better return, up to 7% higher than the base case for more extreme scenarios
- Investment demonstrates strong resistance to exchange risk

Sensitivity analysis - FX rate variation

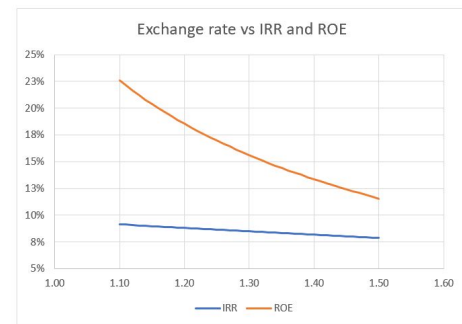
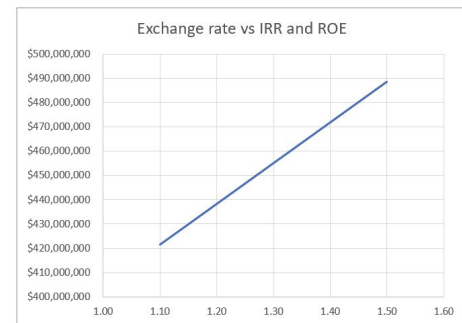
FX Rate

1.3 %

Base case

	EPC Contract Price	IRR	ROE	Min DSCR
1.10	\$ 455,000,000	8.5%	15.6%	1.33
1.11	\$ 421,600,000	9.2%	22.6%	1.33
1.12	\$ 423,270,000	9.1%	22.1%	1.33
1.13	\$ 424,940,000	9.1%	21.7%	1.33
1.14	\$ 426,610,000	9.0%	21.2%	1.33
1.15	\$ 428,280,000	9.0%	20.8%	1.33
1.16	\$ 429,950,000	9.0%	20.4%	1.33
1.17	\$ 431,620,000	8.9%	20.0%	1.33
1.18	\$ 433,290,000	8.9%	19.6%	1.33
1.19	\$ 434,960,000	8.9%	19.2%	1.33
1.20	\$ 436,630,000	8.8%	18.9%	1.33
1.21	\$ 438,300,000	8.8%	18.5%	1.33
1.22	\$ 439,970,000	8.8%	18.2%	1.33
1.23	\$ 441,640,000	8.8%	17.9%	1.33
1.24	\$ 443,310,000	8.7%	17.6%	1.33
1.25	\$ 444,980,000	8.7%	17.3%	1.33
1.26	\$ 446,650,000	8.7%	17.0%	1.33
1.27	\$ 448,320,000	8.6%	16.7%	1.33
1.28	\$ 449,990,000	8.6%	16.4%	1.33
1.29	\$ 451,660,000	8.6%	16.1%	1.33
1.30	\$ 453,330,000	8.5%	15.9%	1.33
1.31	\$ 455,000,000	8.5%	15.6%	1.33
1.32	\$ 456,670,000	8.5%	15.4%	1.33
1.33	\$ 458,340,000	8.4%	15.1%	1.33
1.34	\$ 460,010,000	8.4%	14.9%	1.33
1.35	\$ 461,680,000	8.4%	14.6%	1.33
1.36	\$ 463,350,000	8.3%	14.4%	1.33
1.37	\$ 465,020,000	8.3%	14.2%	1.33
1.38	\$ 466,690,000	8.3%	14.0%	1.33
1.39	\$ 468,360,000	8.2%	13.8%	1.33
1.40	\$ 470,030,000	8.2%	13.6%	1.33
1.41	\$ 471,700,000	8.2%	13.4%	1.33
1.42	\$ 473,370,000	8.2%	13.2%	1.33
1.43	\$ 475,040,000	8.1%	13.0%	1.33
1.44	\$ 476,710,000	8.1%	12.8%	1.33
1.45	\$ 478,380,000	8.1%	12.6%	1.33
1.46	\$ 480,050,000	8.0%	12.4%	1.33

IRR	ROE	Min DSCR
7.8%	15.4%	1.33



Deep Dive: Taxes, Permitting fees, & Government Fee Risk

Sensitivity analysis - O&M Escalation

O&M escalation 2.5% Base case

	IRR	ROE	Min DSCR	
	8.5%	15.6%	1.33	
1.50%	8.5%	15.7%	1.33	-40.0%
1.55%	8.5%	15.7%	1.33	-38.0%
1.60%	8.5%	15.7%	1.33	-36.0%
1.65%	8.5%	15.7%	1.33	-34.0%
1.70%	8.5%	15.7%	1.33	-32.0%
1.75%	8.5%	15.7%	1.33	-30.0%
1.80%	8.5%	15.7%	1.33	-28.0%
1.85%	8.5%	15.7%	1.33	-26.0%
1.90%	8.5%	15.6%	1.33	-24.0%
1.95%	8.5%	15.6%	1.33	-22.0%
2.00%	8.5%	15.6%	1.33	-20.0%
2.05%	8.5%	15.6%	1.33	-18.0%
2.10%	8.5%	15.6%	1.33	-16.0%
2.15%	8.5%	15.6%	1.33	-14.0%
2.20%	8.5%	15.6%	1.33	-12.0%
2.25%	8.5%	15.6%	1.33	-10.0%
2.30%	8.5%	15.6%	1.33	-8.0%
2.35%	8.5%	15.6%	1.33	-6.0%
2.40%	8.5%	15.6%	1.33	-4.0%
2.45%	8.5%	15.6%	1.33	-2.0%
2.50%	8.5%	15.6%	1.33	0
2.55%	8.5%	15.6%	1.33	2.0%
2.60%	8.5%	15.6%	1.33	4.0%
2.65%	8.5%	15.6%	1.33	6.0%
2.70%	8.5%	15.6%	1.33	8.0%
2.75%	8.5%	15.6%	1.33	10.0%
2.80%	8.5%	15.6%	1.33	12.0%
2.85%	8.5%	15.6%	1.33	14.0%
2.90%	8.5%	15.6%	1.33	16.0%
2.95%	8.5%	15.6%	1.33	18.0%
3.00%	8.5%	15.6%	1.33	20.0%
3.05%	8.5%	15.6%	1.33	22.0%
3.10%	8.5%	15.6%	1.33	24.0%
3.15%	8.5%	15.6%	1.33	26.0%
3.20%	8.5%	15.6%	1.33	28.0%
3.25%	8.5%	15.6%	1.33	30.0%
3.30%	8.5%	15.6%	1.33	32.0%
3.35%	8.5%	15.6%	1.33	34.0%
3.40%	8.5%	15.6%	1.33	36.0%
3.45%	8.5%	15.5%	1.33	38.0%
3.50%	8.5%	15.5%	1.33	40.0%

Sensitivity analysis - Income Taxes Escalation

Income Tax Rate 30.0% Base case

	IRR	ROE	Min DSCR	
	8.5%	15.6%	1.33	
20.0%	8.5%	16.3%	1.33	-33.3%
20.5%	8.5%	16.2%	1.33	-31.7%
21.0%	8.5%	16.2%	1.33	-30.0%
21.5%	8.5%	16.2%	1.33	-28.3%
22.0%	8.5%	16.1%	1.33	-26.7%
22.5%	8.5%	16.1%	1.33	-25.0%
23.0%	8.5%	16.1%	1.33	-23.3%
23.5%	8.5%	16.0%	1.33	-21.7%
24.0%	8.5%	16.0%	1.33	-20.0%
24.5%	8.5%	16.0%	1.33	-18.3%
25.0%	8.5%	15.9%	1.33	-16.7%
25.5%	8.5%	15.9%	1.33	-15.0%
26.0%	8.5%	15.9%	1.33	-13.3%
26.5%	8.5%	15.8%	1.33	-11.7%
27.0%	8.5%	15.8%	1.33	-10.0%
27.5%	8.5%	15.8%	1.33	-8.3%
28.0%	8.5%	15.7%	1.33	-6.7%
28.5%	8.5%	15.7%	1.33	-5.0%
29.0%	8.5%	15.7%	1.33	-3.3%
29.5%	8.5%	15.6%	1.33	-1.7%
30.0%	8.5%	15.6%	1.33	0
30.5%	8.5%	15.6%	1.33	1.7%
31.0%	8.5%	15.5%	1.33	3.3%
31.5%	8.5%	15.5%	1.33	5.0%
32.0%	8.5%	15.5%	1.33	6.7%
32.5%	8.5%	15.4%	1.33	8.3%
33.0%	8.5%	15.4%	1.33	10.0%
33.5%	8.5%	15.4%	1.33	11.7%
34.0%	8.5%	15.3%	1.33	13.3%
34.5%	8.5%	15.3%	1.33	15.0%
35.0%	8.5%	15.3%	1.33	16.7%
35.5%	8.5%	15.2%	1.33	18.3%
36.0%	8.5%	15.2%	1.33	20.0%
36.5%	8.5%	15.2%	1.33	21.7%
37.0%	8.5%	15.1%	1.33	23.3%
37.5%	8.5%	15.1%	1.33	25.0%
38.0%	8.5%	15.0%	1.33	26.7%
38.5%	8.5%	15.0%	1.33	28.3%
39.0%	8.5%	15.0%	1.33	30.0%
39.5%	8.5%	14.9%	1.33	31.7%
40.0%	8.5%	14.9%	1.33	33.3%

Sensitivity analysis - Permitting (Interconnection) fees Escalation

Base case 100.0% Base case

	IRR	ROE	Min DSCR	
	8.5%	15.6%	1.33	
80.0%	8.6%	15.8%	1.34	-20.0%
81.0%	8.6%	15.8%	1.34	-19.0%
82.0%	8.6%	15.8%	1.34	-18.0%
83.0%	8.5%	15.8%	1.33	-17.0%
84.0%	8.5%	15.8%	1.33	-16.0%
85.0%	8.5%	15.8%	1.33	-15.0%
86.0%	8.5%	15.8%	1.33	-14.0%
87.0%	8.5%	15.8%	1.33	-13.0%
88.0%	8.5%	15.8%	1.33	-12.0%
89.0%	8.5%	15.7%	1.33	-11.0%
90.0%	8.5%	15.7%	1.33	-10.0%
91.0%	8.5%	15.7%	1.33	-9.0%
92.0%	8.5%	15.7%	1.33	-8.0%
93.0%	8.5%	15.7%	1.33	-7.0%
94.0%	8.5%	15.7%	1.33	-6.0%
95.0%	8.5%	15.7%	1.33	-5.0%
96.0%	8.5%	15.7%	1.33	-4.0%
97.0%	8.5%	15.6%	1.33	-3.0%
98.0%	8.5%	15.6%	1.33	-2.0%
99.0%	8.5%	15.6%	1.33	-1.0%
100.0%	8.5%	15.6%	1.33	0
101.0%	8.5%	15.6%	1.33	1.0%
102.0%	8.5%	15.6%	1.33	2.0%
103.0%	8.5%	15.6%	1.33	3.0%
104.0%	8.5%	15.6%	1.33	4.0%
105.0%	8.5%	15.6%	1.33	5.0%
106.0%	8.5%	15.5%	1.33	6.0%
107.0%	8.5%	15.5%	1.33	7.0%
108.0%	8.5%	15.5%	1.33	8.0%
109.0%	8.5%	15.5%	1.33	9.0%
110.0%	8.5%	15.5%	1.33	10.0%
111.0%	8.5%	15.5%	1.33	11.0%
112.0%	8.5%	15.5%	1.33	12.0%
113.0%	8.5%	15.5%	1.33	13.0%
114.0%	8.5%	15.4%	1.33	14.0%
115.0%	8.4%	15.4%	1.33	15.0%
116.0%	8.4%	15.4%	1.33	16.0%
117.0%	8.4%	15.4%	1.33	17.0%
118.0%	8.4%	15.4%	1.33	18.0%
119.0%	8.4%	15.4%	1.33	19.0%
120.0%	8.4%	15.4%	1.33	20.0%

- Analyzed risk on potential accumulation of different fees during operations
- All scenarios, increased O&M Escalation, Income Taxes, Permitting Fees, there was a negligible impact on ROE and IRR
- ROE is not significantly impacted for all scenarios, even when the incurred amount of fees is more pronounced

Deep Dive: System Outage

System Outage

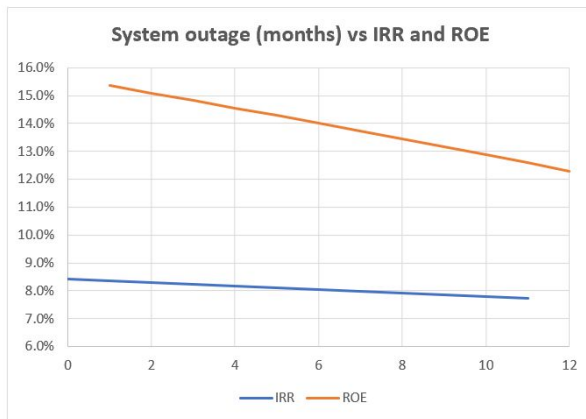
Underwater cables carry some risk of system outage during operations due to cable damage. Teams should model a scenario in which a system outage occurs for a 6 month period and present the possible impacts to the IC

System outage length

0 months

Base case

	IRR	ROE
	8.5%	15.6%
0	15.6%	
1	8.4%	15.4%
2	8.4%	15.1%
3	8.3%	14.8%
4	8.2%	14.6%
5	8.2%	14.3%
6	8.1%	14.0%
7	8.0%	13.7%
8	8.0%	13.5%
9	7.9%	13.2%
10	7.8%	12.9%
11	7.8%	12.6%
12	7.7%	12.3%



Note: The duration of system outages is evenly distributed over the 20 years of operation.

- Modeled a 12 month system outage due to cable damage
- By the end of the year, the outage would have a noteworthy detrimental impact on the ROE of about ~3%
- Investment pretty resistant to system outage for 1 year
- Outage beyond this time frame would likely lead to a below target ROE

Deep Dive: Permitting Delays + Other Scenarios

	<u>Base Case</u>	<u>12-Month Delay Case</u>	<u>Low Case</u>	<u>High Case</u>
Actual FC	7/1/23	7/1/24	1/1/24	7/1/23
Actual Construction Start	8/1/23	8/1/24	2/1/24	8/1/23
Actual COD	7/1/25	7/1/26	1/1/26	7/1/25
<u>EPC</u>				
Currency Rate (EPC)	1.3	1.3	1.5	1.1
EPC Contract Price	\$455,000,000.00	\$455,000,000.00	\$455,000,000.00	\$421,600,000.00
Actual Capacity	660	660	660	660
O&M inflation	2.50%	2.50%	2.50%	2.50%
<u>Revenue</u>				
Currency Rate (PPA)	0.769	0.600	0.902	1.530
PPA Contract Price	\$10,520.00	\$ 10,880.00	\$10,280.00	\$8,720.00
Actual System Losses	2.68%	2.68%	2.68%	2.68%
Project Costs	\$678,943,000	\$673,313,000	\$675,023,000	\$645,543,000
NPV (11% DR)	\$777,015,712.41	\$793,366,147.61	\$765,698,167.54	\$684,408,997.13

Section IV

Investment Recommendation

Summary of Returns - Unlevered Equity Position

Project Costs	\$ 678,943,000.00
Project Loan (Debt)	\$ 550,062,792.00
Equity Position	\$ 128,880,208.00

Net Present Value @ COD = \$777,015,712.41

Assumptions:

- 11% Discount Rate
- \$0 Merchant Cashflows

Project Returns - Sponsor (Unlevered)

Equity Position	\$(128,880,208.00)
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DSCR	1.287
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Sponsor ROE	8.52%
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Sponsor IRR	7.17%
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Investment Recommendation

- **Refinance Project Loan** upon Commercial Operation at more favorable terms*(lower DSCR; lower IR)
- **Use backleverage** to increase the value of our equity position
- **Option to enter interest rate swap** to hedge FX risk of PPA

Project Loan (Debt)	\$550,062,792.00	
Total Sponsor Equity	\$128,880,208.00	<u>100%</u>
XYZ Equity	\$25,776,041.60	20%
Back-Leverage	\$103,104,166.40	80%

Project Returns - Sponsor with back-leverage	
Equity Position	\$(128,880,208.00)
Back-leveraged	\$103,104,166.40
Initial Contribution	\$(25,776,041.60)
DSCR (BL Loan)	>2.0
Sponsor with BL IRR	13.962%
Sponsor with BL XIRR	15.468%

*Returns were calculated assuming investment prior to project loan being refinanced

Backleverage Financing Assumptions

XYZ Investment - Back-Leverage Financing

Amount \$89,377,223.95

Back-leverage financing		
Debt term (years)	18.000	Amortization Period 20.000
Interest rate (%/year)		3.50%
Annual Financing Fees (paid annually during life of loan)		\$0

**We achieve an ROE of at least 11% if the interest rate of the debt is less than or equal to 5%; We also have not incorporated assumptions for project refinancing which would further increase the value of our equity position.

Investment Recommendation - Initial Offer

- Valuation: \$777,015,712.41
- Offer: Up to 7% of Project NPV: ~\$54M
- Initial Offer: 6.2% of Project NPV (Paid: 25% at FC, 25% at Const. St, 50% COD): ~\$48M

Project Loan (Refi)	\$621,612,570	
Acquisition Payment	\$54,391,099.87	
Total XYZ Equity	\$111,721,529.94	<u>100%</u>
XYZ Equity	\$22,344,305.99	20%
Back-Leverage	\$89,377,223.95	80%

*Returns assume refinancing at 80% project NPV at COD
+ proportionate increase in principal payments

Project Returns - Sponsor with back-leverage	
Equity Position	\$(111,721,529.94)
Back-leveraged	\$89,377,223.95
Initial Contribution	\$(22,344,305.99)
DSCR (BL Loan)	1.93
Sponsor with BL IRR	11,5665%
Sponsor with BL XIRR	12.888%