

IJGlobal Awards 2022 – MENA Deal Winners

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The great and good of the Middle East and North Africa infrastructure community gathered last night (26 April) at Shangri-La in Dubai to celebrate the regional winners for IJGlobal Awards 2022.

The MENA awards night attracted a hearty crowd of industry specialists to celebrate the successes of the previous calendar year's financial closes.

This story is to identify and celebrate the deals that made it to financial close during the judging period across the MENA region.

Unlike the Company Awards – which are chosen by the <u>independent</u> <u>panel of judges</u> – these are chosen by the IJGlobal editorial team, based on submissions from the people who drove them on to a successful conclusion



The 16 transactions to have won in the greenfield financing category are:

- Etihad Rail Company PJSC Green Term Loan, UAE
- Quantum Switch Tamasuk, Saudi Arabia
- Fiber Misr, Egypt
- ADNOC's Project Lightning, UAE
- Shuaibah 3 IWP, Saudi Arabia
- Madinah 3, Buraydah 2 & Tabuk 2 ISTP Portfolio, Saudi Arabia
- Amunet Wind Farm, Egypt (across 2 awards categories)
- Abydos Solar PV Plant, Egypt
- Zayed City Schools PPP
- Assiut Oil Refinery Upgrade, Eqypt
- Egypt-Saudi Arabia Interconnector
- SACE cover for Bee'ah Sharjah Environmental, UAE
- Advanced Petrochemicals, Saudi Arabia
- Orange Egypt Financing
- Red Sea Multi-Utilities Project, Saudi Arabia

In the refinance category, there were 4 winners:

• Mirfa IWPP Refinance, UAE

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- Benban Solar Park Refinance, Egypt
- Chemanol Refinancing & Expansion, Saudi Arabia
- Oman Broadband Company

To read about the company winners from the IJGlobal Awards 2022 that were also presented at the event last night in Dubai, click here...

Transport Deal of the Year – Heavy Rail

Etihad Rail Company PJSC Green Term Loan, UAE

The latest stage of a heavy rail project that is providing a crucial link across the region wins the transport deal of the year in its category.

The rail line is being built to international standards and will link the principal centres of trade, industry, manufacturing, production, logistics, population and all the major import and export points of the United Arab Emirates. It will form an integral part of the Gulf Cooperation Council railway network.

First Abu Dhabi Bank acted as the sole mandated lead arranger, bookrunner, facility agent, green co-ordinator, green structuring bank, account bank and hedge counterparty for the \$542 million green term loan for Etihad Rail Company PJSC for the second stage of financing.

The transaction is a bespoke sustainable finance loan structured in line with the LMA Green Loan Principles and it first of its kind in UAE.

As for Etihad Rail Project, it is one of the largest land transport projects in the UAE and is part of the UAE National Railways Programme which was launched by the UAE government in December 2021.

The programme sets the scene for the future of rail travel across the region in the coming years, providing freight rail and integrated transportation services, improving the living standards and welfare of residents across the UAE by developing a public transport system.

This financing is towards the development of the Passenger Rail Network spanning some 1,200km extending across the UAE from Ghuweifat to Fujairah, connecting 11 cities and locations in the country from Al Sila to Fujairah.

Travelling at a speed of 200kmph, with a capacity of 400 passengers per train, the number of passengers is expected to increase to reach more than 36.5 million annually by 2030.

The passenger services aim to provide a seamless, integrated, time-saving experience throughout the entire journey, making it possible for commuters to travel between Abu Dhabi and Dubai in just 50 minutes, between Abu Dhabi and Fujairah in 100 minutes, Dubai-Fujairah in 50 minutes, and between Abu Dhabi and Al Ruwais in 70 minutes.

Etihad Rail aims to play a significant role in the UAE's sustainable development and its objective of net zero emissions with the passenger service reducing pollution, lowering fuel and maintenance costs, increasing road safety, protecting animal habitats and safeguarding wildlife preserves across the construction path of the project.

Digital Infrastructure Deal of the Year – Data Centres

Quantum Switch Tamasuk, Saudi Arabia

The inaugural data centre within <u>Quantum Switch Tamasuk's portfolio</u> is the first of its kind to secure limited recourse financing in the Middle East – establishing a blueprint for digital infra across the region.

This transaction is cutting-edge as it sets the scene for a new market in the Middle East where, until this development, projects of this nature in had been developed on balance sheet – thereby holding back proliferation.

It is expected to accelerate the growth of digital infrastructure in Saudi Arabia, a market where the rapidly expanding demand for cloud services is forecast to reach a market size of up to \$10 billion by 2030.

It will also have ramifications across the wider Middle East region, unlocking not only commercial bank liquidity – and, even more significantly, institutional investor liquidity – into the regional project finance sector.

Quantum Switch Tamasuk is a JV between Tamasuk Holding Company (a Saudi diversified infrastructure development and investment company) and Quantum Switch (a leading British data centre developer focused on emerging markets).

The inaugural data centre within Quantum Switch Tamasuk's portfolio – which successfully achieved financial close last August and started commercial operations towards the end of 2022 – will serve as a new cloud region for a major technology company, which will allow companies and organisations in Saudi Arabia to achieve digitalisation objectives.

Natixis acted as structuring bank and fully underwrote the financing, syndicating part of the debt to French institutional investor Allianz Trade and a Saudi commercial lender Riyad Bank.

Digital Infrastructure Deal of the Year - Fibre

Fiber Misr, Egypt

A curious project for IJGlobal to be identifying for an award, but again a transaction that shows direction of travel in Egypt which features significantly in the 2022 awards for the MENA region... also receiving a shout out for Europe and Africa!

This transaction is structured as a multi-purpose facility available in the form of importation letters of credit – hardware and software – short term facility and bonding facility, which collectively falls under the diversity of multi products level package offered under the facility.

It witnessed several changes in the structure to accommodate the revised payment methodology and milestones agreed upon between Fiber Misr and the project's sponsor, matching with challenging business conditions over 2022. It had to factor in supply chain issues, inflation, the Russia-Ukraine conflict; and the negative repercussions from these on the Egyptian economy.

The deal was marked by a tight timeline to meet Fiber's obligations under the project, whereby there were urgent import LCs requested for issuance under the project to mitigate any increase in the prices previously agreed between Fiber and its vendors as well as avoiding any negative change in the project's economics from any price increases and delay to the project's progress timeline.

The lenders managed to meet the deadline set by the client and reached financial close on 10 November, following signing of the facility agreement on 7 November.

Power Deal of the Year - Transmission

ADNOC's Project Lightning, UAE

Project Lightning – a landmark project jointly procured by ADNOC and Abu Dhabi National Energy Company PJSC (TAQA) – sets a fascinating landmark for the regional market and well deserves the transmission award in the power sector.

Abu Dhabi Subsea Transmission System involves the design, construction, maintenance and operation of 2 high-voltage,

direct current (HVDC) sub-sea power transmission systems to connect ADNOC's offshore production facilities to Abu Dhabi's onshore electricity grid.

The project will be delivered by a project company that is owned 60% by a local holding company owned by ADNOC and TAQA, and 40% by the successful bidding consortium of KEPCO, Kyushu Electric Power Company and Électricité de France.

The project company has entered into a long-term transmission agreement with ADNOC to design, construct and commission the project by December 2025 and to operate and maintain the transmission assets for a period of 35 years until the project is handed back to ADNOC.

The project company has entered into an EPC contract with an unincorporated JV between Samsung C&T Corporation and Jan de Nul Dredging and long-term service agreements with Prysmian Powerlink and Sumitomo Electric Industries in relation to the HVDC transmission cables and Hitachi Energy Systems for the converter stations.

It achieved financial close on 22 September and the financing consisted of around \$3.2 billion of senior debt facilities provided by JBIC, KEXIM and commercial lenders, and some \$723 million of equity funding.

Water Deal of the Year

Shuaibah 3 IWP, Saudi Arabia

Shuaibah 3 IWP is a 600,000 cubic metre per day greenfield reverse osmosis (RO) water desalination project in the Kingdom of Saudi Arabia, sponsored by ACWA Power and Public Investment Fund (PIF), with ACWA Power undertaking the role of lead developer.

The project is of strategic importance for the kingdom as the available treatment capacity is currently insufficient to cater for the expected increase in water demand.

<u>Shuaibah 3 IWP</u> will be constructed by Doosan Enerbility (formerly Doosan Heavy Industries & Construction) under a lump-sum turnkey EPC contract, and it will be commissioned in May 2025.

Once complete, it will replace its predecessor Shuaibah 3 IWPP, a multi-stage flash distillation water and fuel-oil fired power generation facility, which is nearing the end of its useful life.

By replacing the older plant, Shuaibah 3 will contribute to reducing carbon emissions and to achieving energy transition targets.

It will also incorporate around 60MW of PV solar generation on-site, generating enough power to operate the new SWRO plant during peak output.

This has the advantage of enhancing the project's sustainability, reducing its carbon footprint, while reducing operating costs – with the levelised cost of solar electricity lower than electricity supplied from the grid.

MUFG supported the consortium with a financing commitment at the pre-bid stage, and after a successful bid process under the Saudi Water Partnership Company (SWPC) procurement framework, ACWA Power was appointed preferred bidder and subsequently signed the project agreements in July 2022 for the project, with the deal achieving financial close in October 2022.

MUFG played a key role in the project as bookrunner, MLA, hedge provider, intercreditor agent, commercial facility agent and offshore security trustee.

The underwriting process was concluded successfully with a sizeable oversubscription of commitments received from the bank market.

Wastewater Deal of the Year

Madinah 3, Buraydah 2 & Tabuk 2 ISTP Portfolio, Saudi Arabia

A consortium of Acciona, Tawzea and Tamasuk successfully raised \$473 million in debt to fund the delivery of 3 sewage treatment plants in Madinah, Buraydah and Tabuk, Saudi Arabia.

All 3 plants will be built and operated on a BOOT basis over a 25-year operations period after a construction period that will last 2-3 years.

The plants will have a combined treatment capacity of 440,000 cubic metres per day respectively in the cities of Madinah, Buraydah and Tabuk.

Up to 57% of the electricity consumption will be supplied from renewable energy sources on site for a project that is a key part of Saudi Arabia's strategy to extend the municipal water and sanitation infrastructure to cover the entire KSA.

The project was procured by Saudi Water Partnership Company (SWPC) which entered into a 25-year sewage treatment agreement as an off-taker.

The transaction is the first green financing for a sewage treatment project in the MENA region; it is also the first PPP deal in Saudi Arabia based on SOFR as a base rate; and it is one of the largest sewage treatment deals in Saudi Arabia with 440,000 cubic metres and expansion potential up to 615,000 cubic metres.

MUFG acted as market hedge execution bank for all 3 senior swaps and provided a large portion of senior facilities swaps in addition to the senior facilities.

The Japanese bank also acted as global facility agent and ESG coordinator. In its capacity as ESG coordinator, MUFG established the green loan framework and arranged a second party opinion from S&P for the project confirming the alignment with the LMA's Green Loan Principles.

Renewables Deal of the Year - Wind

Amunet Wind Farm, Egypt

Something of a double whammy for Egypt and the Egyptian renewable energy programme, this award (and the one that follows) celebrates extraordinary developments on the ground that – over the course of the judging period – have proved to be transformative.

The first of these is the winner of the wind power award in the renewables category – and this for the 500MW <u>Amunet Wind Farm</u>.

This deal represents the first joint project financing between the Japanese ECAs and IFC in decades (see award for the export finance element later in this piece).

The project financing had to overcome multiple macroeconomic headwinds, which included an inflationary economic environment with rapidly rising central bank rates, extreme foreign exchange fluctuations and sourcing difficulties in the wind turbine supply chain.

When the Amunet wind farm is completed, it will deliver renewable energy to the state-owned Egyptian gride at a rate of 3 US cents/kwH, the lowest rate in Africa and one of lowest in the rest of the world.

Renewables Deal of the Year - Solar

Abydos Solar PV Plant, Egypt

AMEA Power reached financial close on the 500MW <u>Abydos Solar PV Plant</u> in November 2022, marking the largest solar project financing in Africa in the calendar year – the judging period for IJGlobal Awards.

AMEA Power will develop, own and operate the 560MWp PV plant in Egypt where the power cost is considered the lowest on record for a renewable energy project and it will generate some 1,560 GWh of electricity per year – the annual power consumption of 1 million households in Egypt.

The project is located in the Aswan governorate, situated some 650km south of Cairo. Once completed, it will sell electricity to the state-owned Egyptian Electricity Transmission Company over 25 years.

The SPV – Abydos Solar Power Company (ASPC) – was established for the development of the project and it entered into a PPA in December 2020 with Egyptian Electricity Transmission Company (EETC) for a period of 20 years (from commercial operation date).

This was subsequently extended to 25 years in August 2022, followed by finance agreements being signed on 27 November

To support the development of the project, AMEA Power brought together a consortium of international financial institutions and industry experts. This includes: the IFC, Dutch entrepreneurial development bank FMO and the Japan International Cooperation Agency (JICA).

The project will underpin Egypt's renewable energy ambitions, along with supporting economic and social development within the region. The Egyptian government is working towards increasing the electricity generated from renewable sources to 42% by 2035.

The project will result in a saving of about 1.1 million tonnes of CO2 emission per year. It will create local job opportunities during its 16-month construction period and 25-year operation – with more than 1,000 people working at the site at the peak of construction.

As part of the CSR activities, the project company will deliver initiatives to support the economic and social development of the local community during the life of the project.

Social Infrastructure Deal of the Year

Zayed City Schools PPP, UAE

Reaching financial close in July 2022, <u>Zayed City Schools PPP</u> is the first social infrastructure PPP to be procured by the Abu Dhabi Investment Office on a PPP basis in accordance with the Abu Dhabi PPP Law as part of the Abu Dhabi Future Schools Programme.

As a result, the transaction is expected to form an important precedent for future PPP social infrastructure projects in Abu Dhabi.

This project marks the first investment by Plenary in the Middle East region and the first PPP project on which Besix is participating as a sponsor without also participating as a construction contractor.

Commitments were secured from a group of international lenders, making it the first social infrastructure PPP that has been banked in the GCC with international lenders.

Oil & Gas Deal of the Year - Downstream

Assiut Oil Refinery Upgrade, Egypt

ANOPC's <u>Assiut Oil Refinery Upgrade</u> financing in Egypt has a total deal value of \$2.9 billion and was arranged with a gearing of 51:49 debt to equity and reached financial close mid-February 2022.

Egyptian General Petroleum Corporation (EGPC) is a supermajority shareholder in ANOPC with its affiliates holding 76.5% of its shares, while also serving as the sole supplier and sole offtaker for all petroleum products in Egypt.

Assuit Hydrocracking Complex (AHC) will treat the bottom of the barrel production from Assuit oil refinery company (ASORC), processing 2.5 million tons per year from mazut to higher value products: 1.6 million tons per year of diesel; 402,000 million tons per year of naphtha; 101,000 million tons per year of LPG; 330,000 million tons per year of coke by-product; 66,000 million tons per year of sulphur by-product.

The debt structure was sophisticated with a multilateral tranche and it is divided into 2 main tranches.

Tranche A involves the financing from external lenders to ANOPC with an amount of \$772.6 million and it is fully covered through the Ministry of Finance guarantee.

Meanwhile Tranche B consists of 2 tranches: Tranche B1 involving the financing from external lenders to Egyptian Banks on-lending tranche for \$701.4 million. Tranche B2 being the financing from Egyptian Banks to ANOPC back-to-back loan for \$701.4 million.

Export Finance Deal of the Year – Renewables

Amunet Wind Farm, Egypt

The export finance element of this impressive alternative energy asset – which won in the MENA renewables category for wind farms – wins this award based on the interplay between Japanese ECAs and the IFC.

<u>Amunet Wind Farm</u> in Egypt serves as landmark deal involving as it does the construction, ownership and operation of onshore wind farm with installed capacity of 500MW that can generate some 2,570 GWH of electricity per year – the annual power consumption of around 1 million households.

The total project debt is funded through a combination of JBIC direct facility, an IFC facility and a NEXI covered facility. This is the first time JBIC, IFC and NEXI have together financed a project finance transaction.

NEXI is providing the swap insurance for the project for the first time and IFC is acting as the lead hedging bank.

Commercial International Bank (Egypt) acted as the onshore account bank, onshore security agent, and working capital facility lender. Standard Chartered Bank acted in several key roles which included managing the varying requirements between multiple lenders to successfully close the transaction with a diversified financing group.

This transaction highlights the private sector's essential role in helping to deliver clean, affordable power, especially at a time of growing challenges from climate change and pressures on the environment.

The project supports Egypt's ambitious target of diversifying away from current concentrated fossil fuel-based power generation and increase the share of renewables capacity in the overall energy mix.

It is expected to result in saving of about 1.4 million tonnes of CO2 emission per year, and will create local job opportunities during 3 years of construction and 25 years of operation – with about 1,000 people working at the site at the peak of construction.

As part of the CSR activities, the project company is expected to carry out initiatives to help the local community during the life of the project.

Export Finance Deal of the Year – Interconnector

Egypt-Saudi Arabia Interconnector

The roles played by Swedish export credit agency EKN and Swedish export credit corporation SEK wins the <u>Egypt-Saudi</u> <u>Arabia Electricity Link</u> the export finance award in the interconnector category.

This year IJGlobal celebrated 3 transactions where we highlight the export finance element in a bid to celebrate an impressive year in the space where they played central roles in driving significant transactions to financial close.

On this project, the 14-year financing is guaranteed by EKN and funded by SEK.

It is a landmark facility, structured on the Islamic concept of Commodity Murabaha and involved extensive bespoke documentation and legal structuring work by law firms to ensure the Commodity Murabaha structure dovetailed with the requirements of an EKN guarantee and SEK funding.

The electricity interconnection project is the first large-scale, high-voltage direct current (HVDC) interconnection in the Middle East and North Africa to link electricity grids.

The project will allow Saudi Arabia and Egypt to exchange up to 3GW of power over the connection which is expected to be in place by 2026 and will support the flow of power in multiple directions, between Badr in Egypt, to El-Madinah El-Munawara via Tabuk in Saudi Arabia.

Export Finance Deal of the Year – Waste Management

SACE cover for Bee'ah - Sharjah Environmental, UAE

The 80% guarantee provided by Italian export credit agency SACE – working alongside Intesa Sanpaolo (through its IMI Corporate & Investment Banking Division) – and Bee'ah - Sharjah Environmental wins it the export finance award in the waste management category.

The parties signed an agreement for a 6-year untied credit facility, 80% guaranteed by SACE, to support the financing needs of the Sharjah-based company.

Based in the Emirate of Sharjah, Bee'ah is the leading waste management company in the UAE. It manages under concession all phases of the waste cycle, ranging from collection through to recycling, disposal and waste-to-energy in the UAE and other countries in the area.

The transaction, part of SACE's Push Strategy programme, aims to increase business opportunities for Italian exporters in Sharjah and the UAE, strengthening SACE's positioning in a strategic area for Italian exports.

The Push Strategy primarily targets local counterparts – selected and leading foreign buyers – and provides access to medium to long-term financing, guaranteed by SACE, to support investment and growth plans.

Maurizio d'Andria, head of the Dubai office of SACE, said at the time of financial close: "We are proud to confirm our commitment to supporting Italian Mid and SMEs and to be able to foster new export opportunities in the Middle East. We are also particularly pleased to have partnered with Intesa Sanpaolo Bank in this, its first untied transaction concluded in the framework of SACE's Push Strategy, which confirms the strong partnership we have with the banking group."

Petrochemicals Deal of the Year

Advanced Petrochemicals, Saudi Arabia

The SAR 6.1 billion (\$1.6bn) debt package will be used by Advanced Petrochemical subsidiary Advanced Polyolefins Industry Company (APOC) at Jubail Industry City II in Saudi Arabia.

With a capacity of 843 KPTA of propylene and 800 KTPA of polypropylene, Advanced Petchem's <u>PDH PP IPA complex</u> will be one of the biggest such facilities in the world.

Synergy acted as a financial adviser to Advanced Petrochemicals Company, helping it structure the \$3 billion PDH-PP-IPA complex, including – but not limited to – review of project contracts including feedstock agreement, offtake agreement, EPC contracts, technology license agreements, technical services agreement, etc.

Given it is a market-risk project, raising debt of such a large quantum without any recourse to sponsors or without any completion support is unprecedented.

This was a challenging deal to get over the line, but they were able to pull in commitments of 3x debt and at a pricing that was 50% lower than market precedents without full completion support from sponsors, provision of release of share pledge prior to final repayment date, with an effective leverage of over 75% in comparison standard market norm of 70% leverage for such projects.

Complexity of the project was not only limited to financing terms but extended to the financing documentation owing to a large set of the lenders participating in the project and few of them having separate Islamic law requirements.

Keeping in mind the lender requirements of Islamic financing documents, documents were prepared under Istisna Ijara (SAR), Wakala Ijara (SAR), Istisna Ijara (USD), Murabaha Agreements (SAR).

Further, given this was one of the first few transactions with Istisna Ijara structure and SOFR rates it developed new precedents which will be used by financing markets going forward.

Telecoms Deal of the Year

Orange Egypt Financing

The purpose of this facility is to finance part of the new spectrum allocated to Orange Egypt enabling it to improve coverage and capacity, while also accommodating its growing mobile customer base.

The goal of this financing is to develop Egypt's telecoms sector and increase the potential economic and social benefits that it can bring.

The process was wrapped up swiftly – achieving financial close on 24 February – with a 50:50 gearing and \$110 million of debt with Banque Misr acting as MLA, bookrunner, facility agent, security agent and original lender; working alongside Emirates NBD Bank and Emirates NBD Capital Limited.

Utilities Deal of the Year

Red Sea Multi-Utilities Project, Saudi Arabia

One of the single most fascinating projects on the planet, Saudi Arabia's Red Sea Tourism Megaproject Renewable Energy

& Water Infrastructure PPP is a worthy winner in this category.

The Red Sea Project is the world's most ambitious luxury tourism development, offering an exclusive experience of unparalleled diversity for global travellers.

The right to build, own and operate the combined utilities infrastructure – for power, desalinated water, wastewater processing, solid waste processing, district cooling and the transmission infrastructure (including interconnection between islands) – was tendered out as a single package, which was awarded to ACWA Power.

And it is for the utilities element that the Red Sea Project wins this award.

The transaction represents several major milestones including being the first multi-utilities concession for a greenfield city-sized development funded on a fully project-finance basis.

The project serves the world's most ambitious regenerative tourism project and has been designed to offer access to some of Saudi Arabia's most important cultural treasures while protecting, preserving, and enhancing the local environment.

The Red Sea Project deploys 406.8MW of solar PV generation, and 1,306 MWh of battery capacity (the largest battery storage system in the world) to ensure the ability to achieve historically unprecedented levels of renewable energy use.

And it sits comfortably within the kingdom's broader goals as part of the PIF Strategy 2021-2025, which focuses on unlocking the capabilities of promising sectors to enhance its efforts in diversifying revenue sources.

The senior debt associated with this project finance transaction was procured under 3 different tranches comprising: USD denominated soft mini-perm facility of \$459 million; SAR denominated long term facility (27 years DTD tenor) of \$422 million; and a SAR denominated soft mini-perm facility of \$422 million.

Refinance Deal of the Year – Power & Water

Mirfa IWPP Refinance, UAE

A group of domestic and international lenders was brought together for the <u>refinance of Mifra IWPP</u>, replacing existing project finance debt facilities of Mirfa International Power and Water Company PJSC.

The deal involved re-negotiation and re-execution of the finance, security and hedging documents entered into as part of original financing – as well as entry into some additional documents that were not executed in the course of the original deal.

This was done due to the changed factual circumstances – the fact that the project is now operational, changed position on transfer restrictions of the sponsors, changed holding companies of the sponsors in the region – and developments in the international and local regulatory frameworks (replacement of LIBOR with SOFR, introduction of movables security agreements and EIRC register into the UAE legal framework, etc.).

The complexity of the deal was partly due to the number of jurisdictions involved. The lender group comprised financial institutions from the UAE, Saudi Arabia, the UK, Germany, China and Japan.

The jurisdictions of incorporation of sponsor-side entities included UAE, the Netherlands and Japan, while the contractors to the borrower were based in the UAE, Italy and the Netherlands.

One specific feature that the deal boasts is netting arrangements entered into in order to avoid double exposure of the lenders who were both exiting lenders and incoming lenders.

To avoid double exposure on the books of these lenders a special regime was devised allowing such lenders to fund only

their incremental commitments (the difference between their outstandings and their commitments).

The deal also introduces a highly developed sanctions and anti-bribery and corruption regime which reflects the latest international and domestic lenders' requirements to this type of provisions.

Refinance Deal of the Year - Renewables

Benban Solar Park Refinance, Egypt

The first green bond in Egypt, the fourth largest solar PV power plant in the world and the largest on the African continent – the \$334.5 million refi of 6 solar PV projects at Benban Solar Park is the winner for the MENA region.

Norwegian developer Scatec closed this innovative capital markets climate finance transaction making it the first of its kind in Africa and benefiting from a Climate Bond certificate from the Climate Bond Initiative.

The green capital markets transaction was distributed to a consortium of development finance institutions – European Bank for Reconstruction and Development (EBRD), US International Development Finance Corporation (DFC), Dutch entrepreneurial development bank FMO and German investment corporation DEG – alongside private institutional investors from around the globe.

The Multilateral Investment Guarantee Agency (MIGA) and EBRD risk mitigation instruments were incorporated into the structure to facilitate distribution to these private sector investors, including major institutions for whom these are first-ever investments in Egypt.

The bonds are backed by amounts received by each ProjectCo from PPAs with the Egyptian state offtaker. Payments under the PPAs are used to repay loans made from each ProjectCo to the issuer. Payments received by the issuer are used to service the bonds.

The credit enhancement structure establishes an efficient precedent for future transactions allowing institutional investors to participate in the transaction – its success should encourage institutional investors to bridge the investment gap in infrastructure assets in the region and beyond.

The terms of the bond featured a number of bespoke features, to provide for the efficient pass-through of payments from the PPAs through the loans to the international investors.

A particular challenge was to ensure the efficacy of the credit enhancement structure while at the same time managing the intercreditor relationship and ensuring that different classes of creditors were appropriately protected.

Refinance Deal of the Year - Petrochemicals

Chemanol Refinancing & Expansion, Saudi Arabia

The <u>refinance of Methanol Chemicals Company</u> (Chemanol) existing commercial debt and Saudi Industrial Development Fund facilities as well as the provision of a new capex facility for expansion.

The debt refi and expansion funds relate to Chemanol's petrochemical plants in Jubail Industrial City, Saudi Arabia.

With this refinancing and expansion project, Chemanol aims to reduce its production costs and benefit from sustainable profitability.

Chemanol is a public Saudi joint-stock company, established in 1989 as the first private sector petrochemicals company in the GCC region and listed on the TADAWUL stock exchange in 2008.

It is a leading global supplier of methanol, formaldehydes and other petrochemical derivatives and its products have applications in a wide range of industries including agriculture, automobiles, pharmaceuticals, and construction.

The lenders are Banque Saudi Fransi and Alinma Bank arranging debt across 2x 8.5-year promissory notes of SAR 455 million (\$118m) and SAR 240 million... the latter of which will be used for the expansion.

Refinance Deal of the Year – Digital Infrastructure

Oman Broadband Company

OBC was established in 2014 by the Oman Ministry of Finance as a cornerstone for its national digital and broadband strategy. Currently, OBC is a wholly-owned subsidiary of Ithca Group, which in turn is owned by Oman Investment Authority (OIA).

It is positioned at the lower end of the broadband and mobile value chain with a primary mandate to deploy the passive fibre network infrastructure across Oman, provide equal and open broadband access to all telecommunication service providers, enabling high speed and efficient broadband service in the country.

The purpose of this deal is to <u>refinance legacy debt</u> provided by AIIB – around \$235 million – to make available additional funding for capex until the end of 2024, while also allowing enhanced returns to the borrower.

The OMR 171 million (\$444m) breaks down as OMR 95.2 million for refinance and OMR 75.8 million of capex facility. The debt has a 16-year tenor door-to-door.

The debt package was arranged by 5 conventional lenders – Bank Muscat, Sohar International, Ahli Bank, Bank Dhofar and National Bank of Oman – alongside and 3 Islamic banks: Sohar Islamic, Ahli Islamic and Maihsarah (Bank Dhofar's Islamic arm).

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