



PRIME ENERGY PLC

INVESTOR PRESENTATION

UPDATES



Key Updates



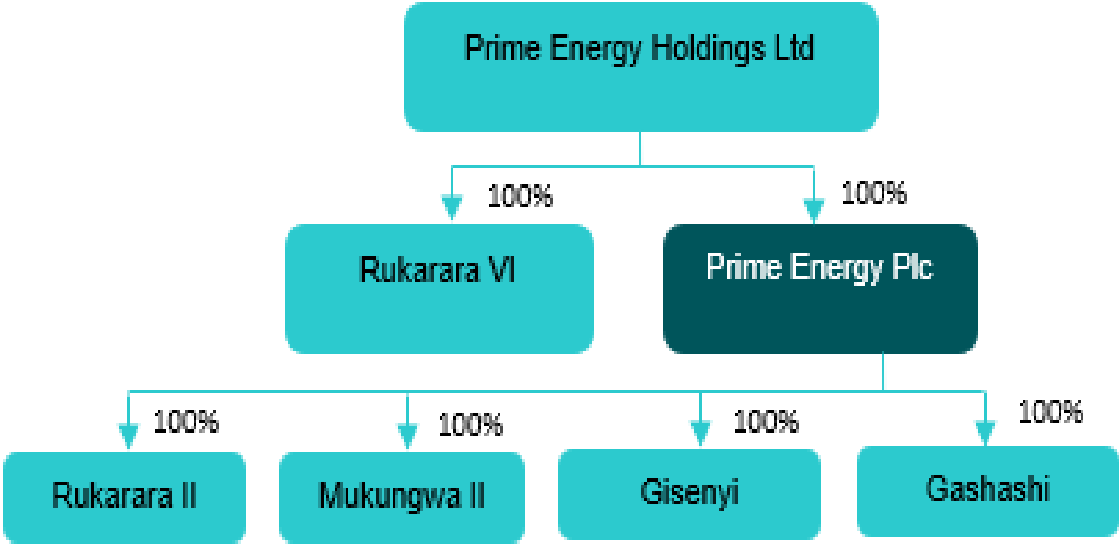


Overview

Summary

- Prime Energy Plc is a public limited company specializing in the energy sector with a focus on hydropower plants and the construction of green-field power plants.
- It is 100% owned by Prime Energy Holdings Limited incorporated in Rwanda.
- Prime Energy Holdings is fully owned by Rwandans Sandy Rusera (60%) and Andy Derrick Niyongabo (40%).
- The Company focuses on the development, operation, and management of energy producing power plants; in transmission lines and sub-stations in Africa.
- It has four operational hydro plant assets in Rwanda with a combined installed capacity of 7.8 MW including Gisenyi, Gashashi, Mukungwa II, Rukarara II through concession agreements with the Government of Rwanda.
- The company is currently developing a run of river hydropower project in Rwanda, Rukarara VI, with an installed capacity of 9.76 MW.

Corporate Structure





Investment Highlights

Green Bond Certified

- ‘Green Bonds’ based on the Issuer’s compliance with the International Capital Market Association (ICMA) principals
- Offer investors the opportunity to align investments with ESG, mitigate risks and access a new asset class for diversification

Credit risk mitigation mechanisms

- Principal repayments throughout bond that minimizes the potential risk of investors not realizing expected returns
- Assignment of concession rights and PPA rights to Bondholders in the event of default to enable continued access to cash from operations for the repayment of the bond.
- Financial covenants have been put in place



Track record of performance

- Demonstratable ability to upgrade, finance, operate and maintain following the utilization of \$10.4 MN to increase electricity production by 1.6x.
- There is no history of default or missed repayments with the banks

Low-Risk Business Model

- Strong off-taker profile in the form of cash flows of the Prime Energy PLC are underpinned by the remaining term of the 25-year PPAs awarded by EUCL
- Consistent Cash From Operations with average cashflow of FRW 2.1 BN throughout the Historical periods of 2020-2022.
- An average DSCR of 1.84x for the life of the bond

Strong sponsor and management profile

- Prime Energy Holdings Limited, the sponsor and provider of management services to the Issuer, is one of the largest and most successful contractors and operators of hydropower plants in Rwanda.
- The management team has vast experience in the energy and engineering sectors in Rwanda.
- Ambitious team to effectively contribute to the delivery of affordable energy to all segments of the sector using renewable energy sources.



Prime Energy PLC Updates Since Offer

- 1 Completion of Rukarara VI PPA amendment
- 2 Agaciro revenue share was amended - Prime will get 90% instead of 80% revenue share until 2028
- 3 Re-affirmed a non-objection from MINIFRA on the issuance and listing of Green Bond issuance for development of Rukarara VI HPP
- 4 Strengthened assignment agreement between the issuer, the trustee (BPR) and EUCL
- 5 BK long-term loan was fully repaid on 30th June 2024 (Approx. FRW 890m as of Dec 2023)
- 6 Audited financials for 2023 and unaudited H1 2024 available ; strong growth exhibited



Green Bond Highlights

Issuer	Prime Energy Plc
Issuance Amount	FRW 9.5 billion
Tranche One	Tranche one: Rwandan Franc-denominated fixed rate green bond
Tranche Two	Tranche two: USD-linked green bond payable in Rwandan Franc
Method of offering	Tranche one: Book building and Tranche two: Fixed Price
Tranche One pricing	13.75% Per annum
Tranche Two pricing	9.5% Per annum
Status of Note	Senior and unsecured
Tenor	7 Years
Method of Offer	Public Offer
Green Bond Framework	ICMA Principles – Use of Proceeds Bond
Book Building Offer Open	26 September 2024
Book Building/Fixed Price Offer Close	17 October 2024
Listing / Depository	Rwanda Stock Exchange / Central Securities Depository, Rwanda
Use of Proceeds	1. New investment into Rukarara VI – FRw 7.5 Bn 2. Maintenance of existing plants – FRw 2.0 Bn
Credit risk mitigation	Assignment of PPA and concession rights Regular principal repayments Debt Service Account
Redemption / Repayment Basis	Amortised Repayment Profile / Semi Annual Coupon Payment



Appendix





About Rwanda and Energy Sector

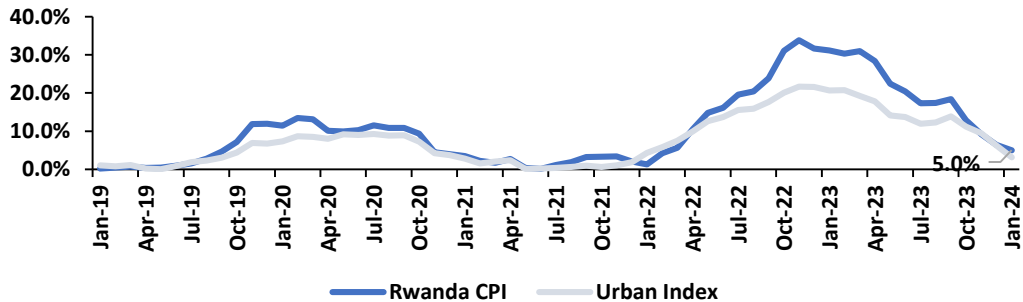


About Rwanda



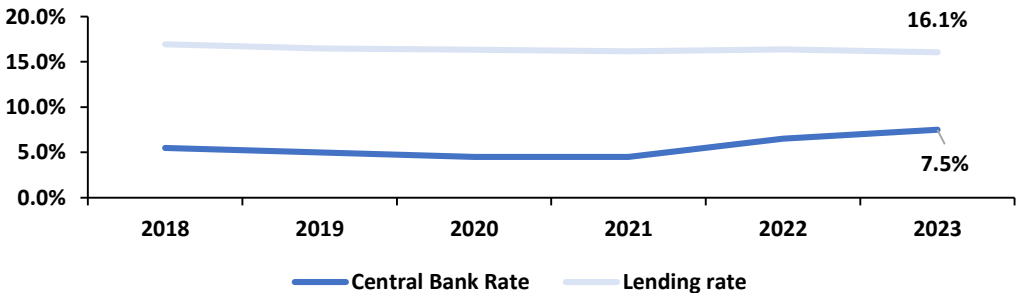
Location	East Africa. Borders Uganda to the North, Tanzania to the East, Burundi to the South, DRC to the West
Land Mass	26,338 km2
Population	13,246,394
Currency	Rwandan Franc (FRW)
Languages	Kinyarwanda, French, English and Swahili
GDP/GDP Growth	USD 11.460 Bn/8.2% (2023) source NISR
Interesting Facts	<p>Rwanda is known for its breathtaking scenery; it is often referred to as le pays des mille collines (French: "land of a thousand hills").</p> <p>Rwanda has one of the world's highest representation of women in parliament. 60% of parliament members are women.</p> <p>Rwanda is one of the cleanest nations on Earth. The capital city Kigali is the cleanest city in Africa</p> <p>The country is the origin of Smart Africa Alliance</p> <p>Rwanda's primary mineral resources are tin (cassiterite) and tungsten (wolfram); other resources include tantalite, columbite, beryl, and gold.</p>

Inflation



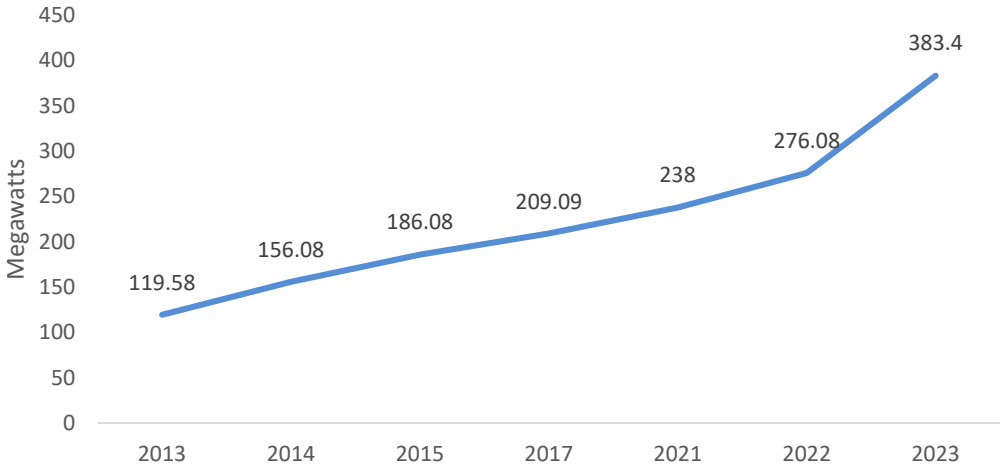
Key Economic Indicators

Interest Rates

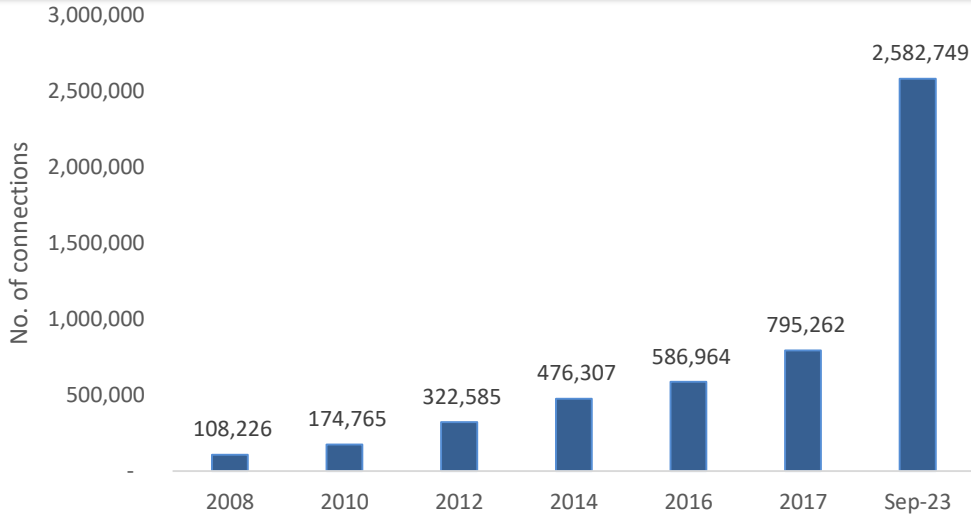




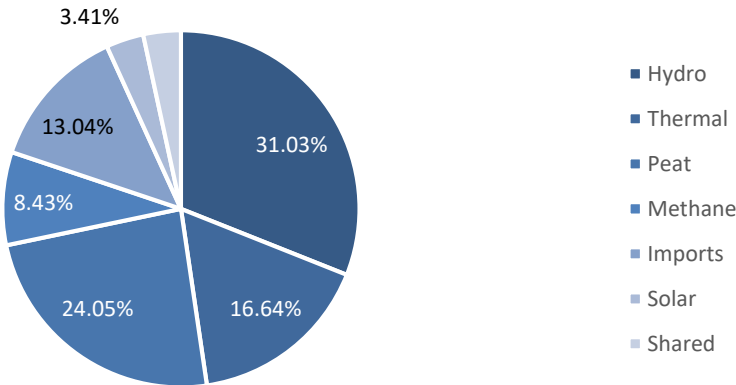
Installed Electricity Capacity in Rwanda



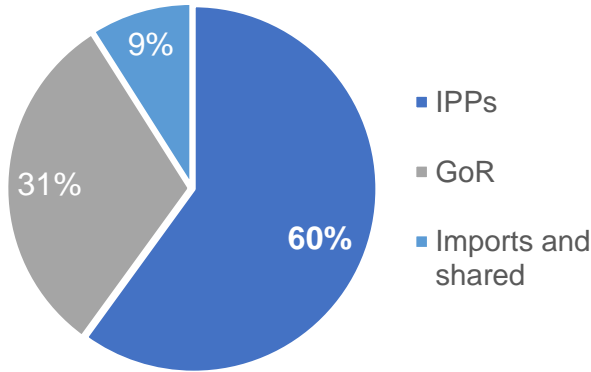
Number of Connections in Rwanda



Installed Electricity Capacity by Type



Installed Electricity Capacity by Source





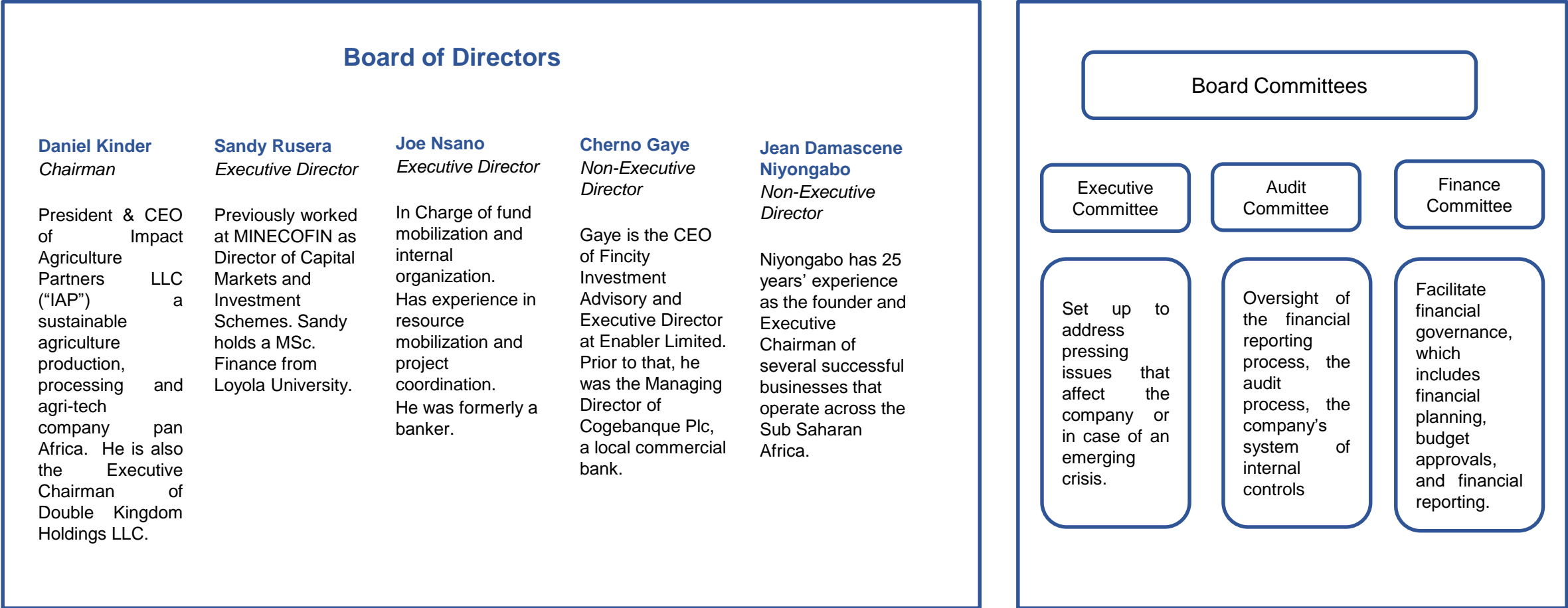
Corporate Governance





Corporate Governance – Board of Directors

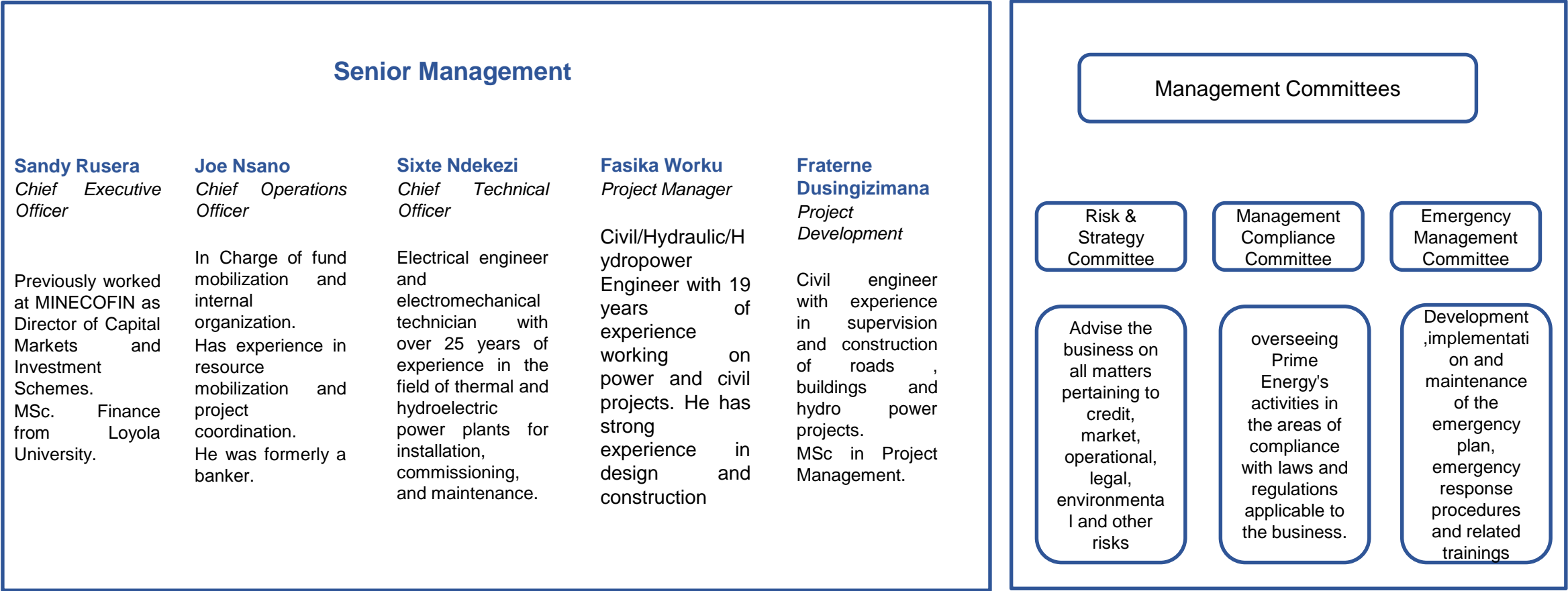
The board has the overall responsibility for setting the strategic direction of the company and the oversight of senior management.





Corporate Governance – Senior Management

The company has in place a strong management team with diverse experience across various sectors, including in-depth experience in the energy sector, that spans different countries.





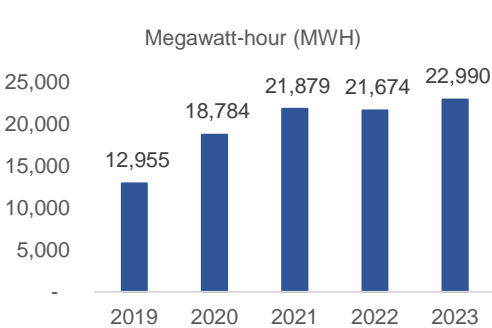
Hydro Power Plants



Assets – Hydro Power Plants

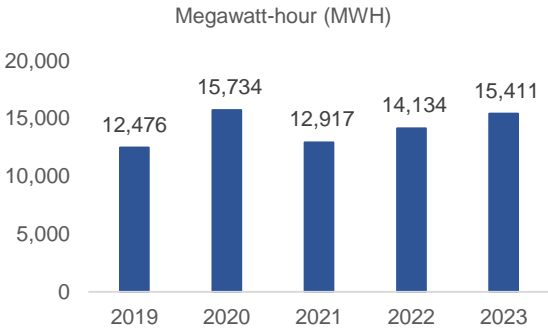
The company has 4 hydro power plants located in the Western, Southern and Northern provinces with 25 year concession agreements with the government and PPAs with EUCL.

Mukungwa II



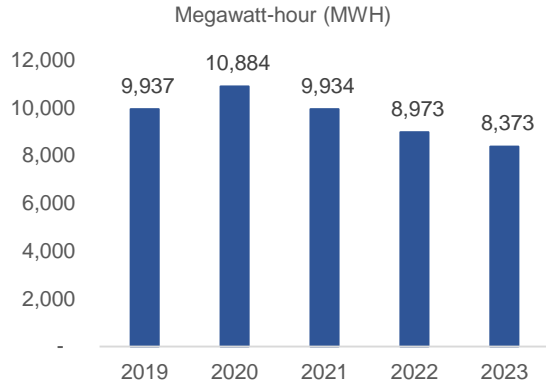
- Largest of the 4 power plants with installed capacity of 3.6 MW.
- Located in Musanze district in the Northern Province.
- COD from 2018

Rukarara II



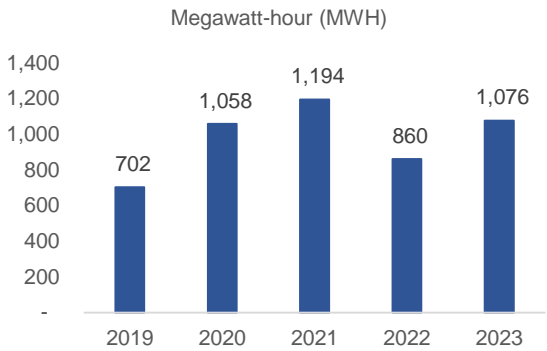
- Second largest plant with an installed capacity of 2.2 MW.
- Located in Nyamagabe District in the Southern Province
- COD from 2015

Gisenyi



- Installed capacity of 1.7 MW
- Located in Rubavu district in Western Province.
- COD from 2018

Gashashi



- Smallest power plant with installed capacity of 0.3 MW.
- Located in Rutsiro District in Western Province.
- COD from 2018

Hydro Power Plants Highlights

Power plant	Mukungwa II	Rukarara II	Gisenyi	Gashashi
COD	2018	2015	2018	2018
Concession period	25 years	25 years	25 years	25 years
Revenue share – Prime :GoR	90%: 10%	90%: 10%	90%: 10%	90%: 10%
Plant capacity	3.6MW	2.2MW	1.7MW	0.3MW
Tariff (per kWh)	USD 0.082	USD 0.113	USD 0.102	USD 0.134
River	River Mukungwa	River Rukarara	River Sebeya	River Gashashi
District	Musanze	Nyamagabe	Rubavu	Rutsiro

- The company has signed concession agreements for the four power plants for a period of 25 years from commercial operational dates.
- The concession agreements were signed in September 2015 and Prime Energy Plc spent time to rehabilitate and upgrade the plants before commencing operations.
- The PPAs are signed in dollars.
- 35% of the tariffs is indexable using the US Consumer Price Index while 65% is not.
- The revenue share between the company and the Government of Rwanda is 90% and 10% respectively up to December 2027.
- From January 2028 to December 2031 Prime Energy will receive 80% and from January 2032 to end of concession period the company's share will drop to 7.9%.
- Initially the government was being represented by MINIFRA in the concession agreements; this was later changed to Agaciro Development Fund.
- The company has also signed power purchase agreements with Energy Utility Corporation Limited, a subsidiary of Rwanda Energy Group.
- Prime Energy Plc suffers no demand risk as the utility purchases all the energy produced as per the terms of the PPA.
- All the hydro power plants are run of river.





Expansion – Rukarara VI

Rukarara VI



- Prime Energy Plc intends to invest FRw 7.5 B of the issuance proceeds into Rukarara VI
- Rukarara VI is a HPP project, situated in Nyamagabe District in the Southern Province, that will use water from River Rukarara, which is downstream of the 3 other operational power plants.
- The HPP is under construction and Feed-In-Tariff of USD 0.115 KWh has been confirmed.
- It is set to have an installed capacity of 9.76 MW and feasibility studies indicate that it will generate an estimated production of 55,573 MWh per year at 65% load factor.
- This will increase the company's total installed capacity to 17.76 MW and further their commitment on fulfilling energy demands in the country.
- It is expected to be complete and commence operations in 2025.
- Rukarara VI will be on the National Grid in Rwanda and the sponsor has acquired all requisite documentation from relevant authorities.

Project Partners

Initial studies



EPC Contractor



Supply & Installation of
Electromechanical



Owner Engineer





Financial Highlights





Key Milestones

2014: Prime Energy Ltd, established operations as a pioneer of private power generation industry in the country.

2015: Prime Energy was awarded another concession agreement relating to development and operation of another power plant, Rukarara VI.

2021: Construction of Rukarara VI, a greenfield run of river hydropower project with a capacity of 9.76 MW commenced. EPC Contractor is VS Hydro Ltd, Supply and Installation of Electromechanical is done by Gugler Austria and owner manager is EXP Canada.

2015: The Ministry of Infrastructure (MINIFRA) and Rwanda Development Board (RDB) awarded Prime Energy Ltd a twenty-five-year concession to upgrade, operate and maintain four hydro power plants through a transparent and international tendering process.

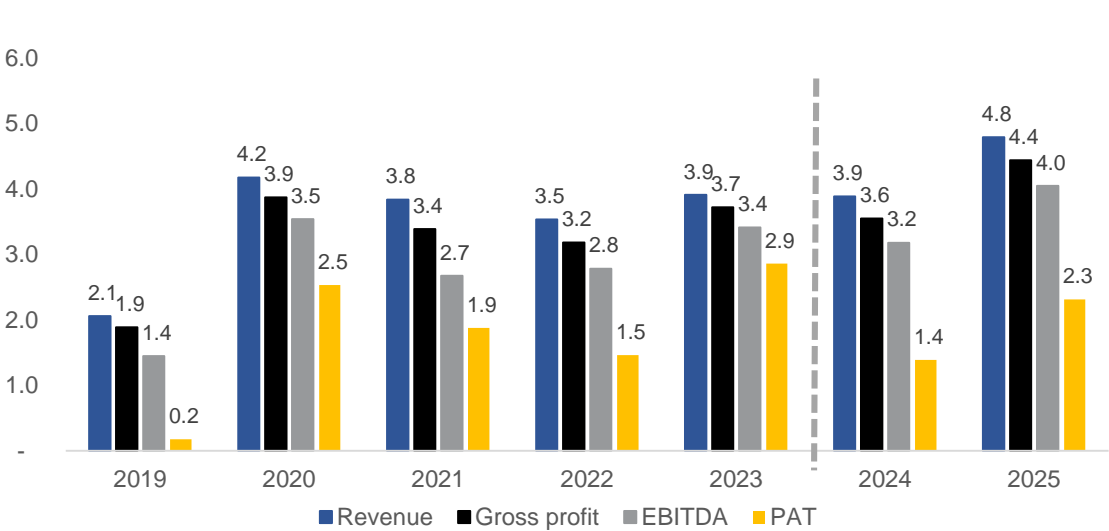
2018: Prime Energy Ltd, a subsidiary of Prime Energy Holdings is incorporated under the Rwandan Laws.

2023: Prime Energy Ltd becomes a public company and changes name to Prime Energy Plc.



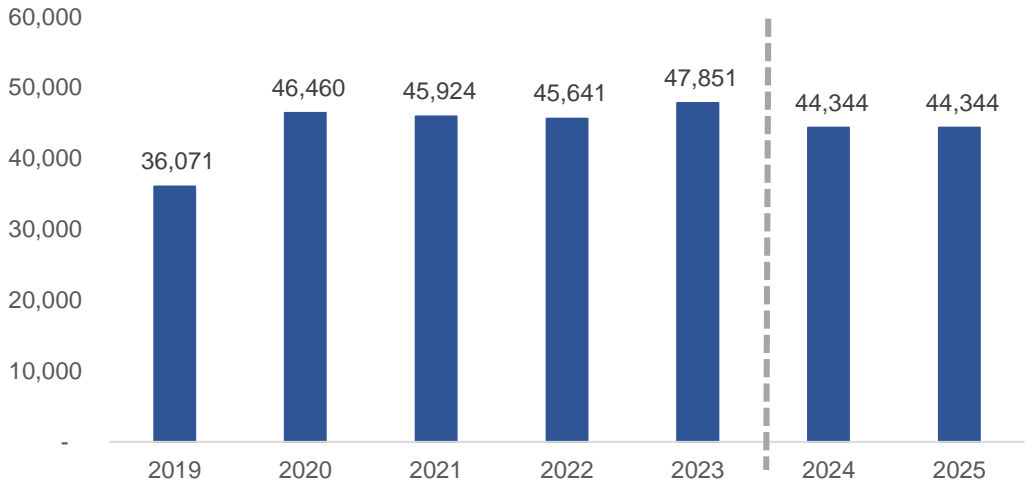
Financial Highlights (1/3)

Income Statement Highlights (FRw Bn)



- Revenue increased in 2019 and 2020 as a result of rehabilitating and upgrading the production capacity of the power plants.
- The company had a grace period in 2019, 2020, and 2021, where it received 100% share of the revenue.
- There was a drop in revenue in 2022 as a result of the revised revenue sharing ratio, where Prime Energy Plc kept 80% and remitted 20% to the Government of Rwanda. The ratio was further revised in July 2024 and Prime Energy gets 90% share of revenue.
- Gross profit and EBITDA keep a consistent trend in relation to revenue throughout.

Electricity Generation (MWH)

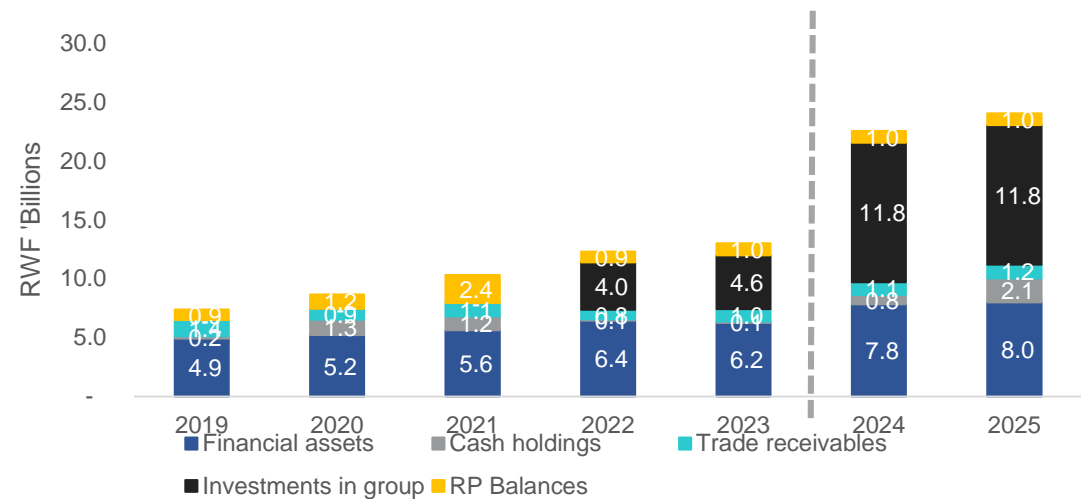


- Power production increased in 2019, 2020 and 2021 as a result of rehabilitation of the power plants.
- Adopting the monthly averages for the last 3 years (2020,2021 and 2022), production is projected to remain stable (annually) at a range of 44,000 to 48,000 megawatt-hours. Management has taken a conservative approach in projecting production units.
- The planned rehabilitation of power plants in 2024 at a cost of FRW 2 billion is expected to maintain the current plants' production capacity.
- There will be an upside in revenue due to the US tariff indexation and Rwandan Franc currency depreciation against the dollar.



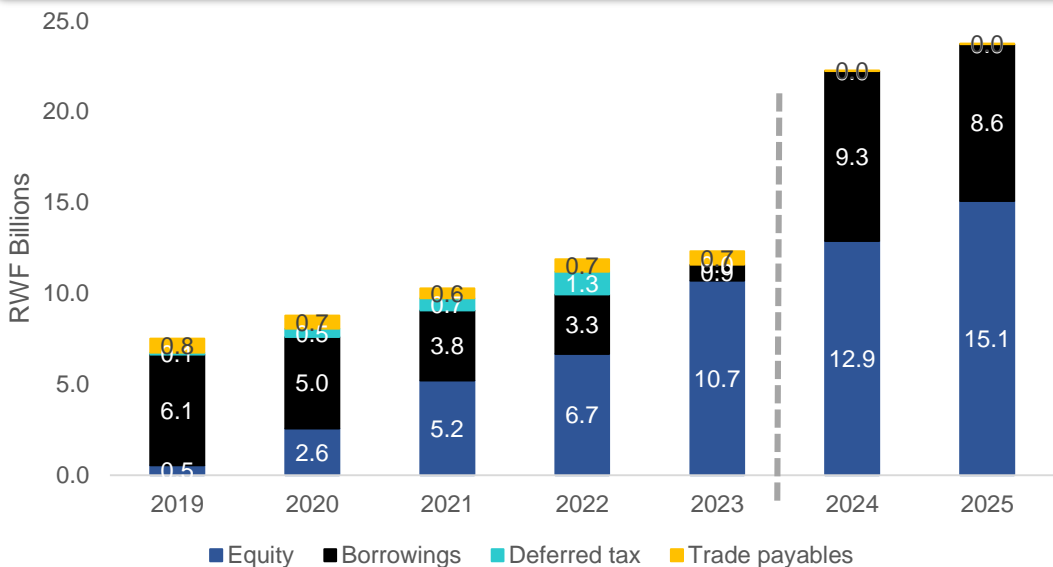
Financial Highlights (2/3)

Asset Base (FRw Bn)



- Financial assets relate to the present value of the concession agreements accounted for under IFRIC 12. Prime Energy Plc has signed 25 year concession agreements with the Government of Rwanda to rehabilitate and upgrade the power plants.
- Investments in group companies relate to Rukarara VI, a sister company and Prime Energy Holdings Ltd, the parent company. All the investments are ultimately directed towards construction of Rukarara VI. Variations in trade receivables are insignificant; they are projected to maintain the same trend going forward.
- In 2022, related party balances reduced from FRw 2.4B to FRw 0.9B as a result of a reclassification to investments in group.

Liability Structure (FRw Bn)

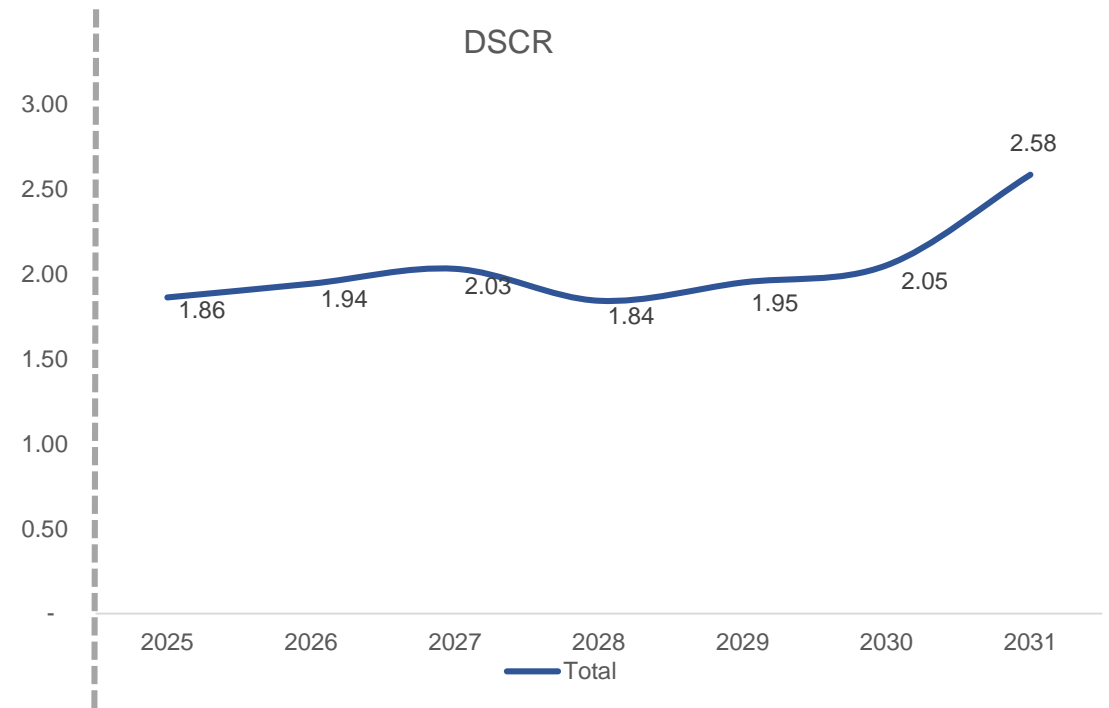


- The company's equity is expected to grow as a result of an upside in revenue caused by US tariff indexation and exchange gains arising from currency depreciation against the dollar as well as proper maintenance of plants (rehabilitation).
- Borrowings have maintained a decreasing trend from 2019 to 2023 as a result of repayments. In October 2024, the debt will rise as a result of bond issuance of FRW 9.5B.
- Semi-annual repayment of the bond will commence immediately using cash flows from the existing 4 power plants.
- Actual changes in trade payables are insignificant; the figure is projected to substantially reduce under the projections period.

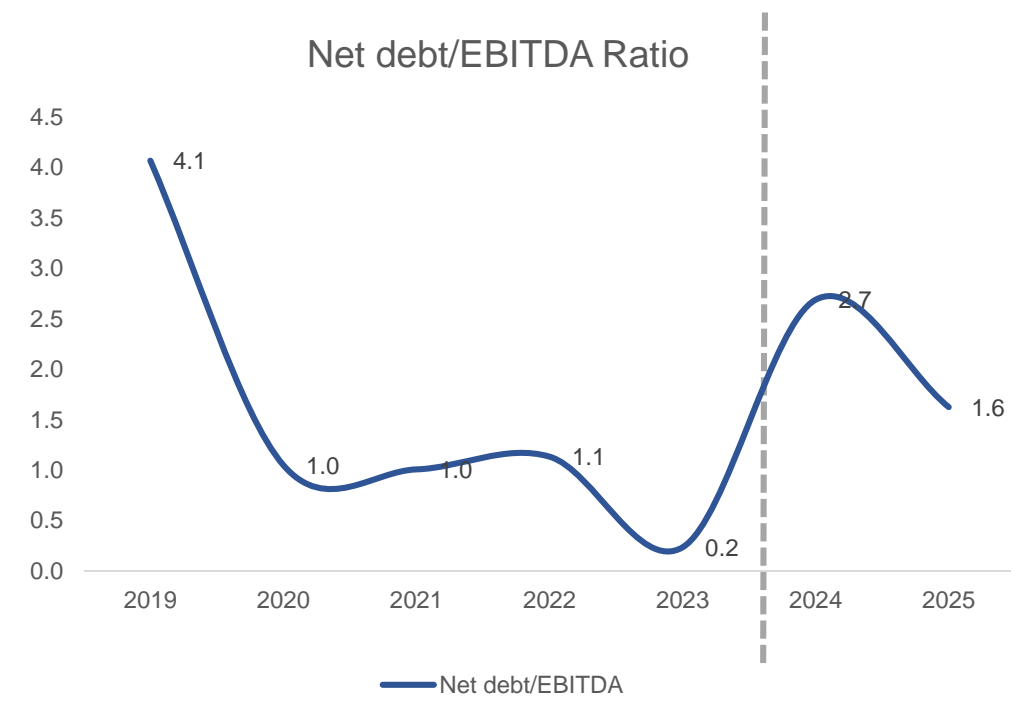


Financial Highlights (3/3)

Debt Service Cover Ratio



Net Debt / EBITDA



- The debt service coverage ratio includes both principal and interest elements.
- Management has incorporated working capital adjustment to arrive at the free cash flows to the firm.
- The ratio indicates the company’s projected ability to service both the principal and interest elements of the debt.
- The ratio improves in subsequent years as a result of an upside in the topline (revenue).
- The net debt to EBITDA ratio increases in 2024 due to debt issuance and reduces in subsequent years as the debt balance reduces.



Historical Income Statement

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
RWF '000	Audited	Audited	Audited	Audited	Audited	30-June
Revenue	2,057,913	4,176,277	3,837,055	3,536,149	3,858,474	2,575,588
Direct costs	(195,227)	(328,330)	(464,928)	(353,834)	(195,028)	(638,817)
Gross profit	1,862,686	3,847,947	3,372,127	3,182,315	3,663,446	1,936,772
Other income	26,660	42,216	28,632	20,122	-	22,292
Administration expenses	(299,091)	(324,841)	(682,538)	(369,036)	(381,659)	(245,227)
Other operating expenses	(170,476)	(50,834)	(62,818)	(51,266)	(25,270)	(12,271)
Operating profit	1,419,779	3,514,488	2,655,403	2,782,135	3,256,517	1,701,566
Finance costs	(1,072,079)	(638,940)	(437,685)	(549,416)	(302,523)	(96,975)
Profit before income tax	347,700	2,875,548	2,217,718	2,232,719	2,953,994	1,604,591
Income tax expense	(171,210)	(343,876)	(338,831)	(770,722)	1,074,898	-
Profit for the year	176,490	2,531,672	1,878,887	1,461,997	4,028,892	1,604,591



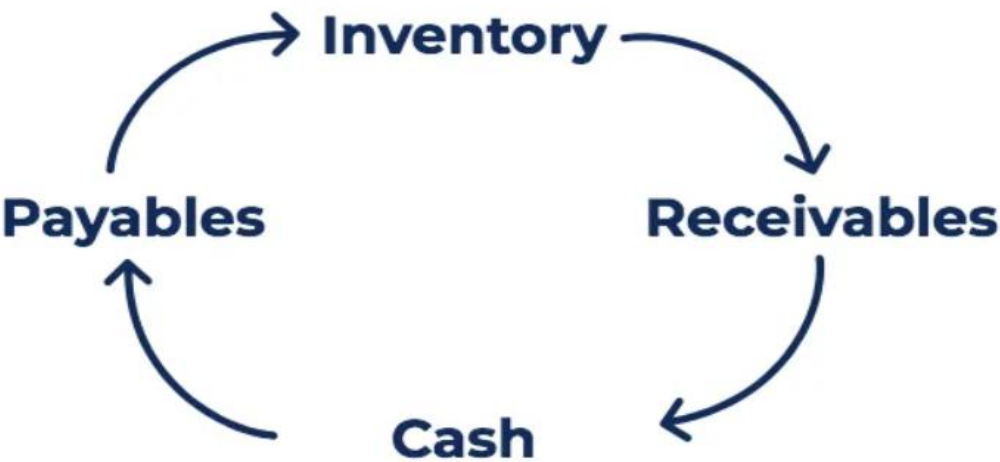
Historical Balance Sheet

RWF '000	FY 2019 Audited	FY 2020 Audited	FY 2021 Audited	FY 2022 Audited	FY 2023 Audited	FY 2024 30-June
Non-current assets						
Property plant and equipment	46,916	21,010	4,829	253	2,787	3,685
Financial asset	818,968	1,072,729	2,423,259	2,775,235	2,692,233	2,692,233
Intangible asset	38,186	36,524	35,202	33,526	31,849	31,011
Deferred tax	-	-	-	-	415,014	415,014
Investment in parent company	-	-	-	4,027,947	4,583,900	5,160,011
	904,070	1,130,263	2,463,290	6,836,961	7,725,783	8,301,954
Current assets						
Financial asset	4,077,744	4,129,992	3,192,954	3,656,728	3,551,533	3,551,533
Trade and other receivables	1,388,416	918,892	1,141,588	806,850	1,045,504	1,084,630
Cash and cash balances	204,056	1,308,716	1,154,083	103,028	112,034	110,407
Receivables from RPs	878,219	1,228,779	2,394,703	932,567	1,027,567	1,027,567
Tax recoverable	98,451	98,526	-	-	-	114,683
	6,646,886	7,684,905	7,883,328	5,499,173	5,736,638	5,888,820
Total assets	7,550,956	8,815,168	10,346,618	12,336,134	13,462,421	14,190,774
Equity						
Share capital	500,000	500,000	500,000	500,000	500,000	500,000
Retained earnings	49,584	2,081,256	4,720,232	6,182,229	10,211,121	11,815,712
	549,584	2,581,256	5,220,232	6,682,229	10,711,121	12,315,712
Non-current liabilities						
Borrowings	5,023,950	3,849,144	2,481,886	1,669,307	-	-
Deferred tax	108,380	452,256	660,741	1,254,784	-	-
	5,132,330	4,301,400	3,142,627	2,924,091	-	-
Current liabilities						
Borrowings	1,070,094	1,174,806	1,367,258	1,591,237	878,864	-
Bank overdraft	-	-	-	405,067	705,242	947,548
Trade and other payables	775,789	734,547	560,522	692,507	731,140	747,147
Payables to RP	23,159	23,159	24,159	1,000	1,000	1,000
Current income tax	-	-	31,820	40,003	435,054	179,367
	1,869,042	1,932,512	1,983,759	2,729,814	2,751,300	1,875,062
Total equity and liabilities	7,550,956	8,815,168	10,346,618	12,336,134	13,462,421	14,190,774



Financial Highlights

Cash Conversion Cycle



DSCR Calculations

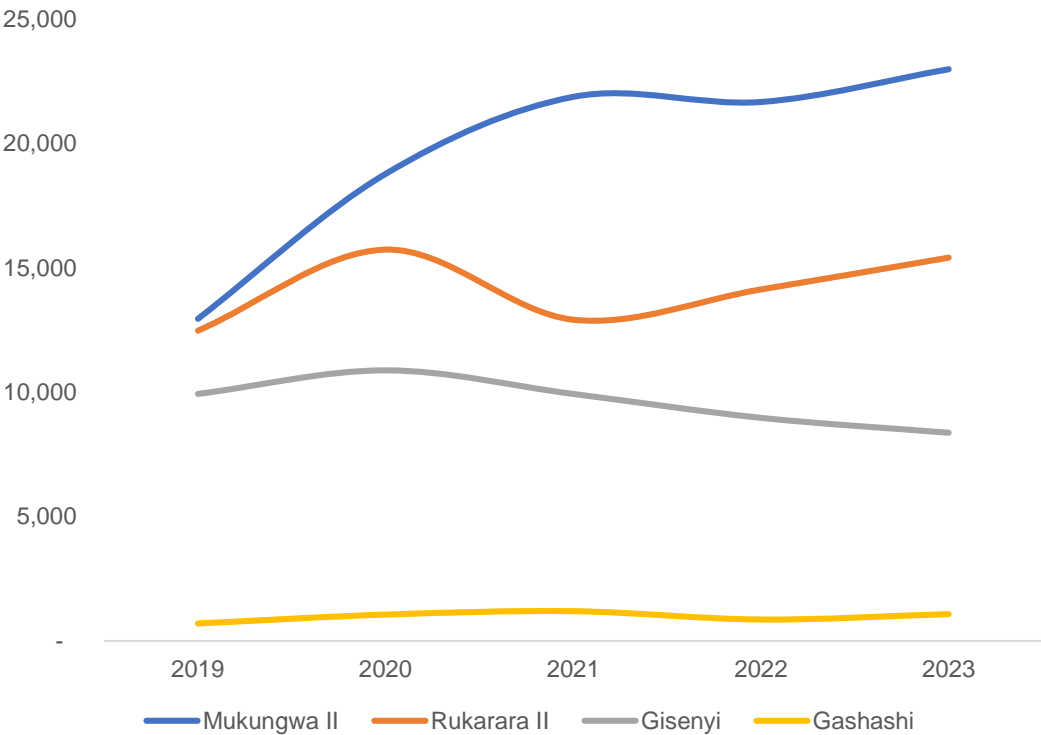
Year	2025	2026	2027	2028	2029	2030	2031
Free cash flows to the firm (M)	4,287	4,552	4,834	4,448	4,764	5,058	5,370
Total debt obligation (M)	2,302	2,343	2,381	2,414	2,443	2,466	2,078
DSCR	1.86	1.94	2.03	1.84	1.95	2.05	2.58

- At the end of every month, Prime Energy Plc and EUCL obtain meter readings and make the necessary reconciliations.
- Prime Energy Plc raises an invoice to EUCL within the first 5 days of the following month in USD using the applicable tariff rates.
- On average, EUCL makes payment within 60 days.
- At the time of payment, the utility converts the invoice amounts to FRw using the prevailing spot rates.
- On the other hand, the company meets its trading current obligations (trade payables) within 30 days of receiving products or services.



Operational Highlights

Energy Generation Mwh



Technical Parameters

Installed Capacity (MW)	7.78
Gisenyi	1.70
Mukungwa II	3.60
Gashashi	0.28
Rukarara II	2.20
Availability Factor (Assumption)	
Gisenyi	66.7%
Mukungwa II	65.9%
Gashashi	42.9%
Rukarara II	74.0%
Utilisation factor	
Gisenyi	60.8%
Mukungwa II	68.8%
Gashashi	50.0%
Rukarara II	70.0%



USD Linked Bond Amortisation Example

Bond amortisation for FRW 100,000,000 investment in Tranche Two at an interest rate of 9.5% using an indicative foreign exchange rate of FRW 1,327 per USD. The foreign exchange rates used are purely for illustration purposes and not a projection.

Month	Opening balance (USD)	Initial investment (USD equivalent)	Initial investment (FRW)	Principal repayment (USD equivalent)	Interest income (USD equivalent)	Total repayment (USD equivalent)	Closing balance (USD)	Total payable (FRW)	Closing balance (FRW)	Indicative FX rate
24-Oct-24	-	(75,347)	(100,000,000)	-	-	-	75,347	-	100,000,000	1,327
24- Apr-25	75,347	-		(3,912)	3,579	7,491	71,435	9,941,565	94,808,435	1,327
24-Oct-25	71,435	-		(4,097)	3,393	7,491	67,337	10,438,644	93,838,783	1,394
24-Apr-26	67,337	-		(4,292)	3,199	7,491	63,045	10,438,644	87,857,482	1,394
24-Oct-26	63,045	-		(4,496)	2,995	7,491	58,549	10,960,576	85,671,672	1,463
24-Apr-27	58,549	-		(4,710)	2,781	7,491	53,840	10,960,576	78,780,500	1,463
24-Oct-27	53,840	-		(4,933)	2,557	7,491	48,907	11,508,605	75,140,098	1,536
24-Apr-28	48,907	-		(5,168)	2,323	7,491	43,739	11,508,605	67,200,648	1,536
24-Oct-28	43,739	-		(5,413)	2,078	7,491	38,326	12,084,035	61,828,278	1,613
24-Apr-29	38,326	-		(5,670)	1,820	7,491	32,656	12,084,035	52,681,086	1,613
24-Oct-29	32,656	-		(5,939)	1,551	7,491	26,716	12,688,237	45,254,373	1,694
24-Apr-30	26,716	-		(6,222)	1,269	7,491	20,495	12,688,237	34,715,719	1,694
24-Oct-30	20,495	-		(6,517)	974	7,491	13,978	13,322,649	24,860,303	1,779
24-Apr-31	13,978	-		(6,827)	664	7,491	7,151	13,322,649	12,718,519	1,779
24- Oct-31	7,151	-		(7,151)	340	7,491	-	13,988,781	-	1,868



Transaction Timetable

No.	Event	Date
1.	Reopening Announcement	Thursday, Sep 26 th 2024
2.	Offer Opening Date– the date the Offer opens	Thursday, Sep 26 th ,2024
3.	Closing or Closure Date – the day the Offer closes	Thursday, Oct 17 th , 2024
4.	Date of Allocation	Friday, Oct 18 th , 2024
5.	Announcement Date	Monday, Oct 21 st , 2024
6.	Settlement Date	Thursday, Oct 24 th , 2024
7.	Announcement of results to CMA	Thursday, Oct 24 th , 2024
8.	Public Announcement	Friday, Oct 25 th , 2024
9.	Electronic crediting of Bonds to CSD accounts	Tuesday, Oct 29 th , 2024
10.	Refund Date	Wednesday, Oct 30 th , 2024
11.	Listing on RSE and Commencement of Trading	Thursday, Oct 31 st , 2024



Green Bond Structure

International Capital Market Association (ICMA) Green Bond Principles (GLBPs)



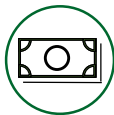
Eligible use of proceeds

- Renewable Energy,
- Environmentally Sustainable Management of Living
- Natural Resources and Land Use,
- Integrated Pollution Prevention and Control



Project selection and evaluation

- Comply with the company's Environmental and Social Risk Management Policy



Management of proceeds

- Proceeds will be held in its treasury liquidity portfolio in cash, cash equivalents, money market funds, or equivalent
- Green ring-fenced



Reporting

- Prime Energy PLC will publish a Green Bond Report on its website annually until all of the funds raised for Green Bond issued



Verification

- Independent external verification
- Limited or reasonable assurance

Key Parties

Green Framework
Development and
Verification



Green Bond Second
Opinion Provider



Rationale for investing in a Green Bond

- Long-Term Stability - Green bonds offer stable, long-term returns due to its emphasis (focus) on sustainability.
- Diversification - Can help investors with portfolio diversification and therefore overall risk reduction
- Climate Risk Mitigation - Investing mitigates climate risks in the long term.
- Brand Enhancement - Can help boost brand image and reputation, possibly leading to other benefits.
- ESG Alignment: Neatly aligns with ESG goals.



Transaction Advisors

<p>Transaction Advisor and Sponsoring Broker</p> 	<p>Receiving Bank, Fiscal Agent and Registrar</p> 	<p>Legal Advisor</p> 	<p>Green Bond Second Opinion Provider</p> 
<p>Financial Advisor</p> 	<p>Reporting Accountant</p> 	<p>Trustee</p> 	<p>Technical Audit</p> 



Value Proposition of the Transaction





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Thank you!

