

Working Capital and Inventory Monetisation Facility / Pre-NDA

December 2020

Executive Summary

- A major listed south Asian electricity producer with substantial raw materials import capability is looking to obtain:
 - a \$50mm, 180-day working capital and inventory monetization facility
 - as well as raise \$30mm as a term loan
- UoP of the WCF is the financing of inventory and overseas raw material imports as well as the replacement of existing LC lines.
- UoP of the Term Loan is refinancing existing debt due June 2024 at a lower coupon on a 5-year tenor preferably with a bullet repayment. There is history of successful refinancing of term loans.

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Throughout this presentation, the term "Group" collectively refers to the listed Ultimate Parent Company as well as its subsidiaries and affiliate companies.

Summary Term Sheet - WCF

BORROWER	SPE to be incorporated with a mandate to purchase Inventory from Buyer(s) or Approved Sellers, ring fence inventory, receivables from Buyer(s) and to conduct independent marketing of Inventory.
AMOUNT	\$50mm Revolving
INVENTORY	Inventory of Commodity that is consumed by power plants of the Group to generate electricity, stored in certain Approved Locations.
LENDER	[RECIPIENT]
BUYER(S)	Approved purchasing companies of the Group
ULTIMATE PARENT	A major listed south Asian electricity producer with rated debt on public bond markets
SUBSIDIARY(IES)	One or more subsidiaries of the Ultimate Parent who will maintain an investment in the Borrower and/or guarantee certain obligations of the Borrower to the Lender.
OTHER BUYERS	Non-Group companies for Borrower to independently market Inventory
APPROVED SELLERS	Trading companies or major commodity producers to be supplying Inventory approved by the Borrower, Lender and the Group. The Ultimate Parent has longstanding supply relationships with the Approved Sellers.
RETURNS AND ECONOMICS	[TBD]
AVAILABILITY PERIOD	[5] years minus 190 days.
DRAWDOWN & REPAYMENT	Drawdowns are uncommitted. Each drawdown is at the discretion of the Borrower [and approved by the Lender] on a case-by-case basis subject to fulfillment of [Undertakings and Conditions TBD] and no default outstanding before each drawdown. Amounts repaid under the Facility will be drawable up to the Availability Period.
TENOR	180 days from vessel tendering NOR at the port of discharge of Inventory.
SECURITY	Drawdowns are to be secured by: [Assignment or transfer of Eligible Security to Borrower as per LTV Components]
USE OF PROCEEDS	The Facility Proceeds will be used to replace existing L/C purchasing facilities that the Ultimate Parent maintains with a number of south Asian banks. At the current market price, [3-5 cargo vessels] of inventory will be outstanding at any given time.
OTHER	Borrower shall maintain certain rights to independently source cargoes and provide ancillary services to Buyer(s) or Other Buyers. Including but not limited to vessel chartering, credit and market risk hedging. It shall maintain CMAs/SMAs where appropriate.

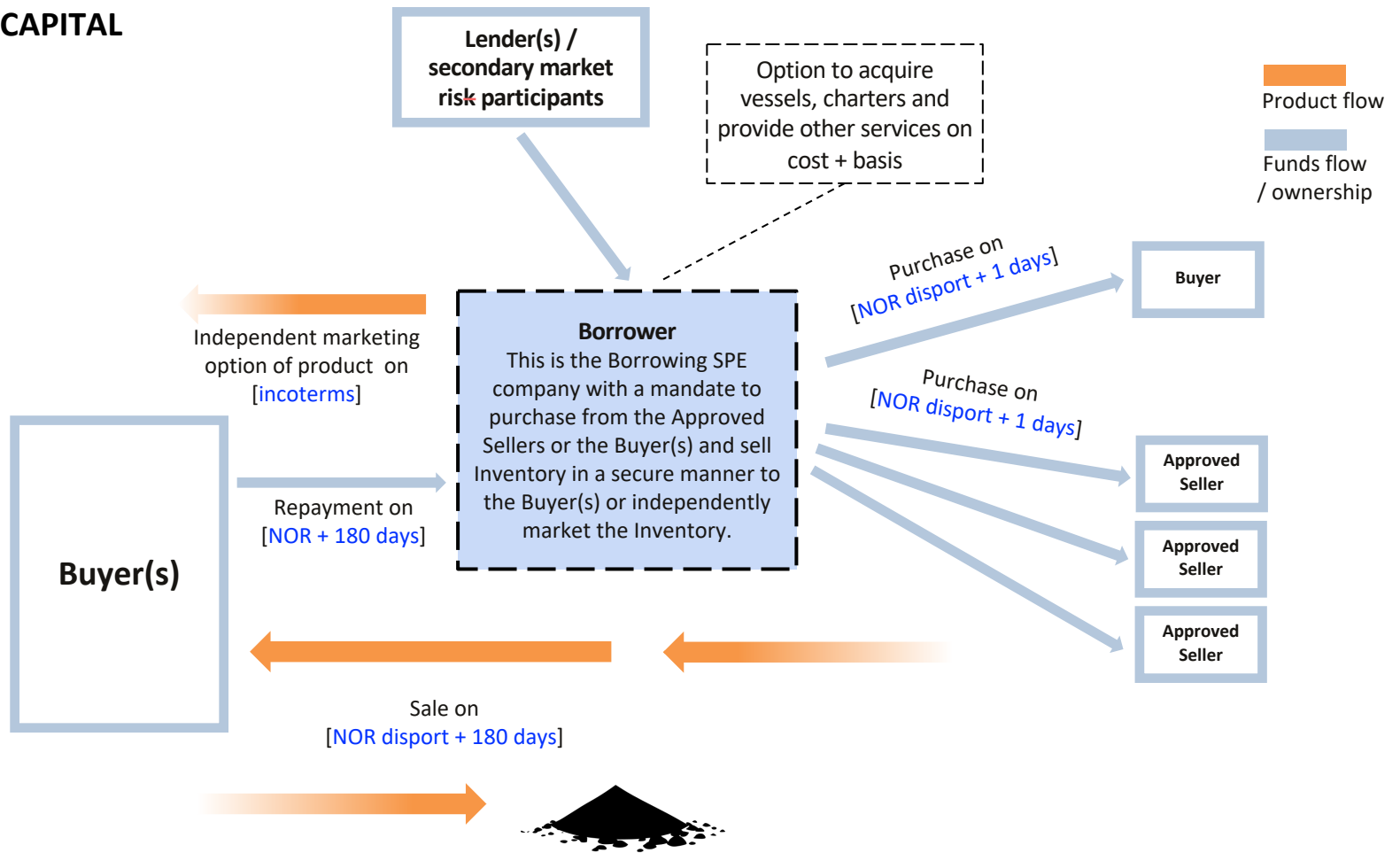
Summary Term Sheet – WCF(cont)

ELIGIBLE SECURITY	<ul style="list-style-type: none"> • Title to Inventory • Floating pledge over Inventory • Assignment of proceeds under certain sale contracts that Subsidiaries maintain with their clients to be deposited into a charged account • Share pledge of certain material Group companies • Joint and several liability guarantees provided by the Ultimate Parent and Subsidiary(ies)
LTV Components	<p>[%] of BL Outturn Quantity of Inventory at disport. The LTV shall include among others:</p> <ul style="list-style-type: none"> • Cost of evacuation of product from Approved Storage Facilities in country – logistics, legal and financial • Market risk of unhedged inventory accounting for basis risk • Estimated liquidity of Inventory as judged by Commodity Indices • Eligible Security • Commodity Indices
COMMODITY INDICES	<p>At least two independent sources of readily accessible commodity indices (e.g. Platts, CME, Argus Metals, Metalbulletin) and published under pre-agreed headings.</p>
APPROVED LOCATIONS	<p>Pre-Approved locations where inventory may be stored segregated from stock held by the Buyer and its affiliates, to be held, assigned to or controlled by the Borrower</p>
DOCUMENTATION	<ul style="list-style-type: none"> • Master Sale and Purchase Agreement with pertinent annexes and confirmations governing the purchase, sale and marketing of Inventory • Applicable joint and several liability guarantees • Logistics agreements (including inland transport and port logistics agreements that the Buyer(s) have) to be established and maintained for Borrower's use as appropriate • Share pledge agreements • CMA/SMA agreements • Applicable cargo insurance policies against theft, misappropriation, nationalization and product losses to be maintained by Borrower and/or Loss Payee status afforded to the borrower under the Group's policies • Pertinent legal opinions on offshore/onshore structure • Incorporation documents of the Borrower • [if applicable] Lending agreement (LMA, BBA) with full recourse to the Borrower and Buyer(s) • Escrow Account and Receivables Assignment agreements • Purchasing agreements with Approved Sellers • Associated servicing agreements for sampling, security and other not covered by the SMA/CMA

Summary Term Sheet - TL

BORROWER	Material Operating Subsidiary of the Ultimate Parent
AMOUNT	GBP 22mm / USD 30mm
SECURITY	[Fixed pledge of certain material power plant units], [Joint and several liability guarantee from Ultimate Parent and other material subsidiaries]
LENDER	[RECIPIENT]
TENOR	5 years in [June 2025/6]
CURRENCY	[GBP] / [USD]
COUPON	[<9% per annum paid semi-annually for USD, <9% per annum paid semi-annually for GBP] on 30/360 basis.
KEY COVENANTS	[TBD], usual restrictions on permitted borrowing, negative pledges, restricted subsidiaries and asset disposals
ULTIMATE PARENT	A major listed south Asian electricity producer with rated debt on public bond markets
REGISTRATION REQ. / LISTING MARKET	[TBD]
AVAILABILITY PERIOD	[30] days from execution.
REPAYMENT	Bullet lump sum at end of term.
USE OF PROCEEDS	Finance day-to-day working capital needs and refinance existing Term Loan due June 2024
REDEMPTION	Redeemable only at maturity
BUSINESS SUMMARY	<p>The Borrower is a material operating subsidiary of the Ultimate Parent company. The Group is engaged in power generation and wholesale electricity sales in a key south Asian country. The total power generation portfolio includes close to 500MW of renewable and non-renewable power generation capability and a generation capacity-weighted average fixed asset portfolio age of 8 years. The Business expects demand for its product to increase following lifting of lockdowns in the country of operations. It has a history of successfully refinancing outstanding debt. The Group has an established capability to access international and domestic markets for its inputs. It has key long-term off-taker relationships with government owned entities in the region. As of March 2020, over 80% of the plant's capacities are sold on 1-3 years' tenors.</p>
SELECTED OPERATING & CREDIT METRICS	<ul style="list-style-type: none"> • Revenue : >\$200mm • Adj. EBITDA : >\$30mm • Pre-W/C Cash from Operations : >\$30mm • Net Debt / Capital : <30% • Net Debt / Adj. EBITDA : <2.0x • [REDACTED] • [REDACTED]

WORKING CAPITAL FACILITY



Initial disbursement: Assignment of Inventory by Buyer(s) in Approved Locations to maintain LTV throughout tenor
Subsequent disbursements: Borrower will control inventory movement via CMA or holding title

Funds flow & W/C cycle

