

Participation in 100MW Solar Photovoltaic IPP Projects in Tunisia

- The first Renewable Energy Project for Aeolus -

Aeolus SAS ("Aeolus") and Scatec ASA ("Scatec"), a leading renewable energy provider headquartered in Oslo - Norway, have signed a partnership agreement to jointly develop and own renewable energy projects in Tunisia. In parallel, financial close has been achieved for Sidi Bouzid and Tozeur solar projects with capacity of 50 MW (60MWp) respectively, which are part of the partnership agreement.

These are the first renewable energy projects for Aeolus, and also the first renewable energy projects in the country for the Toyota Tsusho Group.

1. Background

Tunisia relies on imports for most of its energy sources, such as oil and natural gas, with thermal power generation accounting for the majority of domestic power generation capacity. The Government of Tunisia has an ambition to increase the renewable energy share to 35% of the country's energy mix by 2030 and is running a renewable energy procurement program to achieve this target. The partnership agreement with Scatec outlines a joint ambition to participate in the program to accelerate access of renewables in the country.

2. Project Overview

Aeolus and Scatec will jointly develop, own, and operate the solar power plants in the Sidi Bouzid and Tozeur of Tunisia, each with a capacity of 50 MW respectively. Aeolus will take a 49% stake in the project, while Scatec ASA will take 51% stake. Construction is scheduled to begin in August 2024, and after the completion of the construction, the power will be sold to the national utility under a 20-years power purchase agreement with option for a 10-year extension.

The total project cost is approximately 79 million euros. The projects are financed through non-recourse project finance debt, including from the European Bank of Reconstruction and Development ("EBRD") with concessional financing mobilized by EBRD and provided by the Clean Technology Fund and the Global Environment Facility, and Société de Promotion et de Participation pour la Coopération Economique ("Proparco"). Aeolus is also supported through the political risk insurance provided by the Multilateral Investment Guarantee Agency ("MIGA") of the World Bank Group.

In addition, this project has been selected by Ministry of the Environment, Japan for Financing Programme for Joint Crediting Mechanism ("JCM") Model Projects* in FY2023.

Toyota Tsusho Group promotes carbon neutrality in order to deliver a better global environment for future generations. In Africa, under the key message "for the future children of Africa", we will continue to promote green businesses that contribute to solving social issues and realizing economic growth in Africa.



3. comments from representatives of the companies

Hideharu Toba, President of Aeolus

"We are delighted to have partnered with Scatec on these projects. We extend our gratitude to Scatec for their persistent efforts over the years and their trust in us. These projects mark Aeolus's first commemorative investment since our establishment in March 2024. We are also grateful for the cooperation and efforts of the governments of Tunisia and Japan, as well as the lenders, MIGA, advisors and everyone involved in bringing these projects to fruition. Aeolus remains committed to contributing to the development of Tunisia and other African countries through renewable energy projects."

Terje Pilskog, CEO of Scatec

"We are excited to welcome Aeolus – Toyota Tsusho Group on board for the development of our projects in Tunisia. We would like to thank Toyota Tsusho Group's management for their support and trust in Scatec and are looking forward to embarking on the construction phase of the two projects. The partnership highlights our track record in structuring projects, securing strong partners, and obtaining the necessary financing to drive profitable renewable energy projects forward. We would like to thank our key lending partners and the Government of Tunisia and Japan for their support and drive of the green transition in the region."

Nandita Parshad, Managing Director, Sustainable Infrastructure Group, EBRD

"We are proud to partner with Scatec and Aeolus - Toyota Tsusho Group on their first utility-scale solar projects in Tunisia. These projects, cofinanced with our long standing partners Proparco, the Clean Technology Fund and the Global Environment Facility, are a testament to the sponsors' commitment to support the development of Tunisia's renewable energy sector."

Françoise Lombard, CEO of Proparco

"We are very proud to strengthen our long-term relationship with Scatec, a key player in the renewable energy sector across emerging markets, and to join forces with Aeolus - Toyota Tsusho Group, as both are now jointly engaged in the Sidi Bouzid and Tozeur solar projects that we have supported from the inception."

Hiroshi Matano, MIGA Executive Vice President

"MIGA is pleased to provide a political risk insurance guarantee to support the two sustainable energy projects in Tunisia. The two solar plant projects in the country showcase the crucial role of multilateral development banks in enhancing renewable energy production at competitive costs in developing countries."



Project Overview

Location	Sidi Bouzid and Tozeur, Republic of Tunisia
Business description	Generation and sale of solar photovoltaic (PV) power
Investment ratio	SCATEC ASA 51%, AEOLUS SAS 49%
Power generation capacity	50 MW (60 MWp) x 2
Electricity purchaser	Société Tunisienne de l'Electricité et du Gaz (STEG)
Total project cost	approximately EUR 79 million
Financial group	European Bank of Reconstruction and Development (EBRD) with concessional financing mobilized by EBRD and provided by the Clean Technology Fund (CTF) and the Global Environment Facility (GEF), and Société de Promotion et de Participation pour la Coopération Economique (Proparco)

**Ministry of the Environment, Japan has been implementing the “JCM Model Projects,” which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan’s GHG emission reduction and the partner countries’ emission reduction target. This project is being implemented with the cooperation of the Tunisian and Japanese governments.*

