

# »»» **DEG – more than finance:** We shape transformation

Infrastructure & Energy  
May 2023

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**KFW** DEG

IMPACT

CLIMATE

DEVELOPMENT

# Introduction to DEG

One of the world's leading development finance institutions (DFI)

## Who is DEG?

- **Our job is financing development:** DEG is Germany's development finance institution
- **Focused strategy:** DEG's mandate is to support the private sector in developing markets
- **AAA rated shareholder:** DEG is indirectly owned by the Federal Republic of Germany through its parent company KfW

## Where is DEG?

- **European base:** Headquartered in Cologne, Germany
- **Local presence:** 21 global offices in all major developing regions, local network in > 80 local offices of KfW
- **Global reach:** Investment portfolio of around EUR 9.2bn across 90+ developing economies

## Which funding solutions does DEG offer?

- **Long term partnership:** DEG specialises in long-term funding (up to 21 years; depending on structure)
- **Financial instruments:** Fund investments, direct equity, mezzanine and senior loan funding solutions
- **Multiple currencies:** DEG offers EUR, USD, and selected local currencies
- **Other products:** DEG offers technical assistance programs ("BSS") and provides further promotional funding solutions (e.g. AfricaConnect, Upscaling, develoPPP)

## Who are DEG's clients?

- **Business clusters:** Infrastructure & energy, industries & services, financial sector
- **Diverse businesses:** Project developers, entities of local and international groups, family-owned businesses, PE funds, financial institutions, medium-seized businesses, multinational stock-listed firms
- **Strong sponsors with a proven track record:** technical & financial experience, qualified management, transparent shareholding structure and accounting system

# Worldwide presence of KfW Group and DEG

Approx. 80 offices and representations with regional experience and networks



**DEG has established contacts in key regions and main foreign markets and can ensure physical proximity for optimal advisory support across borders**

# Financing solutions – Infrastructure & Energy

DEG can provide tailor-made financing products for your infrastructure projects

## Long-term loan

- **Ticket size**  
USD 15-60m (up to USD 150m can be mobilized)
- **Currencies**  
USD, EUR, BRL, CNH, INR, COP, MXN, PEN, ZAR, PHP, TRY
- **Interest rate:**  
Fixed/ variable based on risk
- **Collateral:**  
Standard non- or limited-recourse project financing security packages

## Mezzanine finance

- **Ticket size:**  
USD 10 – 30m
- **Equity mezzanine:**  
Significant equity kickers (e.g. conversion rights, warrants, performance-linked returns etc.)
- **Debt mezzanine:**  
i.e. long tenor, no-, partial-, subordinated collateral, subordinated debt service, partially performance linked returns
- **IRR** depending on project and country risk

## Equity capital

- **Ticket size:**  
Usually USD 10-30m
- **Fund investments:**  
Investments in infrastructure & energy funds
- **Direct equity:**  
Minority stakes, up to 25% of share capital; strong minority rights required; exit-driven or long term investments
- **Flexible structures:**  
Sub. Loans, convertible loans, preferred shares etc.
- **IRR** depending on project and country risk

**DEG's involvement as a long-term financier or an anchor investor can have a catalytic effect**

# Focus Sectors

## Infrastructure & Energy

### Energy

Wind  
Hydropower  
Solar  
Geothermal  
Hydrogen



Solar power



Wind power



Hydropower



Geothermal power

### Telecom

Mobile Network Operators MNO  
Tower Companies  
Telecom Energy Service Company  
Fibre Companies  
Data Center



Telecom & digital  
infrastructure

### Water

Bulk Water Supply  
(incl. Desalination)  
Integrated Water Utilities  
Waste Water Treatment



Water supply &  
waste water treatment

### Transportation

Ports - Sea & river ports,  
port related infrastructure  
Airports  
Roads  
E-Mobility



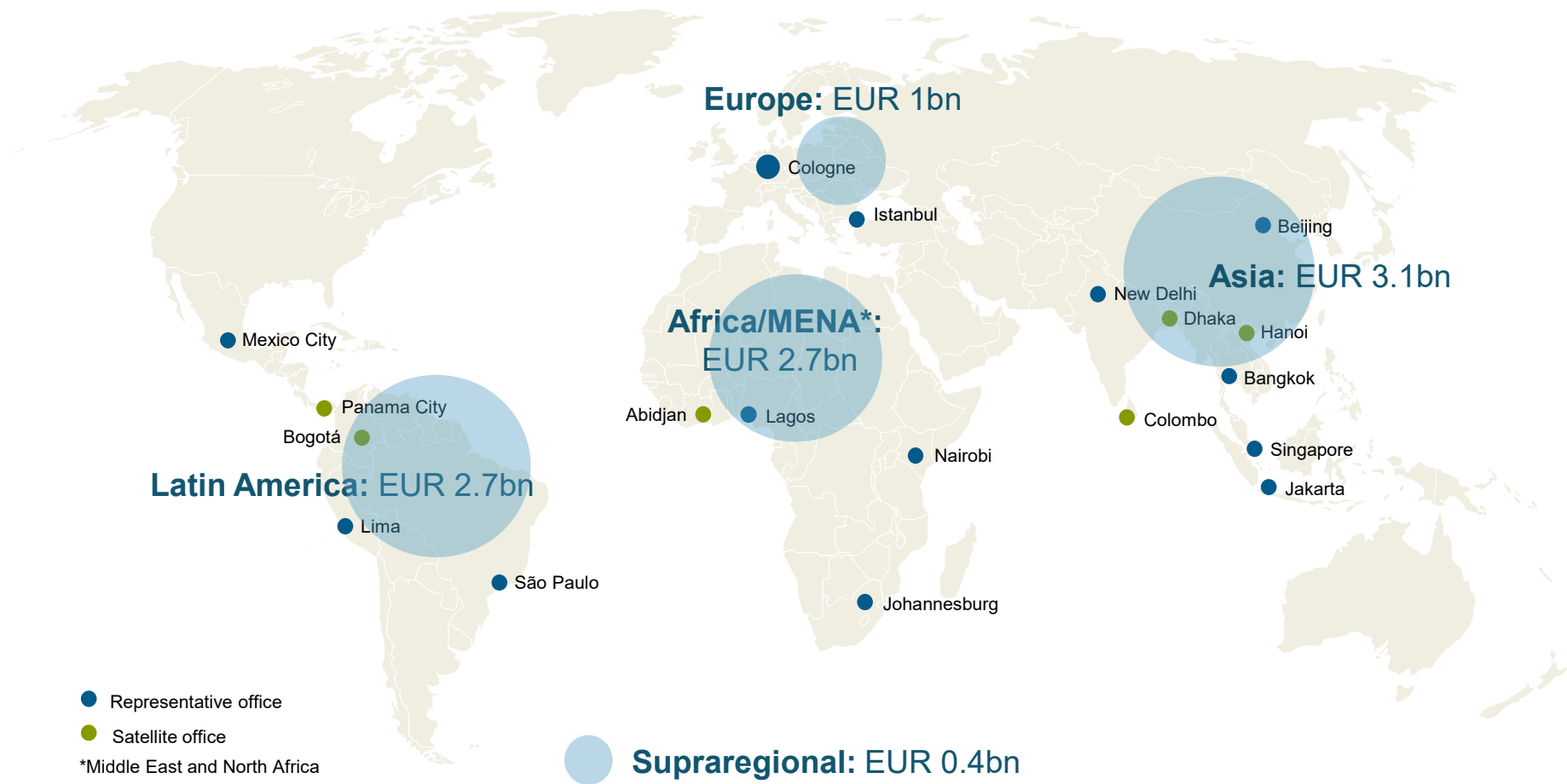
Transport  
infrastructure



# Portfolio

# DEG portfolio 2022

EUR 9.9bn invested worldwide. 19 locations.















# Success stories



# Debt Portfolio: Energy

Financing energy transformation and sustainability efforts is a key pillar of DEG's strategy

## Sustainable Energy – Solar, Hydro and Wind

<b>NUKUS</b>  USD 25 mn Senior Loan  Wind  Uzbekistan 2023	<b>DZANWIND</b>  USD 30 mn Senior Loan  Wind  Uzbekistan 2022	<b>BASHWIND</b>  USD 30 mn Senior Loan  Wind  Uzbekistan 2022	<b>MAAN</b>  USD 18,6 mn Senior Loan  Solar Power Plant Jordan 2022	  USD 27,5 mn Green Bond  Solar Park  Egypt 2022	<b>B.GRIMM</b>  USD 40 mn Green Bond  RE <u>suprasectoral</u>  Thailand 2022
  USD 37 mn Senior Loan  Combined Cycle Power Plan Uzbekistan 2021	  USD 15.7 mn Senior Loan  Combined Cycle Power Plant Armenia 2021	<b>YDE</b>  USD 15 Mio Senior Loan  Solar Power Plant  Jordan 2021	  USD 28,2 Mio Senior Loan  Geothermal Power Plant Nicaragua 2021	  USD 60 mn Senior Loan  Solar Park Portfolio Chile 2021	  USD 20.8 mn Senior Loan  Solar Park  Cambodia 2020
  USD 26.5 mn Senior Loan  Wind Power Plant  Indonesia 2020	  USD 12.8 mn Senior Loan  Wind Park  Pakistan 2019	  USD 30 mn Senior Loan  Solar Power Plant  Jordan 2019	  EUR 16.4 mn Senior Loan  Solar Power Plant Armenia 2019	  USD 40 mn Senior Loan  Bauxite Mining  Guinea 2019	  USD 12.7 mn Senior Loan  Wind Power Plant  Pakistan 2019

DEG provides financing for all major sustainable energy asset classes

# Debt Portfolio: Infrastructure

DEG has a successful track-record in all major infrastructure asset classes

## Water & Sanitation



USD 25 mn  
Green Bond

Water Supply

China 2022



USD 45 mn  
Eurobond

Waste Services

Georgia 2020



EUR 30 mn  
Senior Loan

Water Supply

Georgia 2019



USD 38 mn  
Senior Loan

Waste Water Treatment Plant

Oman 2018



USD 100 mn  
Syndication of Senior Loan

Water Supply

China 2018




EUR 35 mn  
Senior Loan

Hydro Plant

Cameroon 2018

## Transport



EUR 34.5 mn  
Senior Loan

Airport

Kazakhstan 2021



USD 25 mn  
Senior Loan

Liquid Storage Terminal

Mexico 2021



EUR 34.5 mn  
Equity

Road Infrastructure

India 2019



EUR 22.4 mn  
Senior Loan

Airport

Serbia 2018



USD 30 mn  
Senior Loan

Deep Water Port

Ecuador 2018



USD 30 mn  
Senior Loan

Storage of Crude Oil

South Africa 2018

## Telecoms

TORRECOM

20 mn  
Senior Loan

Tower Company

UER America 2023



USD 19.4 mn  
Senior Loan

Tower Company

Philippines 2022



USD 23 mn  
Bond

Telecommunication

China 2022



USD 25 mn  
Euro Bond

Existing Bond Refinancing

Mauritius 2021



USD 20 mn  
Senior Loan

Tower Company

China 2021



USD 55 mn  
Senior Loan

Energy for Telecom Towers

Lebanon 2019

DEG finances the entire water value chain; transport infrastructure from (air)-ports via roads to e-mobility and offers financing for telecoms & digitalization

# Equity Portfolio Infrastructure & Energy

Equity investments are an integral part of DEG's infrastructure & energy strategy

Energy		Telecoms & Transport		Funds	
<b><u>Eranove</u></b>  EUR 20 mn Equity  <u>Energy &amp; Water</u>  <u>Ivory Coast</u> 2021	<b><u>WPD</u></b>  EUR 24mn Equity  Wind Power  Chile 2019/2020	<b><u>Eastcastle</u></b>  USD 8 mn Equity  Telecom Towers  Pan-African 2021	<b><u>AMN</u></b>  USD 8 mn Equity  Telecom Towers  Pan-African 2021	<b><u>Convergence Partners Digital Infrastructure Fund</u></b>  EUR 19 mn Fund  Digital Infrastructure  <u>Africa</u> 2022	<b><u>Ashmore Andean Fund II</u></b>  USD 16 mn Fund  Infrastructure & <u>Energy</u>  <u>Latam</u> 2022
<b><u>Avaada</u></b>  EUR 31 mn Equity  Solar/Wind-Platform  <u>India</u> 2019	<b><u>Tesla</u></b>  EUR 14 mn Equity  Wind Power  <u>Serbia</u> 2018	<b><u>Oriental Infrastructure</u></b>  EUR 33 mn Equity  Toll roads  <u>India</u> 2019	<b><u>IHS</u></b>  USD 25 mn Equity  Telecom Towers Pan-African 2014	<b><u>North Haven India Infrastructure Fund</u></b>  USD 20 mn Fund  Infrastructure  <u>India</u> 2019	<b><u>Denham International Power Fund</u></b>  USD 40 mn Fund  <u>Energy</u>  Global 2017
<b><u>Azure Power</u></b>  EUR 10 mn Equity-Mezz  Solar Power  <u>India</u> 2015	<b><u>Welspun</u></b>  EUR 28 mn Equity-Mezz  Solar/Wind-Platform  <u>India</u> 2014	<b><u>TIA</u></b>  EUR 3 mn Equity  Airport  <u>Albania</u> 2005		<b><u>African Infrastructure Investment Fund 3</u></b>  USD 40 mn Fund  Infrastructure  Pan-African 2017	<b><u>Pembani Remgro Infrastructure Fund</u></b>  USD 24 mn Fund  Infrastructure  Pan-African 2015

DEG provides equity financing via dedicated infrastructure funds and direct investments

# 1GW Renewable Energy in Uzbekistan

Customer: ACWA Power Bash & Dzhankeldy Wind



Picture credits: KfW-Bildarchiv / Bernhard Schurian

## The customer

- ACWA Power Bash & Dzhankeldy Wind are two project companies established to develop, construct and operate two 500 MW wind power plants in Uzbekistan.
- Sponsor and shareholder is ACWA Power, an experienced international developer, investor, co-owner and operator of power generation and desalinated water plants.

## Services provided by DEG

- DEG participated in the long-term senior debt financing for the two projects by providing two loans totaling USD 60 million.
- DEG played an active role in structuring the financing and improving E&S standards alongside a club of multilaterals and DFIs as well as commercial banks.
- DEG's largest renewable energy project to date across its regions

## The investment and its impact

- The projects benefit from a 25-years USD-indexed PPA.
- The power plants will generate around 3,200 GWh of green energy p.a. and help reduce annual CO2 emissions by 1,800,000 tons after achieving COD in 2025.
- The projects are an important element of the power sector development strategy of Uzbekistan contributing to the targeted development of 12 GW of solar and wind capacity by 2030 to meet growing energy demand and increasing the share of renewables in the energy mix to 25%.



# Solar power in Chile with German partner

Customer: Condor Solar SpA (Oenergy)



Picture credits: AdobeStock/357023493/Inveru

## The customer

- Condor Solar SpA is a privately owned renewable energy holding in Chile owned by Blue Elephant Energy AG (Germany) and oEnergy Capital SpA (Chile)

## Services provided by DEG

- DEG contributes to the financing of the project by providing a senior loan of 60m USD together with co-lender Cofides who adds another senior loan USD 15m

## The investment and its impact

- Portfolio of 12 greenfield solar PV plants with a total capacity of 99MW in the region of Santiago de Chile achieving COD in H1 2023
- The project is part of the small-scale distributed generation program ("PMGD") and generates energy to be sold at stable and regulated price.
- By exploiting the irradiation potential of the country, the project provides an additional energy source and enables Chile to reduce the import of fossil fuels as well as greenhouse gas emissions

# First Utility Scale Solar Power Plant in Cambodia

Customer: Risen Energy (Cambodia) Battambang Co., Ltd.



Picture credits: AdobeStock/67544874/kessudap

## The customer

- The SPV has been established by Risen Energy Co., Ltd. to implement a greenfield 60 MW solar PV project in Battambang province, Cambodia.

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## Services provided by DEG

- Tailor made, well-balanced financing structure attractive to both client and financing partners.
- DEG arranged and lead the consortium of USD 44.8 million debt project financing for the development, construction and operation of the power plant.

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## The investment and its impact

- The Project is the first major utility scale power plant in Cambodia.
- It will mitigate the existing power crises in the country; it will produce enough electricity to power approximately 100,000 Cambodian households.
- It will offset the equivalent of 59,400 tons of carbon dioxide during each year of operation.



# DEG anchors Eurobond issued by Liquid Telecommunications

Customer: Liquid Telecommunications



Picture credits: AdobeStock/333721586/ Courage

## The customer

- LIQUID Telecommunications ('LIQUID') is a leading technology and digital solutions provider across 14 African countries that serves MNO, enterprise and retail customers with high-speed, reliable connectivity and digital services.
- Largest independent fiber network operator in Africa with a network >100,000 km covering more than 300 cities

## Services provided by DEG

- DEG anchored the USD 620mn bond issue as a hold-to-maturity investor with an investment of USD 25mn in support of the second Eurobond issue by Liquid

## The investment and its impact

- Refinance a previously issued USD 730mn Eurobond that was due in 2022 and to improve and stabilize the clients financing structure in terms of tenor and cost.
- Liquid has established and leading technology brands, including Liquid Intelligent Technologies and Liquid Cloud across multiple countries that offer network and services like internet access, cloud solutions and cybersecurity
- Approx. 150 mn people are linked to Liquid's network.

# Green Project Finance Bond

Customer: Scatec



Picture credits: AdobeStock/ 462867683/contributor\_aerial

## The customer

- Scatec – renewable energy developer
- Underlying assets:
  - six PV plants in the BenBan solar complex in Egypt

## Services provided by DEG

- Anchor investment in Green Project Bonds USD 334.5m
  - USD 84.5m institutional investors (benefiting from MIGA and liquidity support facility)
  - USD 250m DFIs (EBRD; DFC; FMO, DEG)

## The investment and its impact

- Bundling and refinancing of existing project financings on each PV plant (SPV)
- Extending tenor from originally 18 to now 21 yrs (19yrs of new bonds)
- Benefit sharing with Government of Egypt of discounted cash flows to be invested in new Renewable Energy projects in the country
- First private placement, SPV issued Bond on SOFR basis



# Airport acquisition, expansion and sustainable transformation

Customer: TAV Kazakhstan LLP



Picture credits: AdobeStock/178863677/Chalabala

## The customer

- The domestic SPV's main Sponsor (85%) is TAV Airports, who has together with its shareholder Groupe ADP, a strong track-record in global airport management.

## Services provided by DEG

- USD 38.8 mn within a 15Y project financing (jointly arranged by IFC/EBRD) of up to USD 450 mn.
- DEG plays a counter-cyclical role to finance a critical infrastructure project within a sector deeply affected by the COVID-19 crisis.

## The investment and its impact

- Upgrade, expansion and partial refinancing of the acquisition of capacity-constrained Almaty Airport, Kazakhstan's largest international airport.
- Construction of a new, energy-efficient terminal with green-building certification in line with DEG's new impact and climate strategy.

# **Contact details**

# Your contact

## **DEG – Deutsche Investitions- und Entwicklungsgesellschaft**

Kaemmergasse 22  
50676 Cologne (Germany)

Phone +49 221 4986-0  
[infra-energy@deginvest.de](mailto:infra-energy@deginvest.de)



**Infrastructure & Energy**  
Turan Caglayan  
Senior Director, Division Head



**Infrastructure & Energy Debt, Africa/ Latin America**  
Andreas Cremer  
Director, Department Head



**Infrastructure & Energy Debt, Asia/ Europe/ Middle East**  
Ludger Roecken  
Director, Department Head



**Infrastructure & Energy, Global Equity**  
Jochen von Frowein  
Director, Department Head