A warm welcome to the workshop! We will start soon.

NET-ZERO ASSET OWNER ALLIANCE

Blended Finance: Call to Action - 3 Asset Managers present their Vehicles

Agenda

1. Highlights
2. Overview of Blended Finance vehicles
3. Presentations of the vehicles
    1. Meridiam SAS
    2. CrossBoundary Energy
    3. Pegasus Capital
4. Further process and contacts of the Asset Managers

Highlights

20 submissions have been received through the 'Blended Finance Call to Action' and reviewed by the Blended Finance working group to date:

- 8 short-listed: Presenting their vehicles to the NZAOA members
  - 5 presented at 1st workshop (30th September 2021)
  - 3 presenting at 2nd workshop (24th May 2022)
- 6 long-listed: Potentially to be re-assessed
- 6 declined: Not fulfilling criteria of Call to Action

The short-listed submissions are considered to best meet the criteria of the Call to Action, thereby also reflecting the depth of proposals received:

- Broad spectrum of asset managers
- Across asset classes
- Wide range of sectors
- Various stages of structuring / fundraising

Overview of Blended Finance vehicles

	Meridiam SAS: The Urban Resilience Fund (TURF)	CrossBoundary Energy (Pan-African C&I platform)	Pegasus Capital: Subnational Climate Finance Fund (SCF)
Overview of Strategy	• PE strategy focused on financing sustainable and resilient infrastructure projects in urban environments globally • Partnership support from The Rockefeller Foundation and the UNCDF • EUR 500m investment fund with two compartments: - OECD compartment (EUR 150m): focus on Europe - EM compartment (EUR 350m): focus on Africa • Fund life: 20 years, investment period: 5 years	• PE platform focused on financing building (C&I) projects across Africa, focused on solar and storage solutions serving highly bankable commercial clients • $300m	• PE strategy focused on investing in mid-size sub-national climate infrastructure projects in the sectors of sustainable energy (30-40%), waste & water management (20-30%), urban development solutions (20-30%), sustainable agriculture (15-25%) in emerging markets globally. • Technical Assistance facility, managed by IUCN with support of R20 and Gold Standard • $750m • Fund life: 12 years (+1+1+1), investment period: 5 years
Structure	• Compartment structures: - OECD compartment: Equity shares (100%). - EM compartment: Three-tiered blended finance structure with senior, equity, and concessional shares →Adjusted PE waterfall to provide private investors in equity shares with enhanced risk/return • EUR 20m catalytical capital facility to support project development and limited fund erosion	• Having exited its first C&I dedicated, blended finance fund (CBE1) at a 15% net IRR to investors end of 2020, CBE is currently looking to develop and fund a portfolio of at least $300m of commercial-scale C&I projects across Africa by 2026. • $40M equity raised in 2020 and currently closing an additional $40M equity (June 2022). • $220M additional funding required.	• Fund is structured with junior (20%, first loss) and senior commercial equity tranche (80%). • Adjusted PE waterfall with priority returns to private investors . • $28m grant-funded TA facility to facilitate project development and mitigate construction as well as environmental and social risks
Status	• Fully structured. Fundraising for institutional capital.	• Fully structured platform with initial equity and grant funding. Fundraising for platform scaling.	• Fully structured. Fundraising for institutional capital and TA facility.

Section 1 – Meridiam SAS

Summary Meridiam SAS: The Urban Resilience Fund

Meridiam has invested in long-term sustainable infrastructure globally for over 16 years and is one of the leading specialists in sustainable infrastructure investment. The team comprises 350 professionals across 51 countries, with 11 offices worldwide. In 2019, Meridiam became one of the first French companies to adopt France's new Certified Benefit Corporation status confirming its commitment to advancing concrete UN SDGs. Meridiam is part of the Net Zero Asset Manager Alliance. As of 31 December 2021, Meridiam has over €18 billion AUM invested in over 100 assets across Europe, the Americas and Africa.

Strategy & Target Scale	De-risking Mechanism	Underlying Projects/ Portfolio Diversification	ESG / Impact Reporting	Key Terms & Vehicle Status
• Strategy focused on sustainable and resilient infrastructure projects that address the urgent needs of urban communities in the face of rapid urbanisation and increasing vulnerability to climate change • Climate adaptation is at the heart of the strategy • Partnership with the Rockefeller Foundation (co-creator) and the UNCDF • €500m investment fund with two compartments: - OECD fund (€150m) - Non-OECD fund (€350m) with a focus on Africa • Fund life: 20 years; Investment period: 5 years	• The non-OECD sleeve encompasses a three-tiered blended finance structure: senior shares (20%), equity shares (70%) and concessional shares (10%, first loss) • The adjusted distribution waterfall in the non-OECD sleeve aims to provide investors in equity shares with a market risk-adjusted return and genuine impact generation, whilst providing affordable financing solutions to cities for their projects • €20m catalytic capital facility to support project development and limit the Fund erosion	• Focus on inclusive, resilient and economically sound urban infrastructure developed in a sustainable and resilient way to address rapid urbanisation, and the increasing vulnerability of urban areas to the risks associated with climate change and growing inequality • Meridiam aims to build a diversified portfolio by investing in c. 25 projects globally, with an average investment size of €20m • Meridiam will focus on the sectors of urban mobility, energy transition, the built environment, smart cities and resource management & circular economy	• **Net Zero commitment:** the Fund will be Paris Agreement aligned and will target carbon neutrality and / or 1.5° temperature alignement • **Comprehensive ESG / Impact reporting:** - **Simpl.®:** Proprietary impact measurement tool that tracks and monitors all assets using a framework that combines ESG targets and the 17 UN SDGs - **CIARA / 2-infra challenge:** Partnership with Carbone4 in the carbon footprint assessment, green share evaluation, 2°C alignment scoring and climate-related risk analysis of all portfolio assets to meet the Paris Climate Agrmt. • **Article 9.1** EU SFDR fund • **Carried linked to impact**	• >€270m closed to date or pending final legals across 10 institutional investors • €14m closed for the catalytic capital facility • Estimated next close in Q2 22 • Fund level target gross IRR: - OECD: 11-13% - Non-OECD: 14-16% • Carried interest 15% - provided resilience / impact objectives are met • Management fee: 1.85% of capital commitments during investment period, 1.85% of invested capital until year 12, 1.00% of invested capital thereafter

Meridiam
for people and the planet

The Urban Resilience Fund

May 2022

A global sustainable infrastructure manager

Meridiam
for people and the planet

Generating economic growth and improving peoples lives since 2006

- Three impact areas: critical public services, sustainable mobility, and innovative low carbon solutions
- €18 billion AUM invested in over 100 projects across Europe, the Americas and Africa
- 350 employees, including 164 senior employees embedded in project companies across 25 countries

16-year track record with €75 billion of capex invested to date across multiple economic cycles

- Long-term yield underpinned by robust, contractual frameworks
- All mature funds performing in line or ahead of targets, delivering double digit net IRR since 2006
- All new funds have the highest sustainable classification in Europe (SFDR 9)

A legal commitment to social and environmental sustainability

- One of the first “Société à Mission” (BCorp equivalent) fund managers in France
- Overall approach to ESG scored as A+ (29/30) and approach to infrastructure-related issues as A+ (30/30)[1]
- Impact-linked carry mechanism and proprietary Meridiam developed Impact Measurement tool (Simpl.®)

(1) By the UN PRI in 2020. In addition, Meridiam has received ISO certification every year since 2012

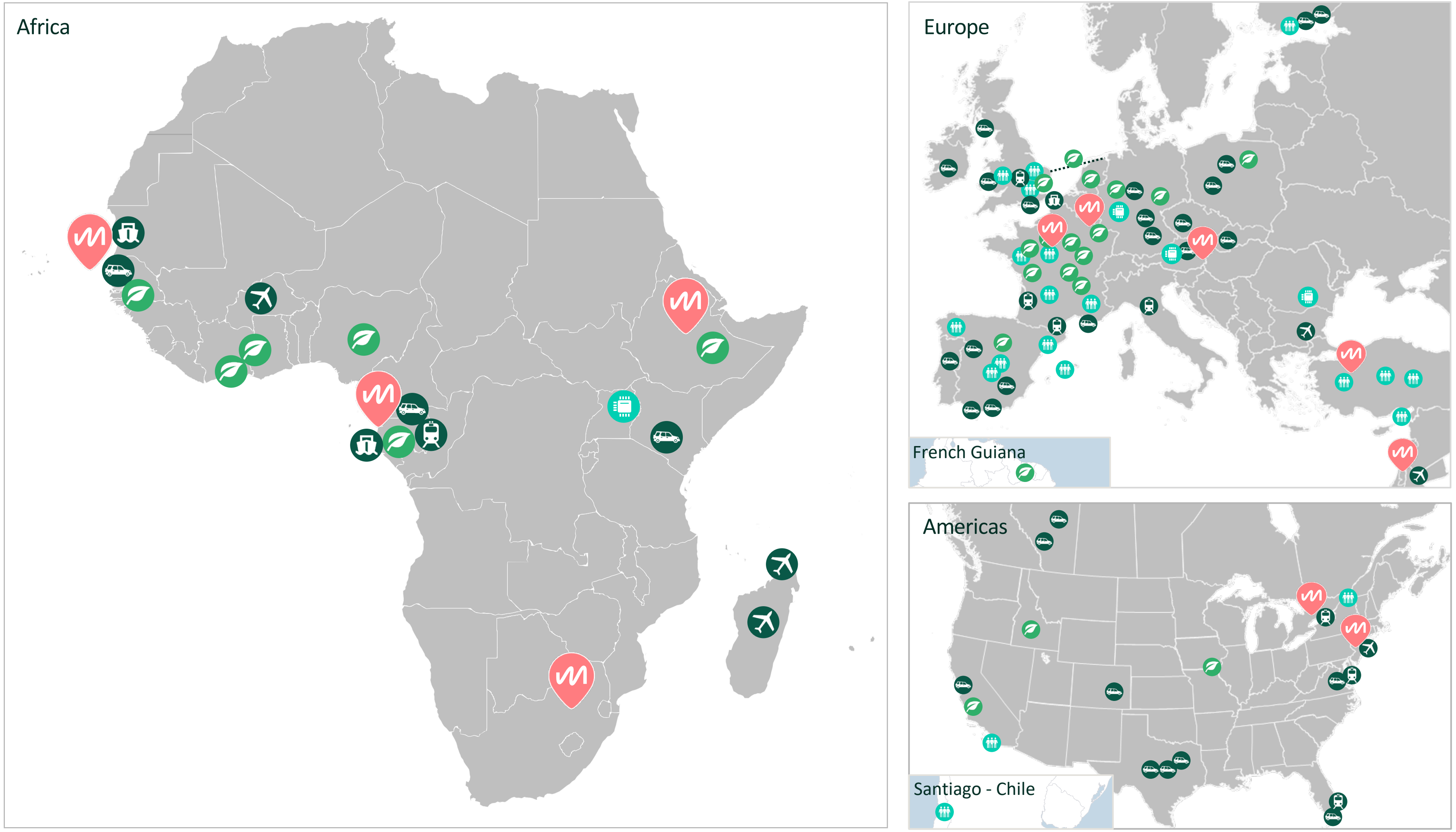
Helping countries in both developed and emerging markets

Sustainable Mobility

Critical Public Services

Innovative Low Carbon Solutions

11 Meridiam Offices



Cities must deliver more climate-resilient infrastructure

$5
Trillion

Global demand for urban sustainable and resilient infrastructure p.a.

70%
Global CO_2 emissions

Produced by cities across the world

2.5
Billion

More people are expected to live in cities by 2050

1.5ºC
Warming

Urban areas are the most vulnerable to the risks associated with global warming

Despite clear demand for resilient urban infrastructure, there are substantial headwinds to development

- Cities are not as well equipped as national counterparts – clear need for project preparation, delivery, and management expertise and capital to unlock projects
- Specificities to an urban environment increase complexity – such as working around existing infrastructure and the number of stakeholders involved in a given project
- Municipal projects are typically smaller, which require tailored funding solutions and / or "bundling" to ensure economies of scale
- These challenges are widely recognised by market participants, as seen by a plethora of initiatives from multinational bodies:

EBRD GREEN CITIES | European Commission | RESILIENT CITIES NETWORK

Sources: Financing the sustainable urban future, Apr 2019; IPCC, 2018: IPCC Special report on global warming of 1.5°C states; CCFLA: "The State of City Climate Finance 2015", as of 2015

TURF: Responding to the critical needs of growing cities

- Focus on essential infrastructure that responds to rapid urbanization and the increasing vulnerability of cities to climate change
- Partnership with the Rockefeller Foundation (co-creator and anchor)
- Work with cities and local governments from an early stage to deliver viable, resilient and sustainable urban infrastructure
- Use of Catalytic Capital that supports a robust pipeline of opportunities through early-stage preparation and structuring of projects
- Long-term predictable cashflows, through long-term performance contracts

Target size	• €500 million
Target gross IRR	• 11-13% for OECD • 14-16% Non-OECD
Geography	• 30% OECD (Europe) • 70% Non-OECD (Africa)
Sector focus	• Urban mobility • Energy transition • Built environment • Smart cities • Resource management & circular economy
Financing solutions	• Equity and quasi-equity
Average investment	• €20 million
# of investments	• Up to 10 in OECD Partnerships • Up to 15 in Non-OECD Partnerships

TURF aims at meeting 5 resilience objectives fully aligned with the Paris Agreement criteria and the UN SDGs

Resilience Objectives
(in Fund's by-laws)

- Be inclusive of and responsive to the needs of poor and vulnerable urban communities
- Be resilient to long-term climate hazards and other sources of disruption
- Reduce climate change impacts to society through adaptation and/or mitigation components
- Produce social, environmental and/or economic benefits that extend beyond the direct objectives of the project
- Be conscious of the potential for unintended negative consequences and include scope/budget to mitigate those potential social and environmental impacts

Aligned with Paris Agreement criteria

Portfolio aligned with 2°C trajectory	Adaptation and mitigation projects	SFDR 9 fund

Strong contribution to UN SDGs
(innovative carried interest incentive for the Manager)

- 3 GOOD HEALTH AND WELL-BEING
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 13 CLIMATE ACTION

All investments assessed by Meridiam's Impact Assessment Tools

A rigorous approach throughout the investment cycle

ESG Screening

PRI 29/30 · V.E Advanced · IFC / European Investment Bank: Policies consistent with DFIs' standards

SDG Impact

simpl. — Meridiam's Proprietary tool

Carbon footprint

- 2°C Alignment
- Physical risks
- Transition risks

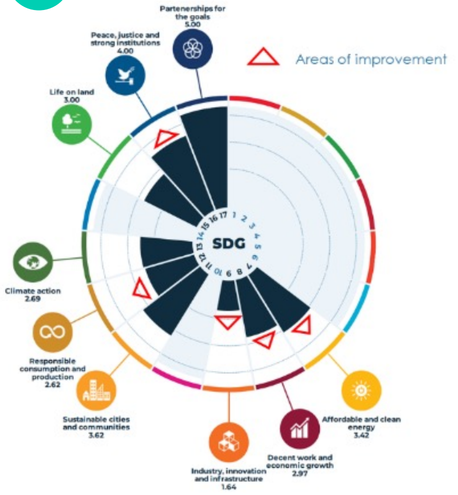
2°C Infra Challenge Tool developed with Meridiam, carbon 4, La Banque Postale Asset Management, AFD, Climate-KIC, Generali

Mission Committee

Measure delivery of sustainability targets

Clear outcomes to enhance impact and mitigate risks

1. ESG Assessment and Action Plan
2. SDG Road Map



3. Comprehensive LP Reporting
4. Planned alignment with EU Taxonomy
5. Alignment of interest

Carried Interest subject to impact achievements

Resilience Committee, a dedicated consultative body that:

- Provides guidance to the project team regarding the strategy to **maximise projects' resilience characteristics**
- Reviews the preliminary (and subsequent updates to) **resilience assessments** (through the "Resilience Valuation Questionnaire")
- Supports the project team in **defining project-specific resilience KPIs**

Blended Finance fund structure

Funding purpose

Senior shares

- Designed for investors with long-term capital
- Provides an efficient cost of capital to the blended finance structure
- Preferred return with seniority rights at final distribution

Equity shares

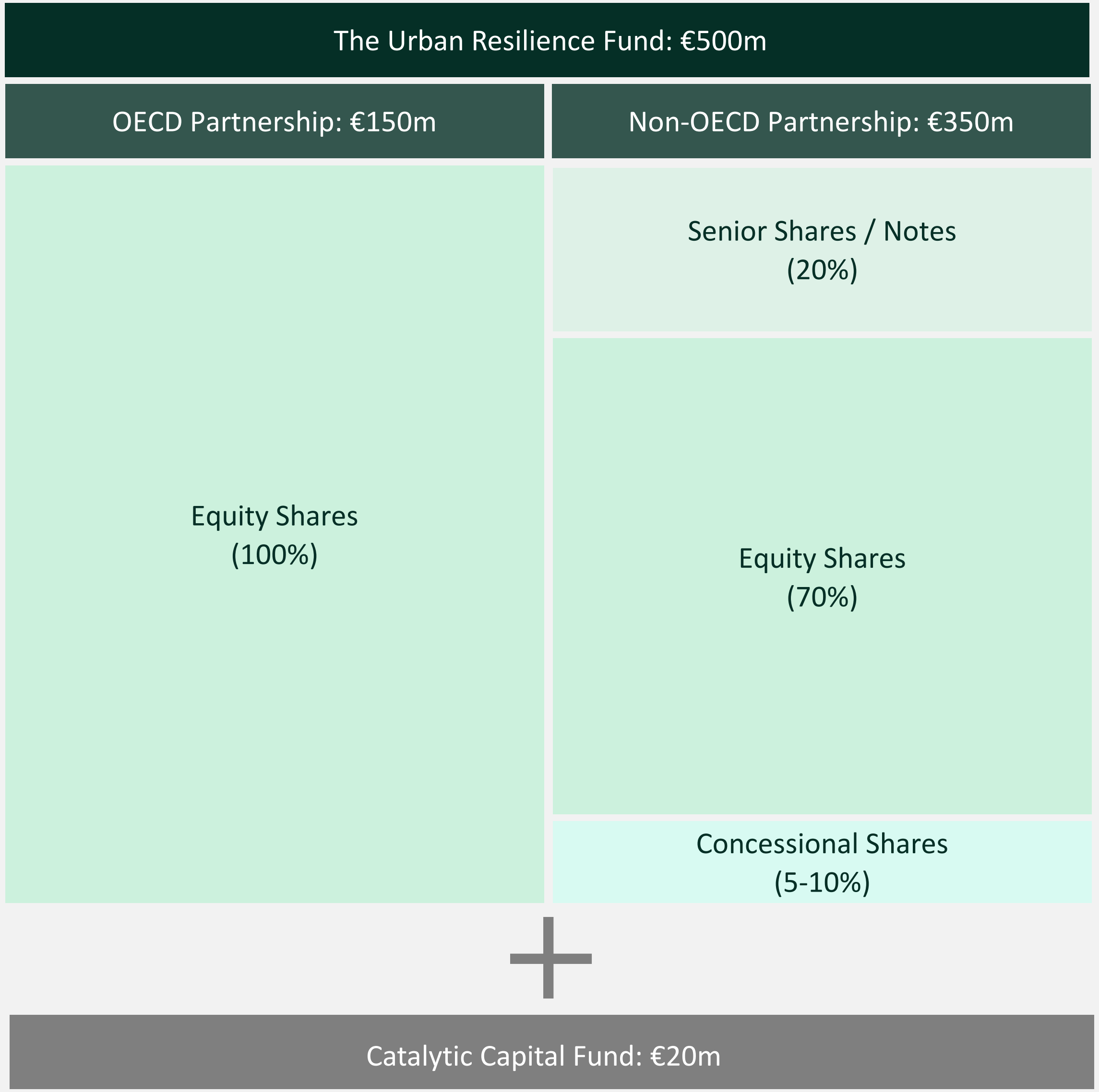
- Have an enhanced risk / return from the blended capital structure
- Protected position in the waterfall with shares acting as a first-loss

Concessional shares

- Designed for investors with a lower cost of capital seeking to enable development and crowd-in private capital
- Subordinated in the distribution with an upside aligned with the GP (benefit from a portion of value created post Equity Share hurdle)

Catalytic Capital Fund

- Development assistance / early-stage capital to cities for project preparation



Meridiam

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* Note: Whether the prospective investor invests in senior shares, equity shares or concessional shares, its investment involves a significant risk. Prospective investors must be aware that they may lose all or part of their investment.

Fundraising on-track with an advanced pipeline

>€270m

Closed to date
/ pending final legals

10

Investors closed / pending final
legals, across Europe and North America

Q2 ‘22

Estimated next close
(Final Close TURF A and CCF, First Close TURF B)

€14m

Catalytic Capital raised /
available for deployment

18

Projects currently under review in clean mobility, urban regeneration, social
infrastructure, energy transition

€1bn

Of potential
Investments under review

Meridiam

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Thank you

Section 2 – CrossBoundary Energy

Summary CrossBoundary Energy: Pan-African C&I platform

Having launched its C&I business in 2014, CBE is a leading distributed renewable energy platform operating across Africa. The platform benefits from an Africa-based team and an established partner network in the region. Thanks to its expertise in blended finance structuring combined with in-house project development and engineering capabilities CBE has established a proven track record in developing and financing bankable Commercial & Industrial (C&I) projects, composing a portfolio of over USD 160m projects with quality off-takers, incl. multinational companies.

Strategy & Target Scale	De-risking Mechanism	Underlying Projects/ Portfolio Diversification	ESG / Impact Reporting	Key Terms & Vehicle Status
• Renewable energy investment platform focused on financing the construction, operation and maintenance of distributed C&I solar projects and storage solutions in Sub-Saharan Africa. • Having exited its first C&I dedicated, blended finance fund (CBE1) at a 15% net IRR to investors end of 2020, CBE is currently looking to develop and fund a portfolio of at least $300M of commercial-scale C&I projects across Africa by 2026. • $40M equity raised in 2020 and currently closing an additional $40M equity (June 2022). • $220M additional funding required.	• Additional funding being raised will be coming into an already de-risked business with initial equity and grant funding: - Pioneer blended finance structure utilized for 1st fund: Grants received from DFC, Shell Foundation and FCDO to assist on operating expenditures as well as a first loss commitment from USAID. - In 2020 CBE received a USD 40m equity commitment from ARCH Africa Renewable Power Fund (ARPF) which so far has been used in development and construction of projects. - CBE is currently closing an additional $40M of equity with a leading DFI, tba in June 2022.	• CBE is building (C&I) projects across Africa, focused on solar and storage solutions serving highly bankable commercial clients, including Unilever, Heineken, Rio Tinto, Syrah Resources, AbInBev, Actis and CocaCola. • CBE serves clients from a wide variety of industries including mining, manufacturing, fast moving consumer goods (FMCG), agriculture, telecom, breweries, bottling, packaging, forestry etc. • CBE is currently active in 10 African countries with a plan to expand to more countries in 2022/23.	• African grids are carbon intensive and unreliable electricity often leads to reliance on backup diesel generators which are worse. Distributed solar and storage provides a cleaner, cheaper and more resilient alternative. • CBE has a rigorous project qualifying criteria that enforces Emissions Performance Standard of 550 g CO2/kWhe, in line with EIB and a requirement for hybrid projects that not less than 50% of generation from the hybrid system must be renewable.	• Fully structured platform with initial capital already invested in the form of USD40m of equity alongside other local grants received. • The company is currently seeking additional funding of USD 50m – USD 100m in equity or debt from private investors / lenders in order to continue the scaling of its pan-African platform • Financial close for additional equity funding: Targeted for Q4 2022 • Target equity return of 12-17%.

CROSSBOUNDARY
ENERGY

CrossBoundary Energy

Africa's leading renewable utility for enterprise

May 2022

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CrossBoundary Energy is the leading distributed renewable utility for African enterprises

CrossBoundary Energy is the leading, pan-African distributed renewable utility and is targeting delivery of a $300M+ C&I portfolio within the next 5 years

C&I adoption across Africa has reached an inflection point, with customer adoption increasing rapidly

- BNEF assessed the economically viable C&I market opportunity across Africa at ~3.5GW in 2019, when underlying solar costs were >20% higher than today
- In the last 12 months, we have signed PPAs for **$85M** of new projects, driven by:
  - 2.5x expansion of our team after receiving funding in Q1 2020
  - Compelling customer economics that continue to improve (>30% savings)
  - Step-change in uptake by the large industrial and mining sectors
  - Increased focus on sustainability (e.g., COP26)
  - Multinational FMCG businesses pursuing renewables across their African portfolios
  - Demand from local SMEs seeking material cost savings and reliability improvements

CrossBoundary Energy is uniquely positioned to capitalise on that opportunity

- We now have a **portfolio** of **~$160M of projects (not pipeline!)** with customers including Rio Tinto, Eramet, Unilever, Coca-Cola, Diageo, Heineken, and Actis
- CrossBoundary Energy has unrivalled experience and focus: we launched our C&I business in 2014 to provide cheaper, cleaner power to African businesses. Our strategy and focus have never changed
- Our team is African, located in Africa, and has the experience and resources that allow us to carry out end-to-end project sourcing, development, diligence, construction management, and asset management. We have invested extensively in designing and building bespoke systems and processes that will support our path to scale

To do so we will require further capital in addition to the $80M of equity currently being deployed

- We are structured as a separate DevCo and IPP(AssetCo), giving direct investor exposure to our assets
- Our platform offers investors and lenders exposure to the leading C&I renewable energy portfolio across Africa
- Having secured $40M of equity funding from ARCH ARPF in 2020, CBE is currently closing an additional equity investment of $40M into our AssetCo (target close in June 2022) to fund further project and development costs through to ~2023
- CBE is seeking aligned investors and lenders that will be able to provide equity and debt funding as we seek to deliver a ~$300M+ portfolio by 2026

We sell clean power, storage and efficiency services directly to African enterprises on long term service contracts

OUR SOLUTION: WE SELL POWER NOT PANELS

CLIENT SIGNS A LONG TERM PPA
OR LEASE WITH CROSSBOUNDARY ENERGY

WE BUILD, OWN AND OPERATE
THE SOLAR, STORAGE AND/OR ENERGY
EFFICIENCY ASSETS

CLIENT PAYS ONLY FOR THE
POWER PRODUCED OR SAVED

OUR VALUE PROPOSITION: CLEANER, CHEAPER POWER WITHOUT CAPEX OR COMPLICATIONS

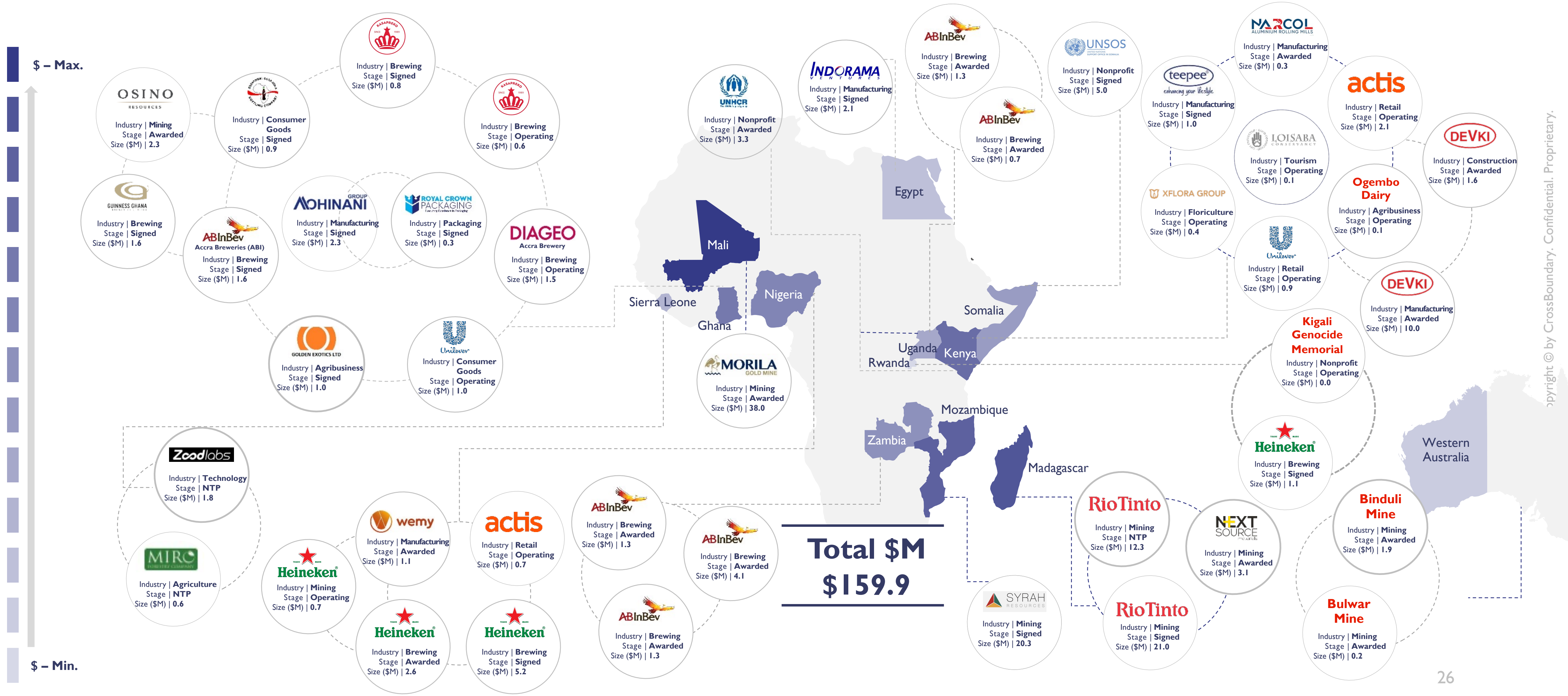
WE PAY TO BUILD AND
OPERATE THE SOLAR
= ZERO CAPITAL
EXPENDITURE FOR CLIENT

CLIENT ONLY PAYS FOR
ELECTRICITY PRODUCED =
NO TECHNICAL RISK

OUR TARIFFS GUARANTEE A
SAVING AGAINST THE
GRID AND DIESEL
= PREDICTABLE SAVINGS

WE REDUCE A CLIENT'S CARBON
FOOTPRINT, WHILE SAVING THEM
MONEY!

We are now the established market leader with $159.9M of projects awarded. This is **portfolio**, not **pipeline**

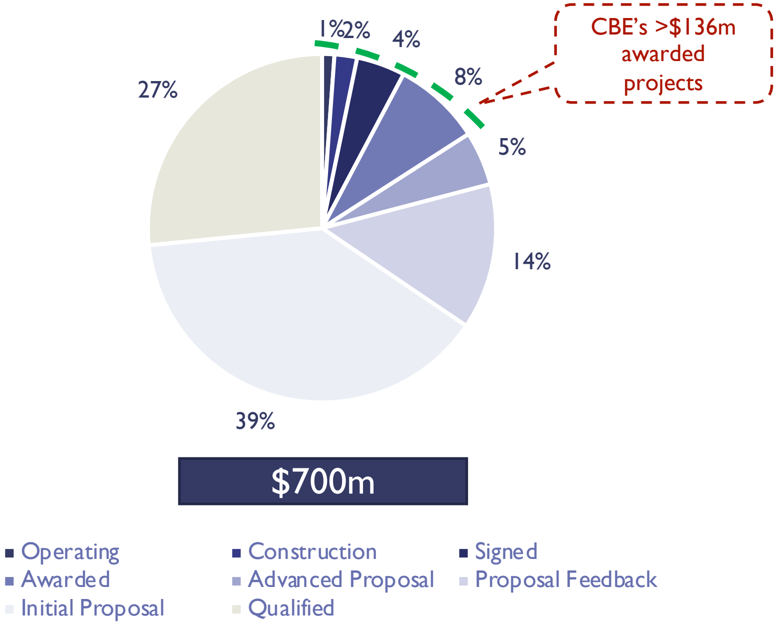


We also have a forward-looking **pipeline** of ~$700m of projects, comprising opportunities across the commercial, industrial and mining sectors

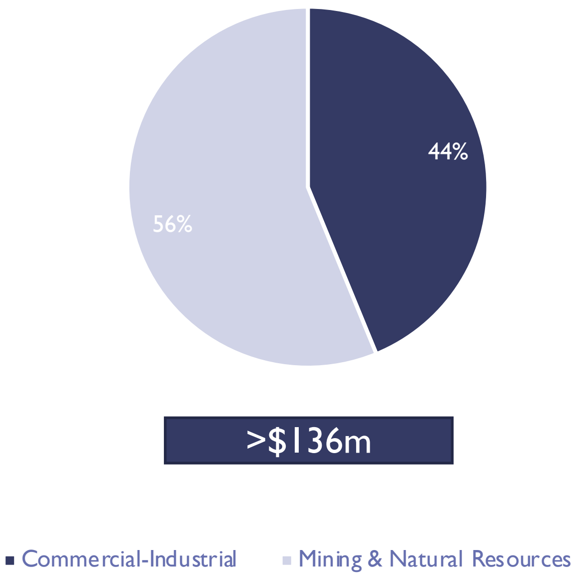
CBE has identified opportunities of ~$700m to be converted by 2024…

…with client activity in the mining sector presenting a near-term opportunity to scale, followed by wider C&I customer adoption over the medium term

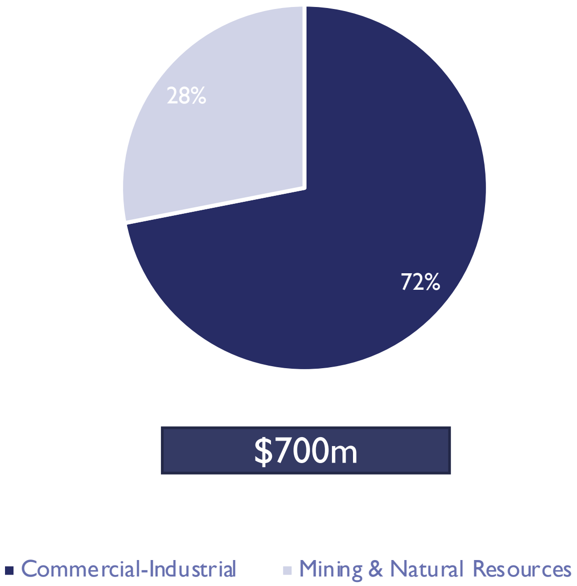
Total identified pipeline of $700m



CBE "Awarded" project split



Identified Pipeline split by industry



Pipeline classification defined as: **Operating:** operating project owned by CBE; **Construction:** Including projects under procurement or construction or waiting to enter construction **Signed:** Including projects with PPA signed; **Awarded:** awarded projects awaiting PPA signatures; **Advanced Proposal:** Late stage sales discussions or tender process, possibly still competitive; **Proposal Feedback:** Mid stage scale discussion or tender process, often competitive; **Initial Proposal:** Early stage sales discussions or tender process, always competitive; **Qualified:** Client identified, solar feasibility confirmed, contact initiated or to be initiated.

Our HQ is in Nairobi with offices in East, West and Southern Africa, and over 80% of CBE's team is from Africa

We are Africa-focused and based:

CBE operating / active
★ CBE office established


Matt Tilleard
Managing Partner
Australian
Office: Nairobi


James Shoetan
Head of Business Dev.
Nigerian, American
Office: Nairobi/Lagos


Rich Stanford
Technical Director
South African
Office: Nairobi


Kathleen Jean-Pierre
Vision & Delivery Lead
American
Office: Nairobi/Accra


Pieter Joubert
Chief Invest. Officer
South African, Australian
Office: Nairobi


Matthew Fredericks
Business Dev. – Mining
South African
Office: Johannesburg


Lenny Matei
Design Engineer
Kenyan
Office: Nairobi


Sebastian Deschler
General Counsel
German, American
Office: Washington, D.C.


Zaina Otieno
Sr. Associate, Invest.
Kenyan
Office: Nairobi


Ugo Nwankwo,
Business Dev. Manager
Nigerian
Office: Lagos


Rezvan Ahmed
Senior Project Developer
Kenyan, Canadian
Office: Nairobi


Rajen Ranchhoojee
Deputy General Counsel
South African
Office: Washington DC


Wanjiru Ngige
Sr. Operations Manager
Kenyan
Office: Nairobi


Adit Mehta
Business Dev. – C&I
Indian
Office: Nairobi


Loda Dedekind
Lead Project Developer
South African
Office: Johannesburg


Tessa Dignam
Legal Counsel
Australian
Office: Nairobi


Albert Nganga
Project Developer
Kenyan
Office: Nairobi


Georgina Wanyaga
Business Dev.
Kenyan
Office: Nairobi

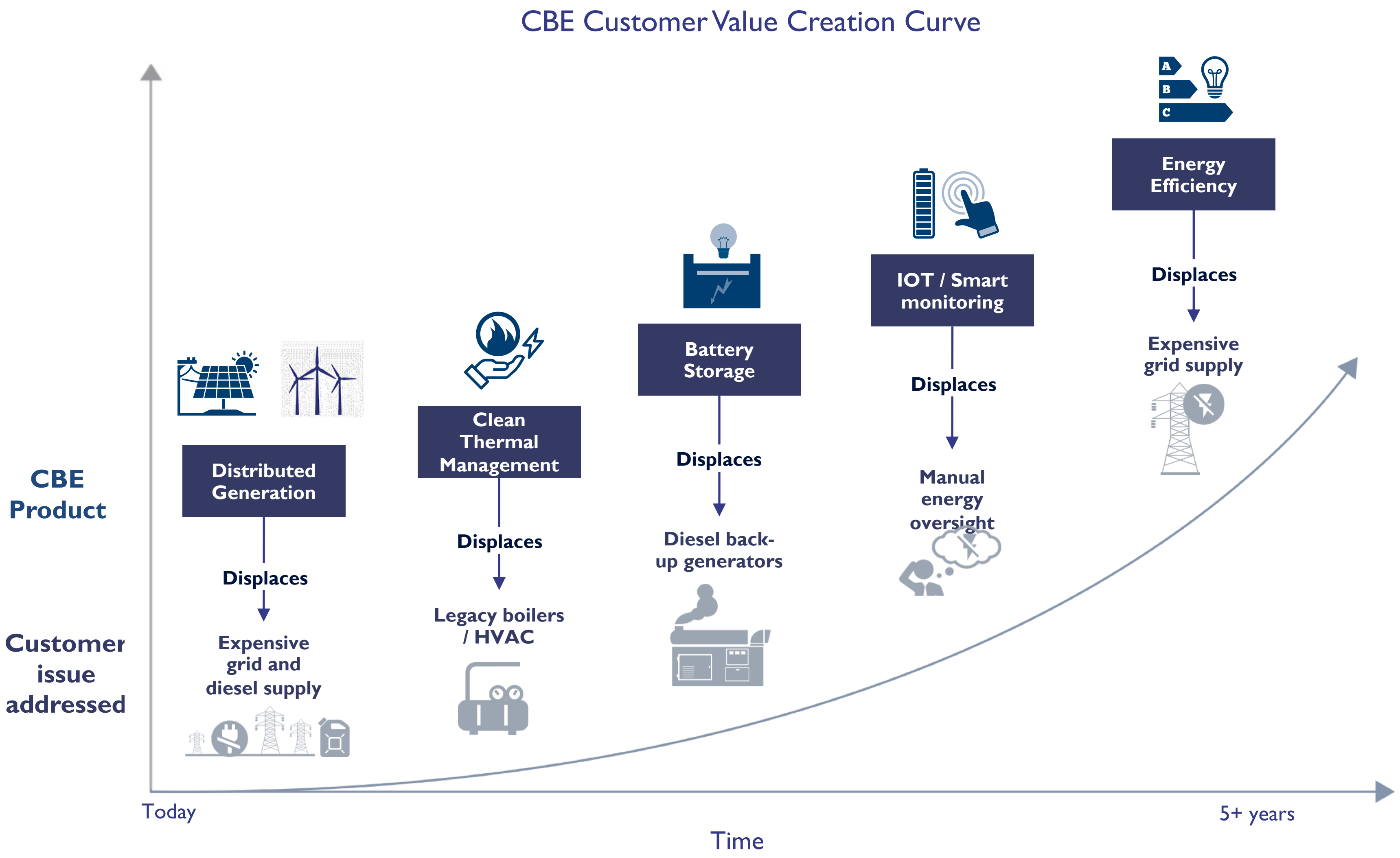

Souleiman Munene
Project Manager
Kenyan
Office: Nairobi


Megan Osbourne
Special legal Counsel
South African
Office: Johannesburg


Maureen Kinuthia
EHS Manager
Kenyan
Office: Nairobi


Sally Gichia
Operations Engineer
Kenyan
Office: Nairobi

As an energy services company, we will look to layer in further services and extract further value from our captive customer relationships



3

We have built an industry-leading portfolio of projects – selected project profiles follow

Rio Tinto, QMM Mineral Sands Mine,
Madagascar

Rio Tinto

Fast facts:

- **Under construction:** PPA signed in Jun 2021, solar operation by Feb 2022
- **Technology:** Ground-mount, fixed-tilt solar PV + wind + BESS
- **Client:** Rio Tinto, QIT Madagascar Minerals (QMM)
- **Wind Capacity:** 12,780 kW
- **Solar PV Capacity:** 8,014 kWp
- **BESS:** 8,250 kW / 7,914 kWh
- **Contract term:** 20 years

Syrah Resources, Balama Graphite Mine, Mozambique

SYRAH RESOURCES

Fast facts:

- **Under development:** Project awarded in September 2021, operational in Q4 2022
- **Technology:** Ground-mounted, single-axis tracking bifacial solar PV + BESS
- **Client:** Syrah Resources, Balama Graphite Mine
- **Solar PV Capacity:** 11,250 kWp
- **BESS:** 8,500 kWh
- **Contract term:** 10 years

Guinness Ghana Breweries Ltd – Accra, Ghana

DIAGEO

Fast facts:

- **Commissioned:** 2020
- **Technology:** solar rooftop
- **Client:** Guinness Ghana Breweries Ltd
- **Capacity:** 1,095 **kWp**
- **Contract term:** 15 years

Unilever Ghana Limited – Tema, Ghana

Unilever

Fast facts:

- **Commissioned:** 2020
- **Technology:** solar rooftop
- **Client:** Unilever Ghana Limited
- **Capacity:** 970 kWp
- **Contract term:** 15 years

Unilever Tea Kenya – Kericho, Kenya

Unilever

Fast facts:

- **Commissioned:** 2019
- **Technology:** solar, ground mount single-axis tracking
- **Client:** Unilever Tea Kenya
- **Capacity:** 619 kWp
- **Contract term:** 15 years

Nigerian Breweries – Ibadan, Nigeria

Fast facts:

- **Commissioned:** 2020
- **Technology:** solar rooftop
- **Client:** Nigerian Breweries, Ibadan
- **Capacity:** 663 kWp
- **Contract term:** 15 years

Jabi Lake Mall – Abuja, Nigeria

Fast facts:

- **Commissioned:** 2020
- **Technology:** solar rooftop
- **Client:** Actis
- **Capacity:** 610 kWp
- **Contract term:** 15 years

Garden City Mall – Nairobi, Kenya

Fast facts:

- **Commissioned:** 2015
- **Technology:** solar carport
- **Client:** Actis
- **Capacity:** 858 kWp
- **Contract term:** 12 years

Xflora Group – Nakuru, Kenya

XFLORA GROUP

Fast facts:

- **Commissioned:** 2020
- **Technology:** ground and rooftop solar
- **Client:** Xflora Group Ltd
- **Capacity:** 424 kWp
- **Contract term:** 20 years

Kasapreko Bottling – Accra, Ghana

Fast facts:

- **Commissioned:** 2018
- **Technology:** solar rooftop
- **Client:** Kasapreko, Ghana
- **Capacity:** 400 kWp
- **Contract term:** 16 years

Loisaba Tented Camp – Elewana, Kenya

LOISABA
CONSERVANCY

Fast facts:

- **Commissioned:** 2016
- **Technology:** solar + storage (no diesel)
- **Client:** Loisaba Conservancy
- **Capacity:** 74 kWp
- **Contract term:** 10 years

Kigali Genocide Memorial – Kigali, Rwanda

AEGIS
PREVENTING CRIMES AGAINST HUMANITY

Fast facts:

- **Commissioned:** 2016
- **Technology:** solar rooftop
- **Client:** Aegis Management
- **Capacity:** 20 kWp
- **Contract term:** 16 years

CROSSBOUNDARY

crossboundary.com

Section 3 – Pegasus Capital

Summary Pegasus Capital: Subnational Climate Fund

Pegasus Capital Advisors ("Pegasus") was founded in 1996 by Craig Cogut. The Company is a leading US-based impact investment manager with deep expertise in sustainability, wellness and health. Pegasus has invested USD 2.6bn of capital on behalf of its clients in over 90 transactions via five funds. Over the past 25 years, Pegasus has built an extensive network in infrastructure, energy and waste management and is the first and sole US-based traditional PE fund manager to become accredited by the Green Climate Fund. Pegasus acts as investment manager for the Subnational Climate Finance Fund (SCF).

Strategy & Target Scale	De-risking Mechanism	Underlying Projects/ Portfolio Diversification	ESG / Impact Reporting	Key Terms & Vehicle Status(1)
• Strategy focused on investing through projects and platforms in climate infrastructure assets in emerging markets globally • Focus on greenfield and brownfield assets • Pegasus is the fund manager and in charge of making, managing and exiting all investments • The fund is complemented by a Technical Assistance facility, implemented by R20 Regions of Climate Action and overseen and managed by IUCN • USD 750m target size • USD 600m Senior tranche • USD 150m Junior tranche – GCF	• Fund is structured with a junior (20%) and senior commercial equity tranche (80%). • Distribution waterfall provides priority returns of capital and 8% return for senior tranche investors before Junior tranche return of capital and 3% return. • Junior tranche fully subordinated to returns and capital of senior tranche • $28m grant-funded Technical Assistance to help facilitate the development of projects and mitigate construction and E&S risks, contribute to pipeline development, and assist in impact management	• The Subnational Climate Fund (SCF) will invest in a well-diversified geography, sector and size) portfolio of 15-25 projects and / or platforms spread across high-impact sectors (sustainable energy: 30-40%; waste & water management: 20-30%; urban development solutions: 20-30%; sustainable agriculture: 15-25%) and across the main emerging market geographies (LatAm, Africa, SE Asia, Mediterranean). • Target equity ticket size ranging from $5m to $75m with a focus on scalable and replicable projects.	• SCF aims to be the first SDG-certified fund compliant with Gold Standard Fund Requirements ("GSFR"), incl. stakeholder inclusivity, impacts linked to SDGs with approved methodology, and rigorous safeguards to avoid unintended negative effects. Provides investors with assurance that outcomes have been achieved through independent audit on fund and investee level • This approach will ensure compliance with established international standards (like IFC PS and others) and new regulations (e.g. SFDR)	• Fully structured. Fundraising for institutional capital and TA facility: - USD 150m Junior tranche already committed by the Green Climate Fund - USD 600m senior / commercial equity tranche to be raised. • Fund level target net IRR: 12-15%(1) • Preferred return: 8% for senior tranche; 3% for GCF tranche • Management fee: 2% of committed captial during commitment period, 1.5% of invested capital thereafter • Fund life: 12 years (+1+1+1), investment period: 5 years

(1) This summary does not include all material terms of the Subnational Climate Fund. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any security. Any offer will only be made pursuant to the Private Placement Memorandum of the Fund.

(2) Target return provided for illustrative purposes only. There can be no guarantee that the target return will be achieved.

Scalable Impact Through Investments in Mid-size Emerging Markets Climate Infrastructure

April 2022

SCF

Investment Manager

PEGASUS CAPITAL ADVISORS | 25 YEARS

Technical Assistance Manager

IUCN International Union for the Conservation of Nature

Consortium partners

R20 REGIONS OF CLIMATE ACTION

Gold Standard

The SCF is a commercial impact private equity fund that aims to invest in and scale up mid-size climate resilient infrastructure & nature-based solutions in the world's most dynamic markets.

SCF

Executive Summary: SCF – Commercial investments in climate solutions for a sustainable future

Climate and Impact Infrastructure: The SCF strategy will focus on investing in mid-size climate resilient and low-carbon infrastructure and nature-based solutions, in developing countries – which SCF believes is an untapped market opportunity.

Experienced Fund Manager: Managed by Pegasus Capital Advisors, an established global private markets impact investment manager with accreditation by the Green Climate Fund (GCF) and an extensive network in infrastructure, energy, and waste.

Diversified Portfolio Strategy: The investment strategy aims to develop a geographically and sector-diversified portfolio of 15 to 25 scalable, primarily greenfield (proven-technology) projects across Latin America, Asia, Africa, and the Mediterranean.

Advantageous Risk and Return Structure: Capitalization with junior investment of up to USD 150m with 3% concessionary hurdle rate by GCF(1) and a grant-funded Technical Assistance facility, managed by IUCN with support of R20 and Gold Standard. Private investors therefore receive return of capital plus 8% preferred return before any distributions to the GCF are made.

Strong Financial Return and Impact Targets: Target fund volume of USD 750m; seeking a target net IRR of 12-15%; as well as various climate and Sustainable Development Goal (SDG) impact targets, with independent impact certification.(2)

[1]The GCF board approved an unconditional commitment to the first-loss tranche of SCF in an amount of $50mm with up to an additional $100mm commitment conditioned on GCF representing 20% of the total capital commitments. There can be no assurance that such plans will be realized on the terms expressed herein or at all.
[2]There can be no guaranty that financial and/or impact objectives will be achieved. Target return is included for illustrative purposes only. There can be no guarantee that the target return will be achieved. Actual results may vary significantly.
Please see the slides entitled "Notice to Recipients" for additional information, including use of target performance and forward-looking statements.

Pegasus Capital Advisors – Extensive private equity track record with pioneering milestones in impact investing

PEGASUS CAPITAL ADVISORS | 25 YEARS

As of Nov. 2021

$2.6bn+
Invested capital

5
Private Equity Funds

90+
Transactions

25 years
Track record

Key Characteristics

Pegasus Capital Advisors, founded in 1996, is an established global private markets impact investment manager

First and only U.S. private equity fund manager accredited by the Green Climate Fund

Strong emphasis on impact and sustainability throughout all stages of the investment process

Extensive network in infrastructure, energy, and waste management

Global impact partners[1]

Operating Principles for Impact Management | IFC International Finance Corporation WORLD BANK GROUP
Signatory

GREEN CLIMATE FUND
Accredited entity

IMPACT CAPITAL MANAGERS
Founding member

GIIN MEMBER
Member

Signatory of:
PRI Principles for Responsible Investment
Signatory

[1]Global impact partners included herein are provided for illustrative purposes only. There is no guarantee that Pegasus will maintain accreditation or signatory status with or continue to be a member, partner or supporter of the global impact partners whose logos are included herein in the future.

Proven capabilities in raising, executing, and running investment funds with sustainability focus, demonstrated by Pegasus' track record of five previous private equity funds

1996

Pegasus Partners, L.P.

First fund raised by Pegasus Capital Advisors, L.P.

Craig Cogut starts Pegasus Capital Advisors, a private equity fund to generate value beyond returns through sustainable growth; sectors include health, technology, and related fields.

1999

Pegasus Partners II, L.P.

Fund with partial focus on Sustainability & Health (S+H) sectors; nutrition identified as key sector

Selected S+H investment highlight

cannondale

- *Leading global manufacturer of high-performance bicycles*
- *Winner of Buyout's "Turnaround of the Year" award*

2004

Pegasus Partners III, L.P.

Fund with partial focus on Sustainability & Health sectors; first investment made in the waste sector

Selected S+H investment highlight

TRAXYS

- *Leading provider for supplying raw materials*
- *Engaged in financing, investing, marketing, and sourcing*

2007

Pegasus Partners IV, L.P.

Increasing S+H focus; coverage expanded to emerging markets, focus on energy efficiency

Selected S+H investment highlight

LIGHTING SCIENCE

- *Leading LED innovator and energy efficiency provider*
- *Global leader in UV sterilization and consumer solutions*

2011

Pegasus Partners V, L.P.

Fund with 100% focus on Sustainability and Health sectors; core investments in energy transition

Selected S+H investment highlight

purebiofuels

- *Peruvian biofuels refiner and distributor*
- *Strong focus on sustainable impact and operations*

2016

GCF accreditation started

Pegasus initiates the extensive application and assessment process to become an accredited entity of the Green Climate Fund.

GREEN CLIMATE FUND

2018

GCF accreditation received

Pegasus becomes the first U.S. Private Fund manager to be a GCF accredited entity, forming a long-term partnership and making it eligible for GCF funding.

GREEN CLIMATE FUND

2021

The SCF

SCF

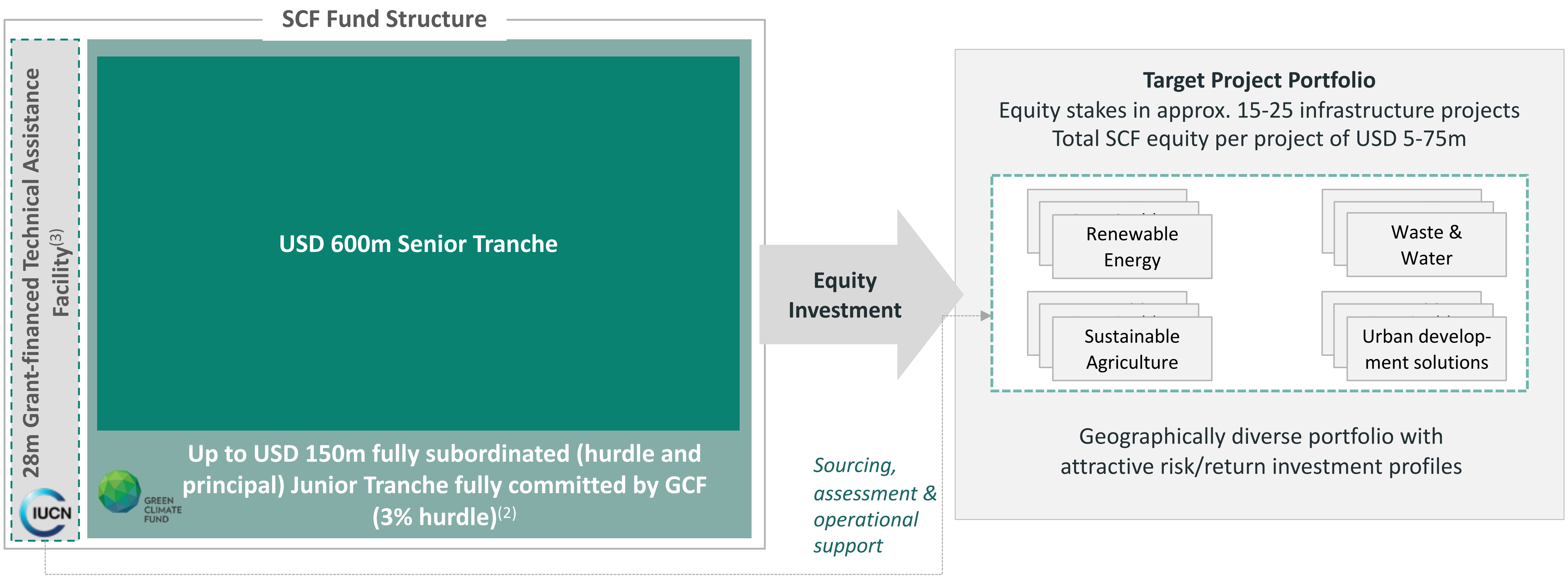
100% focus on climate infrastructure and nature-based solutions in high-growth developing regions

- *First-loss commitment of the Green Climate Fund*
- *Strong support from a dedicated Technical Assistance Facility*
- *Sophisticated impact measurement and management*

GREEN CLIMATE FUND · IUCN · R20 REGIONS OF CLIMATE ACTION · Gold Standard for the Global Goals

Note: Past performance is not indicative of future results. There can be no guarantee that investments made by SCF will be of similar character or quality.

The blended-finance fund structure is intended to give the SCF flexibility to invest in high-impact opportunities while seeking to maintain a risk/reward profile that is attractive to private investors[1]



[1]There can be no assurance that SCF will realize its objectives or that any investor will receive a return of its capital. The value of an investment in SCF may fall as well as rise and any investment carries the risk of a total loss of capital notwithstanding the existence of the junior capital tranche.

[2]The GCF board approved an unconditional commitment to the first-loss tranche of SCF in an amount of $50mm with up to an additional $100mm commitment conditioned on GCF representing 20% of the total capital commitments. There can be no assurance that such plans will be executed. GCF preferred return is 3% compared to 8% for senior investors. Thereafter, GCF and senior investors share distributions pro rata based on committed capital, subject to the General Partner's carried interest.

[3]GCF has approved an $18.5mm grant to the TA facility. There can be no guaranty that IUCN, as manager of the TA, will successfully raise the full $28mm or that all, or any portion of the TA will be disbursed to projects that are ultimately funded by the SCF.

Illustrative waterfall demonstrating first-loss protection of GCF's commitment(1)

First-loss protection(2)

Senior investors benefit from protection through GCF's junior commitment. In addition, the lower preferred return for GCF's commitment further enhances the return for senior investors.

1 Invested Capital and Preferred Return to the Senior Investors

100% of distributions until senior investors have received a return of all capital contributions and hurdle at 8% IRR

2 Invested Capital and Preferred Return to GCF

100% of distributions until the GCF has received a return of all capital contributions and hurdle at 3% IRR

3 GP Catch-up

100% of distributions to the GP until it has received 20% of all distributions

4 Distribution of gains and carried interest

80% to the senior investors and GCF pro rata based on their respective commitments and 20% carried interest to the GP

(1) The GCF board approved an unconditional commitment to the first-loss tranche of SCF in an amount of $50mm with up to an additional $100mm commitment conditioned on GCF representing 20% of the total capital commitments. There can be no assurance that the full amount of GCF's commitment will ultimately be made. GCF preferred return is 3% compared to 8% for the senior investors. Thereafter, GCF and senior investors share distributions pro rata based on committed capital, subject to the General Partner's carried interest.
(2) There can be no guaranty that the GCF's junior commitment will be sufficient to protect against losses for the senior investors.

The GCF concessional first-loss commitment is intended to grant meaningful additional upside to limited partners while providing substantial protection in downside scenarios

Comparison of effective IRR at various investment returns with and without GCF concessionality

Investment level assumptions		Private LP Return with GCF Concessionality		Private LP Return without GCF Concessionality		Private LP Return with GCF Concessionality		Private LP Return without GCF Concessionality	
Investment Level Gross IRR	Implied Investment-Level Gross MOIC	Gross IRR	Net IRR	Gross IRR	Net IRR	Gross MOIC	Net MOIC	Gross MOIC	Net MOIC
(2.5%)	0.84x	0.7%	-1.7%	-2.5%	-5.0%	1.05x	0.89x	0.84x	0.71x
0.0%	1.00x	3.2%	1.0%	0.0%	-2.4%	1.25x	1.06x	1.00x	0.85x
5.0%	1.41x	8.4%	6.3%	5.0%	2.8%	1.76x	1.50x	1.41x	1.20x
7.5%	1.66x	10.1%	8.0%	7.5%	5.3%	1.95x	1.66x	1.66x	1.41x
10.0%	1.95x	11.8%	8.0%	10.0%	7.9%	2.14x	1.63x	1.95x	1.66x
15.0%	2.66x	16.5%	12.1%	15.0%	10.9%	2.89x	2.11x	2.66x	1.98x
20.0%	3.58x	21.1%	16.6%	20.0%	15.6%	3.85x	2.73x	3.58x	2.61x

SCF first-loss return impact

- The example calculations of various hypothetical investment return outcomes demonstrates the impact of GCF's first-loss commitment
- In downside cases, LPs are expected to benefit from significantly lower losses and potentially realize modest returns as SCF's capital is only returned after the preferred return hurdle of LPs have been hit
- In upside cases, LPs will see enhanced IRRs due to the improved return economics due to (i) accelerated returns of capital plus preferred as 100% of the distributions go to 80% of the commitments and (ii) from GCF's lower hurdle rate of 3%

Note: this is an illustrative example showcasing returns for LPs under certain assumed circumstances. The following assumptions have been made in calculating the returns: Initial closing at the end of year 1 and final closing at the end of year 2. 10 investments all with the same gross IRR and a seven-year holding period. Four of the investments are made at the end of year 2, four at the end of year 3, and the final two at the end of year 4. $2.5mm of start-up costs and $1.0mm of annual Partnership Expenses. Management fee of 2% of commitments during the Commitment Period and 1.5% of Actively Managed Capital thereafter. For simplicity, the model excludes other items which may be material to investor returns.

See the slides entitled "Notice to Recipients" for important additional information. The scenarios depicted in this presentation are not intended to be hypothetical or expected Fund performance. Rather, the scenarios are for illustrative purposes to show the effect of GCF's first loss commitment under various return scenarios. Actual performance may differ materially.

SCF's investment strategy combines a differentiated focus and origination approach, which the Fund believes will generate attractive returns, mitigate risk, and have measurable impact

Focus on untapped mid-size climate infrastructure market

SCF focuses on mid-size, low carbon, climate resilient, replicable and scalable infrastructure projects with proven technologies from leading private project developers.

- The SCF team believes equity investments in the range of 5-75m USD represent an underserved sweet spot with an extensive market of high-impact bankable projects
- With a consortium of experienced organizations, SCF believes it will be able to effectively source, develop, operate, scale and exit mid-size climate projects

Dedicated, grant-funded Technical Assistance

Grant: Up to USD 28 million

International Union for the Conservation of Nature

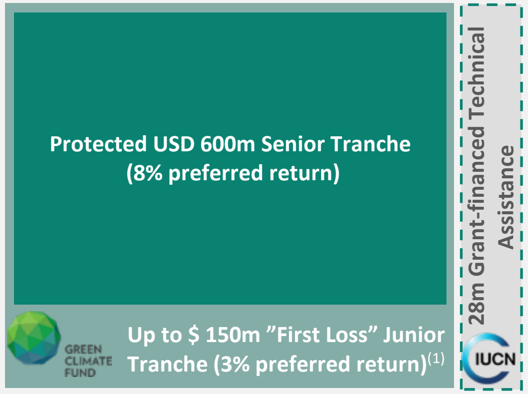
Supported by

The technical assistance is managed by IUCN, the world's largest nature-focused NGO with presence in more than 160 countries and 50 offices.

Pipeline building and operational fund support

- **Deal Sourcing**: Utilizing network to authorities, developers and organizations to contribute to SCF's pipeline building
- **Feasibility Studies**: Working with R20 and recognized engineering firms to validate and develop projects
- **Capacity Building:** Training local project sponsors and authorities for effective project sourcing & design
- **Impact assessment**: Mandating Gold Standard to develop and deploy impact assessment methodologies

Investment risk mitigation and enhanced economics



Blended Finance approach with USD 150m[1] as first loss capital from the GCF and a 28m grant-funded technical assistance unit[2]:

- Junior tranche of min. 20% fund volume and 3% concessionary rate of return, intended to de-risk the fund and improve return for private investors
- TA is intended to source projects and mitigate construction & ES risks with feasibility studies at no cost to the fund

Extensive impact assessment, management, and certification framework

Gold Standard deploys a sophisticated impact assessment system to provide reliable validation and certification of the fund's impact and projects.

- Reliable independent assessment of impact
- Certification at the fund and asset level
- International recognition of impact certification

Pioneering impact: The Global Innovation Lab for Climate Finance awards

- SCF received the Lab award for Sustainable Cities through its differentiated approach and extensive potential to generate climate impact with sustainable urban infrastructure

[1]The GCF board approved an unconditional commitment to the first-loss tranche of SCF in an amount of $50mm with up to an additional $100mm commitment conditioned on GCF representing 20% of the total capital commitments. There can no assurance that such plans will be realized. GCF preferred return is 3% compared to 8% for senior investors. Thereafter, GCF and senior investors share distributions pro rata based on committed capital, subject to the General Partner's carried interest.
[2]GCF has approved an $18.5mm grant to the TA facility. There can be no guaranty that IUCN, as manager of the TA, will successfully raise the full $28mm or that all, or any portion of the TA will be disbursed to projects that are ultimately funded by the SCF.
[3]Third-party logos included herein are provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by such firms or businesses. There is no guarantee that SCF or Pegasus will work with any of the firms or businesses whose logos are included herein in the future.

Investment Strategy: Scalable greenfield investments in high-growth areas, unified in a geographically and sector-diversified portfolio

Investment Strategy[1]

SCF expects to invest into scalable infrastructure assets in high-growth developing regions with identified local need.

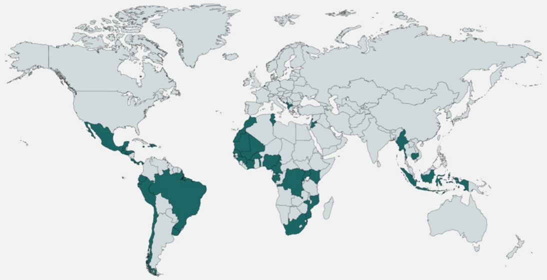
Investment criteria

- Proven and growing local need for climate infrastructure
- Proven technologies from leading private project developers
- Measurable, certifiable climate additionality
- Replicability and scalability of investments
- Strong financial return – target net IRR of 12-15%[5]

Portfolio strategy

- 15-25 investments in the range of 5-75m USD[2]
- Balanced diversification across geographies and technologies
- Aiming for controlling equity stakes[3]
- Single sector limit of 40%
- Single investment concentration limit of USD 75m

Expected geographic diversification[1]



A balanced diversification across main developing regions seeks to mitigate geographic risk exposure

➢ The SCF aims to allocate 20-30% of its capital to each of the four regions: Latin America & Caribbean, Africa, Mediterranean, and Asia

Expected diversification across primary subsectors[4]

Sustainable Energy Solutions	Waste & Water Management	Urban Development Solutions	Sustainable Agriculture
30-40%	*20-30%*	*20-30%*	*15-25%*

➢ The portfolio is expected to consist of a healthy mix of sectors; highly-demanded greenfield projects from private developers

[1]See the Private Placement Memorandum for SCF, which can be made available upon request, for important additional information concerning SCF's investment criteria, strategy and geographic limitations.
[2]The given range represents indicative initial total project investment costs. As investment aim to develop scalable platforms with substantial follow-up investments the range is not representative for the ultimately deployed equity by the Fund.
[3]While SCF intends to hold controlling stakes whenever feasible and attractive, the ultimate investment stake is decided on a case-by-case basis. Depending on the circumstances (e.g. co-investors), occasional minority stakes might be pursued.
[4]The complete list of potential sectors in which the fund may invest is comprised of (i) water and sanitation, (ii) restorative agriculture/aquaculture, (iii) urban development solutions, (iv) waste optimization and (v) renewable energy generation and energy efficiency, including energy retrofits. The project types described above are intended focus areas and do not represent an exhaustive list of all potential project types.
[5]There can be no guaranty that financial and/or impact objectives will be achieved. Target return is included for illustrative purposes only. There can be no guarantee that the target return will be achieved. Actual results may vary significantly. Please see the slides entitled "Notice to Recipients" for additional information, including use of target performance and forward-looking statements

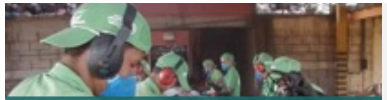
Applying a holistic investment approach, the Fund has identified four reinforcing areas covering both climate mitigation and adaptation with the highest anticipated impact in tackling climate change

Primary development Solutions[1]

mitigation-focus

Sustainable Energy Solutions

- Solar photovoltaic farms
- Energy storage solutions
- Wind parks
- Biomass power plants
- Energy efficiency solutions



Waste & Water Management

- Waste sorting, treatment, recycling
- Composting facilities
- Proven conversion technologies
- Water & Sanitation

adaptation-focus

Urban Development Solutions

- Climate infra and urban transport
- Digital infrastructure
- Smart city development
- Sustainable tourism infrastructure

Sustainable Agriculture

- Sustainable high value crop agriculture
- Integrated food and agri value chains
- Agriculture technology or agritech
- Controlled environment agriculture

Rationale

- Various studies and campaigns have identified significant climate infrastructure needs in developing countries across the four focus areas[2]
- However, despite increasing climate and health risk, private investments are still mostly focused on the mitigation of climate change, overlooking the equivalent need for adaptation to a carbon damaged world[3]
- With extreme weather, air- and water pollution, and vanishing of croplands and mangroves, the costs of adaptation are estimated at USD140-300bn p.a. by 2030[4]
- Investing USD1.8tn between 2020 and 2030 in target areas like climate-resilient infrastructure, improved dryland agriculture crops, mangrove protection, water resilience, and waste treatment is expected to lead USD7.1 trillion in benefits[5]

SCF benefits

Holistic investment approach that extends beyond renewable energies to amplify impact on climate change by also addressing urgent adaptation needs with significant climate impact.

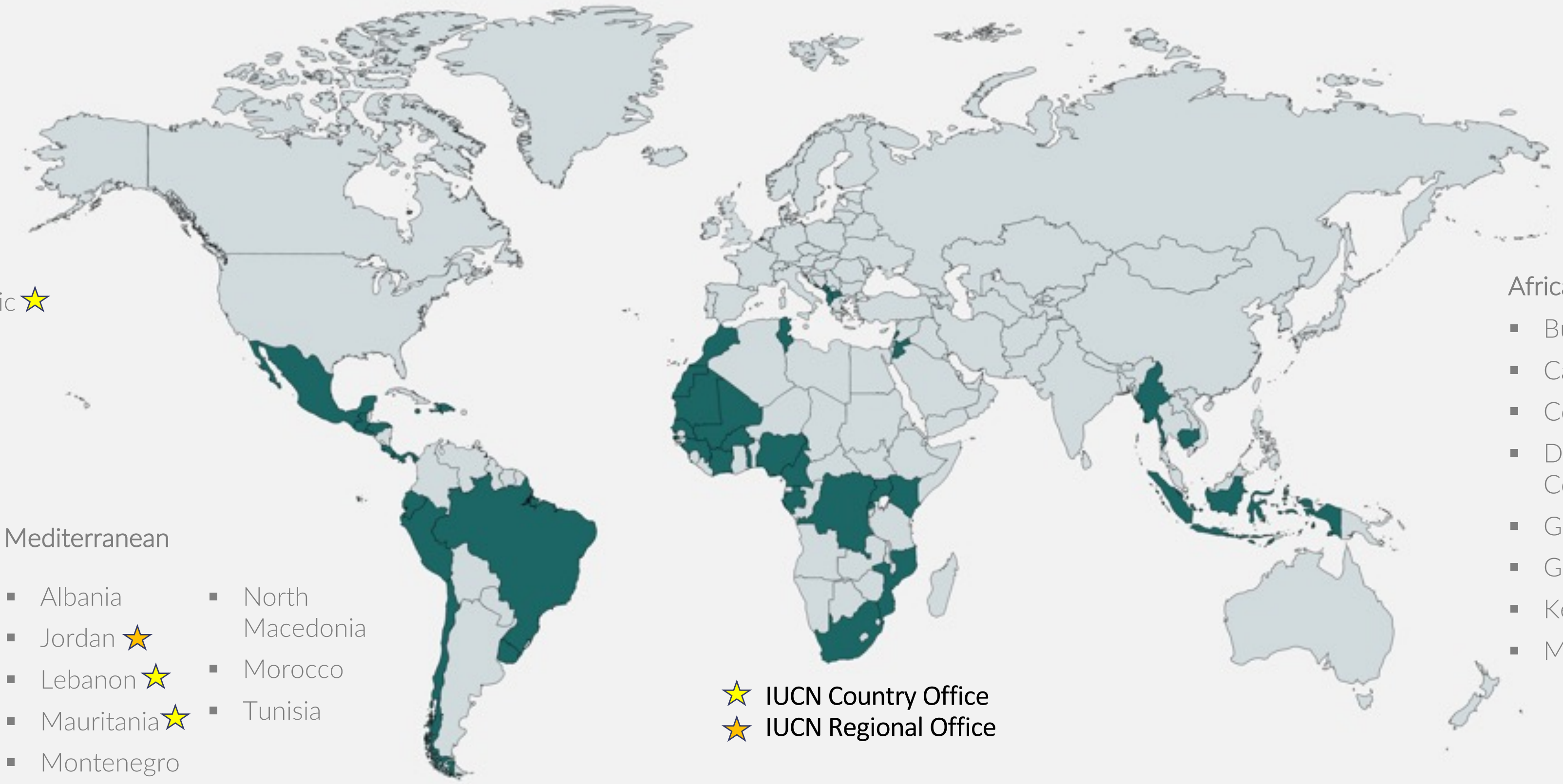
Enhanced portfolio diversification by engaging in a variety of heavily growing climate infrastructure sectors and subsectors on top of geographic diversification.

Combining the several development sectors in one fund, the SCF grants investors exposure to new, heavily growing sectors in otherwise hardly accessible geographic subregions.

[1]The complete list of potential sectors in which the fund may invest is comprised of (i) water and sanitation, (ii) restorative agriculture/aquaculture, (iii) urban development solutions, (iv) waste optimization and (v) renewable energy generation and energy efficiency, including energy retrofits. The project types described above are intended focus areas and do not represent an exhaustive list of all potential project types.
[2]E.g. R20 100 projects campaign (2016); IFC (2018): Climate Investment Opportunities in Cities An IFC Analysis; OECD Climate Resilient Infrastructures (2018)
[3] World Bank: Enabling Private Investment In Climate Adaptation & Resilience (2020)
[4]United Nations Environment Programme (UNEP): UNEP Adaptation Gap Report (2020)
[5]Global Commission on Adaptation (GCA): Adapt Now: A Global Call For Leadership On Climate Resilience (2019)

The Fund maintains relations and agreements with numerous developing countries, which is expected to result in a well-diversified portfolio across all developing regions and sub-regions

Countries that have endorsed SCF[1]



Latin America and Caribbean

- Bahamas
- Brazil
- Chile
- Costa Rica
- Dominica
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Haiti
- Honduras
- Jamaica
- Mexico
- Panama
- Uruguay

Mediterranean

- Albania
- Jordan
- Lebanon
- Mauritania
- Montenegro
- North Macedonia
- Morocco
- Tunisia

Asia – Pacific

- Cambodia
- Indonesia
- Myanmar
- Fiji

Africa

- Burkina Faso
- Cameroon
- Côte d'Ivoire
- DR of the Congo
- Gabon
- Guinea
- Kenya
- Mali
- Mozambique
- Nigeria
- Rwanda
- Senegal
- South Africa
- Togo
- Uganda

IUCN Country Office
IUCN Regional Office

Additional countries may be added throughout the fund's duration.

[1]The terms of the GCF's investment prohibit SCF from investing in projects outside of the countries identified below. There can be no guaranty that additional countries will be added.

The SCF utilizes and invests in Nature-based Solutions as a complementary project component where applicable across all its investment sectors, contributing to nature preservation and enhancing portfolio impact

Nature-based Solutions

***Nature-based Solutions** are actions to protect, sustainably manage and restore natural and modified ecosystems in ways that address societal challenges effectively and adaptively, to provide both human well-being and biodiversity benefits. They are underpinned by benefits that flow from healthy ecosystems and target major challenges like climate change, disaster risk reduction, food and water security, health and are critical to economic development.*[1]

IUCN

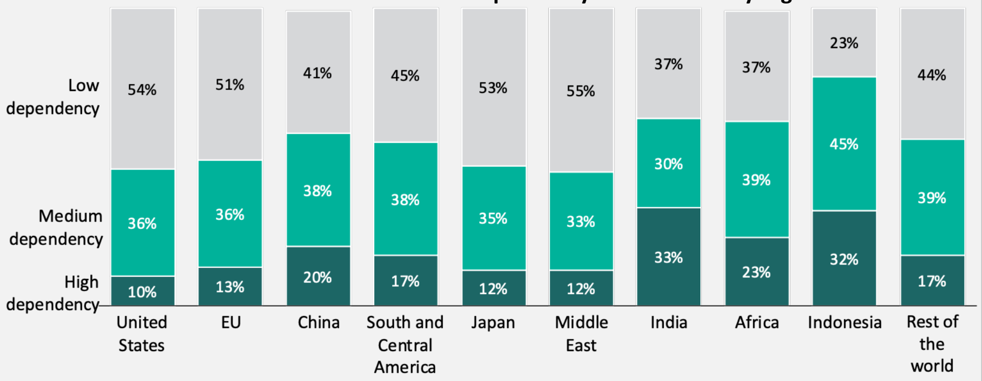
- The SCF aims to integrate Nature-based Solutions components across their entire portfolio of investments in all target sectors and geographies
- Nature-based Solutions are an important element to enhance climate infrastructure projects and spur long-term economic, social and environmental benefits
- SCF's efforts are backed by IUCN's nature-related competencies and pioneering role in the establishment, promotion, and advancement of Nature-based Solutions as a sector

Examples for Nature-based Solutions as a complement to infrastructure investments:

- Run-of-river hydropower project with a planted mangrove forest along a river to prevent erosion of the banks and siltation downstream while capturing CO2
- Sowing native plants and crops underneath solar panels to increase biodiversity and off-set CO2 while cooling the solar panels down and thus increasing their output
- Planting carbon-offsetting mangroves along the beach of an eco-resort project to hold together coastlines, prevent salt contamination and flood-related degradation

Urgency

Distribution of nature dependency classification by region[2]

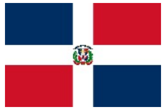


More than 50% of the world's GDP is moderately to highly dependent on nature, with an especially high concentration in the major developing regions of the world.

- Simultaneously, human actions have significantly altered >75% of land-based environment, especially severe in urbanized areas[3]
- More than a third of land and 75% of freshwater resources are now devoted to crop and livestock production, putting ecosystems, biodiversity, and major carbon sinks under increasing distress
- Crucial natural ecosystems are being lost at an unprecedented pace; e.g., 55% of biological carbon is captured by marine ecosystems, however, coastal ecosystems are declining 400 times faster than tropical forests[4]
- To preserve the world's natural resources, leading organizations advise for an integrated approach in all nature-related & dependent sectors[5]

[1] IUCN (2021)
[2] PWC (2020)
[3] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) (2019)
[4] Earth Security Group (2020), CDC (2020)
[5] UN (2019), IPBES (2019)

Pipeline example[1] – Three utility-scale solar PV plants – Dominican Republic



Dominican Republic

Description

Three 130MW$_p$ solar plants in ideal geographic locations for solar energy production in three different states of the DR and with clear access to national grids. Strong reliance on oil imports and related power prices have led the Dominican Republic to mandate and strongly support projects of this kind.

Sourcing and Development

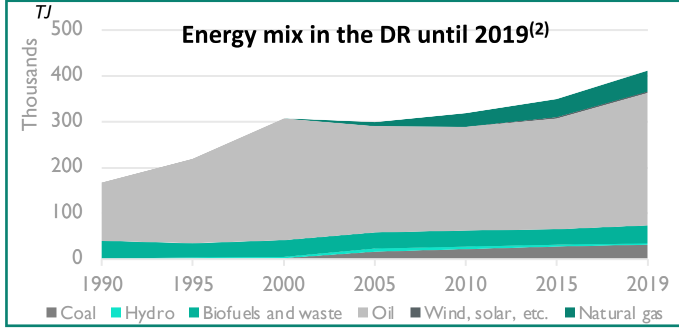
- Sourcing through a network partner of the SCF with direct ties to the project developer
- Projects are part of mandated governmental program to increase renewable power generation in the DR
- Developer has secured land and grid connections. SCF role to fund third party development costs to finish permitting process and fund the construction of the assets

Operational Aspects

- A long-term ([15] years), USD-denominated PPA will be signed with the state-owned utility / distribution company who will act as the sole off-taker of the electricity
- The plant will be managed by a recognized asset manager with strong local track record, EPC and O&M to be undertaken by reputational international providers

Investment rationale

Steadily increasing electricity demand in the Dominican Republic has mostly been met by strongly increasing expensive oil imports with concerning environmental impact.



To enhance electrification and replace the vast oil imports, the DR government has committed to increasing and supporting renewable energy projects in order to reach 25% renewables share by 2025.

- Strong regulatory support, stable economic growth, and high regional tariffs due to substituting oil imports make solar investments particularly attractive in the DR

Specific project key facts (as of 11/2021)

Est. total investment (USDm)	350+
Est. total equity investment (USDm)	40-55
Leverage	70-75%
Capacity	390 MWp
Estimated annual output	600’000+ MWh

[1]Pipeline examples are provided for illustrative purposes only. There can be no guaranty that any of these transactions will be consummated on attractive terms (or at all), that any of these opportunities will be available to the Fund when the Fund is prepared to deploy capital, or that Pegasus will be able to source similar transaction opportunities in the future. Estimated investment represents the projected amount of equity capital that Pegasus anticipates could be deployed for each opportunity. To the extent Pegasus anticipates staging one or more transactions, amounts shown assume funding of all stages. All such plans are subject to uncertainties and risks. Estimated impact projections are provided for illustrative purposes only. There can be no assurance that such impacts will be achieved. See slides entitled “Notice to Recipients” for important additional information, including the use of case studies and pipeline examples.
[2]International Energy Agency (2020)

Pipeline example[1] – Solar Distributed Generation Platform in Brazil

Brazil

Description

Distributed generation platform with a solar pipeline of 300+MWp Ready-to-Build (“**RtB**”) of which 220+MWp have signed PPA’s with reputable off takers. The company / platform is seeking a partner to co-fund the entire portfolio.

Sourcing and Development

- Sourced through close relationship with an infrastructure advisory with direct ties to the platform
- 300+MWp consists of 35+ projects in 12 different states
- The portfolio has been fully developed by the platform (land, grid connection, environmental, etc.) and are RtB. Of which, 220+MWp with signed PPAs

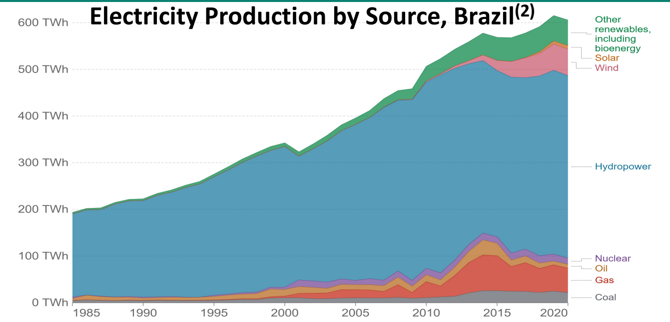
Operational Aspects

- Long-term ([15] year) PPAs indexed to inflation (IPCA) or the energy index.
- Reputable platform capable of providing full turnkey solution including development, construction, financing and operations.
- Platform will remain as 50% equity shareholder of projects

Investment rationale

Increasing electricity demand in Brazil has mostly been met by increased hydro capacity. Concentration risk has recently seen diversification to thermal & other renewable sources.

Electricity Production by Source, Brazil(2)

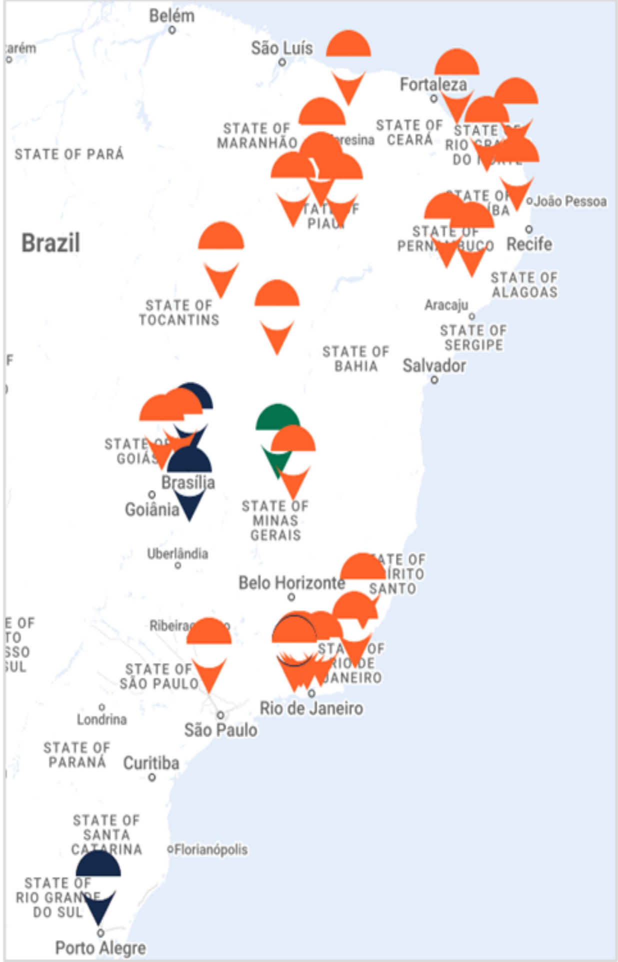


Hydroelectricity forms [65]% of Brazil’s electricity production. This poses significant hydrology risk to the system where, due to this concertation, periods of drought can cause significant volatility and spikes in the energy tariff

- Financing at construction with little / no development risk
- Large distributed generation portfolio is the largest economy in Latin America

Specific project key facts (as of 03/2022)

Est. total investment (USDm)	200+
Est. total equity investment (USDm)	25-35
Leverage	70-75%
Capacity	300+MWp
Time frame	2022 (construction of first project)



[1]Pipeline examples are provided for illustrative purposes only. There can be no guaranty that any of these transactions will be consummated on attractive terms (or at all), that any of these opportunities will be available to the Fund when the Fund is prepared to deploy capital, or that Pegasus will be able to source similar transaction opportunities in the future. Estimated investment represents the projected amount of equity capital that Pegasus anticipates could be deployed for each opportunity. To the extent Pegasus anticipates staging one or more transactions, amounts shown assume funding of all stages. All such plans are subject to uncertainties and risks. Estimated impact projections are provided for illustrative purposes only. There can be no assurance that such impacts will be achieved. See slides entitled “Notice to Recipients” for important additional information, including the use of case studies and pipeline examples.
[2]https://ourworldindata.org/ (2022); Latin American Power Overview, Fitch Ratings (2019); TR Solucoe (2022)

Pipeline example[1] – Sustainable Eco-Resort – Galapagos

Galapagos, Ecuador

Description

Opportunity to capitalize development of a luxury eco resort on San Cristóbal Island in the Galapagos with operations aimed to contribute to the protection and restoration of the ecosystem of San Cristóbal Island.

Sourcing and Development

- Project sourced by proprietary relationships held between Pegasus principals and the management of the resort developer
- The developer is globally recognized for its commitment to environmental sustainability and local communities

Operational Aspects

- 48 hotel keys, essentially as luxurious ecological huts with no solid, intrusive structures
- Developer will run the hotel under an internationally recognized brand for ecological tourism
- Project will earmark funding and development of local environmental and community projects by committing parts of various revenue streams to foster local ecosystem restoration and protection

Investment rationale

The Galapagos Islands represent one of the most diverse ecosystems in the world, however, at the same time are at threat of severe decline from various sources:

- Increasing visitors and inhabitants are putting pressure on resources and the local ecosystem
- Part of the humid zones have been converted to agriculture, reducing biodiverse forest area
- Many invasive species like the hill raspberry are responsible for decline in native forests and biodiversity

- Establishing an ecological tourist operations offers a unique opportunity to preserve biodiversity and avoid the development of harmful hotels and structures
- Hotel permits are extremely rare in the Galapagos and require extensive impact-related standards, offering a unique market opportunity with high entry barriers

Specific project key facts (as of 11/2021)

Est. total investment (USD m)	56.0
Leverage	0%
Hotel Size	48+ hotel keys
Site Size (including protected area)	22.317 hectares
Time frame	Build: 2.5 years Hold: 5 years

[1]Pipeline examples are provided for illustrative purposes only. There can be no guaranty that any of these transactions will be consummated on attractive terms (or at all), that any of these opportunities will be available to the Fund when the Fund is prepared to deploy capital, or that Pegasus will be able to source similar transaction opportunities in the future. Estimated investment represents the projected amount of equity capital that Pegasus anticipates could be deployed for each opportunity. To the extent Pegasus anticipates staging one or more transactions, amounts shown assume funding of all stages. All such plans are subject to uncertainties and risks. Estimated impact projections are provided for illustrative purposes only. There can be no assurance that such impacts will be achieved. See slides entitled “Notice to Recipients” for important additional information, including the use of case studies and pipeline examples.

Key financial and impact parameters

SCF terms

Target size	USD 750m
1st Closing	Q2 2021
Term	12 + 1 + 1 + 1 years
Preferred return	8% for senior tranche 3% for GCF junior tranche
Management Fee	2% of committed capital during the Commitment Period 1.5% of invested capital thereafter
Minimum commitment	USD 10m
Target Fund Return	12-15% net IRR[1]
Target Investment Size[2]	USD 5 – 75m (15-25 total investments)
Commitment Period	5 years from the final close
Carried Interest	20%, subject to the preferred return with 100% catch-up
Professional service providers	Lemanik Asset Mgmt (AIFM), Kirkland & Ellis (Legal advisors); Elvinger Pross Hussen (Lux counsel); PwC (Fund Auditor)

Target parameters

Min. 20% of Fund Size[3]
- 1st loss capital from the Green Climate Fund
- No distributions to GCF until senior investors receive return of all invested capital + preferred return.

USD 28m
In grant-funding to bring early-stage projects to bankability (proprietary pipeline)[4]

Target Impact

82m tCO_2 eq. GHG
certified emissions avoided

20,000 direct jobs created

Expected Fund terms provided herein are for informational and discussion purposes only, consist of expected terms only, are a summary of certain terms and are not intended to be complete and are qualified in their entirety by reference to the Fund's Memorandum and Partnership Agreement, which should be reviewed in their entirety prior to making an investment in the Fund. There can be no assurance that plans herein will be realized on the terms expressed herein or at all.

1Target return is included for illustrative purposes only. There can be no guaranty that the target return will be achieved. Please see slides entitled "Notice to Recipients" for important additional information, including regarding the calculation of IRR.

2The size of the equity stakes SCF will be taking is subject to investment volume and individual circumstances of each investment. Displayed numbers represent only an approximation of a possible investment size in view of the entire project costs according to SCF internal rules and the final size of investments is to be determined throughout the evaluation and project development process.

3The GCF board approved an unconditional commitment to the first-loss tranche of SCF in an amount of $50mm with up to an additional $100mm commitment conditioned on GCF representing 20% of the total capital commitments. There can no assurance that such plans will be executed.

4GCF has approved an $18.5mm grant to the TA facility. There can be no guaranty that IUCN, as manager of the TA, will successfully raise the full $28mm or that all, or any portion of the TA will be disbursed to projects that are ultimately funded by the SCF.

Join a game changing initiative accelerating local action for a sustainable future.

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Past or targeted performance is not necessarily indicative of future results. Actual results could differ materially from those discussed or implied herein as a result of various factors, including future economic, competitive, regulatory or market conditions or future business decisions. There can be no assurance that the Fund will realize its objectives or that any investor in the Fund will receive a return of its capital. Variables that could materially and adversely affect the actual investment performance of the Fund may include, without limitation, (i) future operating results of the Fund's investments; (ii) availability and costs of financing; (iii) exit timing; (iv) increases in costs of materials or services; (v) force majeure events (e.g., terrorist attacks, pandemics, extreme weather conditions, earthquakes, war, etc.); (vi) supply/demand imbalances; (vii) currency fluctuations; (viii) litigation and disputes; (ix) inability to obtain necessary licenses and government, regulatory or other approvals; (x) competition; (xi) whether or not the Fund is able to source and consummate investments on attractive terms and timing; (xii) the extent of political support, globally, nationally and subnationally, for climate-focused investing, (xiii) the impact of the COVID-19 pandemic and (xiv) other relevant factors.

There can be no assurance that targeted returns will be achieved, that the Fund will achieve comparable results or that the returns generated by the Fund will equal or exceed those of other fund investment activities of Pegasus (including prior individual co-invest opportunities) or that the Fund will be able to implement its investment strategy or achieve its investment objectives. Any projections, forecasts or other model or estimated future returns, including estimates of returns or performance, set forth herein are hypothetical, have been prepared and are set out for illustrative and discussion purposes only, and do not constitute a forecast. Projections should not be relied upon and do not represent, and are not necessarily indicative of, the results that may be achieved by any investment. Projected or targeted performance has many inherent limitations. As a sophisticated investor, you acknowledge that you understand and accept such inherent limitations and agree to use projections for discussion purposes only. No assumption should be made that investments identified and discussed herein were or will be profitable, or that investments made in the future will be comparable in quality or performance to the investments described therein. Prospective investors are encouraged to contact Pegasus representatives to discuss the procedures and methodologies used to calculate the investment returns and other information provided herein.

Certain information contained herein, particularly in respect of market data, economic and other forecasts and performance data, including certain financial projections made with respect to the Fund, and product information (including summaries of product performance), has been obtained from published sources and from third parties. While such information is believed to be reliable for the purpose used herein, none of Pegasus or any of its directors, officers, employees, partners, or affiliates assumes any responsibility for or makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to economic, market or other information obtained from third parties), and each expressly disclaims any responsibility or liability therefor. This Presentation does not constitute and should not be considered as any form of financial opinion or recommendation. This Presentation contains forward-looking statements that relate to the Fund and the financial and regulatory environments in which the Fund operates. These forward-looking statements are identifiable by words such as "anticipate", "estimate", "project", "plan", "intend", "expect", "believe", "forecast" and similar expressions. Potential investors should be aware that these statements are estimates, reflecting only the judgment, opinion and beliefs of Pegasus management, relying on the Fund's management team, and prospective investors should not place any reliance on any forward-looking statements. Pegasus undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Case studies and pipeline examples presented herein are for information purposes only and are intended to illustrate the profile and types of investments expect to be pursued by the Fund. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Further, references to the investments included in the illustrative case studies should not be construed as a recommendation of any particular investment or security. Past performance of any such case studies is not indicative of overall results or future results. The investment rationale and criteria described throughout these case studies and pipeline examples reflect the beliefs of Pegasus and are based on a variety of assumptions and estimates that are subject to various risks. Such rationale and criteria describe the investment rationale and criteria generally considered by Pegasus at the time Pegasus makes an investment decision. There can be no assurances that the investments made by the Fund will meet these criteria. Further, there can be no assurance that any future Pegasus investments will achieve comparable results or that Pegasus will be able to continue to implement its investment strategy or achieve its investment objectives.

This Presentation contains information regarding Pegasus' potential investment opportunities or a "pipeline" of such opportunities. With respect to any potential investment opportunities, the Fund has not consummated such potential investments, and there is no assurance that any such potential investments will ever be purchased by, or actually be available to, the Fund. In addition, actual investments purchased by the Fund may differ materially in terms and performance from the potential investments discussed herein. Certain information related to pipeline opportunities was provided by third parties and certain statements reflect Pegasus' beliefs as of the date hereof based on prior experience and certain assumptions that Pegasus believes are reasonable, but may prove incorrect.
The actual realized returns on Pegasus' unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transactions costs and the timing and manner of sale, all of which may differ from the assumptions on which the targeted performance data contained herein are based. Accordingly, the actual realized return on these unrealized or partially realized investments may differ materially from Pegasus' estimated returns indicated herein.

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Gross IRR is computed on an annual, compounding basis and is calculated without a reduction for any carried interest, management fees and other partnership expenses, which amounts will reduce actual returns from the returns shown here. Such amounts may be significant and may cause such results and the corresponding amounts actually returned to investors to be materially lower than those portrayed. Further, Gross IRR is calculated using daily cash flows as they actually occurred and estimated unrealized values. Net IRR is calculated based on the gross cash flows, as described above, and is presented net of any carried interest, management fees, and other partnership expenses, but exclude blocker taxes. The management fees and carried interest taken into account for calculating "net" returns are based on assumed projected blended rates paid across all future investors in the Fund and do not necessarily represent the fees and carry paid by any particular investor. An individual investor's Net IRR may vary based on the timing of capital contributions and distributions. Net IRR for individual investments cannot be calculated without making arbitrary assumptions regarding allocation of fees, expenses and carried interest to each investment. . For a description of such management and advisory fees, carried interest, transaction costs and other expenses, please see Part 2A of Form ADV maintained by Pegasus' registered investment advisor, Pegasus Capital Advisors, L.P., a copy of which is available upon request.

While the Fund will seek to generate attractive financial returns, the Fund will also strive to achieve, measure and quantify environmental and social impacts. The pursuit and implementation of such impacts may negatively impact financial results. Furthermore, there can be no guaranty that impact targets will be achieved. The terms of GCF's investment impose a number of requirements on SCF, its operations, investment strategy and investment process. See the Memorandum for more information. The Technical Assistance is managed separately by IUCN, and while the consortium intends to collaborate on the deployment of TA funds, there can be no guaranty that TA funds will be available for disbursement to any particular project or that SCF will ultimately invest in projects for which TA funds were deployed. Technical Assistance funds are expected to assist project developers with capacity building and proof of concept. SCF will bear all other expenses incurred in connection with the evaluation of potential investments, and will bear expenses of the type anticipated to be funded by the TA to the extent TA funds are unavailable for any reason.

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<u>Certain Securities Laws Considerations</u>
The Interests have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other U.S. or non-U.S. jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Presentation. Any representation to the contrary is unlawful. The Interests have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state of the United States or the securities laws of any other jurisdiction, nor is such registration contemplated. Further, each investor must be prepared to bear the economic risk of the investment in the Interests for an indefinite period of time, since the Interests cannot be transferred or resold (i) except as permitted under the constituent documents of the Fund and (ii) unless they are registered under the Securities Act and under any other applicable securities laws or an exemption from such registration thereunder is available. There is no public market for the Interests and no such market is expected to develop in the future. It is extremely unlikely that the Interests will ever be registered under the Securities Act.

The Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and consequently the investors will not be afforded the protections thereof. The Fund will rely on the exceptions contained in Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act. The Fund will obtain appropriate representations and undertakings from prospective investors to ensure that the conditions of the applicable exception(s) are met. The Fund, to the extent made available, may be made available in the European Economic Area ("EEA") in accordance with the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the "AIFMD") as a private placement to a limited number of investors. In relation to each member state of the EEA (each a "Member State"), interests in the Fund may only be made available to professional investors (as such investors are defined in Article 4(1) of the AIFMD) in a Member State to the extent that (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with the AIFMD (as implemented into the local law/regulation of the relevant Member State); or (2) the Fund may otherwise be made available in that Member State (including at the initiative of the investor). This Presentation is not an offering document and is only provided to parties which qualify as professional investors as described above. In the United Kingdom, this Presentation is being distributed only to and is directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) high-net-worth entities falling within Article 49(2) of the Order, and (iii) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons must not act on or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients must not distribute, publish, reproduce, or disclose this document, in whole or in part, to any other person. In Switzerland the Fund has not been and cannot be registered with the Swiss Financial Market Supervisory Authority ("FINMA") and thus cannot be offered in Switzerland to non-qualified investors. This Presentation and any subsequent offering materials relating to the Fund may only be provided, and the Fund made available, to: i) persons who are qualified investors as defined in CISA and who fall into Article 10 para. 3 lit. a and b of the CISA in the version of 1 March 2013 (FinSA art. 105 para 4) ("Regulated Qualified Investors"); ii) such other investors as have requested materials at their own initiative and unsolicited by Pegasus or any affiliate thereof. Accordingly, no representative or paying agent in Switzerland has been or will be appointed by the Fund pursuant to CISA.

The recipient of this Presentation acknowledges and agrees that (i) it is aware of, and that will advise each of its representatives of, the fact that some or all of the Presentation is or may be material, non-public and/or price-sensitive information and that the provision of such information may constitute its and its representatives as "insiders" for the purposes of applicable securities laws and (ii) applicable securities laws strictly prohibit any person who has received material, non-public and/or price-sensitive information from dealing, purchasing or selling (or causing or procuring others to deal or trade), whether directly or indirectly, publicly listed or tradable securities or debt of entities referred to in the Presentation and/or the subject of, or connected to, the Fund.

The Fund, and its advisors, have made certain due diligence, reference and explanatory documents, materials and Presentations available to Pegasus as part of the ongoing review and negotiation process. It is anticipated that many of these documents will be made available to the recipient should the recipient wish to continue discussions with respect to an investment in the Fund. These materials will contain important information, statements and data on the Fund and the Interests that is not contained herein. The Presentation is not a summary of all information and documentation contained in those materials from the Fund. The recipient and its advisors are recommended to review and consider the contents of the documentation in their entirety when considering its evaluation of the transactions. The recipient of this Presentation should note, however, that they may not receive all the same information and materials received by Pegasus.

Further process and contacts of the Asset Managers

There will be no follow-up from the Alliance side – the members can address to the Asset Managers directly in case you want to learn more about the vehicle or the company.

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