

PRESS RELEASE

KOMMUNALKREDIT AUSTRIA AG

Sunprime secures unprecedented project financing

EUR 150 million to build 216 MWp rooftop and ground mounted Solar PV greenfield portfolio in Italy

(Vienna, 2 December 2022) – Kommunalkredit Austria AG (Kommunalkredit) acting as Mandated Lead Arranger and Structuring Bank as well as KfW IPEX-Bank and Norddeutsche Landesbank Girozentrale (Nord LB), both acting as Co-Arrangers, closed a project financing agreement for EUR 150 million for Sunprime, through its subsidiaries Sunprime Generation Srl and Sunprime Energia Distribuita Srl, together with the support of its investors Noy Fund and Nofar Energy.

This financing is the largest greenfield rooftop and ground mounted Solar PV financing ever achieved in Italy, and amongst the largest in the renewable sector in Italy. The financing will support Sunprime's growth to more than 200 MW of operational PV projects by 2024, and to its mid-term target of MW 500 of operational PV projects.

At the heart of the Lenders' choice to finance was Sunprime's innovative business model. Sunprime simplifies the deployment of photovoltaic projects in Italy, generating an expedited renewables growth. Sunprime is 100% sustainable, utilizing mostly existing resources to construct PV projects on buildings and industrial sites. Sunprime's mission is to install PV capacity where it is most sustainable: by removing asbestos roofs and re-roofing, which eliminates asbestos' negative impact on roofs of buildings with high electricity consumption, or on industrial land where there is no further environmental impact. Understanding the needs of businesses and property owners, Sunprime develops commercial offerings dedicated to generating and increasing the value of its partners while at the same time producing distributed solar power where it is actually needed.

The financing supports the roll-out of a 216 MW greenfield portfolio of solar PV projects in Italy including both rooftop and a smaller amount of ground mounted plants that will benefit from a Contract-for-Difference (CfD) tariff for 20 years granted by the Italian GSE under the DMFER incentive scheme. The portfolio consists of more than 250 PV installations spread across Italy. Those installations which are expected to be completely rolled-out by the end of 2024 were both initiated and fully developed by Sunprime's highly experienced in-house team.

Despite the current economic environment, the Parties achieved an incredible milestone for the growth of Sunprime, being one of the largest small-scale solar PV greenfield project financings transactions in the world, and the largest greenfield small-scale solar PV project finance deal in Italy in several years. The transaction includes an upfront equity investment of Noy Fund and Nofar Energy for a total EUR 72.5 million.

Thanks to this financing Sunprime is now a leading global IPP-developer able to raise meaningful amounts of senior debt via international and complex non-recourse project finance transactions. Legance supported the Lenders as Legal Advisor, while Watson Farley & Williams served as the Borrower's Legal Advisor. Consorzio Stream acted as Technical Advisor to the Lenders. Marsh acted as insurance advisor, KPMG as financial model auditor, while Ascola acted as financial model advisor for Sunprime.

Birgit Brinda, Head of Banking Structuring & Execution at Kommunalkredit commented: "We are very pleased to have been able to work with such dedicated and experienced partners on this transaction, who also attach high importance to driving sustainable energy forward. The renewable energy sector is key to supplying clean and affordable energy to communities – especially in challenging economic and geopolitical times."

Antonio Mazzitelli, CEO of Sunprime said: "We are able to produce the electricity we need without compromising on territory, by redeveloping compromised surfaces, such as asbestos roofs, abandoned industrial sites, or building plants in proximity of industrial areas, with high electricity demand. In two years, we have disposed more than 200,000 sqm of asbestos, built 60MW and reached the construction phase for over 250MW across 300 projects throughout Italy. While managing greater granularity is complex, it can be done, and is more sustainable. Developing and managing numerous projects in parallel, resulting in greater granularity is complex, and requires operational excellence, however it is feasible and also more sustainable. We believe that the C&I segment is the future of solar, where the value is shared with local businesses. We will continue to grow in the upcoming years and aim to achieve 500MW operational by 2025 and continue to develop many more with the support of our team, institutions, local authorities, and our experienced investors."

Background information:

Kommunalkredit

Kommunalkredit is a specialist for infrastructure and energy financing. Together with its customers as partners, the bank creates value that continuously improves people's lives. In doing so, it facilitates the construction and operation of infrastructure facilities by balancing the financing needs of project sponsors and developers with the growing number of investors looking for sustainable investment opportunities. Main investment segments are Energy & Environment | Communications & Digitalisation | Transportation | Social Infrastructure | Natural Resources.

The bank offers a comprehensive product range covering everything from financial advisory services to structuring, arranging and providing borrowed capital and subordinated capital, as well as asset management via the Fidelio KA Infrastructure debt fund platform.

Sunprime

Sunprime is a fast-growing Independent Power Producer and developer founded in Milan in 2020, and a vertically integrated operator. The company is currently developing a pipeline of sustainable Solar PV projects across Italy focusing on the Commercial and Industrial (C&I) segment, ground mounted PV plants on industrial land, and energy storage. Sunprime is to date is one of the most successful participants in the DMFER GSE tenders with more than 190 MW of projects that were awarded with CfD tariff by GSE. Sunprime's project pipeline currently consists of 200MW of projects ready to build, of which 60 are under construction, and further 300MW under development. As of today the company has raised €72.5 million of funding from its shareholders, Noy Fund, Israel's largest and leading Infrastructure fund with close to EUR 3 billion of assets under management (AUM), and Nofar, an international renewable energy company publicly traded on the Tel Aviv Stock Exchange (NOFR) with a market cap of c. 1 billion Euro. Nofar is operational in Israel, Italy, Spain, UK, US, Romania and Poland with c. 1.5 GW of renewables assets

KfW IPEX-Bank

Within KfW Group, KfW IPEX-Bank is responsible for project and export finance. It supports German and European companies operating in key industrial sectors in global markets by structuring medium and long-term financing for their exports, funding infrastructure investments, securing supply of raw materials and by financing environmental and climate protection projects worldwide.

As a bank that stands for transformation, it finances technologies of the future to support the transition towards sustainable society in all three dimensions of the economy, environment and society. By implementing ambitious sector guidelines for CO2-intensive sectors KfW IPEX-Bank ensures its financings are compatible with the goals of the Paris Agreement. By introducing GHG accounting it aims to achieve a net zero emissions portfolio by 2050.

As specialist bank, KfW IPEX-Bank has extensive industry, structuring and country expertise, it takes on leading roles in financing consortia and actively involves other banks, institutional investors and insurance firms. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.

NORD/LB

NORD/LB Norddeutsche Landesbank is one of the leading German commercial banks. The core business segments include business with corporate customers, private and commercial customers including private banking as well as special finance in the energy and infrastructure sector, aircraft finance and commercial real estate finance. The bank is headquartered in Hanover, Brunswick and Magdeburg and has branches in Bremen, Oldenburg, Hamburg, Schwerin, Düsseldorf and Munich. Outside Germany NORD/LB is represented by a Pfandbrief Bank (NORD/LB Covered Bond Bank) in Luxembourg and branches in London, New York and Singapore.

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