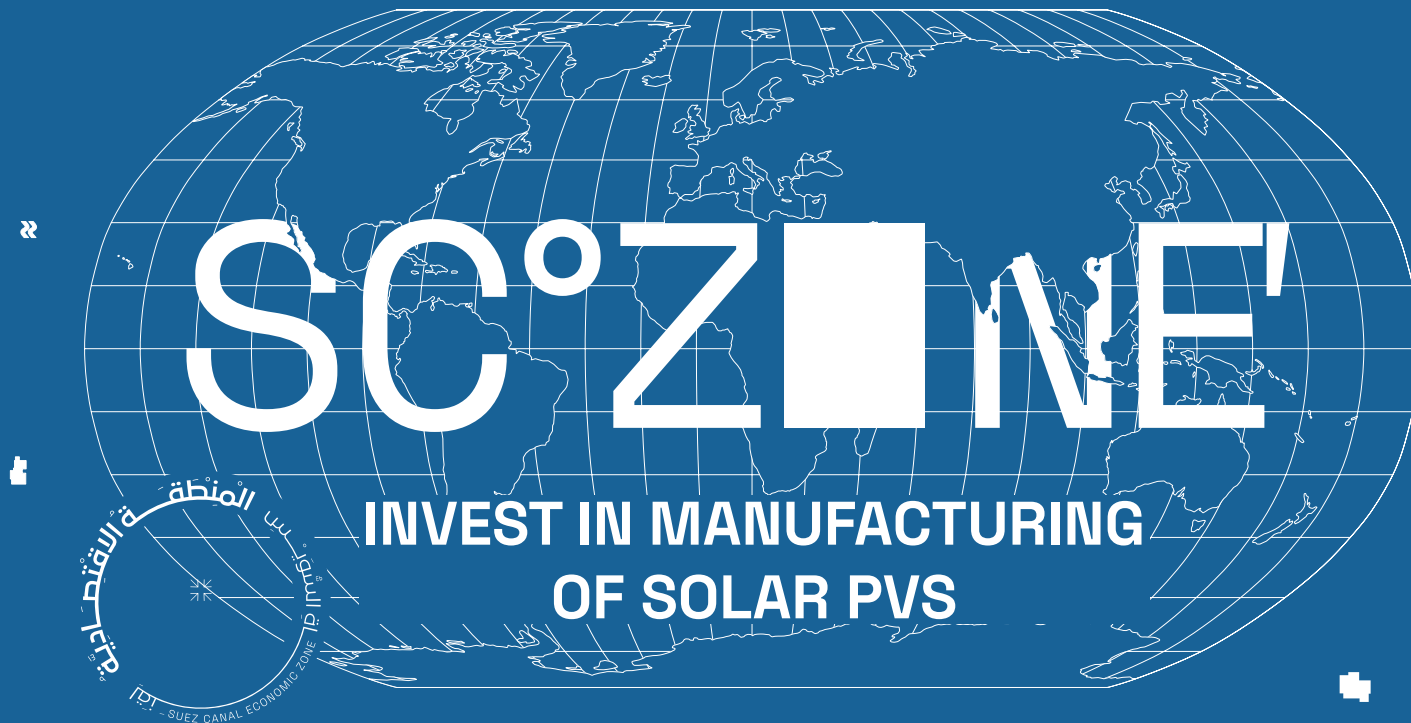






EXECUTIVE SUMMARY

SOLAR PV AS YOUR INVESTMENT OPPORTUNITY

- Solar PV is forecasted to lead the renewable energy growth with a rate of 8% annually, as it becomes the lowest-cost option for renewable electricity generation
- With Egypt having one of the largest operating solar capacity, as well as ~ 3000 kWh/M² of direct solar radiation annually, Solar PV sees a huge potential to satisfy local market needs
- Aligned with Egypt's Vision, Solar PV Manufacturing is an integral part of SCZONE'S planned green fuel production hub, serving both the local and global markets

EGYPT AS YOUR LONG-TERM BUSINESS PARTNER

- Strong GDP growth outpacing global markets with an average growth forecast of 5.5% (2022-2025)
- EGP2.3tn invested into infrastructural developments over the past 7 years
- A trade and investment hub that is supported by the country's large domestic market, strategic geographic location, and large and educated talent pool
- The country boasts some of the most competitive labor & electricity prices amongst its peers, alongside various free trade agreements that facilitate profitable production & exports

SCZONE AS YOUR UNIQUE INVESTMENT DESTINATION

- Well-connected to the modern road network of Egypt and enjoys direct connection to the new Suez-canal tunnels
- Offers direct financial incentives such as a 0% customs tax, a 0% VAT tax, and an export support program among other indirect incentives
- Enjoys a special customs regime and trade regulations on top of being a one-stop shop for registrations, permits, licenses, and bureaucratic processes in general





001

CHAPTER ONE

WHY INVEST
IN SOLAR PV

Egypt is considered a “sunbelt” country with 2,000 to 3,000 kWh/m² of direct solar radiation annually.

Solar PV Manufacturing Sees a Huge Potential to Satisfy Market Needs.



SC°Z■NE'

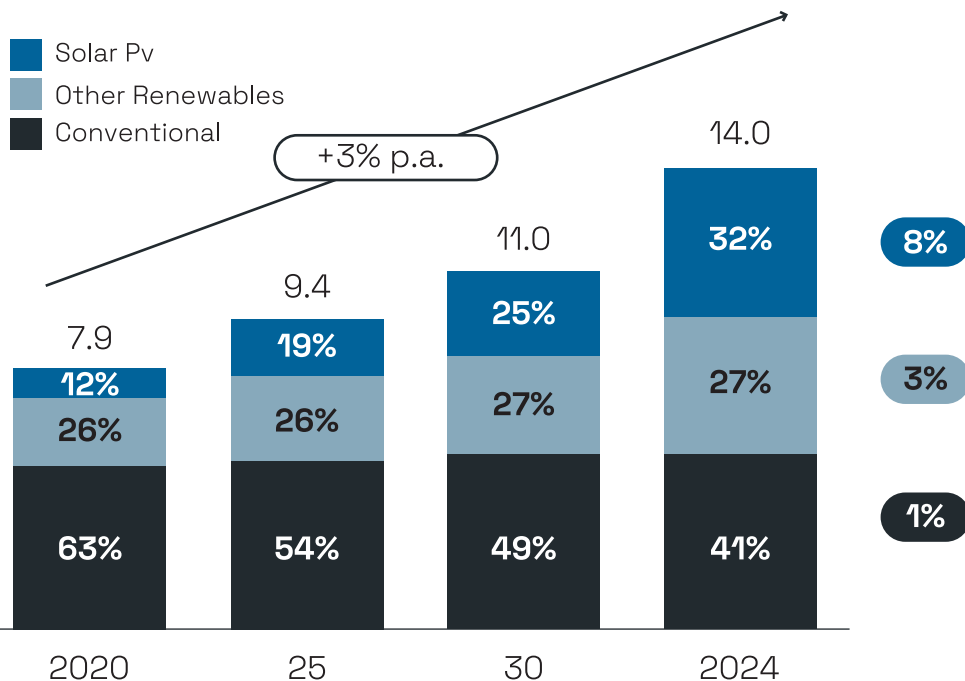
■ UNIQUE LOCATION

■ HIGHEST QUALITY STANDARDS

■ RESILIENT ECONOMIC GROWTH

RENEWABLE ENERGY IS EXPECTED TO GROW AT A LARGE SCALE WITH SOLAR ENERGY LEADING THE WAY

GLOBAL ENERGY SUPPLY, IN TERAWATT

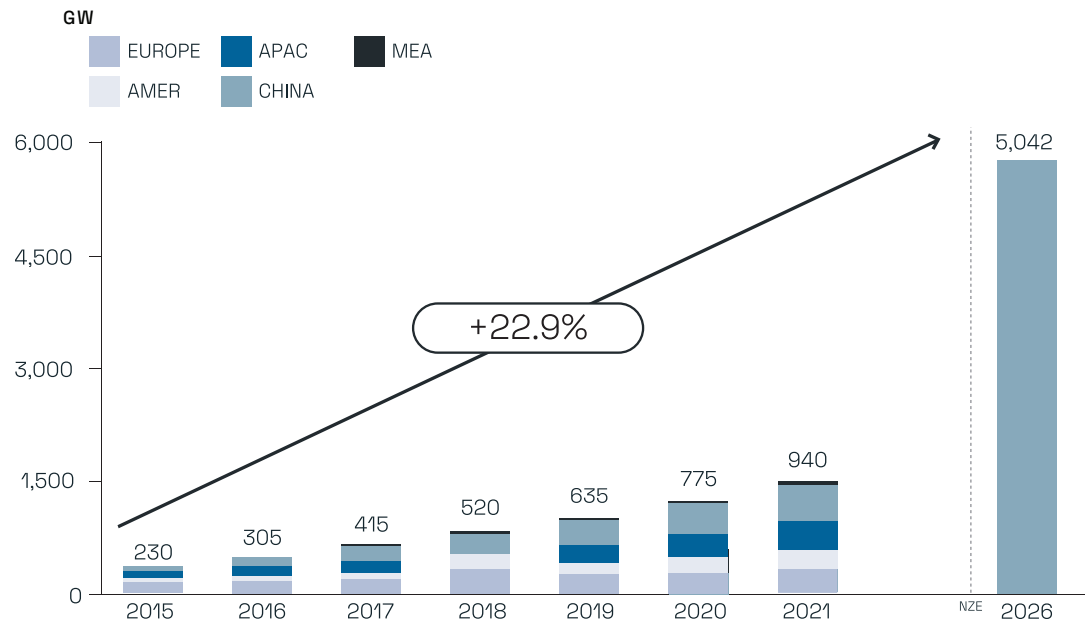


■ Global solar PV industry is forecasted to grow at 8% annually ; a much higher rate than other renewables

■ Solar energy will account for ~32% market share by 2040 compared to 12% today

GROWING GLOBAL DEMAND IS REFLECTED IN THE GROWTH OF SOLAR PV CAPACITY

TOTAL SOLAR PV INSTALLED CAPACITY

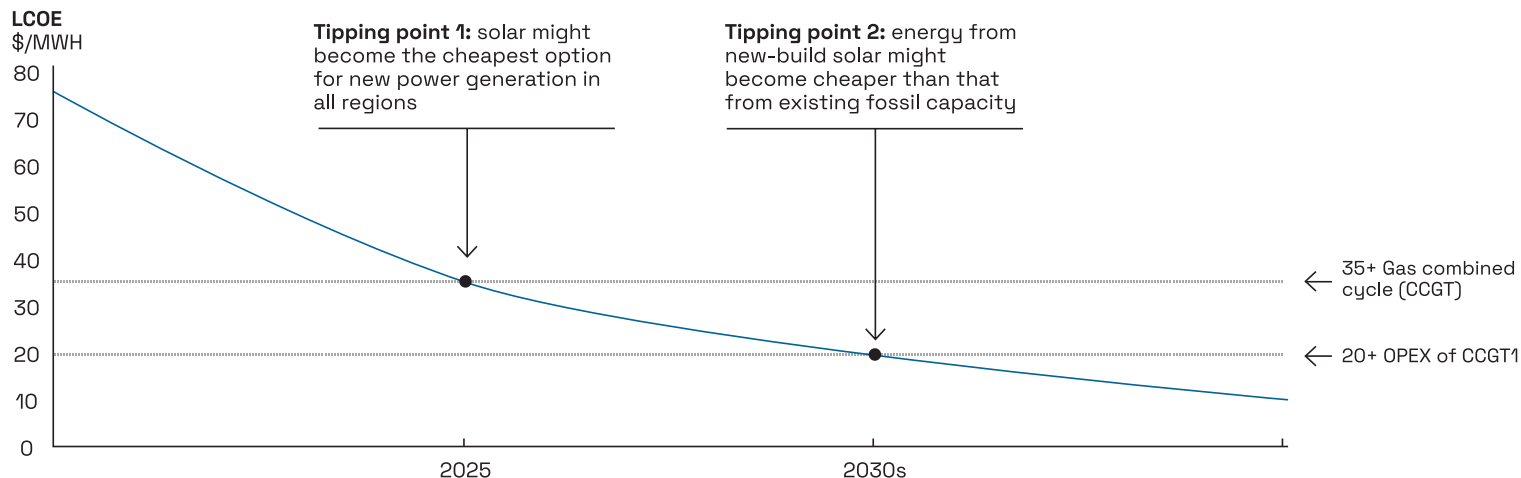


- Over 940 GW of solar capacity installed by end of 2021
- 2nd largest absolute generation growth of all renewable technologies
- Solar PV is becoming the lowest-cost option for new electricity generation in most of the world
- However, average annual generation growth of 25% in the period 2022-2030 is needed to follow the Net Zero Emissions by 2050 Scenario
- This corresponds to more than a threefold increase in annual capacity deployment until 2030

Source: IEA, Solar Power

TWO SIGNIFICANT TIPPING POINTS IN PRICE MIGHT FURTHER ACCELERATE SOLAR PV ADOPTION

TIPPING POINTS MAY LEAD TO SIGNIFICANT INCREASE IN SOLAR PV ADOPTION



COSTS OF MANUFACTURING SOLAR PVS ARE DECLINING DUE TO TECHNOLOGICAL IMPROVEMENTS ACROSS THE VALUE CHAIN, INCREASING THE GLOBAL GROWTH POTENTIAL [1/2]

SOLAR UPSTREAM VALUE CHAIN

- Initial ramp-up, but still very low volume
- Standard solution

Technology evolution will lead to future cost reductions – Crucial to understand and anticipate developments

	RELEVANT TECH TRENDS	CURRENT STATE	COMM. READINESS	LCOE RED. POTENTIAL
PRODUCTION EQUIPMENT	Shift from relying on std. equipment of ex-ternal vendors towards customized tools, or even captive production equipment	Business model shifts in evaluation		Medium
	Continuation of productivity & quality enhancement (e.g., throughput, yield)	Ongoing	n/a	Medium
WAFER LEVEL	Shift to larger wafer sizes to lower cost (requires new production equipment)	Ramping at very selective OEMs		Medium
	Wafer thickness & Kerf loss reduction	Ongoing	n/a	Low
	Commercialization of Cz n-type	Ramping at very selective OEMs		Low
CELL LEVEL	Cells with n-type base material including bifacial functionality	Commercially available		Medium
	PERC (rear-side passivation) for p-type	Commercially Available		Medium
	Continuation of cell eff. increases by process improvements (metallization, doping, texturing) & cell concepts (TopCon)	Ongoing		Low to Medium

COSTS OF MANUFACTURING SOLAR PVS ARE DECLINING DUE TO TECHNOLOGICAL IMPROVEMENTS ACROSS THE VALUE CHAIN, INCREASING THE GLOBAL GROWTH POTENTIAL (2/2)

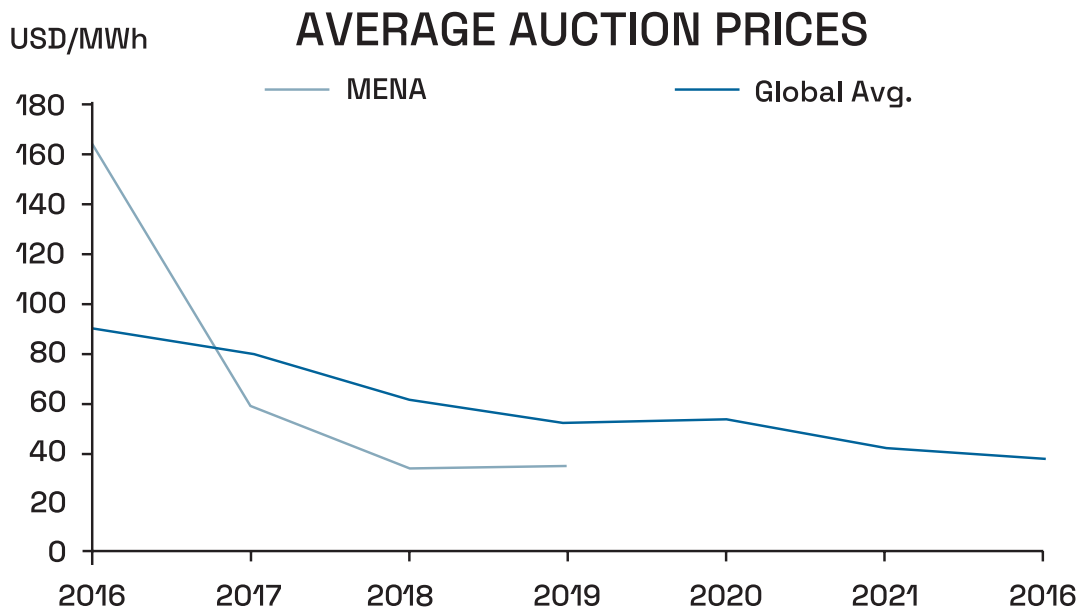
SOLAR UPSTREAM VALUE CHAIN

- Initial ramp-up, but still very low volume
- Standard solution

Technology evolution will lead to future cost reductions –
Crucial to understand and anticipate developments

	RELEVANT TECH TRENDS	CURRENT STATE	COMM. READINESS	LCOE RED. POTENTIAL
SOLARCELL LEVEL	■ Tandem cell structures based on silicon base with perovskite layer increases cell efficiency up to 28%	Lab-Scale	Unclear	Medium to High
	■ Bifacial modules capturing indirect sunlight through albedo effect	Commercially Available		Medium to High
MODULE LEVEL	■ High watt class products (> 500/600W) reducing cost of handling & sub-structure	Ramping at selective OEMs		Medium to High
	■ Module aesthetics becoming more important	Commercially Available		Zero
	■ Product diversification (e.g., flex, color, embedded electronics, form factor)	Commercially Available		Zero
SYSTEM LEVEL	■ Pre-fabrication of modules – e.g., CEP mobile tracker solutions	Commercially Available		Low
	■ Simplified ground-mounting systems – e.g., PEG east/west system	Commercially Available		Low
	■ Digital planning & engineering process to increase efficiency	Increasing deployment		Medium

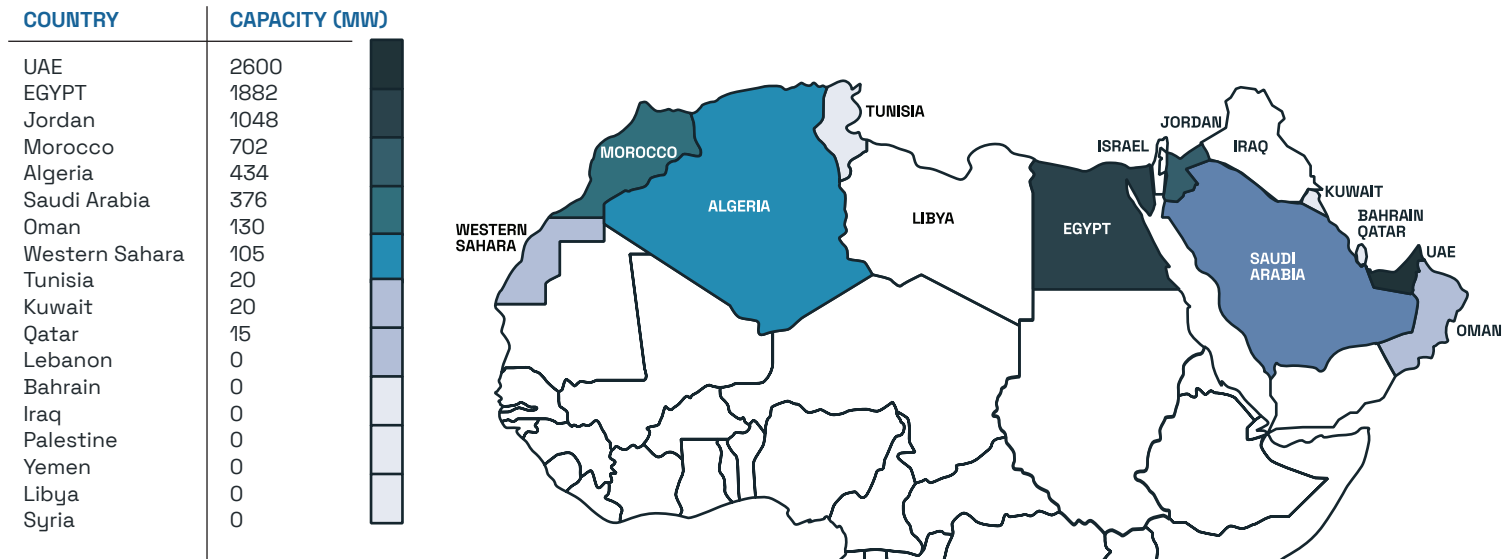
AVERAGE AUCTION PRICES FOR SOLAR PV ARE DECLINING, WITH MENA BEING ONE OF THE MOST COST-EFFICIENT REGIONS



- Recent bid prices for Solar PV technologies for projects to be commissioned by 2023 range from \$20/MWh to \$50/MWh, corresponding to a 45-50% reduction in contract prices since 2017
- Trends in regional average auction prices differ based on tender designs, funding mechanisms, and government policies on auctions
- The average auction prices in the Middle East have fallen below global averages, particularly due to Solar PV projects in the UAE
- All in all, falling auction prices are expected to increase solar PV investments, leading to increasing demand for solar panel installations

EGYPT'S OPERATING SOLAR CAPACITY IS ONE OF THE LARGEST IN THE MENA REGION

OPERATING UTILITY SCALE SOLAR CAPACITY IN ARAB SPEAKING COUNTRIES



Increasing domestic solar energy capacity indicates growing demand, showing large potential for offtake of solar PV manufacturing

EGYPT'S OPERATING SOLAR CAPACITY IS ONE OF THE LARGEST IN THE MENA REGION

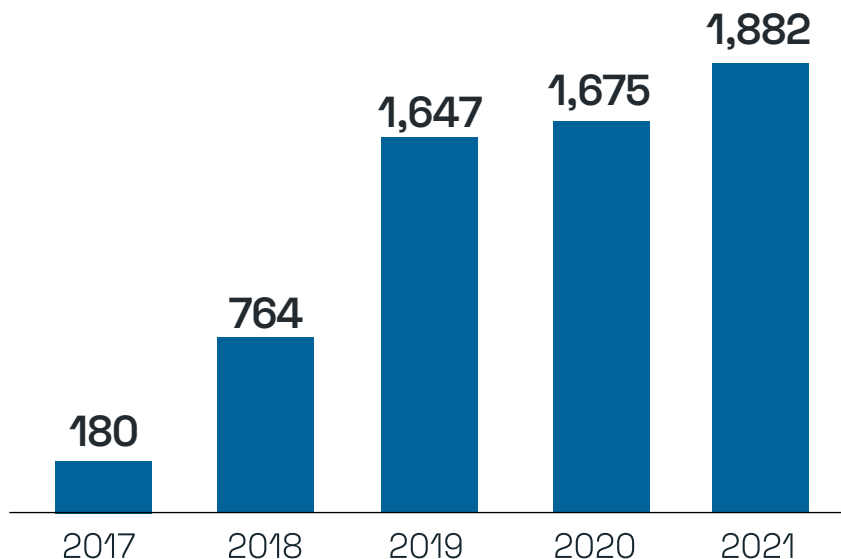
1,882 MW

OPERATING
SOLAR CAPACITY

2nd

LARGEST OPERATING
SOLAR CAPACITY IN
THE MENA REGION

TOTAL SOLAR ENERGY CAPACITY IN EGYPT, -2017 2021 IN MW



EGYPT'S VISION TO BECOME A GLOBAL ENERGY LEADER BY 2030 SIGNALS HUGE POTENTIAL FOR SOLAR PV MANUFACTURING

SOLAR ENERGY IS INCENTIVIZED BY
THE GOVERNMENT'S VISION...

Up to
53%

Of Egypt's electricity
could be generated
from renewable
sources by 2030

22%

Solar PV is set to be reached
in the fuel mix for electricity
production by 2035

Egypt's Solar Plan

Targets to install 3500 MW of
solar power plants by 2027

2022

... AND SUPPORTED BY RENEWABLE ENERGY
REGULATIONS

The recent growth of solar capacity in Egypt has
been driven by government support

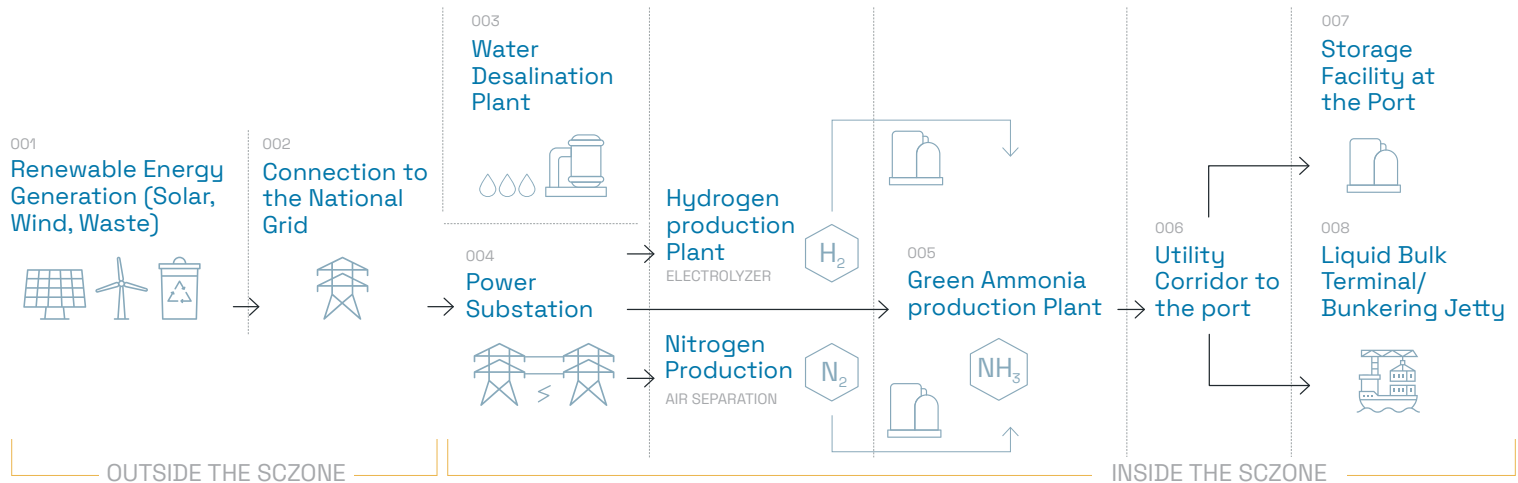
Prime Ministerial
Decree no.
104/2022

*Revised incentives for feeding
industries for new and
renewable energy projects
such as solar panels and their
components, and solar power
plants' components*

*Investment projects established
after the entry into force of the
law will benefit from a "special
investment incentive" by way
of deduction from their net
taxable income, as follows:
**50% deduction from the
investment costs***

ALIGNED WITH EGYPT'S VISION, RENEWABLE ENERGY IS AN INTEGRAL PART OF SCZONE'S NEW GREEN FUEL CLUSTER WITH PV MANUFACTURING IN FOCUS

CORE ELEMENTS OF THE GREEN FUEL PRODUCTION VALUE CHAIN



FEEDING INDUSTRIES AND SERVICES

Wind turbines
manufacturing

Solar PV
manufacturing

Water
Desalination
Membranes
Manufacturing

Electrolyzer
Manufacturing

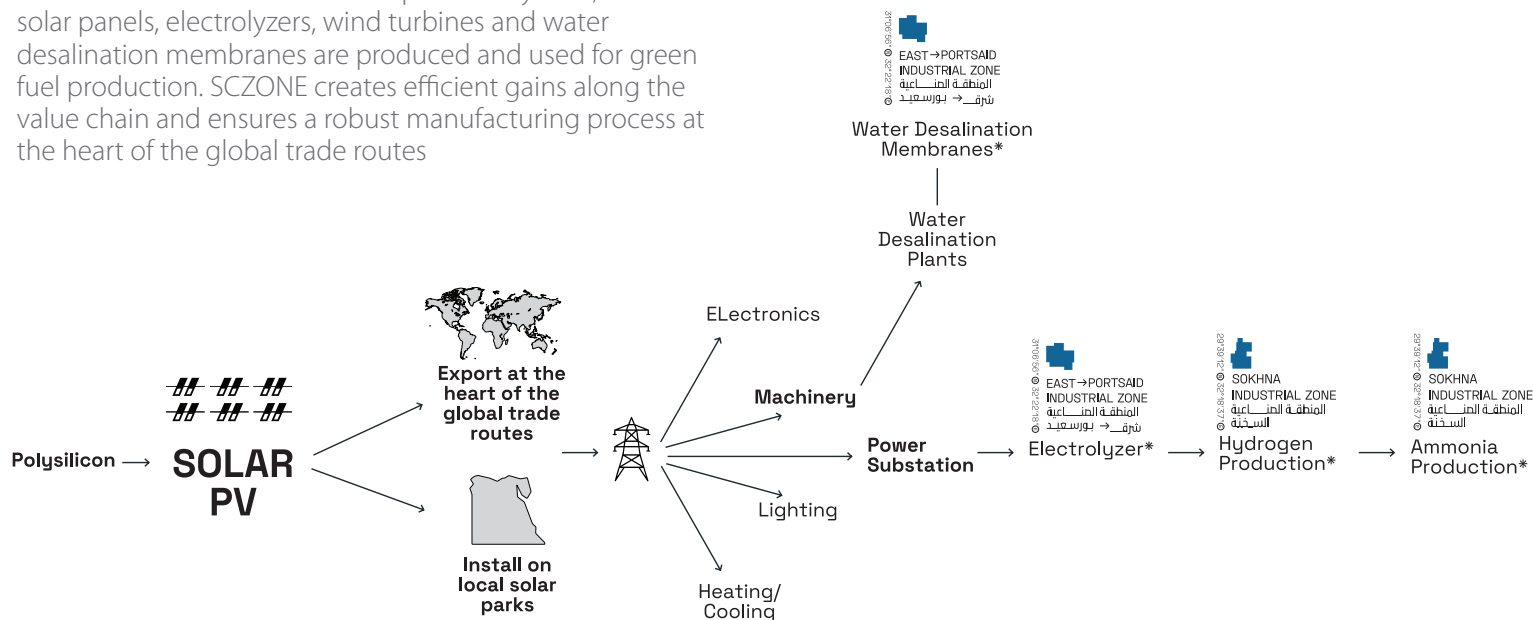
Maintenance
center

Training
services

SCZONE plans to host a complete green fuel production hub supported the feeding industries, where wind turbines, solar panels, electrolyzers, and water desalination membranes are produced to create efficient gains the value chain and ensure a robust manufacturing process at the global trade routes

SOLAR PANELS PRODUCED IN THE SCZONE CAN BE EXPORTED OR INSTALLED DOMESTICALLY TO POWER EGYPT'S NATIONAL GRID

The SCZONE aims to build a complete ecosystem, where solar panels, electrolyzers, wind turbines and water desalination membranes are produced and used for green fuel production. SCZONE creates efficient gains along the value chain and ensures a robust manufacturing process at the heart of the global trade routes

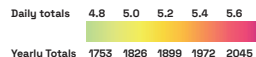
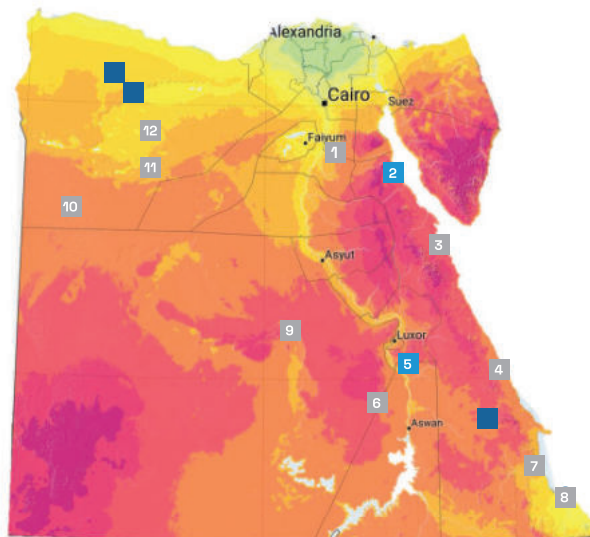


*Refer to industry pitch pack for more information

Please note that this is only a simplified ecosystem representation; Source: Ntsal Analysis, SCZONE

INCREASING DOMESTIC RENEWABLE ELECTRICITY DEMAND IN THE INDUSTRY SECTOR SHOWS LARGE POTENTIAL FOR SOLAR PV MANUFACTURING

1



Established Potential

Under Development

Long term average of PVOUT, period from 1994 (1999 in the Northeast) to 2018

PHOTOVOLTAIC POWER POTENTIAL INCREASES ATTRACTIVENESS OF NEW SOLAR PV INSTALLATION, INDICATING DOMESTIC DEMAND FOR SOLAR PV MANUFACTURING

PROJECT	SIZE
1 Kuraymat	20 MW
2 Zaafarna	*50 MW
3 Hurghada	20 MW
4 Marsa Alam	6 MW
5 Kom Ombo	*200 MW
	*50 MW
	26 MW
6 Benban	1800 MW
7 Shalateen	5 MW
8 Abu Ramad	2 MW
9 Darb al arbreen	0.5 MW
10 Siwa	10 MW
11 Abu Minqar	0.5 MW
12 Al Farafa	5 MW

SELECTIVE MARKET PLAYERS

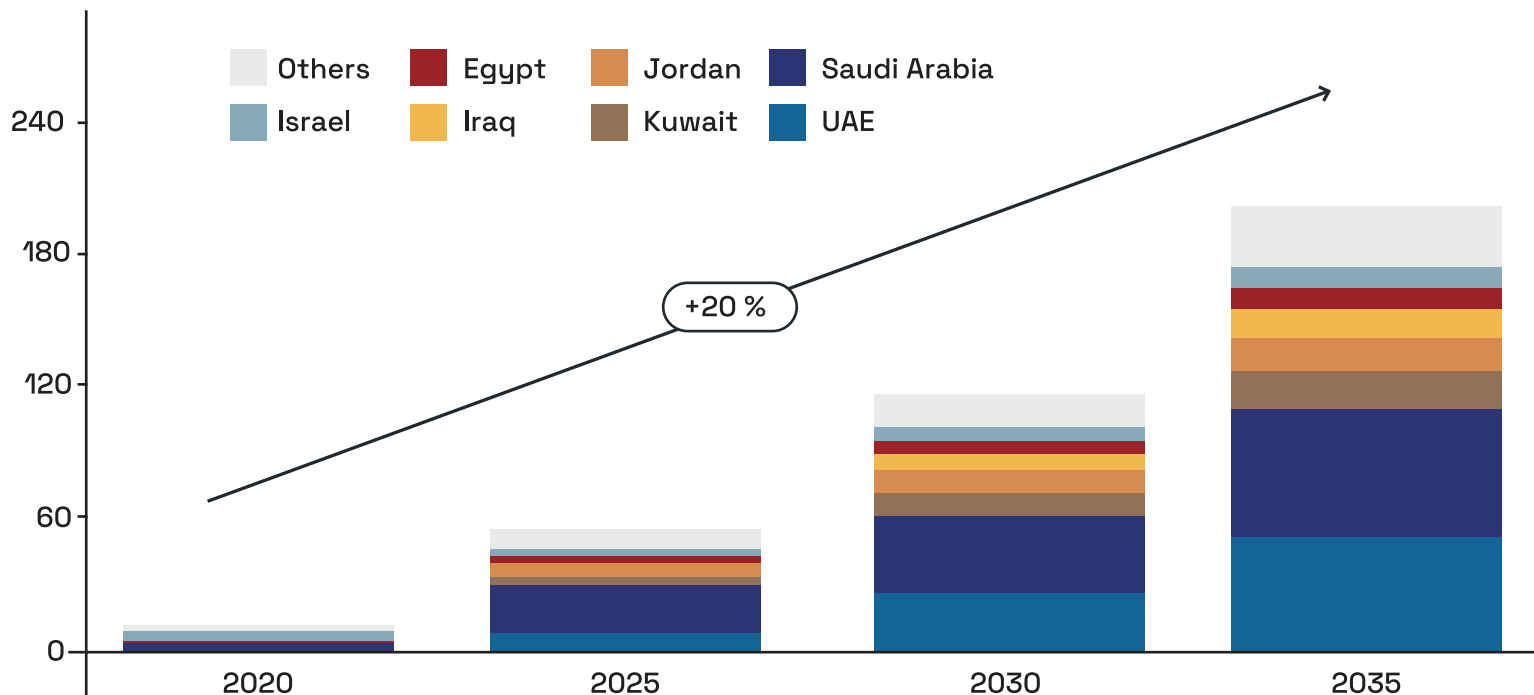


- New solar PV projects were launched in recent years with Benban (2018) being one of the largest operating solar parks worldwide
- Potential solar projects **see large opportunities due to increasing investments in renewable energy generation with large areas of high PVOUT still untapped**
- There are **\$37bn+ investments** in the SCZONE in renewable energy generation
- Renewable electricity demand for the industry sector is increasing
- In the SCZONE specifically, renewable energy demand is increasing to power electrolyzers

Egypt has a negative trade value of Photosensitive /photovoltaic/LED semiconductor devices of **-\$70 M** indicating a domestic demand gap that needs to be filled

IN ADDITION TO THE DOMESTIC EFFORTS, PLANNED INSTALLATIONS IN THE MIDDLE EAST ARE GROWING AT A FAST PACE

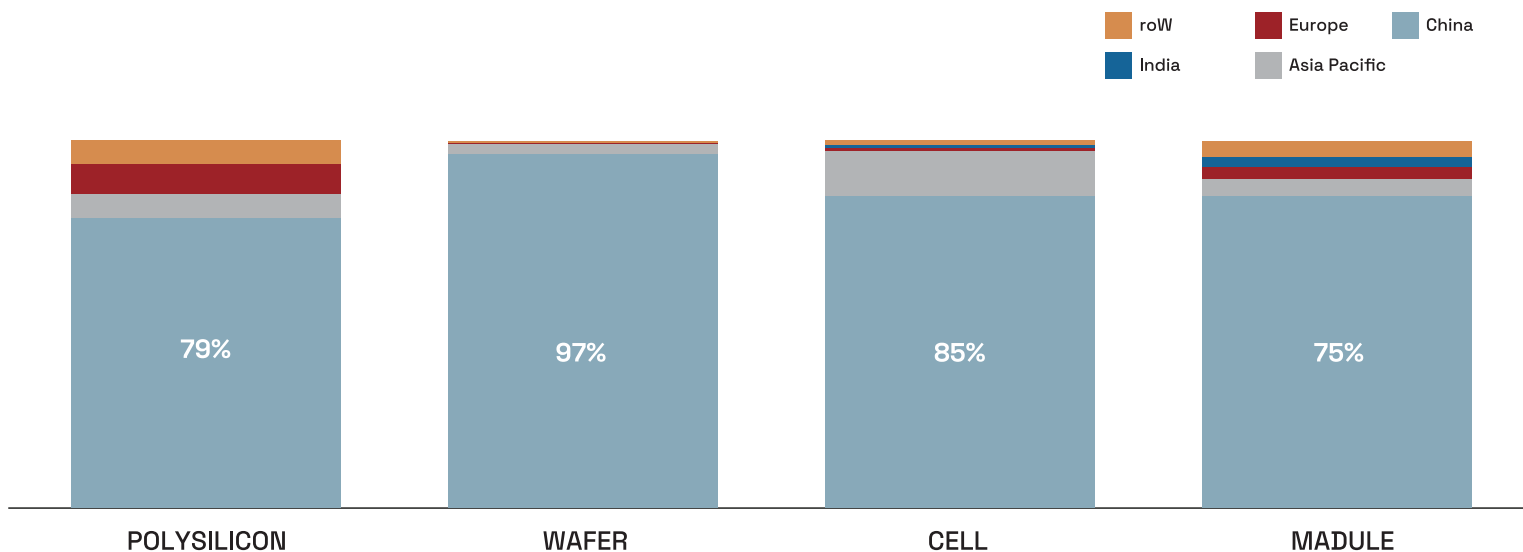
MIDDLE EAST, PROJECTED SOLAR CAPACITY IN GW



Source: The Economist, "Under a cloud: the future of middle east gas demand"

EVEN THOUGH CHINA CURRENTLY DOMINATES THROUGHOUT THE PV VALUE CHAIN...

SHARE OF MANUFACTURING CAPACITY BY COUNTRY/REGION 2021

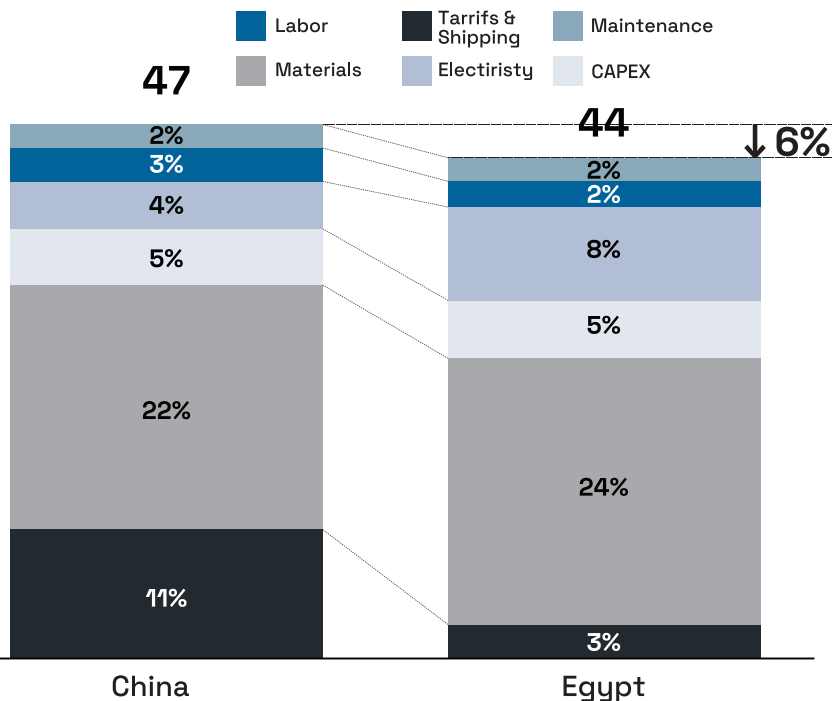


■ The total value of global solar PV related trade increased by more than 70% YOY to reach \$40B in 2021.

■ China made up 55% of global solar panel manufacturing capacity in 2010, increasing to a share of 84% in 2021.

EGYPT IS ~6% MORE COST COMPETITIVE THAN CHINA IN SOLAR PV MANUFACTURING, GIVEN 0 IMPORT TARIFFS FOR EGYPT AND REDUCED LOGISTICS COST

TOTAL MANUFACTURING COST, US CENTS/WATT



Source: IHS, NREL, Mckinsey, press search

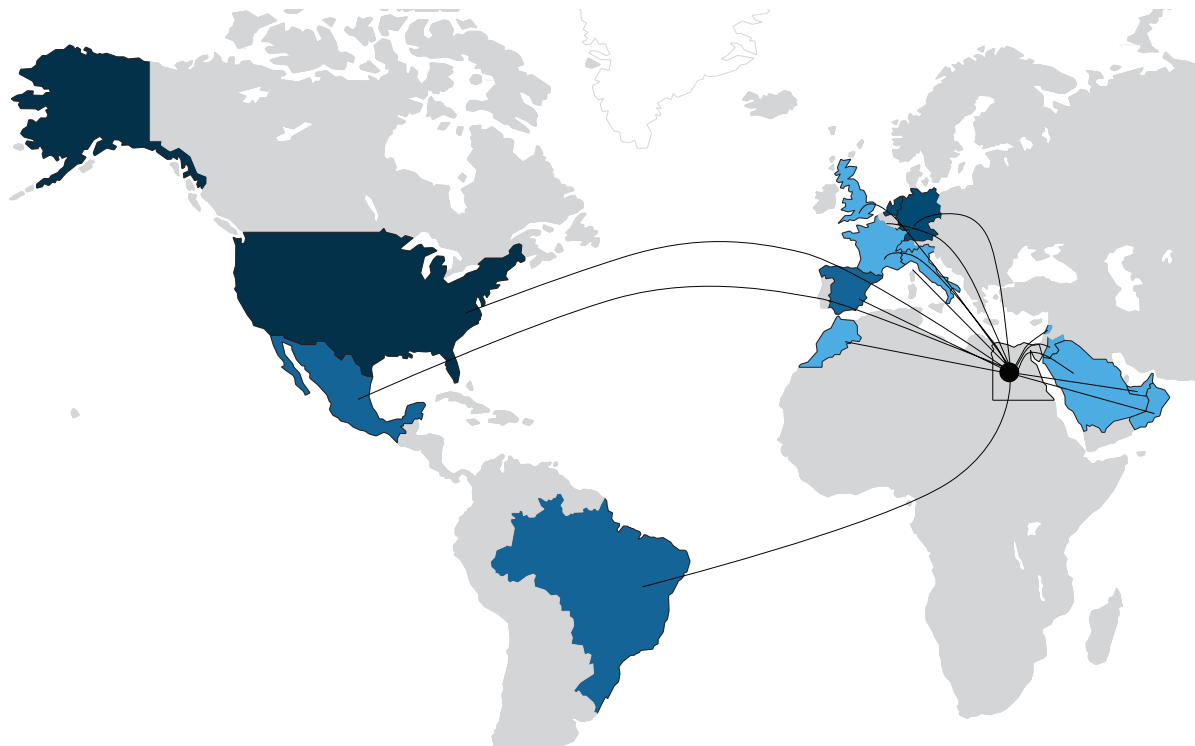
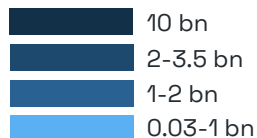
EGYPT'S COMPETITIVE ADVANTAGE

- No tariffs combined with lower shipping costs offsets the other (energy, materials) advantages that China has vs Egypt
- This is primarily driven by 0 import tariffs for Egyptian goods, compared to ~15-20% tariffs on Chinese products in Africa
- Potential to offer country diversification opportunity for manufacturers
- Creating export opportunities

HENCE LOCAL MANUFACTURING IN EGYPT PROVIDES THE OPPORTUNITY TO SATISFY THE GLOBAL MARKET NEEDS [1/2]

TOP IMPORTERS OF PHOTOSENSITIVE/ PHOTOVOLTAIC/LED SEMICONDUCTOR DEVICE

Import value 2020, in \$



HENCE LOCAL MANUFACTURING IN EGYPT PROVIDES THE OPPORTUNITY TO SATISFY THE GLOBAL MARKET NEEDS [2/2]



- The US imported Photosensitive/ photovoltaic/LED semiconductor devices in 2020 worth \$10 bn
- Duty-free entry into the USA



- The European Union imported Photosensitive/ photovoltaic/LED semiconductor devices in 2020 with an import value of more than \$13 bn
- Egypt is one of 4 countries in Africa and 8 in the MEA region that have FTA with EU
- Elimination of customs duties on almost all industrial products



- GAFTA countries imported Photosensitive/ photovoltaic/LED semiconductor devices worth \$940 mn in 2020*
- Elimination of tariffs



- Brazil alone imported more than \$1.1 bn worth of Photosensitive/ photovoltaic/LED semiconductor devices
- Egypt is one of only 2 countries in the MEA region that has an FTA with Mercosur countries
- Reduction of customs duties on agricultural commodities

ILLUSTRATIVE BUSINESS CASE FOR INDIVIDUAL COMPANIES INDICATES NPV OF ~\$550M WITH CAPEX OF ~\$500-\$600M OVER A 10 YEAR INVESTMENT SCHEDULE

For A 3.0 Gw Cell And Module Manufacturing Facility

BUSINESS CASE INPUTS

Total Capex¹ (\$m) ~500-600

Land Requirement (km²) ~0.8-0.9

Tax exemption based on Capex (%) 50%

Global market capture %⁴ (end state) <0,001%

End state revenue (\$m per year) ~300-400

Net profit margin³ 15-18%

WACC ~7%

Interest on debt² ~2-3%

Land lease rate (\$/sqm) ~3-4%

Terminal value growth 2%

INVESTMENT PROFITABILITY PROFILE, NET CASH FLOW OVER 10 YEARS (\$M)

KEY FINANCIAL PERFORMANCE METRICS

x

 REVENUE IN
USD MILLION

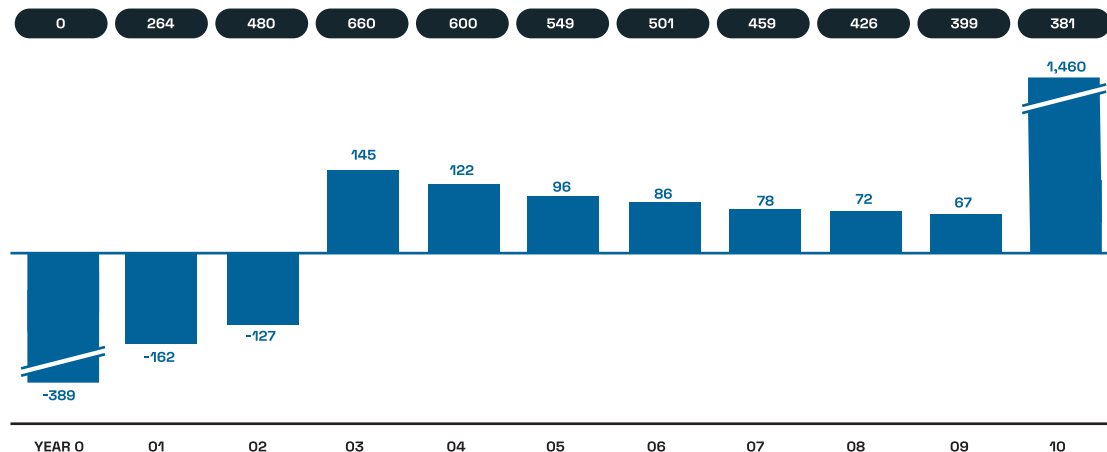
~5-6 YEARS

~\$500-\$600 M

~14-16%

 ESTIMATED TIME TO RECOVER
FULL INVESTMENT
NPV⁴

IRR CALCULATED OVER 10 YEARS



1. Based on a Capex requirement at a range of \$600 and \$1000 per square meter and Capex spending split 33%, 33% and 33% in the first three years respectively
2. 50% debt to equity ratio

3. Aligned with financial incentives offered by the SCZone
4. Assumed full capacity of the plant delivered equal to approx. 0,0003% of global market share

INTEGRATED ROUTE



ONE DESTINATION



INTEGRATED ROUTE



ONE DESTINATION



INTEGRATED ROUTE



ONE DESTINATION



INTEG

002

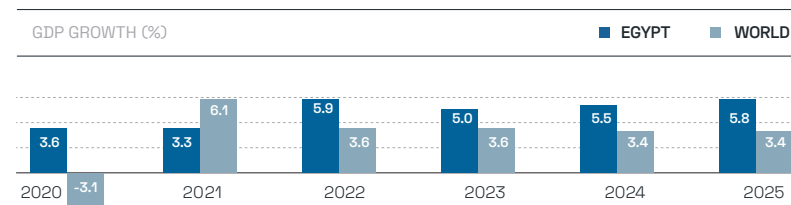
CHAPTER TWO

WHY EGYPT



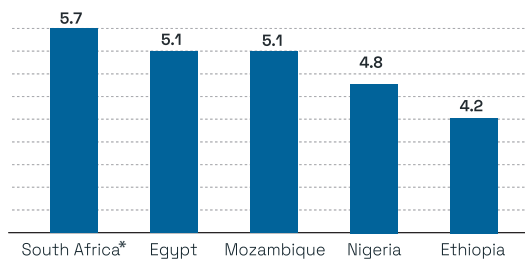
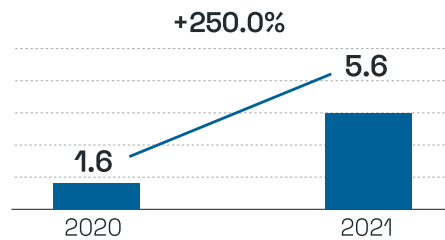
EGYPT IS ONE OF THE LEADING ECONOMIES AND GROWING INVESTMENT HUBS IN AFRICA AND THE MIDDLE EAST

GROWTH RATE EXCEEDING GLOBAL AVERAGES



- Strong GDP growth outpacing global markets with an average growth forecast of 5.5% until 2025

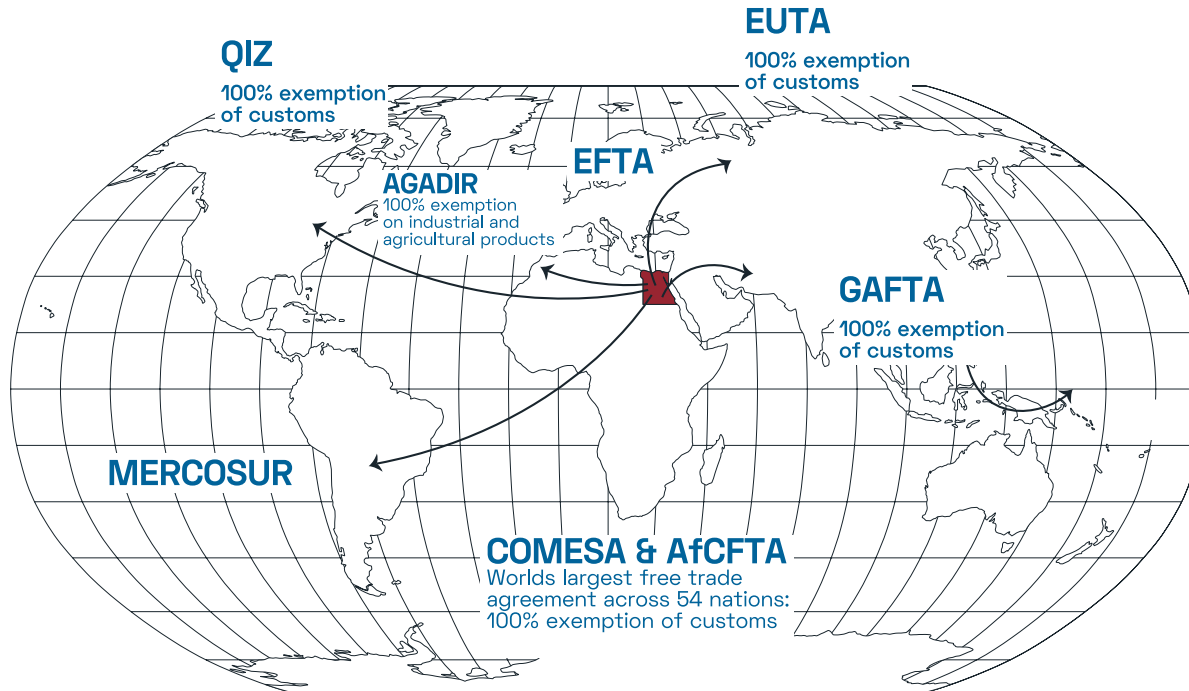
GREENFIELD INVESTMENTS (\$BN) FOREIGN DIRECT INVESTMENT (\$BN)



*South Africa FDI excludes Naspers & Prosus \$35 BN deal

- A trade and investment hub that is supported by the country's large domestic market, strategic geographic location, and large and educated talent pool

WITH 12% OF GLOBAL TRADE PASSING THROUGH THE SUEZ CANAL, EGYPT IS STRATEGICALLY LOCATED AND SUPPORTED BY REGIONAL FREE TRADE AGREEMENTS



EGYPT IS THE
2nd

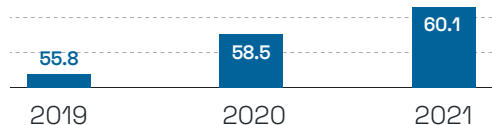
LARGEST
FDI RECIPIENT
IN AFRICA

THE GOVERNMENT'S RECENT ECONOMIC AND STRUCTURAL REFORMS ARE BEARING FRUIT

LEGISLATIVE AND INSTITUTIONAL REFORMS

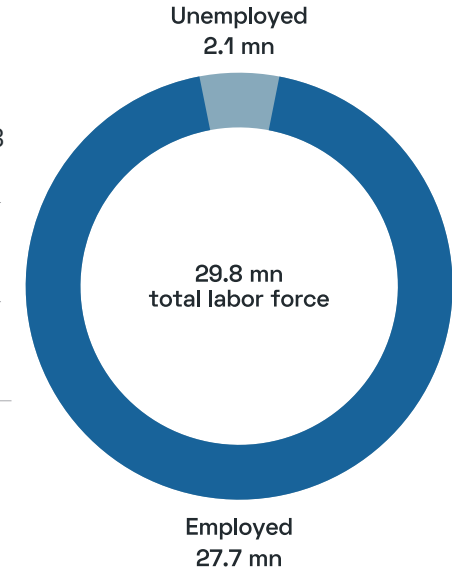
- Facilitating trade by automated customs system "Nafeza" [2021]
- Online system for filing and paying taxes [2020]
- Strengthening minority investors protection [2020]
- One-stop investor shops to obtain necessary approvals and licenses

EASE OF DOING BUSINESS SCORE



LABOR MARKET AND TALENT DEVELOPMENT

- Large and skilled labor force of 29.8 million people
- 85.8K graduates from higher technical institutes
- >150,000 teachers registered in TVET system
- >2 million students enroll in the Technical Education & Vocational Training (TVET) program annually



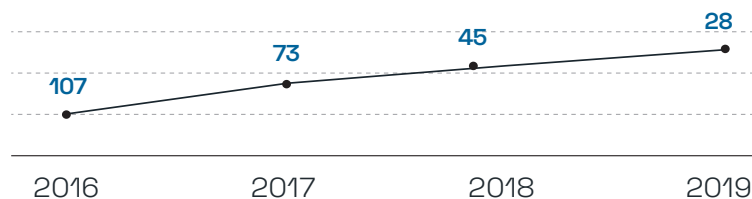
EGYPT HAS ACHIEVED HISTORICAL AND UNPRECEDENTED ACHIEVEMENTS IN THE FIELD OF INFRASTRUCTURE PROJECTS

INFRASTRUCTURE AND CONNECTIVITY

- EGP2.3tn invested into infrastructural developments over the past 7 years
- EGP1.1tn designated for road network development between 2014-2024, resulting in the construction of 7000km of newly developed roads and maintenance of 5000km of existing roads
- EGP387bn invested into the energy sector between 2014-2021, which saw Egypt achieving an electricity production surplus of >25% in 2022
- EGP50bn invested in upgrading existing airports, alongside the construction of 5 new airports in key areas across Egypt
- \$12.4bn allocated to the "National Ports Development Plan" launched in 2017 to increase total cargo tonnage handled per year from 120mn tons to 370mn tons by 2030
- 28% of total government investments allocated to the transportation sector in FY 2022/2023, of which EGP176bn are earmarked for the National Authority for Tunnels
- National high speed electric train spanning 1000 km, connecting sea- and land ports to cities and industrial areas, set to have its first phase completed in early 2023 at an investment cost of about \$8.7bn



QUALITY OF ROADS INFRASTRUCTURE, RANK



Latest publication of GCI is of 2019

WHY SCZONE



THE SCZONE PROVIDES AN INVESTOR-FRIENDLY BUSINESS ENVIRONMENT THAT IS A CORNERSTONE FOR EGYPT'S NATIONAL DEVELOPMENT PLANS

455

MILLION SQM2
TOTAL LAND AREA

6

SEA PORTS

4

INDUSTRIAL ZONES

3

MAIN OPERATORS IN
THE PORT

14

INDUSTRIAL
DEVELOPERS

>95

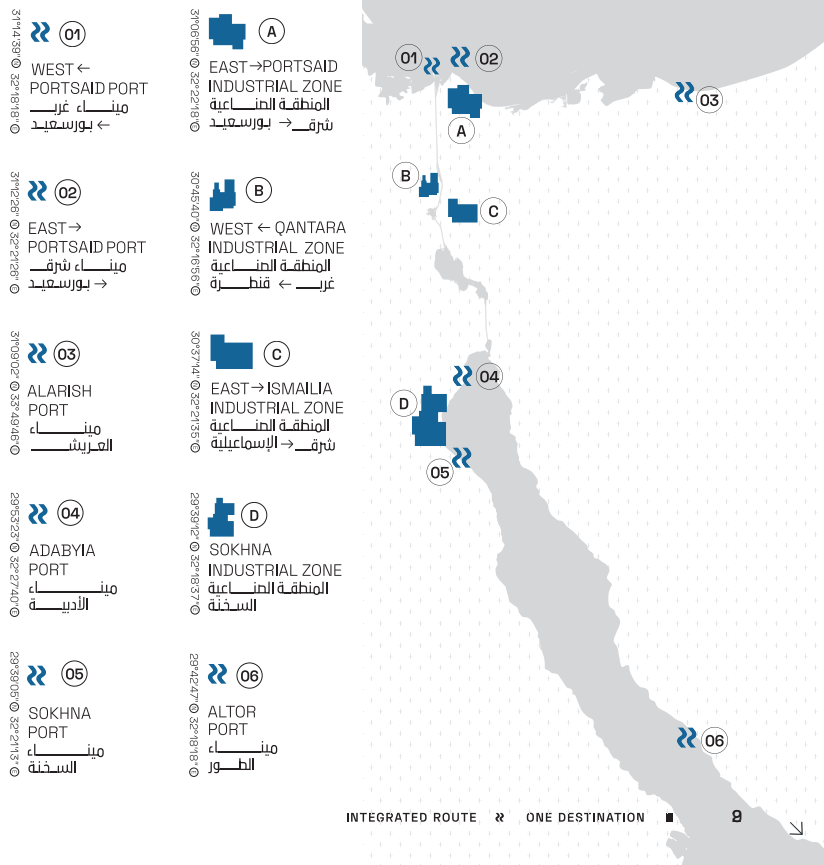
OPERATIONAL
COMPANIES IN THE
PORTS

>300

OPERATIONAL
ESTABLISHMENTS

100K+

DIRECT JOBS
CREATED



SCZONE IS A PROMISING INVESTMENT ZONE LOCATED AROUND THE GLOBAL TRADE ROUTE [SUEZ CANAL] WITH

REGIONAL CONTEXT

1.3^{BN}

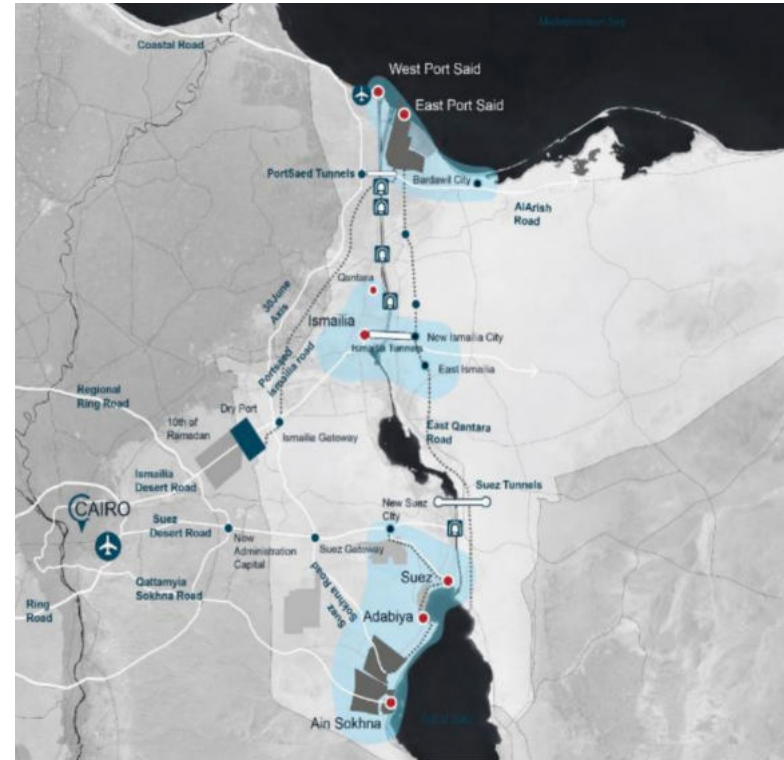
GROSS CARGO
TRAFFIC/YEAR

12%

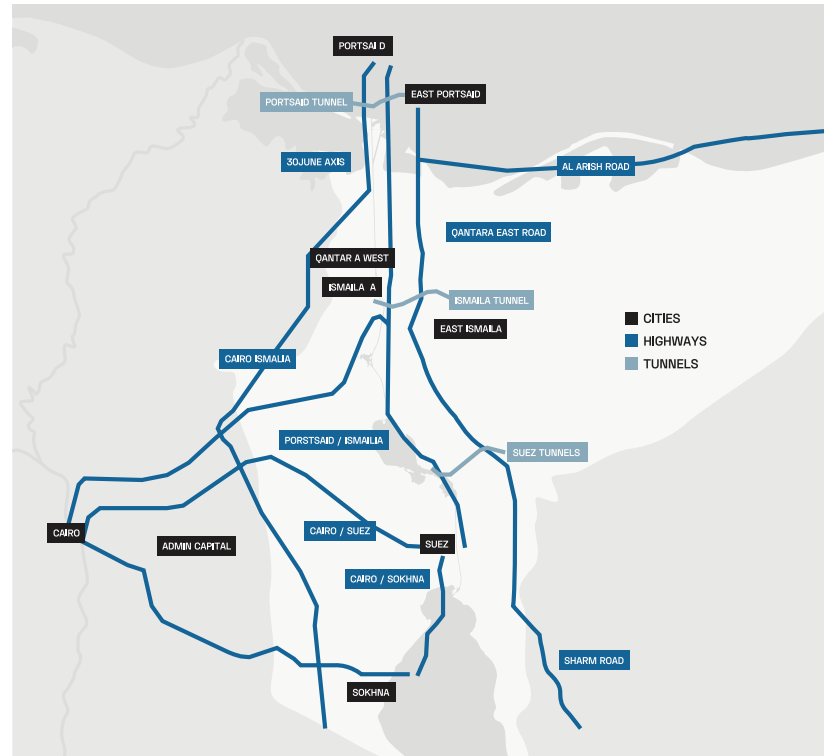
INTERNATIONAL
TRADE/YEAR

>20K

SHIPS/YEAR



THE SCZONE IS WELL CONNECTED TO EGYPT'S MODERN ROADS, RAIL AND AIRPORT NETWORK



SCZONE IS WELL CONNECTED TO THE MODERN ROADS NETWORK OF EGYPT AND ENJOYS DIRECT CONNECTION TO THE NEW SUEZ CANAL TUNNELS, FACILITATING TRANSPORTATION BETWEEN ITS TWO BANKS

THE SCZONE'S SERVICES FACILITATE KEY PROCEDURES FOR INVESTORS



SPECIAL CUSTOMS REGIME AND TRADE REGULATIONS

- Create an integrated industrial community
- Establish a logistic platform to serve international trade
- Reduce costs and time of shipments release
- Simplify and ease import/export regulations

ONE-STOP SHOP

Providing convenient integrated services under one ceiling

- New Establishments & Companies registrations
- Issuing all Licenses (construction & operation... etc)
- Extracting the work permits
- Issuing residency permits for the foreign investors

ATTRACTIVE INCENTIVES AND BENEFITS FOR GLOBAL INVESTORS BUILD A CONDUCIVE BUSINESS ENVIRONMENT IN THE SCZONE [1/2]

DIRECT FINANCIAL INCENTIVES

0% CUSTOM TAX



- 0% customs on all projects' components imported from abroad under the condition of exporting the final products

Custom tax applied on imported components only

- when exporting to the local market

0% VALUE ADD TAX



- 0% VAT applied on all local and foreign imports required for manufacturing, production and operation
- 14% VAT is only applied when exporting final products from SCZONE to the domestic market

CORPORATE TAX REFUND (INCENTIVES FOR 7 YEARS)



- Discount on Tax (net profit) equivalent to 50% of the project investment costs such that the incentive does not exceed 80% of the paid-in capital

EXPORT SUPPORT PROGRAM



- Industrial manufacturers for export purposes at SCZONE will benefit from the program
- Enhancing the price competitiveness at foreign markets

ATTRACTIVE INCENTIVES AND BENEFITS FOR GLOBAL INVESTORS BUILD A CONDUCTIVE BUSINESS ENVIRONMENT IN THE SCZONE [2/2]

INDIRECT INCENTIVES

“THE LEGAL FRAMEWORK”



- SCZONE established and empowered by the special economic zones Law No. 83/2002 which gave a legal framework that reinforces; Flexible, Autonomous and Decision in a single place

“ONE-STOP-SHOP SERVICES”



- New Establishments & Companies registrations
- Issuing all Licenses (construction & operation.. etc)
- Extracting work permits
- Issuing residency permits for foreign investors

EXPORT & IMPORT REGULATION



- Special rules governing imports and exports from the SCZONE
- Reduced cost & time of regulatory examination of shipments
- Treating end industrial products as local products

NEW CUSTOMS GUIDE 2020 & DIGITAL TRANSFORMATION



- Creating an integrated industrial community
- Establishing a logistic platform to serve international trade
- Reducing release time of shipments

5-YEAR RESIDENCY PERMIT FOR THE FOREIGN INVESTORS



- Foreign investors have the right to obtain residency for a period of 5 continuous years, renewable for similar periods throughout the duration of the project

CONTACT US TO LEARN MORE ABOUT INVESTMENT OPPORTUNITIES

WE WILL SUPPORT YOU EVERY STEP IN THE WAY, FROM CONCEPTUALIZATION TO IMPLEMENTATION

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