



PROSPECTUS FOR PUBLIC OFFER

Prime Energy PLC

**Incorporated in Rwanda under the Companies' Law No.
007/2021 of 05/02/2021 Registration No. 103231736**

Prospectus for Public Offer

March 2024

Rwandan Franc nine billion and five hundred million (FRW 9,500,000,000) of Long
Term, Unsecured and Fixed Rate Green Bonds

This Prospectus is issued in compliance with all Applicable Laws including the
Companies Law, the Capital Markets Law, and the Rwanda Stock Exchange Listing
Manual.

The Authority or the Rwanda Stock Exchange (RSE) takes no responsibility for the content of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Application has been made for listing of the Company's debt securities offered by this Prospectus document to the Authority and to the Rwanda Stock Exchange (RSE). The fact that the Rwanda Stock Exchange (RSE) may list the securities of the Company on the RSE market is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The Capital Market Authority (CMA) has given its approval via a letter dated 1st March 2024 and each recipient of this Prospectus acknowledges and agrees that the approval of the CMA shall not be taken to indicate that the CMA recommends the subscription for or purchase of this issue.

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Important Notices and Statements of the Bond Issue

This Prospectus is issued by Prime Energy PLC (**“Company”, “PRIME”**), an unlisted public company incorporated in Rwanda, on the terms set out below for the exclusive use of the persons to whom it is addressed and their advisors in connection with the proposed issuance of FRW 9,500,000,000 Long Term Senior Unsecured Fixed Rate Green Bond the **“Transaction”**.

Responsibility

The Directors, as named in the document have undertaken all reasonable care to the best of their knowledge to ensure that the information contained in this document is factual and does not omit anything likely to affect the importance of such information. Further, they have made enquiries and comments to ensure this Prospectus contains information, which is relevant, material and describes PRIME’s plans in the context of the Bond issuance.

Except as regards to the statements made by BK Capital or statements in respect of BK Capital and its roles, duties and obligations, neither the information nor the opinions contained in the Prospectus have been independently verified by the Transaction Advisor. Accordingly, no representation, warranty or undertaking, express or implied, is given or assumed by BK Capital as to the authenticity, origin, validity, accuracy or completeness of such information and data or that the information or data remains unchanged in any respect after the dates stated herein or if no dates have been specifically stated, after the date of this Prospectus. Except as regards statements made in respect of BK Capital and as regards its roles, duties and obligations, BK Capital has not accepted and will not accept any responsibility for the information and data contained in this Prospectus and shall not be liable for any consequences of reliance on any of the information or data in this Prospectus, except as otherwise provided for by laws of Rwanda.

The information contained in the Prospectus or any other information provided in connection with this Transaction is intended to provide the basis of any credit or other investment evaluation but should not be considered as recommendations by the Transaction Advisor or any of the other transaction party.

While considering investment decisions with regard to this Transaction, participants are advised to independently seek professional opinions on the Issuer, returns, attractiveness and the risks such investments may carry. We have set out some of the Risks to be considered. Save for those listed in this Prospectus, no other persons have been authorised to make representations with regard to this Transaction.

Supplemental Prospectus

The Issuer will, in connection with the issue and listing of Bonds on the RSE or on such other exchange or further exchange or exchanges as may be selected by the Issuer, and for so long as any Bond remains outstanding and listed on such exchange, publish a supplement to the Prospectus on the occasion of any subsequent issue of Bonds where there has been a material adverse change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Prospectus or any supplement to the Prospectus; or

Any such supplemental Prospectus shall be deemed to have been substituted for the previous Prospectus from the date of its issue. The Issuer shall seek the prior approval of the CMA and the RSE in connection with any proposed amendment or supplement to this Prospectus and the Issuer shall, in addition, supply to the Transaction Advisor, Sponsoring Stockbroker, the CMA, the RSE and the CSD in Rwanda such number of copies of such supplement to this Prospectus or replacement Information

Forward-Looking Statements

This Prospectus contains certain forward-looking statements that involve substantial risks and uncertainties. When used in this Prospectus, the words “anticipate,” “believe,” “estimate,” “expect” and similar expressions as they relate to PRIME are intended to identify such forward-looking statements. PRIME’s actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as a representation or warranty by the Issuer, its advisors or any other persons that the future events as anticipated by the Issuer will occur. Any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. This Prospectus includes certain historical information, estimates, or reports thereon derived from sources mentioned in this Prospectus and other parties with respect to the economy, the sector which the Issuer operates and certain other matters.

Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources.

Selling Restrictions

- I. General: Except as stated above no action has been or will be taken in any jurisdiction by any Issuer, Placing Agent or arrangers that would permit a public offering of the Bonds, or possession or distribution of the Prospectus (in draft or final form) or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. The Placing Agent will comply with all Applicable Laws and regulations in each jurisdiction in which it acquires offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in draft or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Placing Agent in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the Placing Agent will have no responsibility for, and each Placing Agent will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. Neither the Placing Agent nor the Issuer is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in the Prospectus (in final form) or any amendment or supplement to it.

The distribution of this Prospectus and the offer to invest may be restricted by law in certain jurisdictions. Recipients of this Prospectus should therefore inform themselves about and observe all applicable legal requirements in the jurisdiction in which those recipients are situated. It is the responsibility of each prospective investor to satisfy itself as to full compliance with the applicable laws and regulations of any relevant jurisdiction, including obtaining any requisite governmental or other consent and observing any other formality applicable in such jurisdiction.

The approval of the Capital Market Authority has been obtained for the issue and offering of the Bonds in Rwanda. The sale or transfer of listed Bonds by Bondholders will be subject to the rules of the Rwanda Stock Exchange, the CSD, the Conditions and the provisions of the Agency Agreement. There are no other restrictions on the sale or transfer of Bonds under Rwandan law. In particular, there are no restrictions on the sale or transfer of Bonds by or to non-residents.

- II. United States: The Bonds have not been and will not be registered under the U.S. Securities Act, 1933 as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulations under the Securities Act ("Regulation S") or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. The Issuer, the Arranger and Placing Agent represent and agree that they have only and will only offer and sell Bonds (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its Affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each of the Issuer, Arranger and Placing Agent agrees that, at or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the restricted period a confirmation or notice to substantially the following effect:

"The Bonds covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

- III. United Kingdom: The Issuer, the Arranger and Placing Agent has represented and agreed and any further Placing Agent appointed under the Issue will be required to represent and agree that:
- a) It has not offered or sold and will not offer or sell any Bonds, prior to the expiry of six months from the Issue Date in respect of such Bonds, to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring,

holding, managing or disposing of investments (as principal or agent) for purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995;

- b) It has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom, and;
- c) It has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitations or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Disclaimer

1. Neither the Capital Market Authority nor the Rwanda Stock Exchange (RSE) takes any responsibility for the content of this document, makes any representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this document. Application has been/will be made for listing of the Company's debt securities offered by this Prospectus document to the Authority and to the Rwanda Stock Exchange (RSE). The fact that the Rwanda Stock Exchange (RSE) may list the securities of the Company on the RSE market is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The Capital Market Authority (CMA) has given its approval via a letter March 1st, 2024 and each recipient of this Prospectus acknowledges and agrees that the approval of the CMA shall not be taken to indicate that the CMA recommends the subscription for or purchase of this issue.

2. The Bond may not be a suitable investment for all investors. Each potential investor at a bare minimum should:
 - a. have sufficient knowledge, understanding and experience to make a meaningful evaluation of the Bonds, the merits and risks inherent in such kind of investments;
 - b. have access to, and adequate knowledge of, appropriate analytical tools for financial evaluation with regard to this particular investment against its overall portfolio;
 - c. have sufficient financial resources and liquidity to bear the risks underlying investing in Bonds;
 - d. ability to evaluate (independently or with the assistance of their financial and legal advisors) possible scenarios for factors that may affect this investment

Table 1: Definitions and abbreviations

Subject	Definition
Agent	Means the Fiscal Agent.
Agency Agreement	The Agreement between the Issuer and Fiscal Agent which is a Material Contract as detailed in Section 11 (Terms and Conditions of the Bonds and includes certain obligations of the Fiscal Agent to the Bondholders
Amount	FRW 9,500,000,000
Applicable Laws	Any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Issue, or listing, the Conditions of the Bonds and the Bonds issued thereunder in accordance with which the same are to be construed and, in addition to the laws of Rwanda, shall include any jurisdiction in which the securities are offered by the Issuer or the securities are listed.
Basic Documents	This Prospectus, the Conditions, Application Form, the Agency Agreement, Trust Deed and any other document that may be designated as such in writing.
Bondholder	An institution or person in whose name a Bond is registered in the relevant Register as at the relevant date
Bonds	Bonds means the bonds comprising up to Rwandan Franc nine billion five hundred million (FRW 9,500,000,000) of bonds issued pursuant to the Agency Agreement, Trust Deed and subject to the provisions of this Prospectus. Also referred to as Green Bonds
Call or Callable	Refers to the ability of the Issuer to exercise the Issuer Optional Redemption to call some or all of the Bonds prior to the maturity of the Bonds.
CMA	Capital Market Authority
COD	Commercial Operations Date (COD) As used for electricity, the date under a long-term power purchase agreement when the commissioning tests have been passed and the facility starts to generate power to earn revenue.
Concession Agreement	Means Concession Agreement signed between the Government of the Republic of Rwanda and the Issuer dated 23 rd September 2015 and the revised Payment Plan Agreement dated 1 st July 2022
Conditions or Terms and Conditions	Conditions means the terms and conditions of the Bonds as set out in Section 11 (Terms and Conditions of the Bonds) of this Prospectus

Commercial Operation Date	Means the date occurring on the Day following the Day on which Issuer delivers the Notice of Commencement of Commercial Operation as per the PPA and Concession Agreement
Currency	Rwandan Franc (FRW)
Default Interest	The rate per annum, which is the aggregate of the Interest Rate plus a default margin of 2%.
Denomination of the Bonds	The Bonds will be issued in denominations of FRW 100,000 and integral multiples of FRW 100,000 in excess thereof, subject to a minimum subscription amount of FRW 100,000,000
Distribution	Please refer to the Section 19.6, “(Allocation Policy)” below.
Eligibility	Both local and foreign investors whether individuals or corporate or other.
Events of Default	Please see Condition 11.14, entitled “Events of Default” in the Terms and Conditions of the Bonds
Expenses	All expenses incurred in connection with the negotiation, preparation, printing, execution, placement, enforcement and any amendment of the Bond documents will be borne by the issuer. Please see Section 18.20 (Professional fees and related costs) for the expenses related to this issue.
Final Redemption	April 19 th 2031
Fiscal Agent	Bank of Kigali Plc acting as the receiving bank, calculation agent, paying agent and registrar of the Bonds
Fixed Rate Bonds	Means a Bond on which interest is calculated at a fixed rate payable in arrears on a fixed date or fixed dates in each year and on the scheduled redemption dates as provided for in relevant Terms and Conditions.
Governing Law	The Bonds will be governed by and construed in accordance with the laws of Rwanda.
Green Bonds	The Bonds are as referred to as Green Bonds because the proceeds from the bond are directed to projects or assets with environmental benefits, and the green bond framework is aligned with ICMA Principles. Also referred to as Bonds.
Green Bond Framework	A document created by the Issuer that clearly articulates the Company’s proposed Use of Proceeds for the Bond
HoldCO	Prime Energy Holding Ltd (parent company of Prime Energy PLC)
HPP	Hydro Power Plant
Interest Payment Date	Semi-annual in arrears from the settlement date as specified in the Terms and Conditions and, in respect of the Bonds redeemed, on any date on which the Issuer redeems Bonds as a consequence of the Issuer exercising an Issuer Optional Redemption.

Interest Period	Each period from (and including) the date of issue and subsequently each Interest Payment Date to (but excluding) the next Interest Payment Date.
Interest Rate	Tranche One: To be issued in Supplementary Prospectus on 28th March 2024 after Book Building Tranche Two: 9.5%
Issue Price	At Par
Issue	The issuance of a FRW 9,500,000,000 Long Term Senior Unsecured Fixed Rate Bond
Issuer Optional Redemption	The Issuer may upon giving not less than thirty (30) days prior irrevocable notice in writing to the Bondholders and the Fiscal Agent pay a 2% premium applied to the redeemed Principal Amount in accordance with the Terms and Conditions (as set out in Section 10) to redeem all or some of the Bonds Outstanding. Any single partial early redemption of the Bonds shall be of an aggregate principal amount of not less than FRW 500,000,000
Issuer or Company	Prime Energy Plc (“Issuer”), domiciled in Rwanda, is a wholly-owned subsidiary of Prime Energy Holdings Limited
Legal Advisors	Legalwise Chambers
Listing and Trading	Application has been made to list the Bonds on the Fixed Income Securities Market Segment of the Rwanda Stock Exchange. Secondary market trading of the Bonds will be exclusively dealt with and settled through the Rwanda Stock Exchange
Method of Issue	The Bonds will be issued by way of public offer
Negative Pledge	Means as long as any of the Bonds shall remain outstanding and unpaid but only up to the time all amounts of principal and, where applicable, interest due in respect of the Bonds have been paid to the Fiscal Agent, the Issuer covenants that it will not cause or permit to be created on any of its present or future property or assets any encumbrances, mortgage, pledge or other lien or charge as security for any relevant Indebtedness issued, assumed or guaranteed by the Issuer.
Office	In relation to any Bond, either the office identified with its name in the Conditions or any other office notified to the Bondholders and to any relevant parties pursuant to the Agency Agreement with the Issuer
Ordinary Resolution	A resolution that is passed at a Meeting by at least 50% of the votes validly cast by Bondholders in person or by proxy and entitled to vote on the resolution.
P90	The level of generation that is predicted to be exceeded 90% of the projects life based on historical hydrology.
PRIME	Prime Energy Plc
Pledge	For the purpose of this transaction the word “Pledge” means to undertake, give comfort or support by the Issuer. The word “pledge” does not mean a charge or other form of registered security for the purpose of this transaction.

Pricing Supplement	A document containing the summarised terms and conditions for this Bonds issued
Power Purchase Agreement (PPA)	Means the Power Purchase Agreement entered into between the Issuer and Energy Utility Corporation Ltd on 25 th August, 2015
Principal Amount	Means in relation to any Bond, the total amount, excluding interest owing by the Issuer under the Bond.
Project	Means the designing and construction of the upgrade, financing, procuring, Commissioning, testing, insuring, operation, maintenance, development and operation of hydropower generation plants.
Project Documents	Means each of the PPA, the Concession and Implementation Agreement and the Land Lease Agreement entered into or to be entered into in connection with the Project.
Purpose	<ol style="list-style-type: none"> 1. Lending to the parent company to invest in the construction of Rukarara VI – a new 9.7 MW capacity hydropower plant located in Nyamagabe District. 2. Maintenance capex for existing power plants under a concession agreement- Rukarara II, Mukungwa II, Gisenyi and Gashashi.
Qualified Institutional Investor	A purchaser of securities that is financially sophisticated. These include banks, fund managers, pension schemes, insurance companies, unit trusts, multilateral and bilateral institutions, registered and/or verifiable private equity funds, staff schemes and custodians.
Receiving Bank	Bank of Kigali Plc
Redemption by instalments	Unless redeemed in accordance with the Early Redemption provision described below, the Bonds are scheduled to be redeemed in fourteen (14) equal semi-annual instalments with the first payment being made 6 months after settlement as determined by Terms and Conditions
Registrar	Bank of Kigali Plc
Reporting Accountant	BDO
RSE:	Rwanda Stock Exchange
Selling Agent(s)	All appointed and licensed stock brokers by CMA whose list is available on Appendix J
Selling Restrictions	The distribution of this Prospectus and the offer to invest may be restricted by law in certain jurisdictions. Recipients of this Prospectus should therefore inform themselves about and observe all applicable legal requirements in the jurisdiction in which those recipients are situated. It is the responsibility of each prospective investor to satisfy itself as to full compliance with the applicable laws and regulations of any relevant jurisdiction, including obtaining any requisite governmental or other consent and observing any other formality applicable in such jurisdiction.
Sponsoring Broker	BK Capital Ltd

Special Resolution	A resolution that is passed at the meeting by a majority of seventy-five percent (75%) or such higher majority of the votes cast by Bondholders in person or by proxy and entitled to vote on the resolution.
Status of the Bonds	Unsecured
Subscription procedure	Subject to Regulatory approval and when application lists open, application forms and letters of the undertaking will be available from the appointed and licensed stock brokers
Subsidiary	A company owned and controlled by a parent or holding company
Tax	Any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)
Tenor	Seven (7) years from settlement date
Total Debt	Means, at any time the aggregate (without double counting) of: (a) that part of the Indebtedness of the Issuer which relates to obligations (whether present or future, actual or contingent and whether incurred as principal or surety) for the payment or repayment of money in respect of principal incurred in respect of (i) moneys borrowed or raised, (ii) any bond, note, loan stock, debenture or similar instrument, or (iii) any acceptance credit, bill discounting, note purchase, factoring or documentary credit facility and (b) the capital element of all rentals or, as the case may be, other payments payable under any finance lease entered into by the Issuer.
Tranche One	Rwanda Franc Senior Unsecured Fixed Rate Green Bonds with an Interest Rate to be determined by Book Building
Tranche Two	Senior Unsecured USD Linked Green Bonds with an Interest Rate of 9.5% (settled and paid in Rwanda Franc).
Transaction Advisor	BK Capital Ltd
Trustee	Also known Bond Trustee. BPR Bank Rwanda PLC
Trust Deed	Means the agreement dated 13 th March 2024, appointing the Trustee and any other agreements for the time being in relation to the Bonds, or in connection with the Trustee's duties, together with any agreement for the time being in force or modifying any such agreement
Unsecured	The Bondholders are unsecured creditors of the Issuer. There is no charge or registered security of interest, however the concession and PPA rights will be reassigned to the Bondholders in the event of default.

1. Executive Summary

1.1 Issuer

Prime Energy Plc is a leading renewable energy company in Rwanda, with a focus on hydropower generation. The company was registered and established its operations in 2014 as pioneers of private power generation industry in the country.

The Ministry of Infrastructure (MINIFRA) and Rwanda Development Board (RDB) awarded Prime Energy Plc a twenty-five-year concession to upgrade, operate and maintain four Hydro-Power Plants (HPPs) through a transparent and international tendering process. The four HPPs are Gashashi, Gisenyi, Mukungwa II and Rukarara II.

The company also signed Power Purchase Agreements with Energy Utility Corporation Limited (“EUCL”) for the four power plants.

1.2 Parent Company

Prime Energy Plc is a subsidiary of Prime Energy Holding Limited (HoldCO) which was legally incorporated in Rwanda in 2018. It is a renewable energy company with development opportunities and operations in Rwanda and several African countries.

Prime Energy Holdings Limited through its wholly owned subsidiaries have a track record of developing, constructing and operating sustainable hydropower projects in Rwanda. The company is well-positioned to capitalise on the growing demand for clean energy in the country and contribute to the government’s goal of achieving universal access to electricity by 2024.

The parent company draws from a host of highly skilled and experienced individuals, both within Rwanda and through partnerships and alliance agreements to render quality services within the requisite time frame cost and quality.

Prime energy’s core business is management and investment in the following areas:

- a) Development of energy production power plants
- b) Operation of energy production power plants
- c) Modular design and modernization of energy production systems.
- d) Maintenance of energy production power

The HoldCo’s administration and financial services are outsourced to the Issuer through a management contract together with other key corporate services such as accounting and legal.

1.3 Power Plants Overview

PRIME operates four hydropower plants in the country, with a total installed capacity of 7.8 MW. The plants are located in the Western and Southern provinces of Rwanda and supply electricity to the national grid. PRIME has secured long-term power purchase agreements with the national utility company, ensuring a stable and predictable revenue stream. It also has several pipeline projects under development, which will significantly expand the parent company’s portfolio in the coming years.

Overall, PRIME has a strong track record of delivering high-quality, reliable, and sustainable hydropower projects in Rwanda. The company is well-positioned to capitalise on the growing demand for clean energy in the country and contribute to the government’s goal of achieving universal access to electricity by 2024.

The type of power generation from the plants is run-of-river hydroelectricity unlike traditional hydropower plants that require the creation of a dam and reservoir to store water, a run of river plant uses the natural flow of the river to turn turbines and generate electricity. This type of power plant production typically has less environmental impact than traditional hydropower plants, as it does not require the creation of a large reservoir and does not disrupt the natural flow of the river. The HoldCO wants to invest in the Rukarara VI project which is a significant addition to their portfolio, as it will increase their total installed capacity and further their commitment to the Government strategy of energy production

1.4 Condensed Financial and Operational Highlights

For more detailed information on the financial performance and position of the Issuer, refer to Section 13 (Summary of Financial Information and Other Selected Data) and the Reporting Accountants’ report.

FRW '000	FY2020 Audited	FY2021 Audited	FY2022 Audited	Sept 2023 Unaudited
Electricity production (KW)	46,459,662	45,923,903	45,641,221	35,990,658
Revenue	4,176,277	3,837,055	3,536,149	3,049,847
Operating Expenses	(375,675)	(745,356)	(420,302)	(322,581)
Operating profit	3,514,488	2,655,403	2,782,135	2,688,792
Net income	2,531,672	1,878,887	1,461,997	2,391,564
Statement of financial position				
Non-current liabilities	4,301,400	3,142,627	2,924,091	2,565,583
Current liabilities	1,932,512	1,983,759	2,729,813	1,020,358
Total liabilities	6,233,912	5,126,386	5,653,904	3,585,941
Total equity	2,581,256	5,220,232	6,682,230	9,073,793
Total equity and liabilities	8,815,168	10,346,618	12,336,134	12,659,734
Cash Flow Statement				
Net cash from operating activities	4,085,166	2,551,678	(423,188)	2,423,168
Net cash used in investing activities	(532,451)	(821,368)	72,825	(2,060)
Net cash used in financing activities	(2,384,943)	(1,884,943)	(1,105,758)	(2,010,816)

2. Summary of Corporate Information

Table 2: Summary of Corporate Information

Name of Issuer:	Prime Energy Plc
Registration Number	103231736
Registered Office and Head Office	KBC Building 7 th Floor P.O. Box 1167 Kigali – Rwanda
Contact persons	<p>Name: Sandy Rusera Position: Chief Executive Officer Address: Kimihurura, Gasabo, Kigali Telephone: +250 788484802 Email: sandy@primeenergyltd.com</p> <p>Name: Joe Nsano Position: Chief Operating Officer/company secretary Address: Kimihurura, Gasabo, Kigali Telephone: +250788307020 Email: joe@primeenergyltd.com</p>

Table 3: Board of Directors



Name	Nationality	Other Chairmanship/ Directorships
Jean Damascene Niyongabo	Rwandan	Master Steel Ltd, Plastica Ltd; Rukarara VI HPP Ltd
Ndamutsa Thaddee RUSERA Sandy	Rwandan	Inyange Industries, East African Granite Industries, Crystal Ventures Ltd, Gorillas Hotels; Rukarara VI HPP Ltd
Cherno Gaye	Gambian	Irembo, Rwanda Energy Group, AC Group Ltd
Daniel James Kinder	British	Double Kingdom Holdings, Great Ocean Group and Park Avenue Equity Partners
Joe Juru Nsano	Rwandan	Master Steel Ltd, Atlantis Invest Canada, Agence Viva Canada

Table 4: Other information

Company secretary	<p>Joe Juru Nsano Address: Kimihurura, Gasabo, Kigali Telephone: +250788307020 Email: joe@primeenergyltd.com</p>
Auditors	<p>PWC Rwanda Ltd, 5th Floor Blue Star House, 35 KG 7 Ave, P.O Box 1495, Years audited: 2020– Present</p> <p>BDO EA Rwanda Ltd Career Centre Building, 8th Floor, KG 541st, P. O Box 6593, Years audited: 2015 – 2019</p>
Principle bankers	<p>Bank of Kigali Plc P.O. Box 175, Kigali, Rwanda</p> <p>I & M Bank (Rwanda) Plc P.O Box 354, Kigali Rwanda</p> <p>Access Bank (Rwanda) Plc P.O. Box 2059, Kigali, Rwanda</p>
Financial Calendar	Financial Year ending – 31 st December
Company	The Company does not have any subsidiaries or joint ventures as at the date of publication of this Prospectus.

3. Advisors to the Issuer on the Bond Issue

<p>Transaction Advisors and Sponsoring Broker:</p>  <p>KN 4 Ave, Kigali, Rwanda</p> <p>Contact person : Siongo Kisoso Managing Director skisoso@bk.rw</p>	<p>Receiving Bank, Fiscal Agent and Registrar:</p>  <p>KN 4 Ave, Kigali, Rwanda</p> <p>Contact person : Charles Gakuru Head, Treasury cgakuru@bk.rw</p>
<p>Financial Advisor</p>  <p>The Mvuli 2nd Floor Annex Mvuli Road, Westlands, Nairobi</p> <p>Contact person: Leonard Mathu Managing Director leonard.mathu@ais.earth</p>	<p>Legal Advisor:</p>  <p>Gishushu, Kimihurura KG 628</p> <p>Contact person: Olivier Rwamasirabo Managing Partner o.rwamasirabo@legalwise.rw</p>
<p>Reporting Accountant:</p>  <p>KG 541 St, Kigali, Rwanda</p> <p>Contact person: Emmanuel Habineza Managing Partner mmanuel.habineza@bdo-ea.com</p>	<p>Technical Audit</p> <p>Komrade Africa Limited,</p> <p>Zayed Plaza, Ground Floor, Office C4, P.O. Box 780 – 80100 Mombasa, Kenya.</p> <p>Contact person: Eng. Stephen Otieno AROWO Lead Consultant komradedata@gmail.com</p>

<p>Trustee:</p>  <p>BPR HQ, KN 4 Ave, Kigali, Rwanda</p> <p>Contact person:</p> <p>Eric Ngabo</p> <p>Senior Manager, Custody Services</p> <p>engabo@bpr.rw</p>	<p>Green Bond Second Opinion Provider</p>  <p>Gauteng, SA</p> <p>Contact person :</p> <p>Petrus Gildenhus</p> <p>Director</p> <p>petrus.gildenhuys@ibiconsulting.com</p>
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Disclosure:

BK Capital and Bank of Kigali are related parties and wholly owned companies of BK Group PLC. BK Capital is licensed by the Rwanda CMA as an Investment bank and by the BNR for Fund Management and Administration service for Pensions Schemes and is a member of the RSE. While Bank of Kigali is licensed by the BNR.

BK Capital and Bank of Kigali have separate boards that meet the independence requirements of their regulators.

4. Timetable

Table 5: Issuance Timetable

No.	Event	Date
1.	Book Building Opening Date	Monday, March 18 th , 2024
2.	Booking Building Closing Date – (by 12pm Rwandan Time)	Thursday, April 25 th , 2024
3.	Determine Interest Rate	Thursday, April 25 th , 2024
4.	Dispatch Book Building Allocation Confirmation	Thursday, April 25 th , 2024
5.	Dispatch Supplementary Prospectus with final Interest Rate	Thursday, April 25 th , 2024
6.	Fixed Price Offer Opening Date – the date the Offer opens	Thursday, April 25 th , 2024
7.	Final Offer Closing or Closure Date – the day the Offer closes	Friday, May 3 rd , 2024
8.	Date of Allocation	Monday, May 6 th , 2024
9.	Announcement Date	Tuesday, May 7 th , 2024
10.	Settlement Date	Friday, May 10 th , 2024
11.	Announcement of results to CMA	Friday, May 10 th , 2024
12.	Public Announcement	Monday, May 13 th , 2024
13.	Electronic crediting of Bonds to CSD accounts	Wednesday, May 15 th , 2024
14.	Refund Date	Thursday, May 16 th , 2024
15.	Listing on RSE and Commencement of Trading	Friday, May 17 th , 2024

These dates are subject to change and are only indicative. PRIME reserves the right to amend this indicative timetable, and in such cases it is subject to regulatory approval, a supplementary timetable will be issued subsequently. PRIME reserves the right to close the Offer early, to extend the Closing Date or to withdraw the Offer. Any extension of the Closing Date will have a consequential effect on the issue date to all Bonds.

5. Summary of the Bonds

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Prospectus. Capitalised terms not separately defined herein shall bear the meaning given to them in the Conditions.

Table 6: Summary of the Bond

Issuer	Prime Energy Plc (“Issuer”), domiciled in Rwanda, is a wholly-owned subsidiary of Prime Energy Holdings Limited
Lead Transaction Advisor	BK Capital Ltd
Sponsoring Broker	BK Capital Ltd
Financial Advisor	AIS Capital Advisors
Registrar	Bank of Kigali Plc
Receiving Bank and Fiscal Agent	Bank of Kigali Plc
Trustee:	BPR Rwanda Bank PLC
Transaction Legal Advisor	Legal Wise Chambers
Reporting Accountant	BDO East Africa Rwanda Ltd
Lead Selling Agents	BK Capital Ltd
GENERAL	
Description of the Issuance	<p>Up to Rwandan Franc nine billion and five hundred million (FRW. 9,500,000,000) comprising</p> <p>i) Senior Unsecured RWF Fixed Rate Green Bonds and</p> <p>ii) Senior Unsecured USD Linked Green Bonds</p> <p>The Senior Unsecured Fixed Rate Green Bonds are issued with a fixed interest rate to be determined by Book Building. Senior Unsecured USD Linked Green Bonds with a fixed interest rate of 9.5 % with settlement, interest payment and redemption in Rwanda Franc based on the FX reference dates.</p>
Use of Proceeds	Reference Section 6 (Use of Proceeds)
Status of Bonds	Senior and Unsecured
Issuances in tranches	The Issuer will issue Senior Unsecured FRW Fixed Rate Green Bonds in one tranche and Senior Unsecured USD Linked Green Bonds in another tranche.
Tranche One	Rwanda Franc Senior Unsecured Fixed Rate Green Bonds with an Interest Rate to be determined by Book Building
Tranche Two	Senior Unsecured USD Linked Green Bonds with an Interest Rate of 9.5% (settled and paid in Rwanda Franc)
Amount of Issue:	FRW 9,500,000,000
Method of Issuance	Tranche one: Book Building Tranche two: Fixed Price
Amount of Book Building Portion	FRW 4,000,000,000 (Tranche one only)
Amount of Fixed Price Portion	FRW 5,500,000,000 (Tranche one and two)
Initial Price Guidance for Tranche One Book Building	13.30% - 13.75% per annum
Tenor of Issue:	7 years

Issue date	10 th May 2024
Trade Date	17 th May 2024
Maturity Date	10 th May 2031
FX Reference Rate Basis and FX Reference Dates	<p>On interest payment dates, the Fiscal Agent shall convert the USD amount payable by the Issuer into Rwandan Franc on the basis of the average FX rate.</p> <p>The average FX rate means the arithmetic average between the buying rate and selling rate USD/FRW provided by National Bank of Rwanda as published on the Interest Payment Date</p>
Form of Bonds	Book-entry;
Denomination of Bond	The Bonds will be issued in denominations of FRW 100,000 and integral multiples of FRW 100,000 in excess thereof, subject to a minimum subscription amount of FRW 100,000,000
Governing Law	Rwanda Law
Issue Price	At Par;
Listing	The Bonds to be listed on the Rwanda Stock Exchange
Interest Period	6 months
Interest Payment Dates	<p>10th November 2024</p> <p>10th May 2025</p> <p>10th November 2025</p> <p>10th May 2026</p> <p>10th November 2026</p> <p>10th May 2027</p> <p>10th November 2027</p> <p>10th May 2028</p> <p>10th November 2028</p> <p>10th May 2029</p> <p>10th November 2029</p> <p>10th May 2030</p> <p>10th November 2030</p> <p>10th May 2031</p>
Bondholder	When used with respect to any Bond, means the person in whose name a Bond is registered in the CSD account, or in the case of joint holders, the first-named thereof;
Risk Factors	Investing in the Bonds involves certain risks (see the Section 15 of the Prospectus headed "Risk Factors and Mitigation Measures");
Currency	Rwandan Franc (FRW)
Redemption Basis and Payment	Redemption at Par based on Amortised Basis
Call Option	Yes

Put Option	None
Early Redemption	The Issuer may upon giving not less than thirty (30) days prior irrevocable notice in writing to the Bondholders, Bond Trustee Fiscal Agent pay a 2% premium applied to the redeemed Principal Amount in accordance with the Terms and Conditions.
Allotment Policy	The issuer reserves the right, whether the Issue is oversubscribed or not to reject any application in line with the Allotment policy set in this Prospectus. Applicants may as a result be allotted less than the amount applied for. Allotment will be done on a pro-rata basis based on the amount applied for. Successful applicants will be notified by the Placing Agent of the amount allotted to them no later than the date and time specified in this Prospectus
Minimum Offer Subscription	FRW 100,000,000
Taxation	Refer to the Section 16 of this Prospectus headed "Taxation";
Conditions	The Conditions of the Bonds are set out in Section 11 of this Prospectus headed "Terms and Conditions";

Illustration 1: Bond amortisation for FRW 100,000,000 investment in Tranche One at an assumed interest rate of 13.5%

Month	Opening balance	Initial investment	Principal repayment	Interest income	Total repayment	Closing balance
10-May-24		(100,000,000)				100,000,000
10-Nov-24	100,000,000	-	(4,513,666)	6,750,000	11,263,666	95,486,334
10-May-25	95,486,334	-	(4,818,338)	6,445,328	11,263,666	90,667,997
10-Nov-25	90,667,997	-	(5,143,576)	6,120,090	11,263,666	85,524,421
10-May-26	85,524,421	-	(5,490,767)	5,772,898	11,263,666	80,033,654
10-Nov-26	80,033,654	-	(5,861,394)	5,402,272	11,263,666	74,172,260
10-May-27	74,172,260	-	(6,257,038)	5,006,628	11,263,666	67,915,222
10-Nov-27	67,915,222	-	(6,679,388)	4,584,277	11,263,666	61,235,834
10-May-28	61,235,834	-	(7,130,247)	4,133,419	11,263,666	54,105,587
10-Nov-28	54,105,587	-	(7,611,538)	3,652,127	11,263,666	46,494,048
10-May-29	46,494,048	-	(8,125,317)	3,138,348	11,263,666	38,368,731
10-Nov-29	38,368,731	-	(8,673,776)	2,589,889	11,263,666	29,694,955
10-May-30	29,694,955	-	(9,259,256)	2,004,409	11,263,666	20,435,699
10-Nov-30	20,435,699	-	(9,884,256)	1,379,410	11,263,666	10,551,443
10-May-31	10,551,443	-	(10,551,443)	712,222	11,263,666	-

Note: The final interest rate is subject to book building

Illustration 2: Bond amortisation for FRW 100,000,000 investment in Tranche Two at an interest rate of 9.5% using an indicative foreign exchange rate of FRW 1,327 per USD.

Month	Opening balance (USD)	Initial investment (USD equivalent)	Initial investment (FRW)	Principal repayment (USD equivalent)	Interest income (USD equivalent)	Total repayment (USD equivalent)	Closing balance (USD)	Total payable (FRW)	Closing balance (FRW)	Indicative FX rate
10-May-24		(75,347)	(100,000,000)	-	-	-	75,347	-	100,000,000	1,327
10-Nov-24	75,347	-	-	(3,912)	3,579	7,491	71,435	9,941,565	94,808,435	1,327
10-May-25	71,435	-	-	(4,097)	3,393	7,491	67,337	10,438,644	93,838,783	1,394
10-Nov-25	67,337	-	-	(4,292)	3,199	7,491	63,045	10,438,644	87,857,482	1,394
10-May-26	63,045	-	-	(4,496)	2,995	7,491	58,549	10,960,576	85,671,672	1,463
10-Nov-26	58,549	-	-	(4,710)	2,781	7,491	53,840	10,960,576	78,780,500	1,463
10-May-27	53,840	-	-	(4,933)	2,557	7,491	48,907	11,508,605	75,140,098	1,536
10-Nov-27	48,907	-	-	(5,168)	2,323	7,491	43,739	11,508,605	67,200,648	1,536
10-May-28	43,739	-	-	(5,413)	2,078	7,491	38,326	12,084,035	61,828,278	1,613
10-Nov-28	38,326	-	-	(5,670)	1,820	7,491	32,656	12,084,035	52,681,086	1,613
10-May-29	32,656	-	-	(5,939)	1,551	7,491	26,716	12,688,237	45,254,373	1,694
10-Nov-29	26,716	-	-	(6,222)	1,269	7,491	20,495	12,688,237	34,715,719	1,694
10-May-30	20,495	-	-	(6,517)	974	7,491	13,978	13,322,649	24,860,303	1,779
10-Nov-30	13,978	-	-	(6,827)	664	7,491	7,151	13,322,649	12,718,519	1,779
10-May-31	7,151	-	-	(7,151)	340	7,491	-	13,988,781	-	1,868

Note: The foreign exchange rates used are purely for illustration purposes and not a projection.

6. Use of Proceeds

Table 7: Use of Proceeds ¹

	FRW'000
Lending to the parent company for new Investment into Rukarara VI (Reference Section 10.3 for Financial structure)	7,500,000
Maintenance CAPEX of existing HPP	1,751,683
Issuance expenses	248,317
Gross proceeds	9,500,000

¹ This use of proceeds is indicative and is earmarked for Rukarara VI and maintenance of existing power plants. Funds will be managed in line with the Board's policy of maintaining a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. The use of proceeds in line with the Green Bond Framework.

7. Key Investment Considerations

7.1 Green Bond Certified

The Bonds have been externally verified as 'Green Bonds' based on the Issuer's compliance with the International Capital Market Association (ICMA) principles.

The criteria to meet the ICMA principles include and aligns the with the four core components of the updated International Capital Market Association (ICMA) Green, Social and Sustainability Bond Principles issued in June 2021 respectively. Additional details of the second party opinion can be found in the Section 20 (Green Bond Framework and External Review) and Appendix H (Second Party Opinion).

7.2 Clear path to repayment

The repayment of the green bonds will be dependent upon and made from the operational cash flows from the existing projects of the Issuer. The operating cash flows of the Issuer are underpinned by the Concession and the remaining term of the 25-year PPAs awarded by EUCL starting 2019 where there are guaranteed payments at fixed terms for electricity delivered to the grid.

Table 8: Cash flow from operating activities to total debt repayment

FRW 000'	FY 2020 Audited	FY 2021 Audited	FY 2022 Audited	Sept 2023 Unaudited
Net cash flow from operating activities	4,085,166	2,551,678	(423,188)	2,423,168
Repayment of borrowings	(1,884,943)	(1,884,943)	(1,884,416)	(2,010,816)
Coverage ratio	2.2	1.4	(0.2)	1.2

7.3 Credit risk mitigation mechanisms

This Bond will benefit from a structure that minimises the potential risk of investors not realising expected returns.

1. Bondholders will have assignment of concession rights and PPA rights in the event of default to enable continued access to cash from operations for the repayment of the bond.
2. Set up and maintenance of an unsecured Debt Service Reserve Account with one semi-annual repayment to provide support that the necessary payments to Investors/Bondholders can be met. This is more fully described in Condition 11.6 (Debt Service Reserve Account)
3. Set up and maintenance of a Maintenance Reserve Account with a monthly deposit FRW 9 million for 24 months after the Issue Date for purpose of financing maintenance, repair, and rehabilitation activities necessary to ensure the continued operational reliability and safety of the Infrastructure Asset. This is more fully described in Condition 11.7 (Maintenance Reserve Account)

7.4. Access to growing, stable and non-cyclical returns

The energy generation sector globally has proven to provide stable and non-cyclical returns to investors as energy demand and supply, which is weather dependent, are to a large extent not affected by economic downturns in the economy.

Furthermore, demand for electricity is expected to be sustained in the short to medium term driven by the Energy Sector Strategic Plan. Electricity penetration in Rwanda is currently at 51%, with 37% connected to the national grid and 14% accessing electricity through off-grid systems. The Energy Sector Strategic Plan (ESSP) for 2018/19 – 2023/24 outlines that the Government targets to achieve 100% penetration by 2024 with 52% being connected to the grid and 48% through off grid solutions.

7.5 Strong management team

In line with its ambition to effectively contribute to the delivery of affordable energy to all segments of the sector using renewable energy sources, The Issuer has recruited a strong, competent and experienced management team to deliver on its strategy. The management team has vast experience in the energy and engineering sectors in Rwanda..

8. About the Issuer

8.1 Company Overview

Prime Energy Plc is a Public liability company specializing in the energy sector with focus on investments into rehabilitating and upgrading of existing hydropower plants in addition to green-field power plants investments. PRIME is 100% owned by Prime Energy Holdings Limited (Parent Company) and incorporated in Rwanda. PRIME has four operational hydro power plant assets in Rwanda with a combined installed capacity of 7.8 MW.

As part of a broader effort to liberalise and reform its energy sector, the Rwanda Ministry of Infrastructure through the Rwanda Energy Group privatised some hydropower plants under a PPP Model. Some of the plants were seriously damaged and needed additional Investment for rehabilitation and upgrade to allow them to operate with increased efficiency, safety, and reliability.

In 2015, MININFRA, Rwanda Development Board (RDB) and REG awarded Prime Energy Plc a twenty-five-year concession to upgrade, operate and maintain four Hydropower Power plants through a transparent and international tendering process.

The company is also currently developing a green-field for a run-of-river hydropower project in Rwanda, Rukarara VI, with an installed capacity of 9.76 MW.

8.2 Vision, Mission and Strategy of the Issuer

Vision:

To be the premier company in the development, operation, and maintenance of specialised energy projects in Africa.

Mission:

Understanding the need for creating clean energy development and maintenance solutions in a continent with a big demand for electricity and rapidly deteriorating natural resources and emerging opportunities, the company mission is built on continuous innovation to satisfy the needs of the consumer while protecting the environment for posterity.

8.3 Parent Company Background

Prime Energy Holding Limited (HoldCO), the company was legally incorporated in Rwanda in 2018. Prime Energy Holding Limited owns 100% of both Prime Energy Plc and Rukarara VI.

Corporate Structure:

Chief Executive Officer	Sandy Rusera Ndamutsa Thaddee
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8.4. Principal Shareholders

As at 30th June 2023, the shareholders of PE Plc are as follows:

Shareholder	No. of Shares	% of Shareholding
Prime Energy Holdings Limited	100	100%

The Issuer’s nominal share capital is FRW 500,000,000 divided into 100 authorised and issued ordinary shares of FRW 5,000,000 each. All issued shares are fully paid and have equal voting rights.

As at 30th June 2023, the shareholders of Prime Energy Holdings Limited are as follows:

Shareholder	No. of Shares	%of Shareholding
Jean Damascène NIYONGABO	400	40%
Lion’s Share Group (LS Group) Limited (100% owned by Ndamutsa Thaddee Sandy Rusera)	600	60%

The Parent Company’s nominal share capital is FRW 1,000,000 divided into 1,000 authorised and issued ordinary shares of FRW 1,000 each.

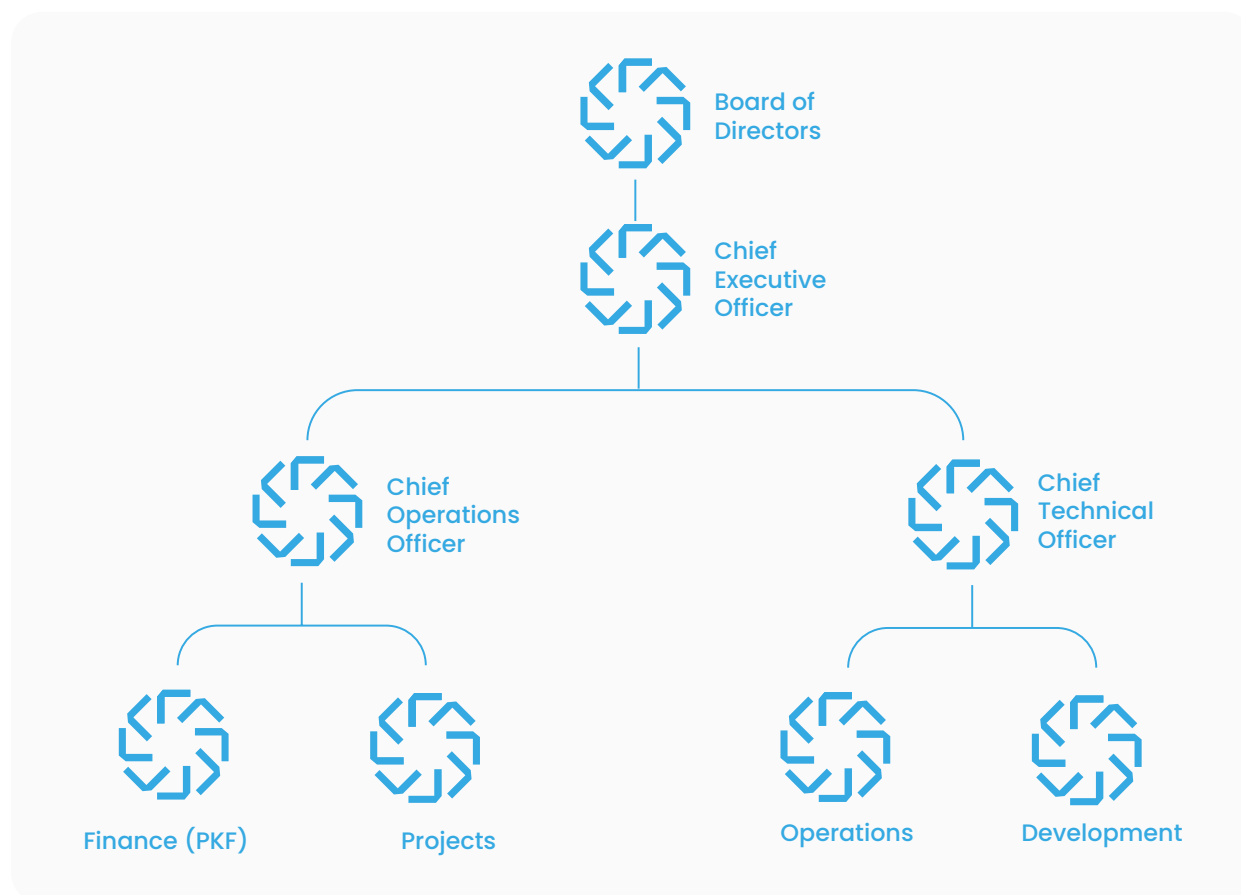
8.5 DIRECTOR PROFILES

<p>Chairman and Independent Director:</p> <p>DANIEL JAMES KINDER</p>	<p>Daniel is the Founder & CEO of Double Kingdom Holdings, an urban infrastructure development and investment company focused on sub Saharan Africa. Double Kingdom is managed from London with offices throughout sub Saharan Africa and in Beijing where it hold interests in active developments in the real estate and power sectors.</p> <p>Daniel was the managing partner of Great Ocean Group in Beijing and China, an infrastructure investment company from 2009 to 2012. From 2001 to 2009 he was the co-managing partner of Park Avenue Equity Partners, a New York-based private equity fund focused on infrastructure services assets.</p> <p>Daniel is a member of the Board of Directors and investment committee of the CITIC Securities RenGuo Fund (Beijing, China) and a Henry Crown Fellow of the Aspen Institute.</p> <p>He is co-founder of charity:water, a global water NGO, with operations across 14 countries in Africa and 26 worldwide. Daniel is Chairman of charity:water London.</p> <p>He is a Graduate of Wageningen University with Masters in Sustainable Agriculture Development and holds a BA in Politics, Philosophy and Economics.</p> <p>He was appointed on 1st August 2023.</p>
<p>Executive Director:</p> <p>NDAMUTSA THADDEE RUSERA SANDY</p>	<p>As the CEO Sandy leads the vision of making Prime Energy Plc one of the largest local IPPs in Rwanda, while expanding its operations regionally. Sandy held various stints at the Ministry of Finance and Economic Planning for a period of more than four years, his last designation being the Director of Capital Markets and Investment Schemes.</p> <p>Sandy is a graduate of Loyola University in Chicago with a Master’s of Science in Finance. Mr Rusera is a member of the Young Presidents’ Organization (YPO) and avid fitness enthusiast.</p> <p>He was appointed on 1st August 2023.</p>

<p>Executive Director:</p> <p>JOE JURU NSANO</p>	<p>Joe Nsano is in charge of fund mobilisation and internal organisation. He Has experience in resource mobilization and project coordination. He was formerly a banker with Bank of Kigali and I&M Bank in the periods of between 2001 and 2007 where he held roles in business and credit management. The Financial reporting role that he has an oversight of has been outsourced to PKF.</p> <p>He is Non-executive director at Master Steel Ltd. and is a deputy Chairman at Atlantis Invest Canada as well as Agence Viva Canada.</p> <p>Joe holds a bachelor’s degree in law from the University of Rwanda. He has had trainings in trade-finance, guarantee funds, credit structuring, project management and credit analysis.</p> <p>He was appointed on 1st August 2023.</p>
<p>Non-Executive Director:</p> <p>JEAN DAMASCENE NIYONGABO</p>	<p>Niyongabo has 25 years’ experience as the founder and Executive Chairman of several successful businesses that operate across the Sub Saharan Africa. He gained extensive experience in senior management, strategic planning, fundraising, operations, customer service, restructuring and finance.</p> <p>Niyongabo is also a shareholder and director in Master Steel Ltd, Dynasty Construction Ltd and Plastica Ltd which were incorporated in 2005, 2012 and 2021 respectively.</p> <p>Niyongabo’s enterprises and brands have grown to be market leaders in the country, collectively provide direct employment to more than 400 permanent staffs, generate aggregate revenues of approximately USD 39 Million, and are key suppliers to government and private institutions.</p> <p>He was appointed on 1st August 2023.</p>
<p>Non-Executive and Independent Director:</p> <p>CHERNO GAYE</p>	<p>Gaye is serving as the CEO of Fincity Investment Advisory and Executive Director at Enabler Limited. Prior to that, he was the Managing Director of Cogebanque Plc, a local commercial bank domiciled in Rwanda and licensed by the National Bank of Rwanda recently acquired by Equity Group Holdings Plc. His prior roles include being CFO of BPR Part of Atlas Mara, CFO and deputy CEO of BRD Commercial Bank Limited (BRD Commercial Bank was later merged into BPR Plc), CEO of Ultimate Developers Ltd, a Real Estate subsidiary of RSSB (2012), and CFO at Banque Commerciale du Rwanda – BCR (a local bank owned by Actis and now part of the I&M Group).</p> <p>He has also worked as an external auditor with both KPMG and Deloitte and Touche and carried out assignments for English as well as French-speaking countries where he audited companies and organizations in different sectors of the economy mainly Banks, Projects, Insurance Companies, Pension Funds, Retailers, etc.</p> <p>He holds the Association of Chartered Certified Accountants – ACCA designation. He is a fellow to the ACCA and a CFA charter holder and a member of the CFA Institute, the CFA Society of South Africa and the CFA Society of East Africa.</p> <p>He was appointed on 1st August 2023.</p>

8.6 Organizational structure

Figure 1: Prime Energy Plc’s Organizational structure.



8.7 Profile of Key Employees

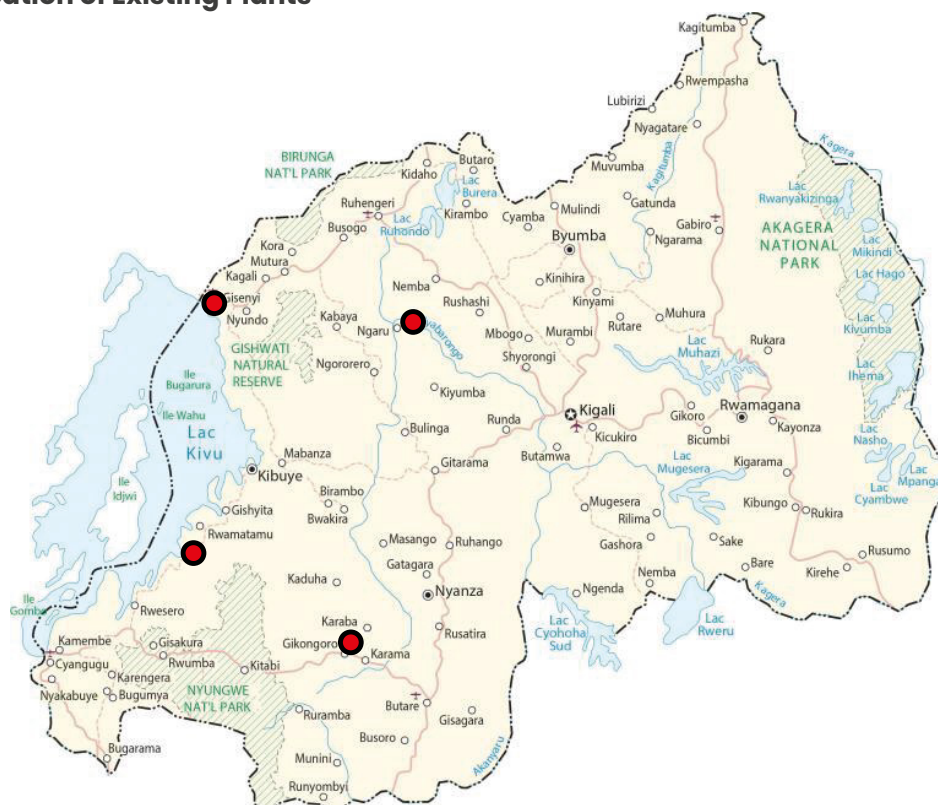
Table 9: Profile of Key Employees

<p>CEO Sandy Rusera</p>	<p>As the CEO Sandy leads the vision of making Prime Energy Plc one of the largest local IPPs in Rwanda, while expanding its operations regionally. Sandy held various stints at the Ministry of Finance and Economic Planning for a period of more than four years, with his last designation being the Director of Capital Markets and Investment Schemes.</p> <p>Sandy is a graduate of Loyola University in Chicago with a Master’s of Science in Finance. Mr Rusera is a member of the Young Presidents’ Organization (YPO) and avid fitness enthusiast.</p> <p>Date of joining the company: August 2015</p>
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<p>COO</p> <p>Joe Nsano</p>	<p>Joe Nsano is in charge of fund mobilization and internal organization. He Has experience in resource mobilization and project coordination. He was formerly a banker at Bank of Kigali and I&M Bank between 2001 and 2007 where he held roles in business and credit management. The Financial reporting role has been outsourced to PKF.</p> <p>He is Non-executive director at Master steel ltd and is a deputy Chairman at Atlantis Invest Canada as well as Agence Viva Canada.</p> <p>Joe holds a bachelor’s degree in law from the University of Rwanda. He attended several trainings in trade-finance, guarantee funds, credit structuring, project management and credit analysis.</p> <p>Date of joining the company: December 2014</p>
<p>Chief Technical Officer</p> <p>Sixte Ndekezi</p>	<p>Sixte Leads the technical team in operating, maintaining and repairing power plants. He has over 25 years’ experience in installation, maintenance and repair of mechanical and electrical equipment.</p> <p>The past 18 years of Sixte’s experience has been to the maintenance and operation of thermal and hydropower plants of various sizes ranging from 280 KW to 20 MW.</p> <p>As part of his experience Sixte worked for EWASA (former EUCL) as a Manager during which time his experience involved most most of the HV and LV substations around and various requirements involved in maintenance of the national grid.</p> <p>He has also participated in the installation and operationalization of the Jabana thermal plant of 7 MW (Diesel) and Jabana 2 thermal plant of 20 MW (Heavy fuel). He had the opportunity to participate in the installation and commissioning of Gashashi HPP of 280 KW and Gisenyi HPP of 1.7 MW.</p> <p>He holds a BSc. Electrical Engineering IST Burkina Faso.</p> <p>Date of joining the company: March 2016</p>

9. Power Plants Operated by the Issuer Under the Concession Agreement

9.1 Location of Existing Plants



9.2 Existing Power Plants Overview

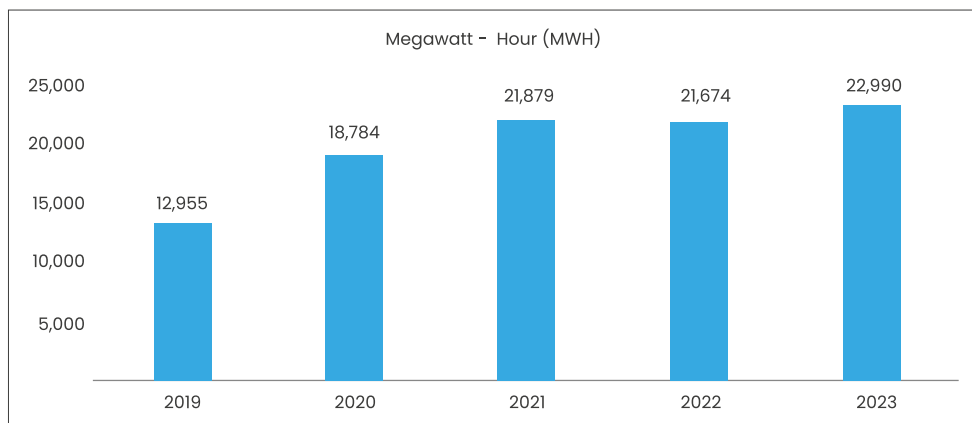
9.2.1 Mukungwa II



Description

Mukungwa II is the largest of Prime Energy Plc’s plants with an installed capacity of 3.6 MW. Prime Energy Plc’s production power has remained relatively stable over the last three years. Mukungwa II has been able to increase production by 265% from the pre-rehabilitation average. Rehabilitation of the plant took 10 months from February to November 2018. The graph below indicates the production for the last five years.

Figure 2. Mukungwa II production output (MWh)



Geographic location and layout

Mukungwa II is located in Musanze which is one of the districts in the Northern Province. Musanze district covers an area of 530.3 km² and its population is 476,522 with a population density of 900 habitants per km². The district is divided into 15 sectors, 432 villages and 68 cells.

General Operational Characteristics of the Power Plants

Design Flow	50.74 m
Net Head	750 rpm
Rotational Speed	Francis turbines
Type of turbine	30kV
Rated voltage	1155 A
Rated Current	50.74 m

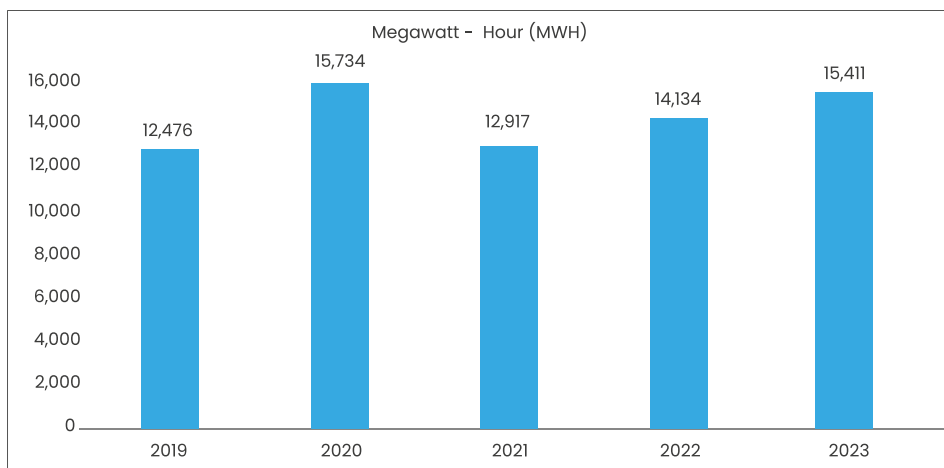
8.2.2 Rukarara II



Description

Rukarara II is the second largest of Prime Energy Plc’s power plants with an installed capacity of 2.2 MW. The plant’s commercial operational date was in 2015.

Figure 2 Rukarara II production output (MWh)



Geographic location and layout

Rukarara II hydro plant is located in Nyamagabe district in the southern province. Nyamagabe district covers an area of 1,049 km² and its total population is 371,501, with a population density of 340 habitants per km². The district is divided into 17 sectors, 92 cells and 536 villages.

General Operational Characteristics of the Power Plants

Design Flow	5.6 m ³ /s
Net Head	50.7 m
Rotational Speed	750 rpm
Type of turbine	Francis /Vertical
Rated voltage	690 V
Rated Current	2310 A

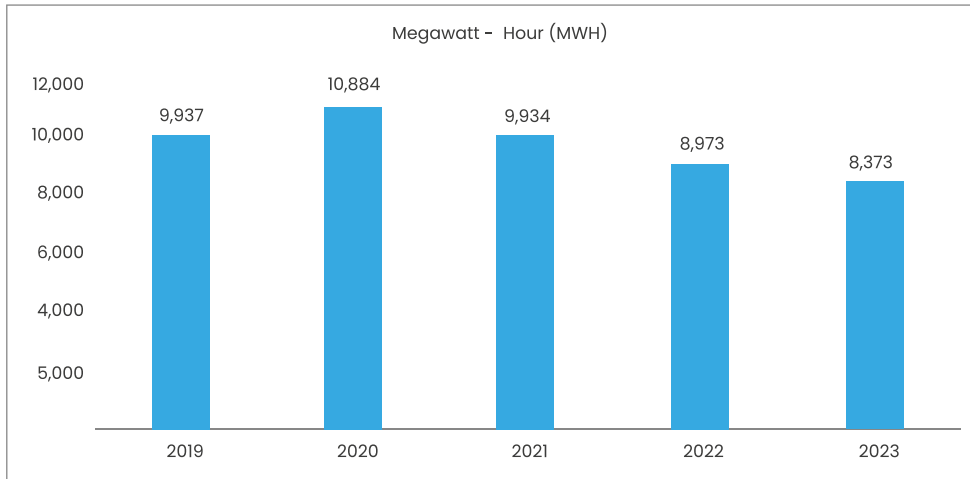
9.2.3 Gisenyi



Description

Gisenyi has an installed capacity of 1.6MW. The production has increased by 132% from the pre-rehabilitation average. The rehabilitation of the plant ran from September 2017 to April 2018.

Figure 4: Gisenyi production output (MWH)



Geographic location and layout

Gisenyi hydropower plant is located in Rubavu, one of the districts in the Western Province. Rubavu district covers an area of 388.4 km² and its total population is 546,683, with a population density of 1,400 habitants per km². The province is divided into 12 Sectors, 80 villages and 525 cells.

General Operational Characteristics of the Power Plants

Design Flow	2.6 m ³ /s
Net Head	83 m
Rotational Speed	750 rpm
Type of turbine	Francis horizontal
Rated voltage	400 V
Rated Current	3053 A

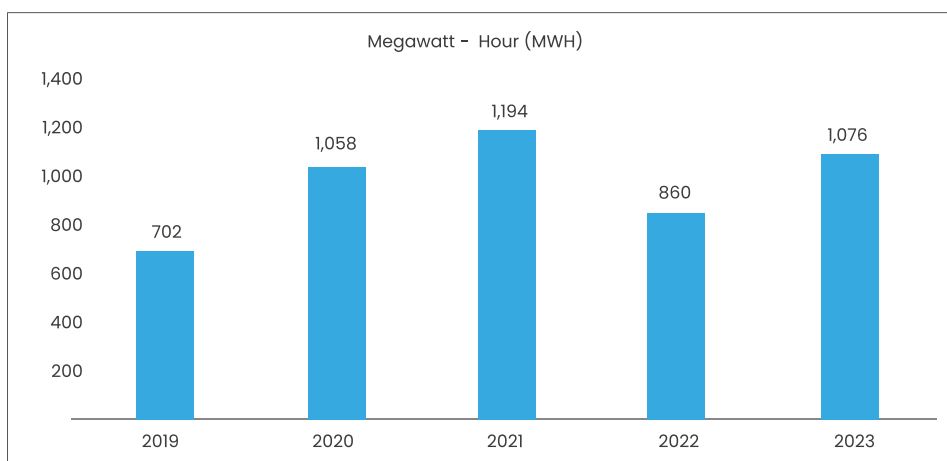
9.2.4 Gashashi



Geographic location and layout

Gashashi hydropower plant is located in Rubavu, one of the districts in the Western Province with an installed capacity of 0.28MW. The plant was under rehabilitation from March 2017 to May 2018. Rubavu district covers an area of 388.4 km² and its total population is 546,683, with a population density of 1,400 habitants per km². The district is divided into 12 Sectors, 80 villages and 525 cells.

Figure 5: Gashashi production output (MWh)



General Operational Characteristics of the Power Plants

Design Flow	0.28 m ³ /s
Net Head	96.08 m
Rotational Speed	750 RPM
Type of turbine	Pelton
Rated voltage	0.4 KV
Rated Current	505 A

9.3 Concession agreements

The Government of Rwanda on the 23rd of September 2015 granted concessions to the Issuer to control, operate and maintain Mukungwa II, Rukarara II, Gisenyi and Gashashi. The period of concessions is twenty-five (25) years from the commercial operation date: May 3rd 2018 for Gisenyi HPP, May 4th 2018 for Gashashi HPP, January 5th 2019 for Mukungwa II HPP and 2015 for Rukarara II.

The Government of Rwanda granted Prime Energy Plc the rights to finance, operate, maintain, upgrade, and transfer, engineer, construct the upgrade, test, commission, manage and insure the Plants and to operate and maintain the same. The right to generate power at the Plants; and the right to own, use and exploit benefits from the Plants including the right to sell power generated by the Project pursuant to the PPA..

The ownership of the Plant shall remain vested in the Government of Rwanda for the duration of twenty-five (25) years from the commercial operation date.

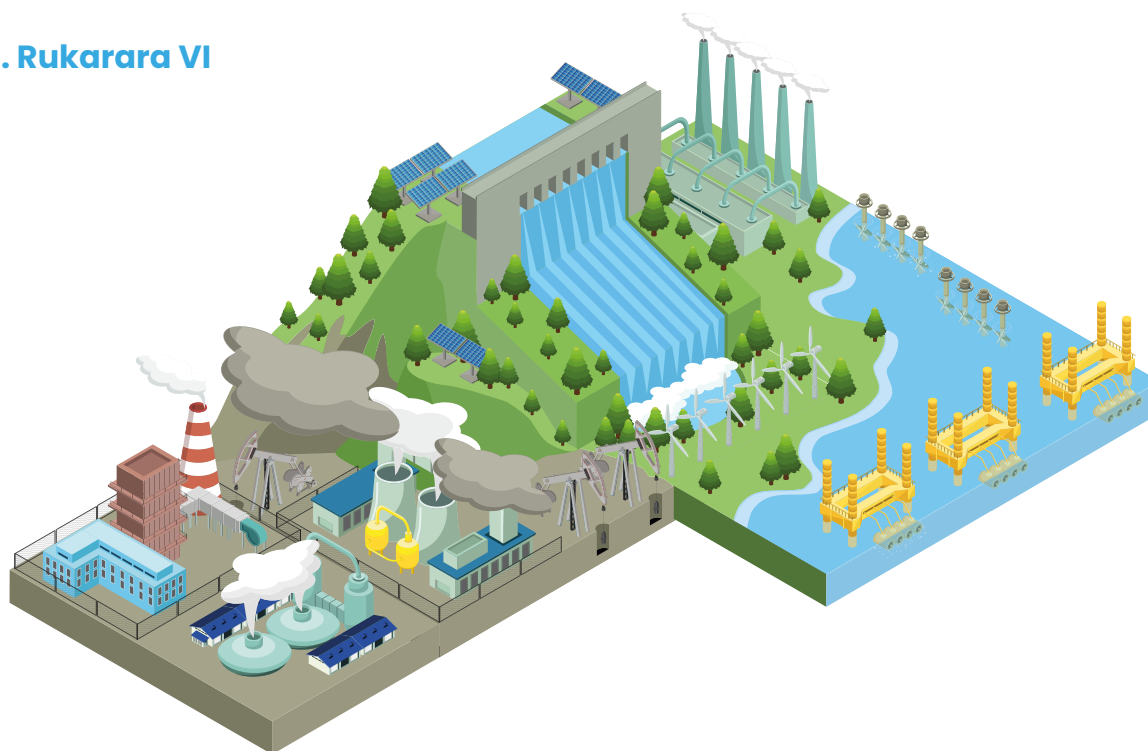
9.4 Power Purchase Agreements

Energy Utility Corporation Limited (EUCL) on 26th August 2015 entered into a Power Purchase Agreement (PPA) for a term of 25 years with the Issuer.

The energy purchase price is determined in accordance with the 2012 renewable energy feed-in-tariff (“REFIT”) as established by the Rwanda Utilities Regulatory Agency, (“RURA”). If the installed capacity of the Plant changes due to upgrades by the Issuer, the Energy Purchase Price shall be amended accordingly to reflect the REFIT for the new Installed Capacity of the Plant.

Thirty-five percent (35%) of the energy purchase price shall be indexed each period of twelve (12) months commencing on the commercial operation date of 31st December 2018; in accordance with the U.S. Urban Consumer’s Price Index for All Items Less Food and Energy published by the United States of America, Department of Labor. The remaining sixty-five percent (65%) of the Energy Purchase Price shall not be indexed.

10. Rukarara VI



10.1 Overview

Prime Energy Plc intends to invest FRW 7,500,000,000 of the Issuance proceeds into Rukarara VI through quasi-equity and ordinary equity instruments to complete the equity requirements of the construction. Rukarara VI is a HPP project, situated in Nyamagabe, that will use water from River Rukarara, which is downstream of the 3 other operational power plants. The HPP is under construction and Feed-In-Tariff of US\$0.115 KWh has been confirmed and will provide a solid revenue stream. The total investment costs of USD 45.0m is expected to be raised with a mix of 70% debt (USD 31.7M) and 30% equity (USD 13.3M). The Rukarara VI is set have an installed capacity of 9.76MW. Feasibility studies show that it will generate an estimated production of 55,573 MWh/year based on P90. This project is set to be commissioned in March 2025. The project will build 6.1 km of public paths and will rehabilitate 5.2 km of the access roads.

Rukarara VI Source of Funding

Type and denomination	Provider	Post Construction Tenor	Annual Rate	Amount (USD'000)
Senior Debt (USD)	Trade and Development Bank	16 Years	8.3%	29,561
Supplier Credit (USD)	TBC	5 years	2.0%	2,177
Existing Equity	HoldCo	NA	NA	7,281
Proceeds from (Intercompany Loan) Bonds	Holdco	NA	NA	6,000
Total				45,019

10.2 Description

Rukarara VI HPP, located in Nyamagabe District, will be a 9.76MW run-of-river power project feeding into Rwanda's National Grid. Rukarara VI will use water from River Rukarara by diverting part of the river's flow to power electricity-producing turbines.

Senior Management Team

<p>Chief Technical Officer Sixte Ndekezi</p>	<p>Sixte Leads the technical team in operating, maintaining and repairing power plants. He has over 25 years' experience in installation, maintenance and repair of mechanical and electrical equipment.</p> <p>The past 18 years of Sixte's experience has been to the maintenance and operation of thermal and hydropower plants of various sizes ranging from 280 KW to 20 MW.</p> <p>As part of his experience Sixte worked for EWASA (former EUCL) as a Manager during which time his experience involved most of the HV and LV substations around and various requirements involved in maintenance of the national grid.</p> <p>He has also participated in the installation and operationalization of the Jabana thermal plant of 7 MW (Diesel) and Jabana 2 thermal plant of 20 MW (Heavy fuel). He had the opportunity to participate in the installation and commissioning of Gashashi HPP of 280 KW and Gisenyi HPP of 1.7 MW.</p> <p>He is holds a BSc. Electrical Engineering from IST Burkina Faso.</p> <p>Date of joining the company: March 2016</p>
<p>Project Manager Fasika Worku</p>	<p>Fasika WorkuManuel Rodrigues has more than 26 years of project management and consultancy in the public and private sector focused on water, hydropower and other renewable energy fields settings.</p> <p>Before joining Rukarara VI, he was the Deputy Site Manager for Siemens Gamesa Renewable Energy (Ethiopia) and prior served in various roles at Metaferia Consulting Engineers, DOWHA Engineering Company (Tanzania), Razel-BEC (Ethiopia), Seureca Veolia (Ethiopia), AMEA Power LLC (Ethiopia), Midgard Consulting Inc (Sierra Leone) and Mecamedi SA (Various Countries).</p> <p>Focused on water, hydropower and other renewable energy fields. He holds a MSc. Civil Engineering from Addis Ababa University (Ethiopia) and BSc. Hydraulic Engineering from Arbaminch University (Ethiopia).</p> <p>Date of joining the company: June 2022</p>
<p>Project Director Fratene Dusingizimana</p>	<p>Fratene Dusingizimana has cumulative 13 years of professional experience in civil engineering Civil engineer with experience in supervision and construction of roads, buildings and hydro power projects. Before joining Rukarara VI, he was the Deputy Site Engineer for Horizon Construction and prior to that he served in various roles in Concept Construction Consultancy, SHER Ingenieur Conseil, Cabinet d' Architecture, Ingeniere et Realisation (CAIR Ltd), Engineers without Borders (EWB) Germany and Kigali Top Mountain (KTM Ltd).</p> <p>He holds an MBA. Project Management from University of Kigali and BSc. Civil Engineering from Kigali Institute of Science and Technology (KIST). MSc in Project Management.</p> <p>Date of joining the company: October 2016</p>

<p>Health, Safety, and Environment (HSE) Manager</p> <p>Damascene Nsengimana</p>	<p>Jean Damascene NSENGIMANA is a certified Professional Environmental Practitioner in Rwanda since 2020. He has more than 5 years of experience in HSE management with strong expertise in property expropriations for the projects-based on the public interest and related conflicts management. He served as GIS and land valuation professional at Nyamagabe District level for 3 years where he contributed to successful implementation of various projects.</p> <p>Jean Damascene graduated from former National University of Rwanda (NUR) in 2006 with a bachelor's degree in Geography. He is currently undertaking his Master's program in Environmental Information System at University of Lay Adventist of Kigali (UNILAK).</p> <p>Date of joining the company: October 2018</p>
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Project revenues

The negotiated PPA tariff for 25 years is 0.115 USD/kWh. No tariff escalation rate was negotiated.

While the feasibility study of Rukarara VI indicates an energy production of 60,310 MWh/annum, Rukarara VI considered a conservative 65% load factor rate on the 9.7 MW installed capacity, translating to 55,573 MWh/annum.

Results of feasibility study calculations

Technical parameter	Results
Installed (rated) flow	10m ³ /s
Gross head	112.7 m
Rated capacity (installed power)	9.7 MW
Energy production	60,310 MWh/year
Plant load factor (PLF)	71%

Use of proceeds (USD '000)

Cost Description	\$'000
EPC contract	29,186.6
EPC EM related cost	468.6
Electromechanical Equipment (Gugler Austria)	2,561.7
Development Costs	1,890.0
Contingency	2,255.2
Unrecoverable custom tax	125.0
Transmission Line	1,350.0
SCADA control, Black start and other ancillary services	200.0
Owner's Engineer & Construction Mgt	2,949.7
Working Capital	350.0
Pre-Financial Close Capitalised IDC	700.0

Appraisal Fee & Legal Fees, Other Fees	441.5
Other Financing Fees	809.5
Interest During Construction	1,732.0
Total	45,019.8

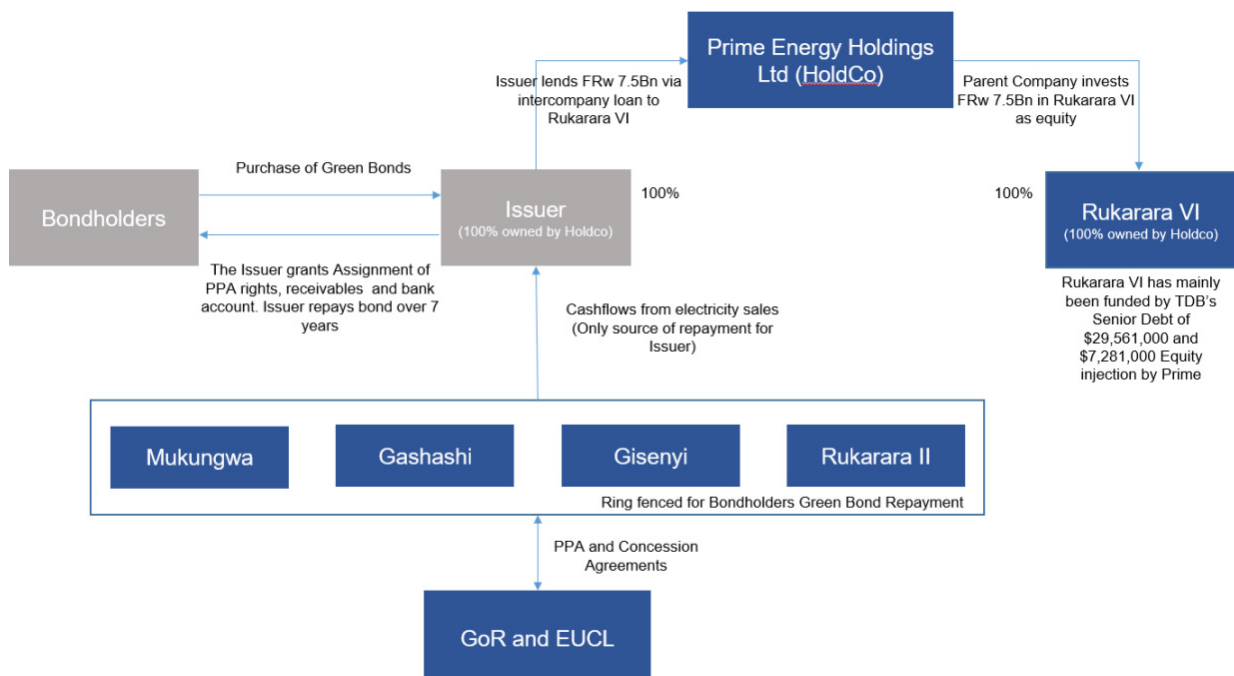
Business assumptions

Tariff escalation	0%
Effective tax rate	15%
Operating cost escalation	0%
Withholding tax	15%
Contribution to RURA	0.3%
Depreciation	Linear (20 years)

Return analysis

Pre-Tax IRR	12.42%
Prime Energy Pre-Tax IRR	17.2%
DSCR	1.81

10.3 Rukarara VI Investment Mechanics



Rationale of Financial Structure

- a) Ring fence cash flows of Prime Energy PLC's HPPs for repayment of the Bond
- b) Reduce exposure to Bondholders on the riskier development activities such as initiating new power plants that the HoldCo undertakes
- c) Most efficient tax structure for the HoldCo and its subsidiaries
- d) Provide flexibility to HoldCo to take on various forms of financing structures.

10.4 Project Partners

The technical partners of Prime Energy PLC on Rukarara VI are:

Initial Studies: SDC PROIECT

Romania-based SDC offers structural design and technical expertise in construction of hydro power plants including recalibrations, water intakes, shore protections. Using BIM software, SDC builds 3D models for each construction element to obtain the most efficient project solution. SDC designed the 10MW Kiwira HPP in Tanzania.

EPC Contractor: VS Hydro Ltd

VS Hydro is a Sri Lankan engineering company that specializes in the construction of hydro power plants. Founded in 1972 and with over 1,000 employees across six countries, VS Hydro has installed hydro power plants with a combined capacity exceeding 100 MW in Rwanda, Uganda, and Kenya. Prime Energy Plc has worked with VS Hydro on previous projects including Mukungwa II, Gashashi, and Gisenyi HPPs.

Supply and Installation of Electromechanical: GUGLER Water Turbines GmbH

GUGLER is a leading supplier of water turbine technology in the 50KW to 40 MW range. In business for over a century, GUGLER's special hydro power turbines are specially designed for medium hydro power plants. Some of the hydro power projects GUGLER has supplied in Rwanda include:

- i. Giciye III in 2020 – Supplied and Installed turbines, generators, cooling system, spherical valves, hydraulic power unit among others.
- ii. Rugezi in 2016 – Supplied Francis turbine, butterfly valve, control system.
- iii. Rwaza I in 2016 – Supplied Control & protection systems, transformers, diesel generators.

Owner manager: EXP Canada

With decades of experience in hydroelectric power projects, EXP's energy team provides innovative solutions to produce and transmit the electrical power. From construction of new plants to the rehabilitation or maintenance of existing facilities, EXP helps power producers to develop, rehabilitate or increase the power of hydroelectricity resources to meet the growing demand for renewable energy. In Rwanda, EXP led the modernization and upgrade of Mukungwa HPP by carrying out a complete replacement of the plant's control and SCADA systems and relocation of the control room to meet more modern standards. Upgrade and retrofit work included a complete audit of the hydroelectric plant, design and specifications for the supply, installation and construction of equipment and systems, and upgraded power transformers and switches in the substation.

10.5 Environmental and Social Impact Assessment (ESIA)

The Environmental and Social Impact Assessment (ESIA) is a process that predicts and assesses the potential environmental and social impacts of power plants and designs appropriate mitigation measures. It takes into account both the construction and operation phases of the project. During the construction phase, there may be impacts such as water and air pollution, noise pollution, and waste generation. However, measures will be taken to minimize these impacts, such as collecting and properly maintaining used oil, adjusting working hours to minimize disruption to local communities, and restoring affected areas. The operation phase is expected to have no impact on surface water and groundwater, no pollutants emitted in the atmosphere, and no noise pollution. The project also aims to bring positive socio-economic impacts, including extending the power grid, creating new jobs, improving power supply in Rwanda, and stabilizing the riverbed in the intake and power house areas. This process has been exhaustively carried out for Rukarara VI whose construction is underway.

10.6 Regulatory and Legal Details

The Government of Rwanda has launched several legal and regulatory initiatives to support the energy sector reform. These initiatives aim to increase private sector investments in generation and off-grid electricity distribution. Some of the existing legislation that relates to land and resettlement issues in Rwanda includes:

- The Rwandan Constitution, promulgated in 2003
- Organic Land law No. 08/2005 of 14/07/2005 determining the use and management of land in Rwanda
- Organic law determining legislation around environmental management and protection
- Land Valuation Law promulgated in 2007
- Land Expropriation Law promulgated No. 18/2007 of 19/04/2007

These legal frameworks provide the structure and institutional framework for the energy sector reform and ensure compliance with Rwandan land legislation, particularly in relation to resettlement.

11. Terms and Conditions of the Bonds

11.1 The Issued Bonds

The issuance of long-term Bond of up to Rwandan Franc Nine Billion and Five Hundred Million (FRW 9,500,000,000) within the Republic of Rwanda by Prime (the "Issuer") was duly authorized pursuant to a resolution of the Board of Directors passed on 12th July 2023.

The Bonds ("Bonds") are issued with the benefit of, and are subject to, an Agency Agreement dated (hereinafter referred to as the "Agency Agreement") between the Issuer and Bank of Kigali PLC (the "Fiscal Agent") and a Trust Deed dated 13th March 2024 (hereinafter referred to as the "Trust Deed") between the Issuer and BPR Bank Rwanda PLC (the "Trustee")

The statements in these terms and conditions (the "Conditions") include summaries of, and are subject to the detailed provisions of other Basic Documents and the Agency Agreement. The Bondholders are deemed to have notice of all the provisions of the Basic Documents, copies of which are available for inspection at the registered office of the Issuer and the Office of the Agent in accordance with the provisions this Prospectus and other Basic Documents.

The expressions "Fiscal Agent", "Registrar" shall refer to the Bank of Kigali including any successor fiscal agent and registrar appointed pursuant to the Agency Agreement or other Basic Document. The Fiscal Agent shall act as an intermediary in this transaction on behalf of the Bond Issuer.

The expressions "Trustee" shall refer to the BPR Bank Rwanda PLC including any successor Trustee appointed pursuant to the Trust Deed or other Basic Document. The Trustee shall act as an intermediary in this transaction on behalf of the Bondholder.

In addition, the Fiscal Agent will have obligations and responsibilities to the Bondholders as detailed in Article s4.c to 4.f of the Agency Agreement and include the monitoring of compliance with the terms of the Basic Documents and the calling of meetings of Bondholders.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise so requires or unless otherwise specifically stated.

In these Conditions, "Issue Date", "Redemption Date", "Optional Redemption Amount" and "Interest Determination Date" shall have the meaning set out in the Basic Documents provided that where there is a conflict then the terms set out in this Prospectus will prevail.

These Conditions, but not the definitions, may be supplemented or varied in accordance with the provisions of the Agency Agreement and Basic Documents, which itself may specify other terms and conditions for the purpose of the Bonds.

Any Amendment related to any of the Basic Documents and signed between at least two or more parties shall bear effect on the provisions contained in all Basic Documents and the Agency Agreement and Trust Deed, unless such amendment is itself made in manners inconsistent with the Basic Documents and the Applicable Law, may contain any other defined terms as are agreed by the Issuer and the Agent as being necessary with respect to Bonds issued.

11.2 Form, Denomination and Title

a) Form of Bonds

The Bonds will be issued and recorded in the registry as specified in this Prospectus. The Bonds will be registered in the Registry Account of each Bondholder held with the Central Security Depository in accordance with the Basic Documents and in accordance with law n° 26/2010 of 28/05/2010 governing the holding and circulation of securities in Rwanda.

b) Title

Title to the Bonds will be evidenced by means of a book-entry in the Registry Account of a Bondholder in accordance with the Law regulating the holding and circulation of securities in Rwanda and regulation no. 15 of 02/09/2013 regulating the issuance of capital market debt securities.

The Issuer, the Fiscal Agent and the Registrar may (to the fullest extent permitted by applicable laws) deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not the Bond shall be overdue and notwithstanding any notice of ownership or other interest therein and neither the Issuer, nor the Fiscal Agent shall be affected by notice to the contrary).

c) Transfer of Bonds

Bond shall be transferred in whole or in part in a duly executed transfer forms stamped by RSE, together with such other documents as may lawfully be required by RSE and the registrar, on or after settlement due date. The transfers will not be subject to any such charges in accordance with the RSE Rule Book.

d) Trading and Settlement

The Trading shall be performed exclusively on the Rwanda Stock Exchange through licensed members from Monday to Friday except on National Public Holidays from 09:00AM – 12:00PM.

The outcome of the clearing and settlement process is the transfer of ownership of the securities transacted on the RSE market from the seller to the buyer and the transfer of funds for the same securities from the buyer to the seller. The Settlement Bank shall transfer funds for settlement in accordance with the Settlement Instructions on T+2 and charges shall apply as per RSE Trading Rules.

e) Denomination

The Bonds will be issued in denominations of FRW 100,000 and integral multiples of FRW 100,000 in excess thereof, subject to a minimum subscription amount of FRW 100,000,000.

11.3 Status of the Bonds

The Bonds constitute direct, general, unconditional, unsubordinated and subject to the provisions of Condition 11.4 (Negative Pledge), Unsecured obligations of the Issuer and will at all times rank pari passu in all respects (including in priority of payment) among themselves and with all other present and future direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except for any obligations that may be preferred by provisions of law

that are both mandatory and of general application. The bonds are secured by Security in Condition 11.5

11.4 Negative Pledge

As long as any of the Bonds shall remain outstanding and unpaid but only up to the time all amounts of principal and, where applicable, interest due in respect of the Bonds have been paid to the Fiscal Agent, the Issuer covenants that it will not cause or permit to be created on any of its present or future property or assets any mortgage, pledge or other lien or charge as security for any **Relevant Indebtedness** issued, assumed or guaranteed by the Issuer.

In these Conditions: **“Relevant Indebtedness”** means any indebtedness which is in the form of, or represented or evidenced by, bonds, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market having an original maturity of more than one year from its original date of issue.

11.5 Financial Covenants

The Issuer covenants to the Bondholders as follows:

- a) On each payment date, the debt service coverage ratio (calculated on a 12-month rolling basis) will be no less than 1.2 until Final Redemption of the Bonds.
- b) On each payment date, the ratio of total debt to total equity shall not be greater than 80%:20% after the second year for as long as the Bonds remain in effect
- c) On each payment date, the current ratio shall not be less than 1 until Final Redemption of the Bonds.

11.6 Debt Service Reserve Account

The Issuer shall establish and maintain a separate account (the “Debt Service Reserve Account”) for the sole purpose of ensuring the availability of funds to cover debt service payments as described in this Prospectus. The Debt Service Reserve Account shall be established with an amount equivalent to one full semi-annual payment to be established within six months after the issue date. The Debt Service Reserve Account shall be in the name and under the custody and administration of the Bond Trustee.

Upon full repayment of the Bonds, any remaining funds in the Debt Service Reserve Account shall be returned to the Issuer.

11.7 Maintenance Reserve Account

The Issuer shall establish and maintain a separate account (the “Maintenance Reserve Account”) for the purpose of funding the repair, maintenance, and replacement of the assets under the existing Concession Agreements. The Maintenance Reserve Account shall be established with an initial balance of FRW 216 million over a 24 month period after the issue date.

Withdrawals from the Maintenance Reserve Account shall require prior written approval from Trustees. The Issuer shall permit Trustees to inspect the Maintenance Reserve Account records, including deposits, withdrawals, and related documentation upon a one-week notice.

Upon full repayment of the Bonds, any remaining funds in the Maintenance Reserve Account shall be returned to the Issuer.

11.8 Interest

a) Payment of interest

The Bonds bear interest on their outstanding principal amount from the Issue Date at the Interest Rate as determined below in accordance with the Payment Interest Dates indicated in Table “Payment of Interest Dates for the Tranche One and Two” below. If any Interest Payment Date falls on a day which is not a Business Day, the following Business Day shall be substituted for such day, unless such Business Day falls in the next calendar month, in which case the immediately preceding Business Day shall be substituted therefore. The Interest Payment Date will be determined by the Fiscal Agent.

The period beginning on and including the “Issue Date” to but excluding the first Interest Payment Date and each successive interest period from and including an Interest Payment Date to but excluding the next Interest Payment Date is an “Interest Period”.

b) Payment of Interest Dates for the Tranche One and Two

Interest Period	Interest Payment Date
1	10 th November 2024
2	10 th May 2025
3	10 th November 2025
4	10 th May 2026
5	10 th November 2026
6	10 th May 2027
7	10 th November 2027
8	10 th May 2028
9	10 th November 2028
10	10 th May 2029
11	10 th November 2029
12	10 th May 2030
13	10 th November 2030
14	10 th May 2031

c) Interest Rate

The rate of interest from time to time payable in respect of the Bonds (the “Interest Rate”) shall be determined by Book Building for Tranche One and 9.5% for Tranche Two.

Each Fixed Rate Bond will bear interest on its Principal Amount outstanding on any payment date from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the “Fixed Rate Bonds Rate of Interest”) equal to the Interest Rate determined by book building payable in arrears on the Interest Payment Dates specified above.

Each Fixed Rate Bond shall cease to bear interest from the date of its redemption, including any early redemption date resulting from the Issuer giving notice of an Issuer Optional Redemption, unless, upon due presentation thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Fixed Rate Bonds Default Rate as specified in this Prospectus.

d) Default Rate

Any interest that is not paid on the scheduled payment date or where the Issuer has any early redemption date, unless for reasons provided in the Basic Documents, shall, if paid later, accrue an addition default Rate of 2% per year

e) Calculation of Interest

The interest payable in respect of any Bond for any Interest Period shall be calculated by multiplying the product of the Interest Rate and the outstanding Principal Amount of such Bond by the Day Count Fraction, unless interest (or a different formula for its calculation) is specified in an instrument forming part of the Basic Documents in respect of such Interest Period, in which case the interest payable in respect of such Bond for such Interest Period shall be the amount specified in the relevant instrument (or be calculated in accordance with such formula).

“Day Count Fraction” means, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).

f) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (Interest), by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties in the absence of the aforesaid. The Agent shall not be liable to the Issuer in connection with the exercise or failure to exercise by the Agent of its respective powers, duties and discretions pursuant to such provisions unless such duties, powers are not conducted as required in this Prospectus, the Agency Agreement or other Basic Documents.

g) Accrual of Interest

Each Bond will cease to accrue interest from the date of its redemption unless, upon due presentation thereof, payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue, and where applicable at the default rate, until whichever is the earlier of:

- a) The date on which all amounts due in respect of such Bond have been paid by the Issuer to the Bondholder; and
- b) The date on which all amounts due in respect of such Bond have been received by the Issuer and the Agent and notice to that effect has been given in accordance with Condition 11.18 (Notices) or individually.

h) FX Conversion and Basis

On interest payment dates, the Fiscal Agent shall convert the USD amount payable by the Issuer into Rwandan Franc on the basis of the average FX rate. The average FX rate means the arithmetic average between the buying rate and selling rate USD/FRW provided by National Bank of Rwanda as published on the Interest Payment Date

11.9 Payments

a) Method of payment

1. Payment and settlement of the amount specified in the Basic Documents as the Final Redemption Amount(s) will be made by the Agent.
2. Payment and settlement of the Early Redemption Amount(s) will be made by the Agent in accordance with the Basic Documents.
3. Payment of instalments of principal (other than the Final Redemption Amount(s) and Early Redemption Amount(s)), interest and other amounts due in respect of the Bonds will be paid to the holder of the Bond thereof as appearing on the Registry Account as at the Record Date.
4. Payment of interest and Principal Amounts shall be made by the Agent via bank transfer to the Bondholder's account designated for such purpose by the Bondholder. Payment by account transfer shall be a valid discharge by the Issuer upon such transfer to interest and any principal amount.

Payments on Business Days and late payments

1. Where payment is to be made by bank transfer to a Bondholder's account, payment instructions will be initiated on the due date for payment of interest or the Principal Amount (in the event of a partial or full redemption) as applicable.
2. If any day for payment of any amount of principal or interest in respect of any Bond is not a Business Day, then the Bondholder thereof shall not be entitled to payment until the next following Business Day nor be entitled to any interest or other sums in respect of such postponed payments
3. If (otherwise than by reason of the application of paragraph (i) above) (a) any payment of principal is withheld or refused when due in respect of any Bond, or (b) any interest is not paid when due (the defaulted amounts mentioned in (a) and (b) above being referred to in this Condition as "Defaulted Amounts") then interest shall accrue on each such Defaulted Amount at the Default Rate and shall be paid to a person who is shown as the Bondholder on the relevant Record Date.

b) Currency of accounts and payments

The currency of account and for any sum due from the Issuer hereunder is Rwandan Franc.

c) Interpretation of Principal Amount and principal

Any reference in these Conditions to Principal Amount or principal in respect of the Bonds shall be deemed to include, as applicable:

- i. the instalments specified in Condition 11.9(a) (Method of payment);
- ii. the Early Redemption Amounts; and

- iii. any other amounts, excluding Interest, which may be payable by the Issuer under or in respect of the Bonds.

10.10 Redemption and purchase

a) Redemption

The Issuer covenants to the Bondholders that it shall redeem the Bonds by making fourteen (14) equal semi-annual instalments. Each such semiannual payment includes a partial principal repayment and a payment of interest amortised principal payments as specified in the amortisation schedule for Tranche One and Tranche Two below.

Amortisation Schedule for Tranche One based on FRW 100,000 Bond at an assumed interest rate of 13.5%

Month	Opening balance	Initial investment	Principal repayment	Interest income	Total repayment	Closing balance
10-May-24		(100,000,000)				100,000,000
10-Nov-24	100,000,000	-	(4,513,666)	6,750,000	11,263,666	95,486,334
10-May-25	95,486,334	-	(4,818,338)	6,445,328	11,263,666	90,667,997
10-Nov-25	90,667,997	-	(5,143,576)	6,120,090	11,263,666	85,524,421
10-May-26	85,524,421	-	(5,490,767)	5,772,898	11,263,666	80,033,654
10-Nov-26	80,033,654	-	(5,861,394)	5,402,272	11,263,666	74,172,260
10-May-27	74,172,260	-	(6,257,038)	5,006,628	11,263,666	67,915,222
10-Nov-27	67,915,222	-	(6,679,388)	4,584,277	11,263,666	61,235,834
10-May-28	61,235,834	-	(7,130,247)	4,133,419	11,263,666	54,105,587
10-Nov-28	54,105,587	-	(7,611,538)	3,652,127	11,263,666	46,494,048
10-May-29	46,494,048	-	(8,125,317)	3,138,348	11,263,666	38,368,731
10-Nov-29	38,368,731	-	(8,673,776)	2,589,889	11,263,666	29,694,955
10-May-30	29,694,955	-	(9,259,256)	2,004,409	11,263,666	20,435,699
10-Nov-30	20,435,699	-	(9,884,256)	1,379,410	11,263,666	10,551,443
10-May-31	10,551,443	-	(10,551,443)	712,222	11,263,666	-

Note: The final interest rate is subject to book building

Amortisation Schedule for Tranche Two based on FRW 100,000 at an interest rate of 9.5% using an indicative foreign exchange rate of FRW 1,327 per USD

Month	Opening balance (USD)	Initial investment (USD equivalent)	Initial investment (FRW)	Principal repayment (USD equivalent)	Interest income (USD equivalent)	Total repayment (USD equivalent)	Closing balance (USD)	Total payable (FRW)	Closing balance (FRW)	Indicative FX rate
10-May-24		(75,347)	(100,000,000)	-	-	-	75,347	-	100,000,000	1,327
10-Nov-24	75,347	-	-	(3,912)	3,579	7,491	71,435	9,941,565	94,808,435	1,327
10-May-25	71,435	-	-	(4,097)	3,393	7,491	67,337	10,438,644	93,838,783	1,394
10-Nov-25	67,337	-	-	(4,292)	3,199	7,491	63,045	10,438,644	87,857,482	1,394
10-May-26	63,045	-	-	(4,496)	2,995	7,491	58,549	10,960,576	85,671,672	1,463
10-Nov-26	58,549	-	-	(4,710)	2,781	7,491	53,840	10,960,576	78,780,500	1,463
10-May-27	53,840	-	-	(4,933)	2,557	7,491	48,907	11,508,605	75,140,098	1,536
10-Nov-27	48,907	-	-	(5,168)	2,323	7,491	43,739	11,508,605	67,200,648	1,536
10-May-28	43,739	-	-	(5,413)	2,078	7,491	38,326	12,084,035	61,828,278	1,613
10-Nov-28	38,326	-	-	(5,670)	1,820	7,491	32,656	12,084,035	52,681,086	1,613
10-May-29	32,656	-	-	(5,939)	1,551	7,491	26,716	12,688,237	45,254,373	1,694
10-Nov-29	26,716	-	-	(6,222)	1,269	7,491	20,495	12,688,237	34,715,719	1,694
10-May-30	20,495	-	-	(6,517)	974	7,491	13,978	13,322,649	24,860,303	1,779
10-Nov-30	13,978	-	-	(6,827)	664	7,491	7,151	13,322,649	12,718,519	1,779
10-May-31	7,151	-	-	(7,151)	340	7,491	-	13,988,781	-	1,868

Note: The foreign exchange rates used are purely for illustration purposes and not a projection.

Unless previously redeemed, or purchased and deleted from the relevant Bondholder's Registry Account, the Issuer covenants to the Bondholders that each Bond shall be redeemed on the date and on conditions provided in the Basic Documents each date for payment being a **"Principal Repayment Date"**.

b) Early redemption

The Issuer may redeem all or part of the Principal Amount of the Bonds earlier than in accordance with Condition 11.10 (Redemption) (together with interest accrued to the date of redemption) subject to the following conditions:

- i) The Bond Issuer may upon giving a prior written notice of not less than thirty (30) days to the bondholders and the Agent, exercise Optional Redemption of all or some of the bonds outstanding. All in all, any single partial early redemption of the bond shall be of an aggregate principal amount of not less than Rwandan Francs Five Hundred Million (500,000,00FRW); and
- ii) The issued bond may only be redeemed after the second anniversary of their issuance. A premium of 2% of the par value is applied to the amount of any unscheduled early redemption.

c) Purchases

In addition to exercising early redemption rights the Issuer may at any time purchase in the market and at the request of a Bondholder redeem Bonds at the price agreed upon with the Bondholder.

d) Bonds purchased or redeemed by the Issuer

In the event of the Issuer redeeming Bonds, such Bonds may be held or resold, or at the discretion of the Issuer, cancelled. All Bonds which are redeemed by or on behalf of the Issuer may be cancelled by giving notice to that effect to the Registrar.

11.11 Obligations of the Issuer under the Bonds

a) Compliance with stipulated Obligations

The Bond Issuer covenants to comply with and perform all of its obligations set out in this Prospectus.

b) Documents

The Bond Issuer covenants to give to the Fiscal Agent and Bond Trustee such documents or information as it reasonably requires to perform its obligations under this Prospectus and the Agency Agreement.

c) Books of Account and circulation of accounts and certificates to Agent and Bondholders

The Issuer covenants to keep and procure that its subsidiaries keep, proper books of account and allow the Bondholders free access to such books of account at any time following an Event of Default, or a Potential Event of Default, provided that the Issuer shall not be obliged to disclose confidential information in relation to any of its customers.

The Issuer shall deliver to the Bondholders and to the Bond Trustee copies of the audited accounts and certificate as to compliance with ratios together with a copy of the management letter addressed by the Auditors to the Directors of the Issuers when sent to shareholders or in the case of the certificate as to compliance with ratios at the same time that the accounts are sent to shareholders.

The financial covenants set out in Condition 11.5 (Financial Covenants) shall be calculated in accordance with IFRS and verified in the annual audited financial statements.

d) Notifications

The Issuer covenants to send to the Bondholders and to the Bond Trustee a copy of every balance sheet, profit and loss account, report, or other notice, statement, or circular sent to the shareholders of the Issuer as soon as practicable after the issue or publication of such documents but no later than when they are sent to shareholders.

e) Events of Default

The Issuer covenants to give notice to the Fiscal Agent, Bond Trustee, CMA and RSE and to the Bondholders in writing immediately on becoming aware of an Event of Default or potential Event of Default.

f) Bondholder Notices

The Issuer covenants to send to the Fiscal Agent and Bond Trustee copies of all notices given to Bondholders, the form of such notices to have previously been approved by the Bond Trustee.

g) Payment Default

A Bondholder shall notify the Fiscal Agent and Bond Trustee immediately if it does not receive unconditional payment of the full amount due in respect of the Bonds.

h) Late Payments

1. In the event that payment of interest or principal is not made on the relevant Payment Date, the unpaid amount shall bear an additional interest of 2% per year from the Payment Date at an interest rate according to the Deed Trust terms.
2. The interest charged under the above Clause shall be added to the defaulted amount on each respective Interest Payment Date relating thereto until the defaulted amount has been repaid in full.
3. In case of interest payments made on a date other than the regularly scheduled payment date, the Bond Trustee may instruct the Issuer or Bondholders of other payment mechanisms than described in the Trust Deed.
4. Issuer shall immediately inform the Bond Trustee of any Default or Event of Default as well as of any circumstances which the Issuer understands would reasonably be expected to lead to an Event of Default.

i) Fiscal Agent

The Issuer covenants to maintain a Fiscal Agent or Fiscal Agents in accordance with the terms of this Prospectus and the Agency Agreement.

j) Agency Agreement

The Issuer covenants to comply with and perform all its obligations under the Agency Agreement, and procure that the Fiscal Agent complies with and performs their obligations under the Agency Agreement. The Agency Agreement shall be available for inspection.

k) Trustee

The Issuer covenants to maintain a Trustee in accordance with the terms of this Prospectus and the Trust Deed.

l) Trust Deed

The Issuer covenants to comply with and perform all its obligations under the Trust Deed, and procure that the Trustee complies with and performs their obligations under the Trust Deed. The Trust Deed shall be available for inspection.

11.12 Taxation

The Issuer shall pay any stamp duty, issue, registration, documentary or other taxes, duties, fees and penalties payable in respect of the issue of the Bonds or Certificates and any action taken by, or on behalf of, the Fiscal Agent or Bondholders to enforce any provision of this Prospectus, the Bonds or the Certificates.

All payments in respect of the Bonds will be made with deduction for or on account of withholding taxes, other taxes, duties, assessments and governmental charges of whatever nature imposed or levied by or on behalf of the government of Rwanda or any political subdivision of or any authority in Rwanda having the power to tax as required by the applicable law.

The Agent will, where required by the Laws of Rwanda, deduct withholding tax at the prescribed rate on all interest payments to Bondholders other than any Bondholder who (a) is exempt from such deduction under the provisions of the Income Tax Act and (b) has provided evidence of such exemption to the reasonable satisfaction of the Agent.

11.13 Unclaimed Assets

The Bonds will be presumed abandoned and the Issuer may take action accordingly after a period of five (5) years in the case of principal and five (5) years in the case of interest after the Relevant Date (as defined below) if:

- I.) for more than five (5) years, a Bondholder has not claimed interest or the Early Redemption Amount or the Final Redemption Amount as applicable, or any other sum payable on the Bonds or the Bondholder has not communicated with the Issuer or the Agent regarding the interest or the Early Redemption Amount or the Final Redemption Amount as applicable, as evidenced by a memorandum or other record on file with the Issuer or the Agent; and
- II.) the Issuer or the Agent does not know the whereabouts of the Bondholder at the end of the five (5) year period.

As used herein, the "Relevant Date" means the date on which such payment first becomes

due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 11.18 (Notices).

The Trustee shall, in accordance with Central Bank regulations, transfer assets/funds and balances to the Central Bank within thirty (30) days from the end of the five (5) years.

11.14 Events of Default

The following shall constitute events of default in this Prospectus and shall be considered to be material breach of the relevant party's obligations and the Basic Documents:

- a) Default of payment: If the Bond Issuer has failed to pay any amount due in respect of all the bonds or some of the bonds on the Due Date for payment and such default continues for a period of seven (7) Business Days unless:
 - i) the default was caused by an administrative, logistical or technical error which was earlier notified to the Agent and subsequently to the Bondholders; and in such an event;
 - ii) Payment is made in full within three (3) Business Days, or payment is made while complying with an order.
 - iii) The payment default is in order to comply with any applicable Laws or Order of any court of competent jurisdiction or in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with written advice as to such validity or acceptability given at any time during such period by independent advisers acceptable to the Agent in its capacity acting on behalf of the Bondholders and notified to and made available to the Bondholders;
- b) Breach of other obligations: If the Bond Issuer defaults in the performance or observance of any of its other covenants and obligations under the Basic Documents, and (except where such default is incapable of remedy) such default continues for a period of thirty (30) Business Days following service of a notice by the Agent or a Bondholder requiring the same to be remedied or is waived by the Bondholders by Special Resolution;
- c) Misrepresentation: any representation, warranty or statement made or repeated in, or in connection with the Agency Agreement or in any accounts, certificate, statement, opinion or the Prospectus delivered by or on behalf of the Issuer or in connection with the Bonds or the other Basic Documents is incorrect to a material extent when made or is continuing or repeated;
- d) Insolvency and Bankruptcy proceedings: In case there is any court action seeking to declare the Bond Issuer insolvent or bankrupt in accordance with the law N° 75/2021 of 06/12/2021 relating to insolvency and bankruptcy, which is not challenged by the Issuer within thirty (30) days of such action in respect of or any order is made or a resolution is passed for or any notice is issued to convene a meeting to pass such resolution for the winding up or dissolution of the Bond Issuer;
- e) If any creditor commences action to enforce any security over the assets of the Issuer;
- f) Legal Process: a lawful distress, sequestration, execution or attachment either by virtue of any court order, decree or process or otherwise howsoever for a sum that is equal to or exceeding 50% (Fifty per cent) of the total assets of the Issuer is levied or enforced upon or

issued against any part of the property and assets of PRIME and which shall not be removed or discharged within sixty (60) days of it being so levied;

- g) Cancellation, termination or substantial amendment of the Concession Agreement or any Power Purchase Agreement or license.

Upon the occurrence of any such event and at any time thereafter, if any such event shall then be continuing, the Bond Trustee on behalf of the Bondholders or any Bondholder may issue an Enforcement Notice to the Bond Issuer declaring that any outstanding bonds are immediately due and payable, whereupon the same shall become immediately due and payable together with all interest accrued thereon and all other amounts payable under the Bond Documents.

11.15 Remedies in case of default

- a) If an Event of Default that is under Condition 11.14 occurs and is continuing, the Bondholders or the Bond Trustee on behalf of the Bondholders of not less than 25% in aggregated principal amount of the Bonds then outstanding may, subject to the requirements of Section 11.21 (Meetings of Bondholders and Proceedings) of the Prospectus, by written notice to the Issuer declare the Principal Amount of the Bonds and all interest accrued thereon to the date of acceleration to be immediately due and payable.
- b) At any time after such a declaration of acceleration has been made and before the entry of a judgment or decree for payment of the money due, the Bondholders, or the Bond Trustee in its capacity as acting for the Bondholders, of not less than 25% in aggregate Principal Amount of the Bonds then outstanding, may by written notice to the Issuer and the Bond Trustee and subject to the requirements of Section 11.22 (Bondholders) of the Prospectus, rescind and annul such declaration and its consequences if:
 - i) There has been payment made to or deposited to the Bondholder's account of a sum sufficient to pay: (a) all overdue installments of interest on the Bonds; (b) the Principal Amount of and redemption premium if any, on any Bonds which have become due other than by such declaration of acceleration and interest thereon; (c) to the extent lawful, interest upon overdue instalments of interest and redemption premium, if any; and (d) all sums paid or advanced by the Agent hereunder.
 - ii) All Events of Default, including non-payment of Principal Amount, redemption premium, if any, and interest on the Bonds which have occasioned such acceleration have been cured or waived by a Special Resolution of the Bondholders.
 - iii) No such rescission and annulment or waiver shall affect any subsequent default or impair any consequent right.
 - iv) Nothing in this Prospectus or the other Basic Documents will operate to prevent the Bondholders or any Bondholder from taking action independently of the Fiscal Agent taking action to enforce its rights under the laws of Rwanda or to protect its interests.
- c) If an Event of Default under Condition 11.14 occurs and is continuing, the Bondholders and the Bond Trustee on behalf of the Bondholders shall have the rights and be entitled to continued access to proceeds from the concessions for repayment of the bond.
- d) In calculating the requirement for 25% or to pass an Ordinary Resolution or a Special Resolution neither the Issuer or any party related to the Issuer shall be entitled to vote in respect of any Bonds held by them.

11.16 Additional Remedies

- a) The Bondholders, or the Bond Trustee acting on behalf of the Bondholders or any Bondholder upon occurrence of an Event of Default may and subject to the requirements of Article 18:
 - i) Exercise any or all rights belonging to Bondholders or the Bond Trustee on behalf of the Bondholders or any Bondholder under the Basic Documents; and
 - ii) Proceed to protect and enforce its rights under this Prospectus or under any law by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained in Prospectus or in other Basic Documents or in aid of the execution of any power herein or therein granted or for the enforcement of any other appropriate legal or equitable remedy.
- b) Without limiting the generality of the foregoing and notwithstanding any provision in the Basic Documents to the contrary, the Bondholders or the Bond Trustee acting on behalf of the Bondholders or any Bondholder shall at all times have the power to institute and maintain such proceedings as it may deem expedient:
 - i) to prevent any impairment of the Bonds by any acts which may be unlawful or in violation of this Prospectus or the Basic Documents, and
 - ii) (ii) to protect the Bondholders' interests in Bonds and in the issues, profits, revenues and other income arising therefrom, including the power to maintain proceedings to restrain the enforcement of/or compliance with any governmental enactment, rule or order which may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would be prejudicial to the interests of the Bondholders.

11.17 Agents

- a) The name of the Receiving Bank, Fiscal Agent and the Registrar and its initial Specified

Bank of Kigali PLC
KN 4 Ave, Kigali, Rwanda
Contact person:
Charles Gakuru
Head, Treasury
cgakuru@bk.rw

- b) Subject to the terms of the Agency Agreement, the Issuer, and except in the case of insolvency of the party with the consent of the Bondholders and subject to relevant regulatory approval, is entitled to amend or terminate the appointment of the Fiscal Agent or the Registrar and to appoint another Fiscal Agent or registrar provided that will at all times while any Bond is outstanding maintain a Fiscal Agent and a registrar having a Specified Office in Kigali.
- c) Any variation, termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect), after not less than 15 and not more than 30 days' prior notice thereof shall have been given to the Bondholders in accordance with Condition 11.18 (Notices). A copy of the notice to Bondholders shall be sent to the Registrar.
- d) No variation shall operate to reduce the obligations of the Fiscal Agent to the Bondholders or the rights of the Bondholders and any substituted Fiscal Agent will be appointed on terms which are not less favourable to the Bondholders than the terms of the Original Agency

Agreement with a copy of the Agency Agreement to be provided to Bondholders within 15 days of the appointment of the new Fiscal Agent or other Agent.

- e) Except as provided for in the Agency Agreement in acting under the Agency Agreement and in connection with the Bonds, the Agent is acting solely as fiscal agent of the Issuer and does not assume any obligation toward or relationship of agency for or with any Bondholder or the owner of any interest therein.

11.18 Notices

- a) Notices to the Bondholders will be deemed to be validly given if made by email, delivered to them, or sent by registered mail or (if posted to an overseas address) by airmail to them and:
 - i) in the case of delivery, the notice will be deemed to have been validly given when such communication or document is left with or delivered to the intended Bondholder at its address as recorded on the Registry Account;
 - ii) in case of electronic transmission via email, the notice will be deemed to have been validly given when such electronic communication is sent to the intended Bondholder;
 - iii) in any other case, will be deemed to have been validly given ten (10) calendar days after it being posted to the intended recipient at its address as recorded on the Registry Account; provided that communication or a document which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.
- b) The Fiscal Agent shall, upon and in accordance with the instructions of the Issuer but not otherwise, arrange for any notice which is to be given to the Bondholders in accordance with this Condition.
- c) Notices given by any Bondholder shall be in writing and given by lodging the same with the Fiscal Agent.

11.19 Modifications and Waiver

- a) Subject to the provisions of the Agency Agreement and Trust Deed, this Prospectus the Bondholders will deal with the Agent, Bond Trustee or Issuer in their individual capacity provided that nothing in the Basic Documents shall operate to prevent the Bond Trustee acting collectively for the Bondholders or the requirement for meetings to be called.
- b) Modifications and Waiver: Subject to the terms of the Agency Agreement as it relates to the role and responsibility of the Fiscal Agent to the Bondholders, the Fiscal Agent and the Issuer may agree, without the consent of the Bondholders to:
 - i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Bondholders; or
 - ii) any modification of the Bonds or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error to comply with mandatory provisions of Rwandan law.
 - iii) any modification to the terms and conditions of this Prospectus or Bond Transaction Documents if in the opinion of the Fiscal Agent such modification is an administrative or procedural change only or made to correct a manifest error and is not prejudicial to the rights of the Bondholders or the obligations of any party to the Bondholders.

- iv) Any such modifications shall be binding on the Bondholders and any such modification shall be notified to the Bondholders and, subject to this paragraph, in accordance with Condition 11.18 (Notices) as soon as practicable and shall be binding on the Bondholders after the elapse of 30 days from the service of such Notice
- v) (iv) In respect of any other modification to this Prospectus or the other Bond Transaction Documents, the Fiscal Agent shall (in addition to the consent of the Issuer) require the written approval, as required in the Agency Agreement, of the holders in aggregate principal amount of the Bonds Outstanding or the approval of the Bondholders by a Special Resolution duly passed at a meeting of the Bondholders.

11.20 Enforcement

At any time, the Bondholders or the Bond Trustee acting on behalf of the Bondholders, may and shall if required by the Bondholders under the terms of the Basic Documents or the Agency Agreement or the Trust Deed, after the Bonds become immediately due and payable, at its discretion and without notice, take such proceedings or other action as it may think fit against the Issuer to enforce the obligations of the issuer under this Prospectus and the Bonds.

11.21 Meetings of Bondholders and Proceedings

a) Meeting notification

- i) Bondholders' meetings shall be constituted in accordance to the Terms of Trust Deed. Notification shall be sent to all Bondholders registered in the Register.
- ii) The notification shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the notification also set forth other matters on the agenda than those requested.
- iii) If matters such as amendments to this Bond Agreement have been proposed, the main content of the proposal shall be stated in the notification.
- iv) Matters that have not been reported to the Bondholders in accordance with the procedural rules for notification of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.
- v) Representatives of the Issuer have the right to attend the Bondholders' Meeting. If Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters, that shall not preclude the right to be present during the voting.

b) Meeting proceedings

- i) At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered.
- ii) If a resolution by or an approval of the Bondholders is required, resolution of such shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon and prevail for all the Bonds and Bondholders.
- iii) In all matters, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the Chairperson shall have the deciding vote. The meeting rules Modalities for appointment of Chairperson.
- iv) If the Bondholders' Meeting does not form a quorum pursuant to the rules governing the conduct of Bondholders meeting, a repeated meeting may be summoned to vote on the same matters.

11.22 Bondholders

a) Bondholders Bound

Each Bondholder (and any person claiming through or under a Bondholder) is bound by, and Bonds are issued on the condition that each Bondholder (and any person claiming through or under a Bondholder) is taken to have notice of and is bound by this Prospectus.

b) Identity of Bondholders

The Fiscal Agent may rely on any information provided to it by the Registrar for the purposes of establishing the identity of the Bondholders.

The Fiscal Agent may assume that each Bondholder is the holder of all Bonds of which it is the Bondholder.

The Fiscal Agent shall be entitled to utilise all information provided to it or available to it for the purposes of fulfilling its obligations to Bondholders under the Basic Documents and the Agency Agreement and shall make available such information to Bondholders to allow them to enforce their rights under the Basic Documents.

11.23 Indemnity

The Issuer shall not indemnify the Bondholders against all stamp duty, issue, registration, documentary or other taxes, duties or fees paid by any of them in any jurisdiction in respect of any action to enforce the Bond Issuer's or Fiscal Agent obligations under this Prospectus, the Bonds or the Certificates.

11.24 Application of moneys

All sums received by the Fiscal Agent under this Prospectus shall be held by the Fiscal Agent in trust to apply them in the following order:

- i) to pay any amounts due but unpaid in respect of any Costs incurred by the Fiscal Agent in the performance of its obligations under the Agency Agreement and this Prospectus;
- ii) to pay any amounts due but unpaid in respect of any Bonds; and
- iii) to pay any balance to the Bond Issuer.

11.25 Governing Law and Jurisdiction

The Prospectus Basic Documents shall be governed by, and construed in accordance with Rwandan law.

a) Jurisdiction

The Issuer agrees for the benefit of the Bondholders that the arbitration shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes, which may arise out of or in connection with the Bonds and accordingly, any legal action or proceedings arising out of or in connection with the Bonds shall be brought in to the Arbitral Tribunal in accordance with the rules of Kigali International Arbitration Centre. The language of arbitration shall be English and the seat of Arbitration shall be in Kigali.

b) Appropriate forum

The Issuer irrevocably waives any objection which it might now or hereafter have to the Arbitration in Rwanda being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such center for Arbitration is not a convenient or appropriate forum.

c) Consent to enforcement etc.

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any final order or award which may be made or given in such Proceedings.

11.26 Documents Available for inspection

As long as any Bond remains outstanding, copies of the Bond Transaction Documents, the Basic Documents and any amendment or variation to these will be available for inspection at the offices of the Issuer in Kigali, Rwanda and at the offices of the Fiscal Agent. The Issuer and the Bondholders and the Fiscal Agent acknowledges that they may obtain a copy and/or have access to each Bond Transaction Document and Basic Document.

The Power Purchase Agreements and Concession and Implementation Agreements shall also be available for inspection at the offices of the Issuer and the Fiscal Agent.

11.27 Bondholder and Third-Party Rights

The terms and conditions of this Prospectus may be enforced only by a party to it or who is or subsequently becomes a Bondholder or an Agent and provided that this limitation shall not operate to restrict the rights or powers of the CMA or any other regulator under the laws or any other right that a person has under the laws of Rwanda.

11.28 Counterparts

The terms and conditions of this Prospectus may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Prospectus.

12. The Rwanda Economy

12.1 Overview

Rwanda is a landlocked country, located in the East African Region, and covers an area of 26,338 km². Rwanda borders Uganda, Burundi, Democratic Republic of the Congo and Tanzania.

Based on its geographic position, Rwanda is part of the East African Community (EAC), the African Caribbean and Pacific Group of States (APAC), African Union (AU), Economic Community of Central African States (ECCAS), Common Market for Eastern and Southern Africa (COMESA). By extension, The Commonwealth, Non-Aligned Movement (NAM), Organization International de la Francophonie (OIF), United Nations (UN) and World Trade Organization (WTO).

Rwanda had a population of 14,094,683 persons as of July 2023, according to the United Nations Data. The annual growth rate was estimated at 2.2% and is expected to grow at an average rate of 2.4%, over the next decade, higher than Africa’s projected average population growth rate of 2.2%, over the same period.

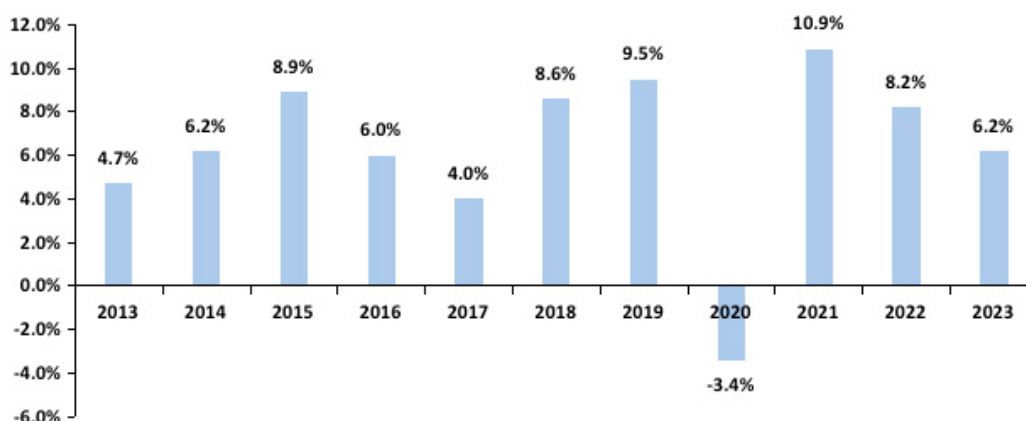
12.2 Macroeconomic indicators

Rwanda recorded a 6.2% GDP Growth in 2023, largely driven by a 12.0% recovery in the services sector, supported by a 5.0% and 2.0% growth in the Industry and Agriculture sectors respectively. Consequently, the services sector remained the largest sectoral contributor to Rwanda’s GDP at 47.0%, a slight decline from the 48.0% in 2021. The Industry and Agriculture sectors contributions increased by 1.0% each to 25.0% and 21.0%, from 24.0% and 20.0%, respectively.

GDP growth in 2023 was lower than the 8.2% recorded in 2022, with the lower growth mainly attributed to increased inflationary pressures in the country, mainly because of the spill-over effects of the conflict in Ukraine that increased supply chain constraints.

In the next 10 years, private consumption is expected to drive GDP growth in Rwanda. A combination of population growth, urbanization, and migration of labour into higher value-added sectors will make private consumption the key economic driver.

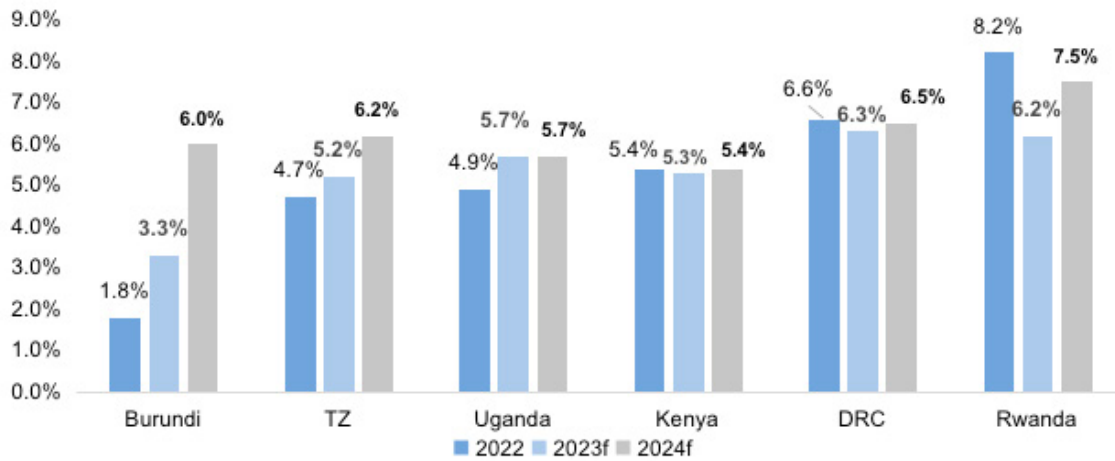
Figure 6: Rwanda GDP Growth (2013–2023)



Source: NISR

Rwanda has enjoyed an extended period of political and economic stability that has seen it continue to solidify its status in the East African Region. According to the Ministry of Finance, Rwanda’s economy is projected to grow at a rate of 6.6% in 2024.,

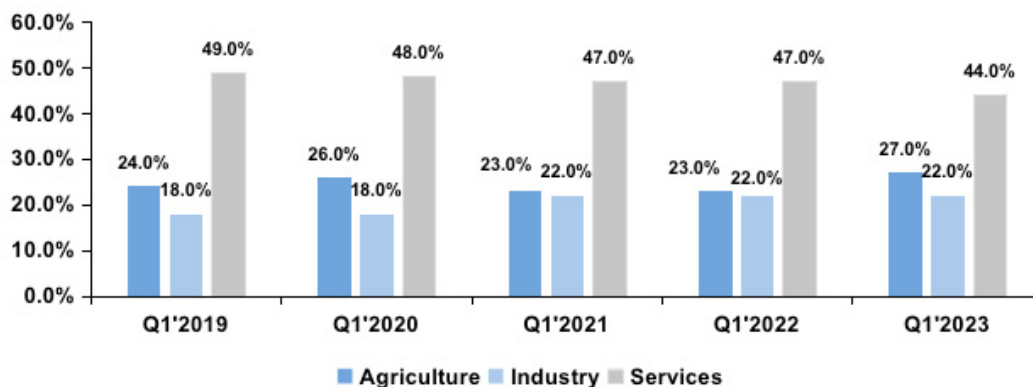
Figure 7: EAC GDP Growth (2022–2024)



Source: NISR

Rwanda’s economy is mainly services sector driven, with the services sector contributing 44.0% to GDP in Q1’2023. The main constituents of the services sector growth were wholesale and retail trade at 10.0%, given the continued rebound in local and international trade. The Real estate sector contributed 6.0% and is expected to pick up as government initiatives to transition informal settlements with affordable housing developments gathering steam, with about 15,000 new homes targeted to be delivered each year into the affordable segment of the market, while the transport sector contributed 5.0%. The agriculture, forestry and fishing sector contributed 27.0%, while the industrial sector contributed 22.0%, largely supported by manufacturing and construction, at 10.0% and 9.0%, respectively.

Figure 8: Rwanda sectoral contribution to GDP (2019–2023)



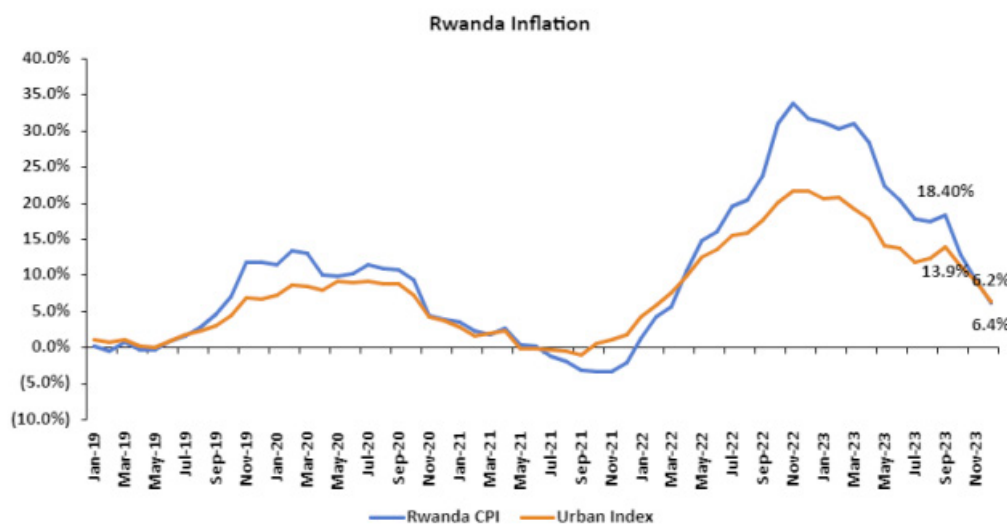
Source: NISR

Rwanda’s GDP growth was mainly driven by the services sector which grew by 13.0%, buoyed by sub sectors such as Telecommunication services, Hotel, and restaurants, which recorded significant growth of 43.0% and 42.0%, respectively. The hospitality sector has experienced a significant boom in the wake of rising economic activity, with more than 10,000 hotel keys being added in the last 20 years. Global brands such as Radisson Blu and Marriott are all jostling for space in the rapidly developing hotel market. Kigali has become one of the pre-eminent African conference Centre destinations and has been ranked just behind Cape Town as the continent’s best conference city by the International Congress and Convention Association. The industry sector grew by 6.0%, mainly driven by growth in manufacturing activities, mining and quarrying which gained by 8.0% and 7.0%, respectively. The Agricultural sector was relatively constant attributable to unfavourable climate conditions, with production of food crops declining by 3.0%.

12.3 Inflation rates

Rwanda inflation environment has remained relatively low, and within the BNR’s target range of 2.0%–8.0%, with the 5 year historical average at 6.1%. However, Rwanda has experienced a high inflationary environment since 2022, which was mainly driven by pre-existing supply chain constraints arising from the COVID-19 pandemic, worsened by the Ukraine-Russia conflict led to increases of commodity prices like fertilizers as well as food and energy prices. As of December 2023, Rwanda’s year-on-year inflation rate was 6.4%, mainly food driven, given the unfavourable climatic conditions that reduced food production. The Rwandan government has made various interventions to reduce the pressures on the food inflation basket such VAT exemptions on staple commodities such as food. With these measures coupled with expected better harvest seasons; the inflationary pressures are expected to continue easing.

Figure 9: Rwanda Inflation



Source: BNR

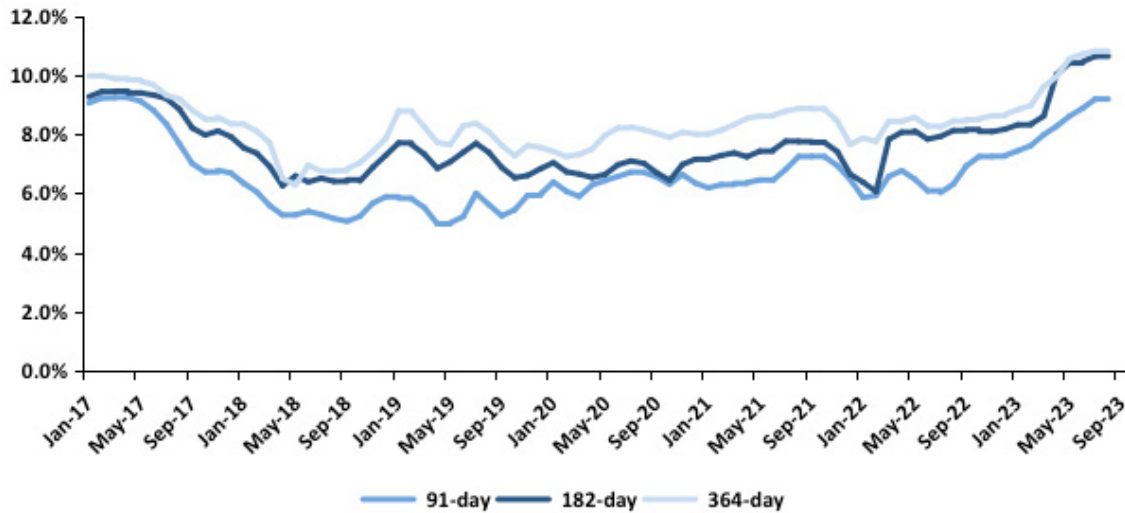
12.4 Interest Rates

Short-term interest rates

Rwanda’s interest rate environment has remained fairly stable over the last few years mainly because inflation is within BNR expectations. However, with inflation remaining sticky owing to

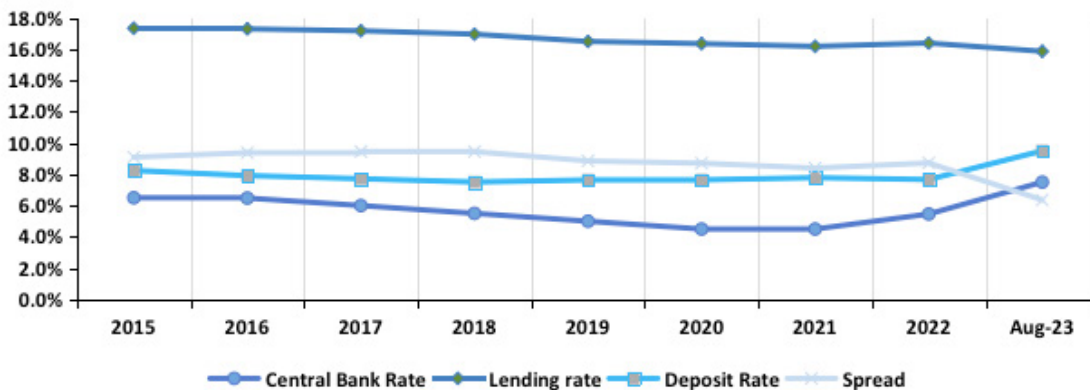
persisting supply chain constraints and lower than expected agricultural output, inflation has shot up, necessitating BNR interventions, in the form of interest rate hikes. In the last Monetary Policy Committee meeting in November 2023, the Central Bank Rate was maintained at 7.5% for the next three months.

Figure 10: Treasury Bill Rates



Source: BNR

Figure 11: Interest rates

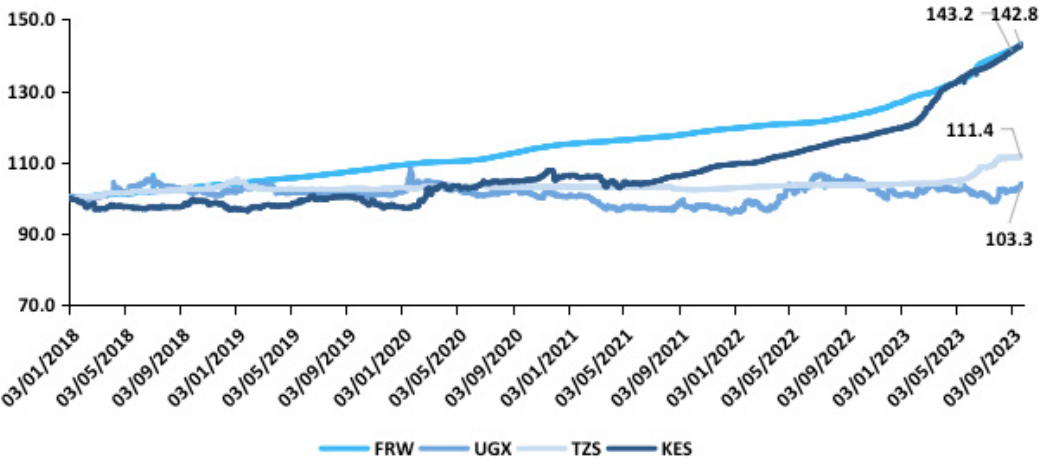


Source: BNR

12.5 Currency

In 2022, the financial sector remained stable with a well-capitalised, profitable and liquid banking sector. Credit quality continued to improve with non-performing loans falling to 4.1% from 5.1% the year before. The FRW remained resilient in 2022, with a depreciation of 6.05% against the USD and 1.17% against the UGX, an appreciation of 2.8% against the KSH. The average yearly depreciation against the USD stands at 5.7% for the period 2013–2022. The main drivers toward the constant depreciation have been the ever-present current account deficit, with Rwanda being a net importer.

Figure 12: Rebased EAC Currencies vs USD



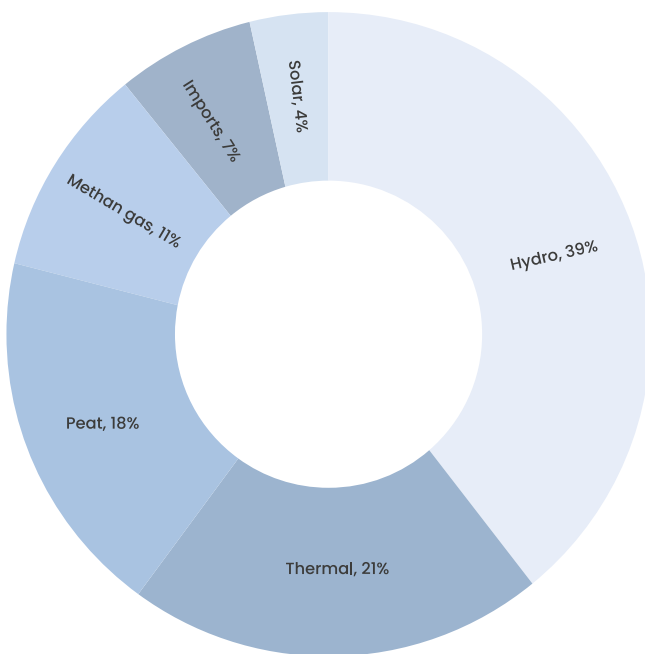
Source: BNR

13. Overview of Energy Sector

13.1 Background to the sector

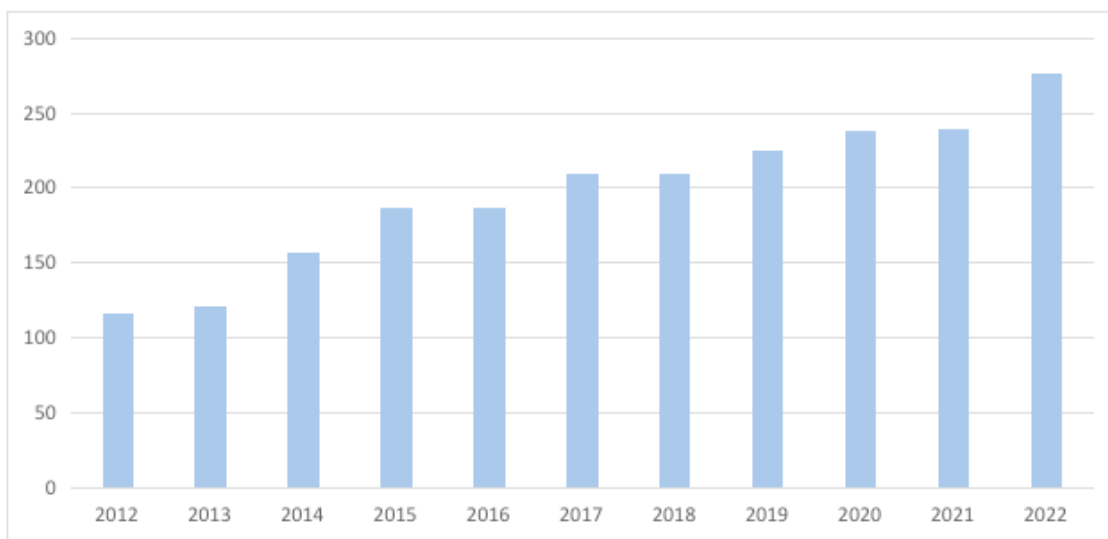
As of September 2023, electricity penetration in Rwanda was at 75.3%, with 50.9% connected to the national grid and 24.4% through off grid solutions. The target set by the Government is to achieve 100% penetration by 2024. The generation mix comprises hydro, thermal (diesel and heavy fuel), methane, peat and solar. The generation mix is as presented below;

Figure 13: Electricity penetration in Rwanda



Source: Rwanda Energy Group, 2024

Figure 14: Generation Installed Capacity (MW)



Source: Rwanda Energy Group, 2020

13.2 Installed Capacity

Due to the country's topography, Rwanda remains suitable to tap into the hydro power with both Pico hydropower plants and run-of-river schemes. Major rivers in Rwanda have 333 proven sites with potential for generation of power for both micro and small hydropower projects. The largest hydropower, Nyabarongo 1 has an installed 28MW. Rwanda is also developing hydropower projects with neighbouring countries such as Burundi, DRC for the 145MW Rusizi hydropower, Tanzania and Burundi for the 80MW Rusumo Falls. 21 hydropower plants are connected to the national grid.

GoR developed 11 micro hydropower plants and leased them to private investors to operate and connect them to the grid. Pico-hydropower plants with lower capacity between 1-10kW have also been developed to increase electricity penetration. The pico-hydros are either owned privately, or by local communities or publicly owned. It is anticipated that by end of 2019, 7 privately owned hydropower plants with total capacity of 16MW will reach commercial operation dates.

Methane Gas is found in Lake Kivu and is estimated to generate 700MW of electricity over a period of 55 years. As Lake Kivu borders DRC, Rwanda has a share of 350MW of the total estimated generation potential.

Solar has a total on-grid installed power of 12.08MW. Solar serves off grid customers in line with the energy sector strategic plan that underpins importance of universal access. Existing projects include Mount Jali (250kWp), Rwamagana (8.3MW) and Nasho (3.3MW).

Peat deposits are estimated at 155 million tons found near rivers Akanyaru and Nyabarongo and Rwabusoro Plains. Currently, Gishoma peat to power project (15MW) is connected to the grid with Hakan project being in the development phase.

Geothermal is also under exploration phase in Rwanda with two test sites being identified; Kinigi Test Generation site (10MW) and Karisimbi Test Generation site (10MW). Once the drilling and appraisal of the sites are through, there is possibility to upscale the generation to 50MW.

As is required, new capacity demands investment in tandem for transmission. Improvement of transmission assets for High Voltage (110kV and 220kV), Medium Voltage (15kV and 30kV) and Low Voltage (0.4kV) continues to be a priority to mitigate against any system losses and requirement for new generation capacity.

13.3 Pipeline

The projects that will be added to the national grid in the coming years include;

- a) 10MW Rukarara VI Run over river hydro power plant with commissioning expected in early 2024.
- b) 147 MW Rusizi III Power Station which is also a plant being developed in a collaborative effort by the Governments of Rwanda, Burundi and DRC. Rwanda will have a 50 MW share. The plant will be completed by 30 June 2025.
- c) 43.5 MW Nyabarongo II Power station. The government of Rwanda fully funded the plant and is expected to be completed in 2025
- d) 287 MW Rusizi IV Power Station. The African Development Bank approved a grant of €8Million for the preparation of this project. It is expected to be fully commissioned by 2030.

- e) 220 kV Rusumo–Bugesera–Shango. A 119km long 220kv transmission line will evacuate power from Rusumo Hydropower plant to Bugesera up to Shango. This project is funded by the African Development Bank.
- f) 220 kV Kigoma–Butare–Ngozi–Gitega. High voltage electricity power line, connecting substation at Kigoma to another high voltage substation in Gitega in Burundi. It is funded by KfW Development Bank and expected to be completed in 2024.
- g) 220 kV Bwishyura–Kigoma–Rwabusuro. A 62 km long 220kv high voltage transmission line linking Bwishyura, Kigoma and Rwabusuro
- h) Shema Power Lake Kivu. A 56 MW net power output from methane gas. This is a collaborative effort by SPLK Ltd and the Government of Rwanda.
- i) Rwanda Electricity Sector Strengthening Project. The Government of Rwanda received funds from the World Bank to finance this project which will provide on-grid electricity access to 324,000 people by connecting 72,000 households.

13.4 Key sector stakeholders

The power to develop and overlook the energy sector have been vested on the following Governmental institutions:

Ministry of Infrastructure (MINIFRA).

The ministry has been mandated to oversee energy, water, transport, urban planning and housing and meteorology. The ministry develops energy policies and strategies for energy development in Rwanda. The specific responsibilities as set out in the Prime Ministers order include;

- Formulation and dissemination of policies, strategies and programs in energy
- Drafting of laws and issuing of instructions in the energy sector
- Development of institutional and human resource capacities
- Support energy development under decentralised entities
- Monitoring and evaluation of national energy policies, strategies, programs and projects
- Oversight of institutions under its supervision
- Mobilisation of resources for energy sector activities

Rwanda Utilities Regulatory Authority (“RURA”)

RURA is the regulator mandated to ensure consumer protection, ensure utilities operate in an efficient, sustainable and reliable manner, update electric grid code, ensure quality of service for power, assessment of energy tariff structures and licensing of all power generation, transmission and distribution companies and petroleum companies. The scope of the mandate extends to public utilities that are involved in renewable and non-renewable energy, electricity, industrial gases, pipelines, storage facilities and gas extraction and distribution.

Rwanda Development Board (“RDB”)

RDB is the lead investment promoter in the energy sector that acts as facilitator for private investor participation. RDB facilitates investment both from local financial institutions and foreign direct investment as they to contribute towards development. The Board also issues Environmental Impact Assessment Reports for all energy projects where they are required.

Rwanda Energy Group (“REG”)

Reporting to MINIFRA, REG is mandated to monitor and evaluate operations of Energy Utility Corporation Limited and Energy Development Corporation Limited.

Energy Utility Company Limited (“EUCL”)

EUCL is in charge of the daily operations of generating, transmission, distribution and sale of electricity. The Corporation is also tasked with planning for transmission and distribution of the grid system. Further, it is a key objective to ensure the energy sector is efficient and leads to cost reductions, technical and non-technical reductions, ensuring customer satisfaction and ensuring demand meets supply.

Energy Development Corporation Limited (“EDCL”)

EDCL is responsible for development of generation and transmission projects as well as exploring new energy resources and execution of least cost power development plan. Its within its scope to facilitate the development and exploration of domestic energy resources.

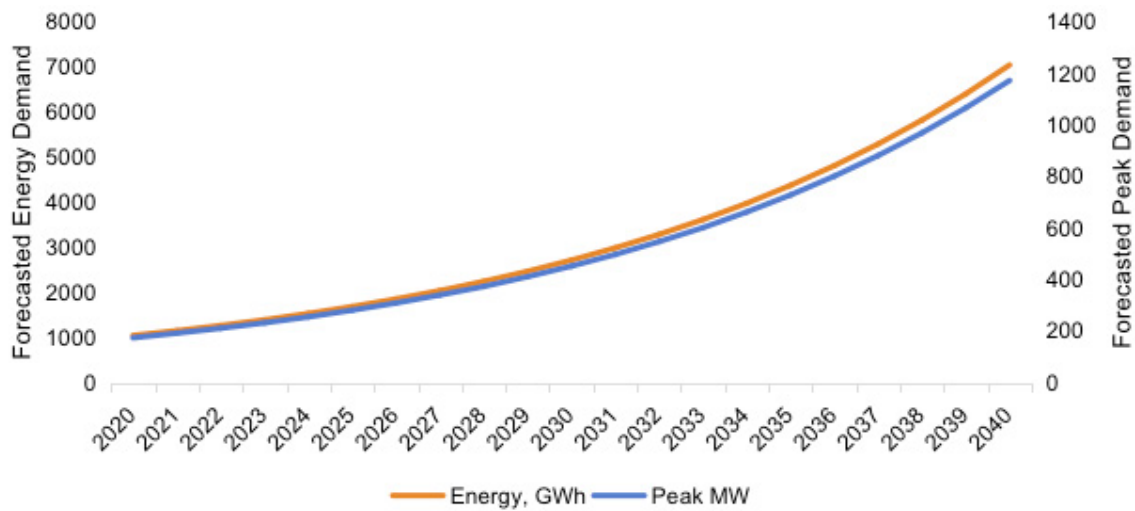
13.5 Energy Master Plan

Energy Sector Strategic Plan (“ESSP”) for 2018/19 – 2023/24 has reviewed the status of the energy in Rwanda with priority in three subsectors; electricity, biomass and petroleum. The ESSP recognises the gains made, challenges faced and also sets out objectives and approach on how to achieve them. The plan builds upon the progress achieved by Economic Development and Poverty Reduction Strategy. The objectives include;

- a) Increased generation capacity to ensure all demand is met
- b) Ensure improved reliability of electricity supply
- c) Ensure household access to electricity increases to 100%
- d) Ensure productive user access to electricity increases to 100%
- e) Provision of street lights to major urban and national roads
- f) Reduction of losses in transmission, distribution network
- g) Promotion of most energy efficient technologies
- h) Increase petroleum strategic reserves to three months’ supply

The ESSP is complemented by the Least Cost Power Development Plan (“LCPDP”) which was updated in June 2019. The LCPDP provides a realistic guide as to how demand for electricity can be achieved in the medium and long-term at a minimised cost. By 2040, the LCPDP estimates peak demand of 1172MW and 7043 GWh energy demand based on a 10% year on year growth. The plan also indicates that hydro will continue being the base load for the country over the forecasted years.

Figure 15: Energy Master Plan



Source: LCPDP

13.6 Key Trends and Recent Developments

To realise the benefits of electricity expansion in Rwanda, the Country has developed a reform program to ensure it remains on track for this. These priority measures include;

- a) Pursuing energy expansion in the least cost manner
- b) REG ensuring development of projects identified in the least cost plan with the inclusion of private partnerships
- c) Accelerating efforts to decarbonise the power sector so as to adapt to climate change
- d) Ensure consistent adjustments of tariffs with regard to costs and expand the consumer base for consumers who do not need subsidies
- e) Provision of the state-of-the-art framework for private sector participation in off grid solutions
- f) Promotion of regional electricity through bilateral contracts to access power at a lower cost while integrating renewable sources
- g) Modernise REG's operations.

14. Summary of Financial Information and Other Selected Data

14.1 Auditors

As at the date of this Prospectus, the auditors of the Issuer were PWC Rwanda Ltd, whose first audit was for the year ending 31 December 2020

The last audited accounts and financial statements were in respect of the 12-month period ending 31 December 2022, whereupon the auditors gave an unqualified audit opinion. BDO Rwanda Ltd, the Reporting Accountants have also carried out a limited review of the nine (9) months management accounts up to 30 September 2023.

14.2 Accounting for service concession agreements

The Company has service concession agreements with the Government of Rwanda (GoR) to rehabilitate, operate and transfer four hydropower plants: Gisenyi, Mukungwa II, Gashashi, Rukarara II. Under the concession agreements, the Company will operate the power plants for 25 years after which the Company shall convey its rights, title and interest in the power plants to the GoR. The Company has also signed a Power Purchase Agreements (PPA) for Gisenyi, Mukungwa II, Gashashi and Rukarara II Power Plants with Energy Utility Corporation Limited (EUCL), for sale of the generated power. The terms of the concession and power purchase agreements satisfy the criteria for a service concession agreement under IFRIC 12: Service Concession Arrangements and are therefore accounted for under the interpretation.

The Company accounts for the concession arrangements under the financial asset model given that under the power purchase agreement, the Company has a right to receive payments from EUCL based on plant capacity made available to the national grid. As a result, the Company bears no demand risk.

The financial assets are initially recognised at fair value and classified as a receivable under IFRS 9. Subsequently, the financial assets are measured at amortised cost using the effective interest rate (EIR). This results in the recognition of interest income (deemed interest income) in lieu of the difference between the expected future cash flows and the initial amount. Borrowing costs incurred during the construction phase are not capitalised. Under the accounting model adopted by the Company, revenue from operation services in the form of capacity and other payments shall be recognised when the Company becomes entitled to it in accordance with the PPA.

The Company recognises a financial asset arising from a service concession arrangement to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, for the construction, upgrade or operation services of concession assets. Financial assets recognised as a result of the service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial asset is accounted for in accordance with IFRS 9: Financial instruments.

During the rehabilitation phase of the power plants, revenue was recognised in accordance with IFRS 15: Revenue from Contracts with Customers with the use of the outputs method provided that the conditions for application are fulfilled. Revenue was calculated using the zero-profit method in the amount of the costs incurred and probably recoverable.

14.3 Abridged Company Statement of Comprehensive Income

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
RWF '000	Audited	Audited	Audited	Audited	Audited	30-Sep
Revenue	1,858,676	2,057,913	4,176,277	3,837,055	3,536,149	3,049,847
Direct costs	(1,299,814)	(195,227)	(328,330)	(464,928)	(353,834)	(144,276)
Gross profit	558,862	1,862,686	3,847,947	3,372,127	3,182,315	2,905,571
Other income	907	26,660	42,216	28,632	20,122	105,800
Administration expenses	(314,004)	(299,091)	(324,841)	(682,538)	(369,036)	(305,467)
Other operating expenses	(96,371)	(170,476)	(50,834)	(62,818)	(51,266)	(17,114)
Operating profit	149,394	1,419,779	3,514,488	2,655,403	2,782,135	2,688,791
Finance costs	(650,814)	(1,072,079)	(638,940)	(437,685)	(549,416)	(297,228)
Profit before income tax	(501,420)	347,700	2,875,548	2,217,718	2,232,719	2,391,563
Income tax expense	70,770	(171,210)	(343,876)	(338,831)	(770,722)	-
Profit for the year	(430,650)	176,490	2,531,672	1,878,887	1,461,997	2,391,563

14.4 Abridged Company Statement of Financial Position

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
RWF '000	Audited	Audited	Audited	Audited	Audited	30-Sep
Non-current assets						
Property plant and equipment	3,264,548	46,916	21,010	4,829	253	1,890
Financial asset	-	818,968	1,072,729	2,423,259	2,775,235	2,775,235
Intangible asset	39,849	38,186	36,524	35,202	33,526	32,267
Deferred tax	62,830	-	-	-	-	-
Investment in parent company	-	-	-	-	4,027,947	4,258,935
	3,367,227	904,070	1,130,263	2,463,290	6,836,961	7,068,327
Current assets						
Financial asset	-	4,077,744	4,129,992	3,192,954	3,656,728	3,656,728
Trade and other receivables	4,217,081	1,388,416	918,892	1,141,588	806,850	798,857
Cash and cash balances	106,858	204,056	1,308,716	1,154,083	103,028	108,254
Receivables from RPs	80,604	878,219	1,228,779	2,394,703	932,567	1,027,567
Tax recoverable	84,674	98,451	98,526	-	-	-
	4,489,217	6,646,886	7,684,905	7,883,328	5,499,173	5,591,406
Total assets	7,856,444	7,550,956	8,815,168	10,346,618	12,336,134	12,659,733

Equity

Share capital	-	500,000	500,000	500,000	500,000	500,000
Retained earnings	955,913	49,584	2,081,256	4,720,232	6,182,229	8,573,792
	955,913	549,584	2,581,256	5,220,232	6,682,229	9,073,792

Non-current liabilities

Borrowings	-	5,023,950	3,849,144	2,481,886	1,669,307	1,310,799
Deferred tax	-	108,380	452,256	660,741	1,254,784	1,254,784
	-	5,132,330	4,301,400	3,142,627	2,924,091	2,565,583

Current liabilities

Borrowings	3,821,381	1,070,094	1,174,806	1,367,258	1,591,237	-
Bank overdraft	-	-	-	-	405,067	413,302
Trade and other payables	3,055,991	775,789	734,547	560,522	692,507	606,056
Payables to RP	23,159	23,159	23,159	24,159	1,000	1,000
Current income tax	-	-	-	31,820	40,003	-
	6,900,531	1,869,042	1,932,512	1,983,759	2,729,814	1,020,358

Total equity and liabilities	7,856,444	7,550,956	8,815,168	10,346,618	12,336,134	12,659,733
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14.5 Statement of Cash Flows

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
RWF '000	Audited	Audited	Audited	Audited	Audited	30-Sep
Cash generated from operations	39,046	912,182	3,781,714	2,947,398	2,732,970	2,636,394
Changes in working capital:						
changes in trade and other receivable	(357,510)	2,426,554	300,814	(222,696)	334,738	7,994
changes in trade and other payables	197,612	(1,878,092)	2,713	(174,024)	131,985	(86,453)
changes in payable to RPs	-	-	-	1,000	(3,454,385)	(94,765)
Tax paid	(124,347)	(13,777)	(75)	-	(168,496)	(40,002)
Net cash flow - operating activities	(245,199)	1,446,867	4,085,166	2,551,678	(423,188)	2,423,168
Cash flows used in investing activities						
Property plant and equipment	(131,079)	-	(636)	(1,695)	-	(2,060)
Financial asset	-	-	(306,010)	346,595	(815,750)	-
Intangible assets	(810)	(2,799,085)	-	(344)	-	-
Proceeds to group company	-	(297,615)	(225,805)	(1,165,924)	888,574	-

Investment in parent company	-	-	-	-	-	-
Net cash flows - investing activities	(131,889)	(3,096,700)	(532,451)	(821,368)	72,824	(2,060)
Cash flows used in financing activities						
Proceeds from borrowings - Bank loan	590,774	12,726,426	-	-	778,658	-
Repayment of borrowings - Bank loan	-	(10,475,270)	(1,006,981)	(1,174,805)	(1,367,258)	(1,767,666)
Interest paid on Bank loans	(383,406)	(525,632)	(877,962)	(710,138)	(517,158)	(243,150)
Dividends paid	-	-	(500,000)	-	-	-
Share capital not paid up	(500,000)	-	-	-	-	-
Net cash flows - financing activities	(292,632)	1,725,524	(2,384,943)	(1,884,943)	(1,105,758)	(2,010,816)
Movement in cash equivalents	(669,720)	75,691	1,167,772	(154,633)	(1,456,122)	410,292
Cash at beginning of year	734,973	65,253	140,944	1,308,716	1,154,083	(302,039)
Cash at end of year	65,253	140,944	1,308,716	1,154,083	(302,039)	108,253

The statement of cashflows as presented in section 14.5 has been reformatted to conform to PRIME business model.

14.6 Key Financial Ratios

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
	Audited	Audited	Audited	Audited	Audited	30 Sep
Liquidity ratios						
Current ratio	0.65	3.56	3.98	3.97	2.01	5.48
Cash ratio	0.02	0.11	0.68	0.58	0.04	0.11
Operating cash flow	(0.04)	0.77	2.11	1.29	(0.16)	2.37
Leverage ratios						
Debt ratio	0.49	0.81	0.57	0.37	0.30	0.14
Debt-to-Equity ratio	4.00	11.09	1.95	0.74	0.55	0.19
Interest coverage ratio	0.23	1.32	5.50	6.07	5.06	9.05
Profitability						
Gross profit margin	30%	91%	92%	88%	90%	95%
Net profit margin	-23%	9%	61%	49%	41%	78%
Return on Equity	-45%	32%	98%	36%	22%	26%
Return on Assets	-5%	2%	31%	20%	13%	19%

14.7 Financial Statement Notes

The notes to the financial statements as adopted by the Board of the Issuer are included in Appendix B of the Accountant’s Report.

14.8 Assumptions for Financial Projections

The principal bases and assumptions upon which the financial statement projections have been made for by the Board of Directors are as follows:

a) General Assumptions

- i. There will be no significant changes in the principal activities of PRIME.
- ii. There will be no significant changes in PRIME’s existing management, accounting and operational policies that will adversely affect the activities and performance of PRIME.
- iii. There will be no significant changes in the present legislation and government regulations, rates and duties, tariffs, levies and taxes, which will adversely affect the operations of PRIME or the market in which it operates.
- iv. The power plants will operate as planned and there are no factors which would significantly affect its operations. The power plants are not expected to be decommissioned throughout the projection period.
- v. There will be no major breakdown or disruption or termination to the Company’s operating activities, industrial disputes, and disruption in the supplies of materials or any other abnormal factor, both domestic and overseas, which will adversely affect the operations of the power plants.
- vi. There will be no significant changes in the current demand and in the prevailing market conditions in Rwanda which will adversely affect the demand of electricity from the power plants.
- vii. There will be no significant changes to the prevailing economic and political conditions in Rwanda and elsewhere that will have direct or indirect effects on PRIME.
- viii. There will be no material litigation against PRIME throughout the projection period.[There is an existing litigation disclosed in the Legal Opinion annexed to this Prospectus. Adopting the advisory from the Legal Opinion and as per the provisions of IAS 37: Provisions, Contingent Liabilities and Contingent Assets, no provisions have been made in the PEL financial projections.]
- ix. There will be no significant changes in the terms and conditions of the significant agreements i.e., the Power Purchase Agreements and Operation and Concession Agreements.
- x. There will be no expropriation or termination of the PPAs prior to the end of the agreement period.

b) Revenue Assumptions

- i. PPA Tariffs

Power plant	Tariff (UsC/kwh)
Gisenyi	10.2

¹There is an existing litigation disclosed in the Legal Opinion annexed to this Prospectus. Adopting the advisory from the Legal Opinion and as per the provisions of IAS 37: Provisions, Contingent Liabilities and Contingent Assets, no provisions have been made in the PRIME financial projections.

² <https://www.bls.gov/news.release/cpi.nr0.htm>

Mukungwa II	8.2
Gashashi	13.4
Rukarara II	11.34

- ii. US Consumer Price Index: 4.0%²
iii. Annual production (2023 onwards):

Power plant	Projected annual production (MWh)	Assumed capacity factor (%)
Gisenyi	9,784	67
Mukungwa II	19,472	66
Gashashi	1,039	43
Rukarara II	14,001	74

c) Operating Expense Assumptions

- i. Operating costs comprise the following
- Employee benefits
 - Operation and maintenance cost
 - Insurance cost
 - Administrative expenses
- ii. Annual Rwanda inflation is 5.0%³

d) Key Balance Sheet Assumptions

Balance sheet item	Assumption
Investment loan interest rate	15.25%
Term loan interest rate	18.00%
Bond interest rate – tranche one (FRW)	13.30% - 13.75%
Bond interest rate – tranche two (USD)	9.00% - 10.00%
Receivable days	60 days
Payable days	30 days
Depreciation: Furniture and fixtures	25.0%
Depreciation: Motor vehicles	25.0%
Depreciation: Motor cycles	25.0%

Depreciation: Computer and accessories	33.3%
Depreciation: Other office equipment	25.0%
Depreciation: Generators	5.0%
Amortisation: Intangible assets	4.0%

14.9 Pro-foma financial statements

The Pro-foma financial statements as adopted by the Board of the Issuer and the assumptions on which they are based are included in Appendix B of the Accountant's Report.

³BNR medium term target

15. Risk Factors and Mitigation Measures

15.1 Risk factors related to the country and industry

As can be with any project, several distinct risks are inherent. The same applies for these projects. We list the risks that we analyse and highlight and do not assume that they are exhaustive. We would once more reiterate to the recipient of this Prospectus that they are encouraged to analyse both micro and macro information and come up with their own perception of risks.

15.1.1 Change in economic environment

Rwanda like most economies of its neighbours and the larger sub-Saharan Africa is faced with the risk of change in economic environment. While being aware of this risk, GoR has prioritised budgetary management to ensure mobilization of domestic revenues as the country seeks to reduce budget deficits and gradually move away from reliance on donor funded aid. On the expenditure side, GoR has adopted a directive to contain an increase in wage bill with the aim of freeing up additional resources for capital investment. Despite an increase in public debt, mainly due to capital investment made in recent years, the country is on a self-sustainable path due to the observed growth in local economy. Persistent budgetary deficits are counterbalanced by a solid growth outlook, stable inflation and currency depreciation which reduce risks of macroeconomic instability

15.1.2 Political and Regulatory Risks

Rwanda's political and regulatory risk remain, the country is also a regional outperformer in the fight against corruption, ranking 4th out of 48 countries across Sub Saharan Africa in Transparency International's Corruption Perceptions Index. Continued stability relative to its peers may afford Rwanda the chance to play a more prominent role in the East African Community. If successful, efforts to shift to more private-sector-led growth and raise per-capita incomes would reduce risks to social stability.

15.1.3 Environmental and Social Risks

Hydro projects have extraordinary negative social impacts, direct and indirect. Such risks include forced population displacement and impoverishment, formation around major constructions and downstream unanticipated changes in agro-production systems. The issuer has provided Environmental and Social Impact Assessments to ensure that such risks are mitigated and projects have a positive impact on the society around it.

15.2 Risk factors related to the Issuer

15.2.1 Force Majeure

This relates to events beyond the control of the affected party and which are not foreseeable despite having taken all precautions and due care within reasonable limits. These include external events resulting from natural disasters, crime, social unrest, civil war and terrorism could harm both PRIME's staff, operations and assets.

Mitigating Factors: The PPA addresses these events and provides remedies for these events. For an event to be declared a force majeure event, it needs to be demonstrated that the event

has disrupted the completion or operation of the project(s). Further, all reasonable efforts have been pursued to return to full performance and failed.

15.2.2 Default Risk

There are several conditions under each of the PPAs assigned to the Issuer that needs to be met to prevent a default event that may lead the PPAs to be terminated. One of these conditions is failing to meet the Guaranteed Annual Energy Output for more than two successive years. Termination of the PPA, the Concession Agreement or of licences under which the Issuer operates would result in the Issuer being unable to meet its obligations.

Mitigating Factors: Prime Energy Plc and EUCL agreed, in the meeting held on the 9th October 2021 between EUCL, Prime Energy Plc and the contractor ATS Ltd, that Prime Energy Plc is exempted from liquidated damages as compensation for low power generation caused by low levels of waterflows which is an event beyond the control of the power developer-Prime Energy Plc.

There are several conditions in the Concession Agreements assigned to the Issuer that needs to be met to prevent a default that may lead the Concession and/or power purchase Agreements to be terminated; below are some of the high risks conditions;

- i. Failure to achieve the commercial Operation Date of the Project within ninety (90) days after required Commercial Operation Date.
- ii. Assigning of Issuers rights and/or obligations under the Concession Agreements to another person without the consent of the Government.
- iii. Failure by Bond Issuer to obtain and have in full force for the Term any required approval, consent, decree, Permit, licence, waiver, or any filing with, or notice to, any Government Authority relating to the performance of any of its obligations under the Concession Agreements.
- iv. If any representation or warranty made by or deemed to be made by the Issuer under or in connection with any Project Document is or proves to have been incorrect or misleading in any material respect when made or deemed to have been made.
- v. Failure by Issuer to make any payment within forty-five (45) Days of its due date under any Project Document, unless such failure is caused by an administrative or technical error and payment is made within ten (10) Business Days of the due date;
- vi. Termination of any of the Project Documents as a result of a default by issuer.
- vii. PRIME shall have the rights to 1140 Hours per year for Maintenance Outages/Scheduled Outages and Forced Outages/Emergencies of 96 consecutive hours
- viii. Parties have rights to Notice and Cure. In case of an event of Default notified by the non-defaulting Party, the defaulting Party shall have 60 days to cure the occurred Event of Default.
- ix. Except specific cases where a different cure periods are provided for, in case of default, the defaulting Party shall have sixty (60) Days from receipt of the Event of Default Notice (or such other period as to which the Parties may mutually agree) to cure the Event of Default

Mitigating Factors: The Issuer actively monitors and engages the Government of Rwanda on implementation and execution of the contractual terms so that both parties carry out their obligations as contracted to minimise any future risks that would arise in case there is a default by either Party.

15.2.3 Corporate Governance Risk

There are possible conditions that make the current corporate structure a risk to the investors. As illustrated in section 17.6 of the prospectus, the Holdco, Rukarara VI and PRIME have the same CEO. Some of the risks may include:

- Conflict of interest: the management may prioritize the interest of the Holdco over those of PRIME or vice versa.
- Lack of independent decision-making at PRIME level, which could lead to a lack of innovativeness or responsiveness to local market conditions.
- Ineffective Risk Management: Inadequate identification and management of risks due to a lack of diverse perspectives
- Risk Concentration: Concentration of key decision-makers in a single management team increases the vulnerability of the Holdco to the competency and ethical standards of that team.

Mitigating Factor:

- The Issuer appointed two different global accounting firms for financial and book keeping support to the operating entities: Rukarara VI and PRIME. A global audit firm is engaged to provide an independent audit opinion on the books of accounts of the operating entities.
- The Issuer has two independent directors (Including the Chairman) who have no financial or personal ties to the Company.
- The Issuer has appointed owner's manager – EXP Canada in Rukarara VI with decades of experience in hydroelectric power projects, EXP's energy team provides innovative solutions to produce and transmit the electrical power
- The current CEO of Rukarara VI is in an interim HPP is being constructed to effectively utilize resources but a separate CEO will be appointed when Rukarara VI achieves COD.

15.2.4 Operation and Maintenance (O&M) Risk

The risk of O&M lies with PRIME. This risk continues to vest itself during the lifetime of the project. The risks of O&M are such that ensuring the plant is operated efficiently to produce power as per the PPA agreement. Further, maintenance of the equipment for both minor and major maintenance of the plant is by PRIME.

Mitigating Factor: The risk is mitigated by the fact that Prime Energy is the O&M operator as such is always aware of the operations of the plant. Prime Energy Plc also has operational experience and track record in O&M through the operation of its 4 operating HPPs. See section 9 (Plants Operated by the Issuer Under the Concession Agreements) for more details.

15.2.5 Off taker risks

The financial well-being of the offtaker is also a major contributor to the success of power projects. EUCL is the offtaker in this case and has not defaulted on its payment obligations to the power generators. The PPA is a take or pay contract whereby EUCL is obligated to take any electricity that is supplied.

Mitigating Factors: The PPA also serves to address cases of default by the off taker and provides remedy

14.2.6 Concession discussion risks

GoR may from time to time deem it fit, fair and necessary to amend concessions with the project owners. Such discussions may vary according to the prevailing circumstances.

Mitigating Factors: As the basis of these discussions will be on the PPA, the project owners should negotiate for terms that serve the interests of both parties to the best possible extent. No assurance can be given as to the impact of any possible changes in concession terms after the date of this Prospectus.

15.2.7 Performance Risk

The performance as depicted in this Prospectus is as at the time indicated and the prevailing circumstances. If any of the risks outlined in this section materialises, there is a risk that the Issuer may be unable to meet its obligation of the Bonds. It is important for investors to understand the underlying risk of their investments. The Issuer depends on cash flows generated by the HPPs.

Mitigating Factor: PRIME has experience in the construction, operation and maintenance of power projects successfully. PRIME is aware of the operational burden it bears and the responsibilities that come with such projects. PRIME will work to ensure that the projects generate cashflow to make payments in respect to the Bonds.

15.2.8 Litigation Risk

Projects of this nature are from time to time exposed to litigation in the ordinary course of its business. The Issuer can provide no assurance that such instances will not arise or that it will be successful in defending or pursuing such actions. The Issuer has an outstanding material litigation and details have been disclosed in Section 18.19 (Material Litigation).

Mitigating Factor: PRIME has managed to develop projects successfully within the purviews of the legal system which has reduced threats of litigation. PRIME will continue maintaining its high standards during the course of business which has turned it to a respected and trusted company.

15.2.9 Project Finance Risk

The issuer is not reliant or dependent on cashflows of new projects to be able to meet any obligations of the Bond. While the Issuer has identified projects to finance from the proceeds of this Issuance, in the event the issuance targets are not met, such projects could potentially be affected.

Mitigating Factor: The Issuer has significant interest from local and international financiers for the provision of additional financing which could arise if the project funding is late or unavailable.

15.2.10 Construction Risk of Future Projects

This is the risk of not completing the construction on time and / or on budget due to, but not limited to, import risk of equipment and / or services, changing regulatory schemes, natural force majeure and new technologies.

Mitigating Factor: The Issuer has a satisfactory operational track record in construction of new plants through the rehabilitation and upgrading of its existing HPPs. The project design will be drawn up by engineers experienced in constructing complex and unusual structures in selected terrain. Furthermore, the Issuer will put in place contract mechanism to safeguard the financial interests in the company. Lastly, the cash flow from future projects are not needed for the repayment of the Bonds.

15.3 Risk factors related to the Issue

15.3.1 Price of Bonds may be volatile

The Market price of this bond may be affected by various factors. The price could be subject to fluctuations in response to anticipated changes in Issuer's operational performance, changes in regulatory environment and changes in financial estimates.

While the Issuer is able to mitigate micro risks, macro risks are beyond their control. As such, the Investors are advised (independently or together with their advisers) to analyse the market conditions and prior performance of Issued Bonds.

15.3.2 Liquidity Risk

The Rwanda bond market is not very active and the performance is not comparable with developed markets which are more active. If the market does not develop, it will not be very liquid and therefore investors may not be able to sell their Bonds easily or at prices whose yield is in tandem with comparable investments. Therefore, liquidity is expected to impact the value of the Bonds.

While considering making this investment, the investor should have sufficient knowledge and experience in evaluation of such investment vis a vis comparable investment. The investor should consider their risk appetite and expected rate of returns to make this investment.

15.3.3 Legal Risk

Different investments are regulated by different laws or regulations. Investment in this Bond may be subject to review by certain authorities.

Mitigating Factors: The issuer has ensured that all regulatory approvals have been acquired and also, is sure that all the laws and regulations relating to this issuance are adhered to. However, each investor is advised to seek legal advisory to determine: (1) whether Bonds can be used as collateral for various types of borrowing and (2) whether any restrictions, and to what extent, apply to its purchase or assignment of concession rights and PPA of any Bonds.

15.3.4 Fluctuations in exchange rates and interest rates

The Issuer will make payments for both principal and interest in Rwanda Francs. The PPA is in USD while other financial activities could bear different currencies. The investor's activities could potentially be denominated principally in currencies other than FRW. This presents the risk of exchange rates (please see the exchange rate overview) and risk that authorities may modify or enhance controls over the currencies. An appreciation could lead to a decrease in the investor's currency – equivalent yield on the Bonds.

Government and monetary authorities, where they deem necessary, may intervene and potentially impose controls that could affect an applicable exchange rate. Such actions would have adverse effects on the currency and as a result investors' may receive less interest or principal than expected.

Mitigating factor: Impact of fluctuations in exchange rates on the value of assets and investments and the ability of the Issuer to meet its obligations is closely monitored. Hedging strategies will be applied where necessary.

15.3.5 Change in Law

This Bond is issued under the laws of Rwanda as at the date indicated. No assurance, representation or guarantee can be given, or possible impact discussed if changes in the laws of Rwanda are affected after the date of this Prospectus.

15.3.6 Negative Pledge Conditions

The Negative Pledge is limited to bonds, loan, stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market having an original maturity of more than one year from its original date of issue. As such, there is a credit risk not covered by the negative pledge with regard to securities or other forms of indebtedness not captured in the definition of "Relevant Indebtedness".

Mitigating factor: The Issuer has put in place financial covenants as described in Condition 11.5 (Financial Covenants). In addition, there are credit risk mitigation mechanisms as described in Section 7.3 (Credit risk mitigation mechanisms).

16. Taxation

The comments below are of a general nature based on taxation law and practice in Rwanda as at the date of this Prospectus and are subject to any changes thereafter. They relate only to the anticipated tax consequences of an investment in the Green Bonds under Rwanda tax laws. The comments below do not relate to all possible tax consequences of an investment in the Green Bonds and so should be treated with appropriate caution.

Prospective investors should consult their own professional advisers concerning the possible tax consequences of purchasing, holding and/or selling Green Bonds and receiving payments of interest, principal and/or other amounts under the Green Bonds under the applicable laws of their country of citizenship, residence or domicile.

16.1 Withholding Tax

All payments in respect of the Interest on the Bonds will be subject to withholding tax or deduction as per law no. 027/2022 of 20/10/2022 establishing taxes on income as amended to date.

- i) Five (5%) percent withholding tax will be applicable on interest on securities listed on capital market if the beneficiary of the interest is a resident taxpayer of Rwanda or of the East African Community.
- ii) Ten (10%) percent withholding tax will be applicable on interest on securities listed on capital market if the beneficiary of the interest is a resident taxpayer of Countries with Double Taxation Agreements with Rwanda; and
- iii) Fifteen percent (15%) withholding tax will be applicable to a person not registered in the Rwandan tax administration or to a registered person who does not have recent income tax declaration. Notwithstanding, the Fiscal Agent on behalf of the Issuer will deduct withholding tax at the prescribed rate on all Interest Amounts or payments to Bondholders other than any Bondholder who:
 - a) is exempt from such deduction under the provisions of Law No. 027/2022 of 20/10/2022 Establishing taxes on Income as amended to date.
 - b) has provided evidence of such exemption to the reasonable satisfaction of the Issuer and the Fiscal Agent.

16.2 Capital Gains

There shall be no capital gain tax accrued from the sale or transfer of the Green Bonds as long as the bonds remain listed.

16.3 Double Tax Agreements

Rwanda has DTTs with Mauritius, Belgium and South Africa, the People's Republic of China, the Republic of Congo, Jersey, Luxembourg, Morocco, Qatar, Singapore, Turkey, Barbados and the United Arab Emirates. These treaties aim to eliminate the double taxation of income or gains arising from one territory and paid to residents of another territory. They provide for lower withholding rates on payments of dividends, interest, management and professional fees, and royalties between the two territories. Professional advice is required in order to understand the operation of double tax treaties, as they include legislative provisions that may not be straightforward.

17. Corporate Governance

17.1 Board of Directors

The Board is responsible for managing, directing and supervising the business and affairs of the Company. The Board is composed of five (5) directors including the managing director and two independent directors. The Directors shall hold office for a period of five (5) years renewable. For further information on directors please review the Memorandum and Articles of Association provided.

17.2 Change in Board Composition

Directors are appointed, re-appointed and retired in accordance with the company law. The Directors shall hold office for a period of five (5) years renewable.

17.3 Board meetings

Board meetings are duly constituted if the number of those present is more than half of the total number of directors.

17.4 Shareholders meetings

The quorum of the Shareholders meeting is realised when shareholders holding at least seventy-five per cent (75%) of the issued shares are represented. If this condition is not met, the meeting is adjourned. Another meeting is called within seven (7) calendar days and shall validly deliberate if shareholders holding at least a quarter ($\frac{1}{4}$) of the Share Capital is represented.

17.5 Internal Controls

In accordance with the Company's Articles of Association, in exercising their non-executive authority, the Board Members shall seek to fulfil the following roles and responsibilities to ensure effective and efficient organizational performance:

- a) Communicate to the Managing Director (MD) the strategy and objectives for the Company;
- b) Cause the development of, review and approve long term strategic plans for the Company and monitor the execution/implementation by the MD and the entire management of the Company;
- c) Periodically review and approve business plans as aligned to the long-term strategic plan and monitor their implementation;
- d) Review and approve annual budgets including monitoring alignment with the business plans of the Company;
- e) Approve expenditures off-budget, exceptionally requested by the MD and any significant capital expenditure exceeding set thresholds/with long-term financial commitments for the Company;
- f) Consider and approve the reward policy and salary scales and any adjustments thereto for the Company;
- g) Consider the rationale for the organizational structure and approve it and any changes thereto including the requisite job descriptions and staff competencies;

- h) Supervise compliance by the management with the laws, Articles of Association, internal rules and guidelines;
- i) Approve the hiring and termination of Company's senior staff that are initially appointed by the Board;
- j) When required, the Board shall be steering the business plan implementation which will consist of a managing improvement program

17.6 Management of potential conflict of interest in the corporate structure

The Issuer, HoldCo and Rukarara VI share one CEO (Sandy Rusera) who is also the ultimate beneficiary of Lion's Share Group Limited. Managing conflicts of interest is essential to ensure that decisions are made in the best interests of the Company, and this has been mitigated as follows:

Periodic external audits: The Issuer and Rukarara VI have annual external audits done by an independent global audit firm to provide independent audit opinions for decision making

Separated finance teams: The Issuer has appointed PKF East Africa as an external accountant to mitigate any potential conflicts that may emerge in the regular reporting of unaudited financials.

Issuer's board composition: The Issuer has two independent directors (Including the Chairman) who have no financial or personal ties to the Company.

Existences of an Owner Engineer in Rukarara VI: The Issuer has appointed owner's engineer – EXP Canada in Rukarara VI with decades of experience in hydroelectric power projects, EXP's energy team provides innovative solutions to produce and transmit the electrical power. The owner's engineer plays a supporting but critical role by filling gaps and supplementing a plant owner's resources

Separate CEO to be appointed in Rukarara VI: The current CEO of Rukarara VI is in an interim HPP is being constructed to effectively utilize resources but a separate CEO will be appointed when Rukarara VI achieves COD.

18. Legal and Corporate Information

18.1 Name, Place and Date of Registration

The Company is duly incorporated and currently existing within the register of companies at the Office of the Registrar General in Rwanda and validly exists under Rwandan law. The Company was incorporated on March 12th, 2014 as a private company, with a Company Code 103231736. On 1st August 2023, the Shareholders resolved that Prime Energy Plc change its company category from a private limited to a public limited company and change the name from Prime Energy Ltd to Prime Energy Plc. This was executed on August 22nd 2023 and the Company changed its status to become a public company limited by shares.

18.2 Voting Rights and Control

In an Annual General Meeting, every shareholder shall, subject to the Articles of Association, have a right to vote. The voting right applies to shares that are fully paid up and shall be suspended for those which are not. No one can take part in a vote in which he/she has direct or indirect interests that conflict with those of the Company.

18.3 Minimum Subscription Level required to deem the offer successful

The directors of the Issuer have resolved that the minimum aggregate amount to be raised by the issue of the Bond is fifty per cent (50%) of the offer amount of the Bond. If the minimum aggregate amount is not reached, the Issuance will be cancelled and moneys collected will be refunded as per the Refund Policy.

18.4 Objects of the Company

The objects of the Company are set out in the Company Information.

18.4.1 Principal Object

Table 10: Principal Object

No.	Code	Description
1.	D3510	Electric power generation, transmission and distribution

18.5 Provisions of The Articles Relating to Borrowing

The Articles of Association are silent on borrowing terms. However, the articles empower the company to invite the public to subscribe for any shares or debentures of the company.

18.6 Material Agreements

The Company has entered into commercial contracts including supplier agreements, customer agreements, agency and distribution agreements, maintenance contracts, lease, and hire purchase and rental agreements. The contracts, which are available at the office of the Issuer and the Fiscal agent for inspection, include: -

- a) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Rukarara II, dated 25th August, 2015;

- b) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Rukarara II dated 25th August, 2015;
- c) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Gisenyi dated 25th August, 2015;
- d) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Gisenyi dated on 25th August, 2015;
- e) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Mukungwa II dated 25th August, 2015;
- f) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Mukungwa II dated 25th August, 2015;
- g) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Gashashi dated 25th August, 2015;
- h) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Gashashi dated 25th August, 2015;
- i) The Agreement for Management, Administrative services and Combined office activities between Prime Holdings Ltd and Prime Energy Plc effective on 18th August 2023.
- j) Letters from EUCL dated 18th September 2023 responding to PRIME request for No-Objection of Issuance of Green Bonds etc.
- k) Letter from MININFRA dated 6th November 2023 giving the non-objection to Prime Energy PLC for the issuance of Green Bonds.

18.7 Onerous Covenants and Default

None

18.8 Related Party Agreements

Management Agreement

18.9 Debt of the issuer

The Company has taken up two loan facilities in Rwandan francs as indicated below:

Type of facility	Approved limit (RWF'000)	New approved limit (RWF'000)	Balance as at 31 Dec 2022 (RWF'000)	Maturity as per agreements	Monthly total debt service (RWF'000)	Interest rate
Investment loan	6,258,269	-	2,481,885	30-Jun-24	155,124	15.25%
Term loan	-	778,658	778,658	31-Dec-24	40,281	18.00%
Total facilities	6,258,269	778,658	3,260,543		195,405	

The two loans above had an outstanding balance of RWF 1,645,480,098 as at 30th October 2023.

The purpose for investment loan was to rehabilitate the hydro power plants.

The term loan was a bridge loan for Rukarara VI power plant.

18.10 Loans to Related Parties (Group Companies, Directors and Senior Management)

	Interim Management Accounts Sept 2023	December 2022	December 2021
	FRW '000	FRW '000	FRW '000
Prime Energy Holdings	1,027,567	932,567	526,171
Loan to Related party (Prime Energy Holdings)	3,657,748	3,454,385	-
Rukarara VI HPP Limited	-	-	1,319,247
Lion's Share Group (LS Group) Limited	377,587	377,587	353,310
Loan to Shareholder (Jean Damascene)	223,600	195,975	195,975
	5,286,502	4,960,514	2,394,703

The receivables from related party are interest free, have no specific date of repayment and are unsecured. They are denominated in Rwandan Francs.

Receivables from related parties are presented in the balance sheet as follow:

Non-Current	4,258,935	4,027,947	-
Current	1,027,567	932,567	2,394,703
	5,286,502	4,960,514	2,394,703

18.11 Related Party Transactions

Payables to related parties

	September 2023	December 2022	December 2021
	FRW '000	FRW '000	FRW '000
Master Steel Ltd	-	-	23,159
Lion's Share Group (LS Group) Limited	600	600	600
Jean Damascene Niyongabo	400	400	400
	1,000	1,000	24,159

18.12 Licenses and Permits

Table II: Licenses, Permits, authorizations and approvals

No.	License Name and Number	Entity Issued with License	Duration & date of validity	Department/entity responsible
1	Electricity Generation License for Gisenyi Hydro Power Plant No.	Prime Energy Plc	25 Years expiring on 31 st March 2042	Rwanda Utilities Regulatory Authority ("RURA")
2	Electricity Generation License for Rukarara II Power Plant No.	Prime Energy Plc	25 Years expiring on 31 st March 2042	Rwanda Utilities Regulatory Authority ("RURA")
3	Electricity Generation License for Mukungwa Hydro Power Plant No.	Prime Energy Plc	25 Years expiring on 31 st March 2042	Rwanda Utilities Regulatory Authority ("RURA")
4	Electricity Generation License for Mukungwa Hydro Power Plant No.	Prime Energy Plc	25 Years expiring on 31 st March 2042	Rwanda Environment Management Authority (REMA)

18.13 Material Assets Acquired and Disposed of In the Last Three Years

None

18.14 Provisions of the Articles of Associations with Respect to Directors

Provisions 91–99 of Section 17 of the articles of association relate to the appointment and retirement of directors: the number and which directors to retire, when directors are deemed to be re-appointed, eligibility for election, the need for separate resolutions on appointment and re-appointment by the board.

Provisions 101 to 107 of section 18 of the Articles of Association relate to the powers of the board, delegation of the powers of the board, the board responsibilities and the appointments of agents.

18.15 APPOINTMENT AND RETIREMENT OF DIRECTORS

18.15.1 Number of directors to retire

At every annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to, but greater than, one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.

18.15.2 Which directors to retire

Subject to the provisions of the Law and these Articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed directors on the same day those

to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting.

18.15.3 When director deemed to be re-appointed

If the Company, at the meeting at which a director retires by rotation or otherwise, does not fill the vacancy, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost.

18.15.4 Eligibility for election

No person other than a director retiring by rotation shall be appointed a director at any general meeting unless:

- a) he is recommended by the board; or
- b) not less than seven nor more than forty-two clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed.

18.15.5 Separate resolutions on appointment

Except as otherwise authorised by the Law, the appointment of any person proposed as a director shall be effected by a separate resolution.

18.15.6 Additional powers of the Company

Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

18.15.7 Appointment by board

The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director in either case whether or not for a fixed term, provided that the appointment does not cause the number of directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of directors. Irrespective of the terms of his appointment, a director so appointed shall hold office only until the next following annual general meeting and shall not be considered in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

18.15.8 Position of retiring directors

A director who retires at an annual general meeting may, if willing to first act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

18.15.9 No share qualification

A director shall not be required to hold any shares of the Company by way of qualification.

18.16 Powers of the Board

18.16.1 Business to be managed by board

Subject to the provisions of the Law and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles and a meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

18.16.2 Delegation of Powers of the Board

The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered.

The board may co-opt on to any such committee persons other than directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are directors. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

18.16.3 Local boards, etc.

The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in Rwanda or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies.

Any appointment or delegation made pursuant to this Article may be made upon such terms

and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

18.17 Agents

The board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation.

18.18 Offices including the title “director”

The board may appoint any person to any office or employment having a designation or title including the word “director” or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word “director” in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

18.19 Material Litigation

From the information provided to us including the ruling of the Commercial Court, we found one material litigation involving Prime Energy Plc. KOCHENDORFER AND F.EE HYDROPOWER filed a case against Prime Energy Plc for breaching a joint bid between the two companies which had been concluded for purposes of bidding for the concessions. The two companies successfully prepared and submitted the legal and technical bids to Rwanda Development Board (RDB) and on the 20th March 2015, RDB informed the two joint bidders that they had won the tender and they should then prepare a financial bid. Despite several attempts to get in touch with KOCHENDORFER AND F.EE HYDROPOWER, the latter did not respond and consequently Prime Energy Plc decided to contract another consultant to prepare the financial bid. The Rwandan Cabinet, in its session of 08/05/2015, awarded the tender to both Prime Energy Plc and KOCHENDORFER AND F.EE HYDROPOWER. However, on 26th August 2015, Prime Energy Plc signed concession agreements with the Government of Rwanda represented by the Ministry of Infrastructure.

KOCHENDORFER AND F.EE HYDROPOWER claimed that the Cabinet granted the concession rights to the joint venture but Prime Energy Plc went ahead to sign the concession agreement alone. It is worthy to note that there existed no joint venture but a letter of intent to form a joint venture, but which was also not signed and executed. Despite granting the concession rights to the joint bidders through Cabinet instructions (directive), the Government of Rwanda, represented by the Ministry of Infrastructure signed the concession agreement with Prime Energy Plc.

In 2017, KOCHENDORFER AND F.EE HYDROPOWER wrote to Prime Energy Plc alleging breach of contract which Prime Energy Plc rejected. The two companies attempted to resolve the dispute amicably through mediation by Rwanda Development Board (RDB) which was unfortunately futile. KOCHENDORFER AND F.EE HYDROPOWER filed a case with the Commercial Court.

The Commercial Court, on 9th February 2023, ruled that the four concessions awarded to Prime

Energy Plc should be awarded to both companies and no compensation in terms of cash was awarded except the legal fees. Prime Energy Plc, has since appealed the case to the High Commercial Court.

From the information provided by the Client and from our due diligence, there is no reported pending material litigation involving the issuer and it has not filed for bankruptcy nor has it been placed under receivership or similar proceedings for the last three years.

18.20 Professional fees and related costs

Professional fees and related costs	FRW
Lead Arranger Fees	30,000,000
Placement Fees	142,500,000
Registrar and Fiscal Agent Fees	8,000,000
Legal Fees	7,000,000
Reporting Accountants Fees	14,160,000
Bond Trustee Fees	9,000,000
Technical Auditor	2,500,000
Second Party Opinion	10,781,250
Marketing Expenses	15,000,000
CMA	2,375,000
RSE	9,500,000
Total	248,316,250
% of Issuance	3%

19. Subscription and sale

19.1 Book Build Period

19.1.1 Book Building Procedure

Submission Qualified Institutional Investors are hereby invited to participate in the Issue through the Book Runner.

- i) The Book Build opens on March 18th, 2024 and closes March 28th, 2024. Orders must be for a minimum of FRW 100,000,000 and in integral multiples of FRW 100,000 thereafter.
- ii) Participation Amount(s) and Bid Interest Rate(s) (“Orders”) should be entered in the space provided in the prescribed Commitment Form attached to this Prospectus.
- iii) By completing and submitting the Commitment Form, each participant hereby agrees hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant
- iv) Participants may place an Order for the Bonds at any price guided by the initial price range subject to the Minimum Subscription and the Terms and Conditions stated in this Prospectus.
- v) Participants shall have the option to make a maximum of three orders on a single Commitment Form and such options shall not be considered as multiple applications.
- vi) Participants shall be entitled to one (1) bid per Commitment Form
- vii) After determination of the Interest Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be granted allocation subject to finalisation of Application Form; any Order above this price will become automatically invalid.
- viii) The final allocation will be subject to the Allotment Policy

19.1.2 Clearing Price

The final Interest Rate for Tranche One approved by the Issuer following review of Orders received during Book Building.

19.2 Post Book Building Period

19.2.1 Application Procedure

Application forms for issues of Green Bonds may be obtained from the Transaction Advisor or any appointed and licensed stockbroker or accessed electronically via the following URL: <https://www.primeenergyltd.com/>. Applications must be submitted directly to the Transaction Advisor or Selling Agent by the date and time specified in this Prospectus. Successful applicants will be notified by the Transaction Advisor on behalf of the Issuer of the amount of Green Bonds allotted to them immediately after the date of allotment. In the event of a rejection, for any of the reasons set out in “Rejection Policy” below, any such Bond Application Form/s and accompanying monies shall be returned to the Selling Agent to which the Bond Application Form was submitted for collection by the relevant applicant.

Applications once given are irrevocable and may not be withdrawn once submitted. By signing an application form each applicant:

- a) attests to having read this Prospectus and is deemed to have had notice of all information and representations concerning Prime Energy PLC contained in the Prospectus.

- b) confirms that in making such application he/she is not relying on any information or representation in relation to Prime Energy PLC other than that which is contained in Prospectus, and any other documents incorporated by reference to the Prospectus, and he/ she accordingly agrees that no person responsible solely or jointly for Prospectus or any part thereof shall have any liability for such other information or representation;
- c) accepts to receive any communication from Prime Energy PLC including notices for meetings, as set out in the Terms and Conditions.
- d) represents and warrants that, except in cases where the applicant is licensed to apply for and hold Bonds for other persons, he applies for the Bonds on his own account, will be the beneficial owner of the Bonds, has not represented himself as a different person in any other application not applied for Bonds under a different name, and is not applying for the Bonds on the instructions of or on behalf of any other person and has not instructed any other person to apply for Bonds as his nominee.
- e) being an applicant who is authorised to apply for Bonds on behalf of other persons, represents and warrants that it is not making multiple applications for itself or any other person, is not applying as nominee of any person whom it knows to have applied under any other name or through any other nominee or person; or for any beneficial owner more than once; and
- f) acknowledges that Prime Energy PLC reserves the right to reject any application found to be in contravention of sub paragraphs (d) and (e) above.

19.3 Selection of Tranches

Applicants are able to apply for either or both Tranche One or Two of the issuance in the application forms provided for the Green Bond.

19.4 CSD Account

Applicants will receive the Bonds in electronic form by way of crediting their CSD Accounts with the allocated number of Bonds. Trading of the Bonds on the RSE will be under prevailing rules and regulations of the RSE, and it is required that applicants have a CSD Account as part of this application.

To open a CSD Account, individual Applicants will be required to complete a CSD Securities Account Opening Form available from the Selling Agent. On acceptance of any application and after settlement, the Issuer will register the Bonds allocated in the name of the Applicant concerned allocation policy

The issuer reserves the right, whether the Issue is oversubscribed or not to reject any application. Applicants as a result may be allotted less than the amount applied for. Allotment will be done on a pro-rata basis based on the amount applied for. Successful applicants will be notified by the Selling Agent of the amount allotted to them no later than the date and time specified in this Prospectus.

19.5 Rejection Policy

Prime Energy PLC shall not be under any liability whatsoever should any Bond Application not be received by the offer closing date. Applications may also be rejected for the following reasons:

- i. Incorrect CSD Account No (if applicable);
- ii. Missing or illegible name of primary or joint applicant in any Application Form;

- iii. Missing or illegible identification number, including corporation registration number, or in the case of (other than citizens), missing or illegible alien registration number;
- iv. Missing or illegible address (either postal or street address);
- v. Missing nationality indicators (for primary Applicant in the case of an individual) or missing tax indicators;
- vi. Insufficient documentation is forwarded including missing tax exemption certificate copies or companies that claim to be tax exempt;
- vii. Failure to have payments made by the Selling Agent; and
- viii. Failure to provide complete EFT/RTGS refund details as required or presence in the application form of alterations that cannot be accepted;
- ix. Missing or inappropriately signed Bond Application Form including (for manual application only):
 - Primary signature missing;
 - Joint signature missing (if applicable); and
 - Two directors or a director and company secretary have not signed in the case of corporate application.
- x. Number of Bonds does not comply with the rules as set out in the Prospectus in respect of the minimum application and subsequent multiples;
- xi. Authorised Cheque has unauthenticated alterations;
- xii. Multiple applications. Every applicant shall apply for the Bonds under only one set of names and using one identification number. An Applicant who applies in his/her name shall not be entitled to have Bonds applied for him/her by a nominee entity or by other persons on his request or otherwise, or to create joint accounts/applicants for the purpose of multiple applications. A nominee entity must ensure that persons on whose behalf it applies for Bonds directly are beneficiaries of only one such application by nominee and that such person are not using nominee applications for purposes of perpetrating more than one application. If an applicant is found to have submitted multiple applications, the Issuer reserves the right to reject any or all of the applications; and
- xiii. Cheque is not signed or dated or if amount in figures and words do not tally or the cheques are found to be fraudulent. The application monies in respect of any rejected application shall be returned at the time set out for refunds.

19.6 Allotment Policy

The issuer reserves the right, whether the Issue is oversubscribed or not to reject any application in line with the Allotment Policy set in this Prospectus. Applicants as a result may be allotted less than the amount applied for. Allotment will be done on a pro-rata basis for each tranche based on the amount applied for. Successful applicants will be notified by the Placing Agent of the amount allotted to them no later than the date and time specified in this Prospectus.

19.7 Refunds Policy

- i. Refunds will ONLY be made through EFT/RTGS to an Applicant's bank account.
- ii. EFTs will only be credited to accounts held with commercial banks. Applicants are also required to check for refunds with their banks; and
- iii. The Receiving Agent will follow up rejected EFT/RTGS on a regular basis. Where an EFT/RTGS has been rejected, the refund will be defaulted to cheque payments as outlined here. Where an EFT/RTGS is rejected, the refunds will be paid to Applicants through banker's cheques drawn in favour of the Applicant's as evidenced in the Application Form and will be delivered to the Selling Agent for onward collection by the concerned Applicant. Applicant is required to collect his/her refunds immediately upon release to the Selling Agent. No refund cheques will be sent by mail.

19.8 Payment for Bonds and Delivery

Payment for Bonds is to be made in full to Bank of Kigali, the designated Receiving Bank, by the date and time specified in this Prospectus. The payments will be made via the Real Time Gross Settlement (“RTGS”) system to the account and in the manner detailed in the Application forms. The Bonds will be delivered to investors not later than the issue date.

19.9 Principal and Interest payment

Payment of principal and interest on the Green Bonds will be made by the Issuer through the Fiscal Agent in accordance with the Terms and Conditions.

19.10 Selling Agent Commission

The Issuer has signed a placement agreement with the Lead Selling Agent to which all placement will be charged a commission of 1.5% paid by the Issuer.

20. Green Bond Framework and External Review

The Bonds being issued have been externally verified as “Green Bonds”, based on a Second Party Opinion (SPO) undertaken by IBIS Consulting which confirms that the Prime Energy Green Bond Framework (2023) is credible and impactful and aligns with the four core components of the updated International Capital Market Association (ICMA) Green, Social and Sustainability Bond Principles issued in June 2021 respectively.

20.1 Green Bond Framework Summary

20.2 Use of Proceeds

The eligible categories for the use of proceeds – Renewable Energy, – is aligned with those recognised by the Green Bond Principles 2021.

The Green Bond Principles 2021 eligibility criteria is as follows:

- Proceeds will finance expenditures related to the construction, renovation, development, operation and maintenance of new and existing HPPs.
- Greenhouse Gas (GHG) emissions intensity would be less than 100 gCO₂-e/kWh (aiming for less than emission intensity of 24 gCO₂-e/kWh)
- HPPs with a generation capacity below 15MW

The financing of assets in the eligible categories will lead to positive environmental impacts by supporting clean energy in Rwanda and advancing the UN Sustainable Development Goals, specifically SDGs 7, 9 and 13.

20.3 Project Evaluation and Selection

The governance structure relevant to the selection and approval of eligible projects are adequate to support transparency and accountability of the Green Bond. The governance structure includes:

- **Green Finance Team:** The team will be responsible for managing the green bond process and will comprise of individuals with expertise in sustainability, finance, and project evaluation.
- **Green Bond Committee:** The committee will have overarching responsibility for overseeing the entire green bond process. Its responsibilities will include but not limited to project selection, reporting, etc.
- **External Expert Advisory Panel:** Prime commits to the involvement of external experts/ advisors to provide independent input on project selection and evaluation to enhance credibility and provide additional expertise.

A Green Finance team will screen the identified projects against the company’s Environmental and Social (E&S) Risk Management Policy to identify potential E&S risks impact across several considerations such as compliance with local environmental regulations, greenhouse gas emissions, resource efficiency, stakeholder engagements, etc. PRIME has an Environmental and Social Management System (ESMS) which supports the integration of environmental and social factors in the Issuer’s decision-making process.

20.4 Management of Proceeds

PRIME will manage proceeds using a portfolio approach, in which it will strive to maintain a level of allocation that matches or exceeds the balance of net proceeds of outstanding bonds. Pending full allocation, proceeds will be held in its treasury liquidity portfolio in cash, cash equivalents, money market funds, or equivalent. The Company also intends to allocate 100% of the net proceeds within 12 months of the issuance of the Green Bond and additional eligible projects will be included into the Eligible Green Projects Portfolio to ensure full allocation. The Finance Department will guarantee the allocation of net proceeds by following an internal management system that aims to define the destination of cash-flows, set reserved accounts for not invested funds and adjust periodically the net proceeds. The Green Bond Committee will be responsible for setting the green bond framework, project selection and reporting and disclosure. The Company will involve external experts to provide independent input on project selection and evaluation.

20.5 Reporting

Prime Energy Plc will publish a Green Bond Report on its website at <https://primeenergyltd.com/> annually until all of the funds raised for Green Bond issued under this Framework are fully allocated to eligible projects. The report will contain details of the total amount of projects in the Green Bond portfolio and the total outstanding amount raised by the Green Bond.

20.6 Second Party Opinion Overview

IBIS Consulting Second-Party Opinion reflects an independent opinion on aligning the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, IBIS Consulting assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA,
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the Issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

21. Documents available for inspection

For a period of not less than five working days from the date of the Prospectus or as long as the Issue remains in effect or the Bonds remain outstanding, copies of the following documents will, from the date of the Prospectus, be available at the Registered Offices of the Issuer for inspection, all Material Agreements referred to in Section 18 (Legal and Corporate Information) and including:

The certificate of incorporation of the Issuer;

- a) The certificate of incorporation of the Issuer;
- b) Memorandum and Articles of Association of Issuer;
- c) The audited financial statements of the Issuer in respect of the financial years ended 30 September 2023, 31 December 2022, 2021 and 2020;
- d) Copies of the Agency Agreement
- e) Copies of the Trust Deed
- f) All PPAs and Concession Agreements
- g) A copy of this Prospectus, of the Bonds (including the Terms and Conditions)
- h) Response to PRIME request for No-objection letter for issuances of listed Green Bond from MININFRA dated 06 November 2023
- i) Non - objection for the issuance of listed corporate Bond from RURA dated 07 September 2023
- j) Intercompany loan agreement between the issuer and the parent company
- k) Response to PRIME's letter by EUCL letter dated 08 September 2023
- l) Prime Energy Plc Green Bond Framework
- m) Technical audit report
- n) A copy of CMA and RSE approval letters in respect to this issue

The following documents issued by the relevant experts which are included or referred to in this Prospectus;

- i) The Reporting Accountants' report as reproduced in this Prospectus and their written consent to the issue of this Prospectus with their report included herein in the form and context in which it is so included;
- ii) The legal opinion of the Legal Adviser as reproduced in this Prospectus and their written consent to inclusion of their opinions in this Prospectus.

22. Appendices

- A. Legal Opinion
- B. Reporting Accountants' Report
- C. Form of Application Form
- D. Form of Commitment
- E. Response to PRIME request for No-objection letter for issuances of listed Green Bond from MININFRA dated 06 November 2023
- F. Non-objection for the issuance of listed corporate Bond from RURA dated 07 September 2023
- G. Response to PRIME's letter by EUCL letter dated 08 September 2023
- H. Prime Energy Plc Green Bond Framework
- I. Second Party Opinion (SPO) on the Green Bond Framework
- J. List of selling Agents and their addresses

Appendix A. Legal Opinion

Mr. Olivier Rwamasirabo

Managing Partner
LegalWise Chambers
KIGALI

26th July 2023

Mr. Sandy Rusera

Chief Executive Officer
Prime Energy PLC
KIGALI

Dear Sandy,

RE: Legal Opinion on the Bond Issuance by Prime Energy PLC.

We have been engaged as legal advisor by Prime Energy PLC “The company” in connection with its proposed Green Bond issuance on the Rwanda Stock Exchange (“The Green Bond” pursuant to the “Capital Market Law”) under the Law N°01/2011 of 10/02/2011 regulating Capital Markets in Rwanda as amended to date. This legal opinion is being provided in accordance with the terms of reference of our engagement. In rendering this legal opinion, we have examined the relevant documents and legal provisions including but not limited to:

- a) The company’s Incorporation Certificates
- b) The Company’s Articles of Incorporation and by-laws;
- c) The Company’s Prospectus filed with Capital Market Authority (the “Capital Market Act”) under the the Law N°01/2011 of 10/02/2011 Regulating Capital Market business in Rwanda as amended to date, and any related documents filed as part of the Prospectus.
- d) The Prospectus and any related documents filed as part of the Registration Statement and such other documents and records as we have deemed necessary or appropriate for the purposes of forming our opinion.
- e) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Rukarara II, dated 25th August, 2015;
- f) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Rukarara II dated 25th August, 2015;
- g) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Gisenyi dated 25th August, 2015;
- h) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Gisenyi dated on 25th August, 2015;
- i) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Mukungwa II dated 25th August, 2015;
- j) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Mukungwa II dated 25th August, 2015;

- k) Concession Agreement between The Government of the Republic of Rwanda and & Prime Energy Plc in relation to Gashashi dated 25th August, 2015;
- l) Power Purchase Agreement between Energy Utility Corporation Limited and Prime Energy Plc for Gashashi dated 25th August, 2015;
- m) The Agreement for Management, Administrative services and Combined office activities between Prime Holdings Ltd and Prime Energy Plc effective on 18th August 2023.
- n) Letters from EUCL dated 18th September 2023 responding to PRIME request for No-Objection of Issuance of Green Bonds, letter from RURA dated 07th September 2023 and letter from MINIFRA dated 06th September 2023.

Based on our examination, and subject to the assumptions, limitations and qualification set forth below, it is our opinion that:

i) Authorization and Power

Based on the documents and materials provided to us, including the Company's articles of incorporation, by-laws, and resolutions of the shareholders and the board of directors and other more mentioned above, we are of the opinion that the Company is duly organised and validly existing under the Company Law of Rwanda. The company possesses the necessary authorization and corporate power to issue the Green Bonds as contemplated in the Prospectus. The issuance of the Green Bonds is within the scope of the Company's corporate purposes and has been duly authorised by the appropriate corporate authorities in accordance with the Company's governing documents and applicable laws.

ii) Enforceability

Subject to the accuracy and completeness of the information and documentation provided, we are of the opinion that, under the laws of the republic of Rwanda, the Green Bond, once issued, will be valid, binding, and enforceable against the Company in accordance with their terms. The execution, delivery, and performance of the Green Bond will not violate any applicable laws, regulations, or agreements binding on the Company.

iii) Compliance with Applicable Laws

To the best of our knowledge and based on the information provided, the proposed issuance of corporate Green Bond by the Company complies with all applicable laws, rules, and regulations of the Republic of Rwanda. This includes, but is not limited to, compliance with Capital Market regulations, disclosure requirements, and any other relevant legal provisions governing Capital Markets in Rwanda.

iv) Legal Due Diligence

The opinion expressed herein is based on the assumption that all material information and documents have been accurately and completely disclosed to us. This opinion is a result of the completion of a satisfactory due diligence review conducted, which included the verification of corporate records, agreements, permits, material contracts and other relevant documents through public searches. This opinion therefore relies on the accuracy and completeness of the information provided and may be subject to change if any material discrepancies or omissions are subsequently discovered.

v) Material contracts and agreements

The company has disclosed all material contracts, agreements, and other documents necessary for the complete understanding of the terms and conditions of the Green Bond issuance including the concessions and power purchase agreements. To the best of our knowledge, there are no material contracts, agreements, or other documents that have not been disclosed.

vi) Compliance with Capital Market Authority Requirements

The Prospectus comply within all material respect with the Law, the rules and regulations governing Capital Market in Rwanda. It fairly presents all material information required to be disclosed and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

vii) Permits, Licenses and Regulatory Approvals

The company has in its possession and in good standing all the required permits- including construction permits, EIA permits, water usage permits, Local Government permits for the purpose of the project. It has obtained all regulatory approvals and non-objections required from the Government and regulatory authorities and has complied with all applicable legal requirements to authorize and effect the Green Bond issuance. The company has obtained all the regulatory approvals from the Ministry of Infrastructure and the Purchaser (EUCL) for the creation of security for the purpose of raising finance as provided for in the Concession and Power Purchase Agreements provided that the security agent is a bank as defined in the concession and implementation agreement.

viii) Material litigations

From the information provided to us including the ruling of the Commercial Court, we found one material litigation involving Prime Energy Plc.'s KOCHENDORFER AND F.EE HYDROPOWER who filed a case against Prime Energy Plc for breaching a joint bid between the two companies which had been concluded for purposes of bidding for the concessions. The two companies successfully prepared and submitted the legal and technical bids to Rwanda Development Board (RDB). On 20th March 2015, RDB informed the two joint bidders that they had won the tender and they should then prepare a financial bid. Despite several attempts to get in touch with KOCHENDORFER AND F.E HYDROPOWER, the latter did not respond and consequently Prime Energy Plc decided to contract another consultant to prepare the financial bid. The Rwandan Cabinet, in its session of 08/05/2015, awarded the tender to both Prime Energy Ltd and KOCHENDORFER AND F.EE HYDROPOWER. However, on the 26th August, 2015, Prime Energy Ltd signed concession agreements with the Government of Rwanda represented by the Ministry of Infrastructure.

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The Commercial Court, on 9th February 2023, ruled that the four concessions awarded to Prime Energy Plc should be awarded to both companies and no compensation in terms of cash was awarded except the legal fees. Prime Energy Plc, has since appealed the case to the High Commercial Court.

From the information provided by the Client and from our due diligence, there is no reported pending material litigation involving the issuer and it has not filed for bankruptcy nor has it been placed under receivership or similar proceedings for the last three years.

ix) Corporate Governance

Based on the information provided, the Company has a well-structured board of directors with two independent directors in place. It envisages creating board committees to ensure an effective oversight and supervision of the management Audit, Remuneration and Compensation, governance and regulatory compliance committees. In addition, the company is in possession of an Environment and Social Policy and working on having a much more comprehensive Environmental, Sustainability and Governance policy (ESG) embedded in its business model and risk management framework.

However, a potential conflict of interest in the management structure has been identified –the Issuer, Holding Company and Rukarara VI share same Chief Executive Officer (Mr. Sandy Rusera) who is also the ultimate beneficiary of Lion’s Share Group Limited. Managing conflicts of interest is therefore essential to ensure that decisions are made in the best interests of The Company. This has been mitigated as follows:

- a) The Issuer and Rukarara VI have appointed different external global auditors to provide independent financial information for decision making.
- b) The Issuer has appointed PKF East Africa as an external accountant to mitigate any potential conflicts that may emerge in the regular reporting of unaudited financials.
- c) The Issuer has two independent directors (Including the Chairman) who have no financial or personal ties to the Company.

With these measures, we believe that any potential conflict of interest will be highly mitigated.

This opinion is subject to the following assumptions, limitations, and qualifications:

Our opinion is based solely on the laws, regulations, agreements and legal interpretations in effect as of the date of this opinion. It is limited to the matters governed by the laws and regulations of Rwanda as specified in the relevant Green Bond issuance documents.

This opinion is intended solely for your benefit in connection with the issuance of the Green Bond and may not be relied upon by any other person or for any other purpose without our prior written consent.

Please do not hesitate to contact us should you require any further clarification or additional information.



Olivier Rwamasirabo Esq
Managing Partner
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PRIME ENERGY PLC
REPORTING ACCOUNTANT REPORT ON
THE HISTORICAL FINANCIAL STATEMENTS FOR THE PERIODS
ENDED DECEMBER 2021, 2022, AND SEPTEMBER 2023,
AND PROSPECTIVE FINANCIAL INFORMATION FOR THE
PROJECTED YEARS FROM 2023 TO 2027

**PRIME ENERGY PLC
REPORTING ACCOUNTANT'S REPORT
FOR THE HISTORICAL FINANCIAL STATEMENTS AND PROSPECTIVE FINANCIAL INFORMATION**

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REPORTING ACCOUNTANT REPORT

To the Directors of Prime Energy Plc

Report on the Financial Statements

We have reviewed the accompanying historical financial statements of Prime Energy Plc, which comprise the statement of financial position of the company for the periods ended 30 September 2023, 31 December 2022, and 2021, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the periods then ended, and the summaries of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Our responsibility

Our responsibility is to express a conclusion on the accompanying financial statements.

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements.

ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of Prime Energy Plc for the periods ended 30 September 2023, 31 December 2022, and 2021 and (of) its financial performance and cash flows for the periods then ended, in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

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PC No. CPA 0228/0081/2023
Partner

26 February 2024

**PRIME ENERGY PLC
REPORTING ACCOUNTANT'S REPORT
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GENERAL INFORMATION

Principal activities	Generation and sale of electricity.
Registered office and address	Prime Energy Plc Kigali Alliance Business Center KN 5 rd, Kigali P. O Box 2318 Kigali - Rwanda
Board of directors	Daniel Kinder Cherno Gaye Ndamutsa Thaddee RUSERA SANDY Joe Juru Nsano Jean Damascene Niyongabo
Accountants	PKF Consulting Limited P. O Box 1495 Kigali - Rwanda
Independent auditors	PricewaterhouseCoopers Rwanda Limited 5th Floor, Blue Star House 35 KG 7 Ave, Kacyiru P.O. Box 1495 Kigali, Rwanda
Reporting Accountant	BDO EA Rwanda Ltd Career Center Building, 8th Floor, KG 541 ST P. O Box 6593 Kigali - Rwanda

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REPORTING ACCOUNTANT'S REPORT
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The statement of profit or loss and other comprehensive income of the company for the 9 months ended 30 September 2023 and for the years ended 31 December 2022, and 2021 are set out below:

	Notes	Interim Management Accounts September 2023 Frw '000 Unaudited	December 2022 Frw '000 Audited	December 2021 Frw '000 Audited
Revenue	3	3,049,847	3,536,149	3,837,055
Direct costs	4	(144,276)	(353,834)	(464,928)
Gross profit		2,905,571	3,182,315	3,372,127
Other income	5	105,800	20,122	28,632
Administration expenses	6	(305,467)	(369,036)	(682,538)
Other operating expenses	8	(17,114)	(51,266)	(62,818)
Operating profit		2,688,792	2,782,135	2,655,403
Finance costs	9	(297,228)	(549,416)	(437,685)
Profit before income tax		2,391,564	2,232,719	2,217,718
Income tax expense	10(i)	-	(770,722)	(338,831)
Profit for the year		2,391,564	1,461,997	1,878,887

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STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial position of the company for the periods ended 30 September 2023, 31 December 2022, and 2021 are set out as below:

		Interim Management Accounts September 2023	December 2022	December 2021
	Notes	Frw '000 Unaudited	Frw '000 Audited	Frw '000 Audited
EQUITY				
Share capital		500,000	500,000	500,000
Retained earnings		8,573,793	6,182,229	4,720,232
		<u>9,073,793</u>	<u>6,682,229</u>	<u>5,220,232</u>
Non-current liabilities				
Borrowings	11	1,310,799	1,669,307	2,481,886
Deferred income tax	12	1,254,784	1,254,784	660,741
		<u>2,565,583</u>	<u>2,924,091</u>	<u>3,142,627</u>
		<u>11,639,376</u>	<u>9,606,320</u>	<u>8,362,859</u>
REPRESENTED BY				
Non-current assets				
Property and equipment	13	1,890	253	4,829
Intangible asset	14	32,267	33,526	35,202
Financial asset	15	2,775,235	2,775,235	2,423,259
Receivables from related parties		4,258,935	4,027,947	-
		<u>7,068,327</u>	<u>6,836,961</u>	<u>2,463,290</u>
Current assets				
Financial asset	15	3,656,728	3,656,728	3,192,954
Trade and other receivables	16	798,857	806,850	1,141,588
Cash and bank balances	17(i)	108,254	103,028	1,154,083
Receivables from related parties	19(i)	1,027,567	932,567	2,394,703
		<u>5,591,407</u>	<u>5,499,173</u>	<u>7,883,328</u>
Current liabilities				
Borrowings	11	-	1,591,237	1,367,258
Trade and other payables	18	606,056	692,507	560,522
Bank Overdraft	17(ii)	413,302	405,067	-
Payables to related parties	19(ii)	1,000	1,000	24,159
Current income tax payable	10(ii)	-	40,003	31,820
		<u>1,020,358</u>	<u>2,729,814</u>	<u>1,983,759</u>
Net current assets		<u>11,639,376</u>	<u>9,606,320</u>	<u>8,362,859</u>

Director
Signature

Date

now
26.02.2024

Director
Signature

Date

Siguelu



PRIME ENERGY PLC
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STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity of the company for the periods ended 30 September 2023, 31 December 2022, and 2021 are set out as below:

	Ordinary share capital Frw '000	Retained earnings Frw '000	Total Frw '000
Year ended 31 December 2021			
As previously stated	500,000	2,081,257	2,581,257
Prior year adjustment	-	760,088	760,088
As restated	500,000	2,841,345	3,341,345
Profit for the year	-	1,878,887	1,878,887
At end of year	500,000	4,720,232	5,220,232
Year ended 31 December 2022			
As previously stated	500,000	4,008,487	4,508,487
Prior year adjustment	-	711,744	711,744
As restated	500,000	4,720,231	5,220,231
Profit for the year	-	1,461,997	1,461,997
At the end of year	500,000	6,182,228	6,682,228
Interim period ended September 30, 2023			
As at start of the year	500,000	6,182,228	6,682,228
Prior year adjustment	-	-	-
As restated	500,000	6,182,228	6,682,228
Profit for the nine months ended September 30, 2023	-	2,391,563	2,391,563
At end of the interim period of nine months	500,000	8,573,793	9,073,793

PRIME ENERGY PLC
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STATEMENT OF CASH FLOWS

The statement of cash flows of the company for the periods ended 30 September 2023, 31 December 2022, and 2021 are set out as below:

	Notes	Interim Management Accounts September 2023 Frw '000	December 2022 Frw '000	December 2021 Frw '000
Cash flows from operating activities				
Profit before income tax		2,391,563	2,232,719	2,217,718
Adjustment for:				
Depreciation on property and equipment	13	424	4,576	17,876
Amortization of intangible assets	14	1,257	1,676	1,666
Interest expense	9	243,150	517,158	710,138
Bad debts write off			(23,159)	-
Changes in working capital:				
• Trade and other receivables	16	7,994	334,738	(222,696)
• Trade and other payables	18	(86,453)	131,985	(174,024)
• Related party	19(i)	(94,765)	(3,454,385)	1,000
Income tax paid	10(ii)	(40,002)	(168,496)	-
Net cash flows from operating activities		2,423,168	(423,188)	2,551,678
Cash flows used in investing activities				
Movement in financial assets	15	-	(815,749)	346,595
Purchase of property and equipment	13	(2,060)	-	(1,695)
Purchase of intangible assets	14	-	-	(344)
Proceeds from related parties	19(i)	-	888,574	(1,165,924)
Net cash flows used in investing activities		(2,060)	72,825	(821,368)
Cash flows used in financing activities				
Proceeds from borrowings - Bank of Kigali Plc	11	-	778,658	-
Repayment of borrowings - Bank of Kigali Plc	11	(1,767,666)	(1,367,258)	(1,174,806)
Interest paid	9	(243,150)	(517,158)	(710,138)
Net cash flows used in financing activities		(2,010,816)	(1,105,758)	(1,884,944)
Decrease in cash and cash equivalents		(410,292)	(1,456,121)	(154,634)
At start of year		(302,038)	1,154,083	1,308,717
Decrease in cash and cash equivalents		(410,292)	(1,456,121)	(154,634)
At end of year/period	17	108,254	(302,038)	1,154,083

**PRIME ENERGY PLC
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NOTES TO THE FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

1. General information

Incorporation

Prime Energy Plc is a limited liability company incorporated and domiciled in the Republic of Rwanda in accordance with the Law Governing Companies No. 007/2021 of 05/02/2021.

The address of its registered office and principal place of business is indicated on page 3. The principal activities of the company are stated on page 3.

2. Significant accounting policies

a. Basis of preparation

The financial statements of Prime Energy Plc have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the "International Accounting Standards Board" and are consistent with the previous period. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 2(b) below.

These financial statements comply with the requirements of the Law Governing Companies No.007/2021 of 05/02/2021. The statement of profit or loss represents the profit and loss account referred to in the Law. The statement of financial position represents the balance sheet referred to in the Law.

Going concern

The financial performance of the company is set out in the report of the director and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future, and as a result, the financial statements are prepared on a going concern basis.

b. Key sources of estimation uncertainty

In the application of accounting policies, the directors are required to make judgments, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of financial assets:

The financial assets portfolio of the Company includes Concession financial asset, due from related entities, cash and cash equivalents, and trade and other receivables.

The company reviews its portfolio of trade receivables on an annual basis.

In determining whether receivables are impaired, the management makes a judgment as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows. There have been no such indicators during the years ended 31 December 2021 and 2022.

Useful lives of property and equipment:

Management reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial periods under review, the directors determined no significant changes in the useful lives and residual values.

c. Service concession arrangement

The Company has service concession agreements with the Government of Rwanda (GoR) to upgrade, operate and transfer four hydro power generation plants. Under the concession agreement, the Company will operate the hydro power plants for 25 years after which the Company shall convey its rights, title and interest in the hydro power plants back to GoR. The Company has also signed Power Purchase Agreements (PPAs) with Rwanda Energy Group (REG) Limited's subsidiary, the Energy Utility Corporation Limited (EUCL), under which it will sell the power generated at the hydro power plants to EUCL. The terms of the concession and power purchase agreements satisfy the criteria for a service concession agreement under the IFRS for SMEs guidance, Module 34 - Special activities, Section 34.12 - Service concession arrangements and Section 34.14, and are therefore accounted for under the interpretation.

The Company accounts for the concession arrangement under the financial asset model given that under the power purchase agreement, the Company has a right to receive payments from EUCL based on plant capacity made available rather than on power generated from the station and/or supplied to EUCL. Accordingly, the Company bears no demand risk.

The financial asset is initially recognized at fair value and classified as a receivable. Subsequently, the financial asset is measured at amortized cost using the effective interest rate (EIR). This results in the recognition of interest income (deemed interest income) in lieu of the difference between the expected future cash flows and the initial amount. Borrowing costs incurred during construction are not capitalized. Under the accounting model adopted by the Company, revenue from operational services in the form of capacity and other payments shall be recognized when the Company becomes entitled to it in accordance with the PPAs.

The company recognizes a financial asset arising from a service concession arrangement to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, for the construction, upgrade, or operation services of concession assets. Financial assets

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recognized as a result of the service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial asset is accounted for in accordance with Section 11 Basic Financial Instruments.

d. Revenue recognition

The financial asset is measured at amortized cost using the Effective Interest Rate (EIR). This results in the recognition of interest income (deemed interest income) in lieu of the difference between the expected future cash flows and the initial amount.

Revenue from operation services in the form of capacity and other payments shall be recognized when the Company becomes entitled to it in accordance with the PPAs.

e. Property and equipment

All property and equipment are initially recognized at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged for profit or loss during the financial year in which they are incurred.

Capital work in progress is not depreciated.

Depreciation is calculated on a straight-line basis to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

Asset category	Depreciation rate (%)
Motor vehicles	25.00
Motorcycles	25.00
Computer and accessories	33.33
Office furniture	25.00
Other office equipment	25.00
Generators	25.00

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The residual values of the assets and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit or loss.

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f. Intangible assets

Separately acquired licenses are shown at historical cost.

Licenses and customer-related intangible assets have a finite life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of licenses as follows:

<u>Asset category</u>	<u>Useful life</u>
Electricity generation license	25 years

g. Trade and other receivables

Trade receivables are initially recognized at the transaction price. They are subsequently measured at amortized cost using the effective interest method.

h. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, and deposits held at call with banks.

i. Impairment of assets

At each reporting date, property and equipment is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit or loss.

j. Borrowings

Borrowings are recognized initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All borrowing costs are recognized in profit or loss in the year in which they are incurred.

k. Trade payables

Trade payables are recognized initially at the transaction price. They are obligations on the basis of normal credit terms and do not bear interest.

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Trade payables denominated in a foreign currency are translated into Rwandan Francs using the exchange rate at the statement of financial position date. The differences resulting from conversion and translation are dealt with in profit or loss in the year in which they arise.

l. Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Rwanda Francs (the functional currency) at rates ruling at the transaction dates. Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Rwanda Francs at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

m. Current and deferred income tax

The income tax expense for the year comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income.

The current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

n. Share capital

Ordinary shares are classified as equity.

o. Employee benefit obligations

The company and its employees contribute to a statutory defined contribution pension scheme managed by the Rwanda Social Security Board (RSSB). Contributions are determined by local statute and are currently limited to 5% of the employee's gross salary excluding transport.

The company also contributes 0.3% per month of the employee's gross salary as maternity leave benefit. The company's pension and maternity leave benefit contributions are charged to the profit or loss in the year to which they relate.

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	Interim Management Accounts September 2023	December 2022	December 2021
	Frw '000	Frw '000	Frw '000
3. Revenue			
Electricity sales	3,886,377	-	-
Construction revenue	-	4,439,086	4,183,651
Construction costs	-	(4,439,086)	(4,183,651)
Construction revenue interest element	-	3,192,954	3,390,003
Revenue from operations and maintenance	-	343,195	447,052
Electricity sales	-	-	-
Share of revenue to GoR	(836,530)	-	-
	<u>3,049,847</u>	<u>3,536,149</u>	<u>3,837,055</u>
4. Cost of sales			
Station costs	9,397	152,336	226,260
Direct staff costs	101,769	155,640	174,355
Other direct costs	33,110	45,858	64,313
	<u>144,276</u>	<u>353,834</u>	<u>464,928</u>
5. Other income			
Other sundry income	-	23,159	-
Foreign exchange income	105,800	(3,037)	28,632
	<u>105,800</u>	<u>20,122</u>	<u>28,632</u>
6. Administration expenses			
Employee benefits (Note 7)	185,091	248,032	460,230
Professional fees	55,928	41,626	32,651
Communication expenses	9,329	7,136	3,753
Motor vehicles expenses	29,035	8,741	14,180
Bank charges	6,028	8,535	1,516
Donations	-	-	-
Office running expenses	16,806	54,966	169,208
Advertising and sales promotion	-	-	1,000
Withholding tax	3,250	-	-
	<u>305,467</u>	<u>369,036</u>	<u>682,538</u>
7. Employee benefits			
Salary and wages	173,325	231,585	283,382
Employer's pension contribution	9,477	13,176	22,237
Employer's maternity leave benefit contribution	569	756	1,334
Other staff costs	1,720	1,763	151,840
Employer's maternity leave benefit contribution	-	752	1,437
	<u>185,091</u>	<u>248,032</u>	<u>460,230</u>

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	Interim Management Accounts September 2023 Frw '000	December 2022 Frw '000	December 2021 Frw '000
8. Other operating expenses			
Rent and rates	14,944	44,351	42,758
Office Repairs and maintenance	86	-	-
Security expense	80	457	90
Office utilities	321	206	428
Depreciation of property and equipment	424	4,576	17,876
Amortization of intangible assets	1,259	1,676	1,666
	<u>17,114</u>	<u>51,266</u>	<u>62,818</u>
9. Finance costs			
Overdraft interest	36,613	4,536	-
Term loan interest	243,150	517,158	710,138
Finance fees and commissions	16,250	8,813	-
Commission fee (FAGACE)	-	5,185	-
Foreign retranslation adjustment	-	13,724	-272,453
Lender arrangement fees	1,215	-	-
	<u>297,228</u>	<u>549,416</u>	<u>437,685</u>
10. Income tax expense			
i. Tax charge to profit or loss			
Current income tax charge	-	176,679	130,346
Deferred income tax (credit)/charge (Note 12)	-	594,043	208,485
Income tax expense	<u>-</u>	<u>770,722</u>	<u>338,831</u>
The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:			
Profit before income tax	-	2,232,719	2,217,718
Tax calculated at a tax rate of 15% (2022&2021)	-	334,908	332,658
Tax effect of:			
- Expenses not deductible for tax purposes	-	943	1,088
- Income not subject to tax	-	434,871	5,085
Tax charge	<u>-</u>	<u>770,722</u>	<u>338,831</u>
ii. Current income tax			
At start of year	-	31,820	(98,526)
Charge for the year	-	176,679	130,346
Tax paid	-	(168,496)	-
Tax payable	<u>-</u>	<u>40,003</u>	<u>31,820</u>

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The tax computation for interim financial information is not applicable.

	Interim Management Accounts September 2023 Frw '000	December 2022 Frw '000	December 2021 Frw '000
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11. Borrowings

Loan from Bank of Kigali Plc

Non-current

Bank borrowings-Bank of Kigali Plc	1,310,799	1,669,307	2,481,886
	<u>1,310,799</u>	<u>1,669,307</u>	<u>2,481,886</u>

Current

Bank overdraft (Note 17(ii))	413,302	405,067	-
Bank borrowings-Bank of Kigali Plc	-	1,591,237	1,367,258
	<u>413,302</u>	<u>1,996,304</u>	<u>1,367,258</u>
Total borrowings	<u>1,724,101</u>	<u>3,665,611</u>	<u>3,849,144</u>

**Narratives on Borrowings note are related to the year ended December 31, 2022.*

The company obtained a standby letter of credit and investment loan facilities from Bank of Kigali Plc to finance the upgrade of Gashashi, Gisenyi and Mukungwa II hydropower plants. The facilities consist of the following:

- A standby letter of credit (LC) in favor of State Bank of Mauritius amounting to Five Million United State Dollars (USD 5,000,000) granted for a period of seven years.
- An investment loan of two million, four hundred and six thousand, six hundred and thirty-six United States Dollars (USD 2,406,636) equivalent in Rwandan Francs granted for a period of 10 years.
- Interest on term loan is calculated on quarterly basis at a rate of 17.5% per annum on reducing balance.
- The letter of credit attracts an annual commission at the rate of 3% per annum payable upfront.

During the year ended 2022 the company secured a term loan facility of Frw 778,657,920 from Bank of Kigali Plc on behalf of Rukarara VI HPP Limited. The loan is payable over a period of 24 months and attracts interest at a rate of 18% per annum on a reducing balance basis. The loan is denominated in Rwandan Francs.

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	Interim Management Accounts September 2023 Frw '000	December 2022 Frw '000	December 2021 Frw '000
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12. Deferred income tax

Deferred income tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 15% (2021:15%). The movement on the deferred tax account is as follows:

As at start of year	1,254,784	660,741	452,256
Charge to profit or loss (Note 10(i))	-	594,043	208,485
At end of year	<u>1,254,784</u>	<u>1,254,784</u>	<u>660,741</u>

13. Property and equipment

Interim period ended 30 September 2023

Cost	Motor vehicles	Motor cycles	Computer and accessories	Office furniture	Other equipment	Generators	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
At start of year	144,305	2,467	7,555	40,237	2,187	7,776	204,527
Additions	-	-	2,060	-	-	-	2,060
At end of year	144,305	2,467	9,615	40,237	2,187	7,776	206,587
Depreciation							
At start of year	144,305	2,467	7,413	40,180	2,132	7,776	204,273
Charge for the period	-	-	424	-	-	-	424
At end of period	144,305	2,467	7,837	40,180	2,132	7,776	204,697
Net book value							
As at 30 September 2023	-	-	1,778	57	55	-	1,890
As at 31 December 2022	-	-	142	56	55	-	253

Year ended 31 December 2022

Cost	Motor vehicles	Motor cycles	Computer and accessories	Office furniture	Other equipment	Generators	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
At start of year	144,305	2,467	7,555	40,236	2,187	7,776	204,526
Additions	-	-	-	-	-	-	-
At end of year	144,305	2,467	7,555	40,236	2,187	7,776	204,526
Depreciation							
At start of year	144,305	2,467	6,848	36,280	2,021	7,776	199,697
Charge for the year	-	-	565	3,900	111	-	4,576
At end of year	144,305	2,467	7,413	40,180	2,132	7,776	204,273
Net book value							
As at 31 December 2022	-	-	142	56	55	-	253
As at 31 December 2021	-	-	707	3,956	166	-	4,829

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14. Intangible asset

Interim period ended 30 September 2023

	Electricity generation license Frw '000	Computer software Frw '000	Total Frw' 000
Cost			
At start of year	40,761	1,154	41,915
Additions	-	-	-
At end of year	<u>40,761</u>	<u>1,154</u>	<u>41,915</u>
Amortization			
At start of year	8,234	155	8,389
Charge for the period	<u>1,224</u>	<u>35</u>	<u>1,259</u>
At end of period	<u>9,458</u>	<u>190</u>	<u>9,647</u>
Net book value			
As at 30 September 2023	<u>31,303</u>	<u>964</u>	<u>32,267</u>
As at 31 December 2022	<u>32,527</u>	<u>999</u>	<u>33,526</u>

Year ended 31 December 2022

	Electricity generation license Frw '000	Computer software Frw '000	Total Frw' 000
Cost			
At start of year	40,761	1,154	41,915
Additions	-	-	-
At end of year	<u>40,761</u>	<u>1,154</u>	<u>41,915</u>
Amortization			
At start of year	6,604	109	6,713
Charge for the year	<u>1,630</u>	<u>46</u>	<u>1,676</u>
At end of year	<u>8,234</u>	<u>155</u>	<u>8,389</u>
Net book value			
As at 31 December 2022	<u>32,527</u>	<u>999</u>	<u>33,526</u>
As at 31 December 2021	<u>34,157</u>	<u>1,045</u>	<u>35,202</u>

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	Interim Management Accounts September 2023	December 2022	December 2021
	Frw '000	Frw '000	Frw '000
15. Financial asset			
At start of year	6,431,962	5,616,213	5,202,721
Remeasurement		-	760,088
Restated	6,431,962	5,616,213	5,962,809
Deemed interest income	-	3,192,954	3,390,003
Operating and maintenance income	-	343,195	447,052
Additions	-	-	-
Exchange gain on the financial asset	-	-	-
Receipts	-	(2,720,400)	(4,183,651)
At end of year	6,431,962	6,431,962	5,616,213
Non-current	2,775,235	2,775,235	2,423,259
Current	3,656,728	3,656,728	3,192,954
	6,431,962	6,431,962	5,616,213

16. Trade and other receivables

Trade receivables	791,610	326,157	784,560
Unbilled trade receivables	(158,067)	451,499	345,878
Other receivables	165,312	29,194	11,150
	798,857	806,850	1,141,588

17. Cash and Cash equivalents

i. Cash and bank balances

Cash in hand	169	302	914
Cash at bank	108,085	102,726	1,153,169
	108,254	103,028	1,154,083

ii. Bank overdraft

Cash and cash equivalents comprise bank overdraft presented separately in the statement of financial position as follow:

Bank overdraft	413,302	405,067	-
	413,302	405,067	-

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	Interim Management Accounts September 2023 Frw '000	December 2022 Frw '000	December 2021 Frw '000
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For the statement of cash flows, cash and cash equivalents comprise the following:

Cash and bank balances	108,254	103,028	1,154,083
Bank overdraft	(413,302)	(405,067)	-
	<u>(305,048)</u>	<u>(302,039)</u>	<u>1,154,083</u>

18. Trade and other payables

Trade payables	487,712	486,949	380,184
Other payables	118,344	205,558	180,338
	<u>606,056</u>	<u>692,507</u>	<u>560,522</u>

19. Related parties' balances

The company is controlled by Prime Energy Holdings Ltd incorporated in Rwanda, which owns 100% of the company's shares.

i. Receivables from related parties

Prime Energy Holdings	1,027,567	932,567	526,171
Loan to Related party (Prime Energy Holdings)	3,657,748	3,454,385	-
Rukarara VI HPP Limited	-	-	1,319,247
Lion's Share Group (LS Group) Limited	377,587	377,587	353,310
Loan to Shareholder (Jean Damascene)	223,600	195,975	195,975
	<u>5,286,502</u>	<u>4,960,514</u>	<u>2,394,703</u>

The receivables from related party are interest free, have no specific date of repayment and are unsecured. They are denominated in Rwandan Francs.

Receivables from related parties are presented in the balance sheet as follow:

Non-Current	4,258,935	4,027,947	-
Current	1,027,567	932,567	2,394,703
	<u>5,286,502</u>	<u>4,960,514</u>	<u>2,394,703</u>

ii. Payables to related parties

Master Steel Ltd	-	-	23,159
Lion's Share Group (LS Group) Limited	600	600	600
Jean Damascene Niyongabo	400	400	400
	<u>1,000</u>	<u>1,000</u>	<u>24,159</u>

20. Contingent liabilities

In the opinion of the directors, there are no contingent liabilities from which material loss would be anticipated.

21. Capital commitments

- All assets debenture covering all the company's assets.
- Tripartite agreement between Prime Energy Plc, Bank of Kigali Plc and Energy Utility Corporation Ltd committing the off taker to transfer all amounts due for the purchase of power from Gashashi, Rukarara II, Gisenyi and Mukungwa II power stations to the company's accounts in Bank of Kigali Plc.

22. Presentation or Functional currency

These financial statements are presented in Rwandan Francs rounded off to the nearest thousand (Frw '000).

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KEY FINANCIAL RATIOS ON HISTORICAL FINANCIAL STATEMENTS

	Interim period ended. September 30, 2023	2022	2021
Gross Profit margin	75%	90%	88%
EBITDA Margin	69%	79%	69%
Net profit margin	62%	41%	49%
Earnings before interest and tax interest cover	9	5	6
Funds From Operations (FFO) to Total Debt Ratio	0.35	(0.12)	0.66
Free Cash Flow to total debt	0.61	0.15	0.57
Total Free Cash flow to short-term debt	3.46	0.28	1.59
Debt-to-equity ratio	0.35	0.55	0.74
Debt-Service Coverage Ratio (DSCR)	1.65	0.30	1.16



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AUDITOR'S REPORT ON PROSPECTIVE FINANCIAL INFORMATION

To the Directors
Prime Energy Plc

Report on Prospective Financial Information for the Five Years Ending 31 December 2023 through 31 December 2027

We have examined the projections in accordance with the International Standard on Assurance Engagements 3400, "The examination of prospective financial information".

Management is responsible for the preparation of projections including the underlying assumptions set out in **Appendix 1** to the prospective financial information and has been approved by the Board of Directors of the company.


These projections have been prepared for the purpose of securing a bond from the capital markets under Rwanda Stock Exchange. The projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that these projections may not be appropriate for purposes other than that described above.

We have carried out our examination of the prospective financial information on a test basis. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention that causes us to believe that these assumptions do not provide a reasonable basis for the projections.

Further, in our opinion the projections are properly prepared on the basis of the assumptions of the prospective financial information and on a consistent basis with the historical financial statements, using appropriate accounting policies, and are presented in accordance with the International Standard on Assurance Engagements.

Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.

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Clement Niyitegeka Kabano Egide ACCA, CPA (R)
PC No. CPA 0228/0081/2023
Partner

 26 February 2024

PRIME ENERGY PLC
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PROJECTED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	2023 Frw '000	2024 Frw '000	2025 Frw '000	2026 Frw '000	2027 Frw '000
Revenue	3,909,415	3,889,020	4,792,231	4,910,303	4,922,215
Direct costs	(188,026)	(337,305)	(354,170)	(371,878)	(390,472)
Gross profit	3,721,388	3,551,715	4,438,061	4,538,425	4,531,743
Other income	128,560	-	-	-	-
Administrative expenses	(407,915)	(324,076)	(340,280)	(357,294)	(375,158)
Other operating expenses	(27,901)	(47,265)	(49,628)	(52,109)	(54,715)
EBITDA	3,414,132	3,180,374	4,048,153	4,129,022	4,101,870
Depreciation	(7,183)	(7,183)	(7,183)	(7,183)	(7,283)
Amortization	(1,347)	(1,347)	(1,347)	(1,347)	(1,347)
Earnings before interest and tax	3,405,602	3,171,845	4,039,623	4,120,492	4,093,240
Finance costs	(369,332)	(1,115,440)	(1,246,556)	(1,122,513)	(969,754)
Profit before tax	3,036,270	2,056,405	2,793,067	2,997,978	3,123,486
Tax charge	(177,371)	(665,253)	(478,792)	(512,747)	(535,782)
Net profit	2,858,899	1,391,152	2,314,275	2,485,231	2,587,704

PRIME ENERGY PLC
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PROJECTED STATEMENT OF FINANCIAL POSITION

	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Equity					
Share capital	500,000	500,000	500,000	500,000	500,000
Retained earnings	9,041,127	10,432,279	12,746,554	15,231,785	17,819,489
	9,541,127	10,932,279	13,246,554	15,731,785	18,319,489
Non-current liabilities					
Borrowings - Bond	-	7,749,653	6,794,097	5,629,561	4,220,415
Deferred tax	937,088	1,170,942	1,197,422	1,195,659	1,146,389
	937,088	8,920,595	7,991,519	6,825,220	5,366,804
Current liabilities					
Borrowings-BK Loan 1 & 2	1,296,380				
Borrowings - overdraft	405,067	405,067	405,067	405,067	405,067
Borrowings - Bond	-	1,055,317	1,218,628	1,407,261	1,625,150
Trade and other payables	26,403	27,724	29,110	30,565	32,094
Payables to Related Parties	1,000	1,000	1,000	1,000	1,000
Current income tax	495,068	431,399	452,312	514,509	585,053
	2,223,918	1,920,507	2,106,118	2,358,403	2,648,363
	12,702,133	21,773,381	23,344,190	24,915,409	26,334,656
Non-current assets					
Property and equipment	23,070	15,887	8,704	2,521	24,238
Financial asset	2,695,536	3,368,219	3,444,389	3,439,318	3,297,592
Intangible assets	32,179	30,832	29,484	28,137	26,790
Investments in group companies	4,027,947	11,281,447	11,281,447	11,281,447	11,281,447
	6,778,732	14,696,384	14,764,024	14,751,423	14,630,067
Current assets					
Financial asset	3,551,715	4,438,061	4,538,425	4,531,743	4,345,001
Trade and other receivables	1,019,584	1,086,467	1,158,157	1,235,029	1,317,489
Cash and cash balances	419,535	619,902	1,951,019	3,464,648	5,109,532
Receivables from RPs	932,567	932,567	932,567	932,567	932,567
	5,923,401	7,076,997	8,580,166	10,163,986	11,704,589
	12,702,133	21,773,381	23,344,190	24,915,409	26,334,656

Director
Date and signature

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26.02.2024

Director
Date and signature

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PROJECTED STATEMENT OF CASH FLOWS

	2023 Frw '000	2024 Frw '000	2025 Frw '000	2026 Frw '000	2027 Frw '000
Cash flows from operating activities					
Profit/(loss) before tax	3,036,270	2,056,405	2,793,067	2,997,978	3,123,486
Adjustments for:					
Depreciation on PPE	7,183	7,183	7,183	7,183	7,283
Amortization of intangible assets	1,347	1,347	1,347	1,347	1,347
Interest expense-bond	-	1,037,989	983,484	879,788	753,750
Interest expense- BK loan	380,692	77,451	-	-	-
FX differences	-	-	263,072	242,726	216,004
Changes in working capital					
Increase in trade and other receivables	(212,734)	(66,883)	(71,690)	(76,872)	(82,460)
Increase/(decrease) in trade and other payables	(666,104)	1,320	1,386	1,455	1,528
Tax paid	(40,003)	(495,068)	(431,399)	(452,312)	(514,509)
Net cash flows from operating activities	2,506,651	2,619,745	3,546,451	3,601,292	3,506,429
Cash flows used in investing activities					
Purchase of PPE	(30,000)	-	-	(1,000)	(29,000)
Movement in financial asset	184,711	(1,559,028)	(176,533)	11,752	328,468
Investments in group companies	-	(7,253,500)	-	-	-
Net cash flows used in investing activities	154,711	(8,812,528)	(176,533)	10,752	299,468
Cash flows used in financing activities					
Proceeds from borrowings - Bond	-	9,500,000	-	-	-
Repayment of borrowings - Bond	-	(695,029)	(1,055,317)	(1,218,628)	(1,407,261)
Repayment of borrowings - BK loan 1	(1,964,164)	(1,296,380)	-	-	-
Interest paid- bond	-	(1,037,989)	(983,484)	(879,788)	(753,750)
Interest paid- BK loan	(380,692)	(77,451)	-	-	-
Bond proceeds to repay BK loans	-	-	-	-	-
Net cash flows from/ (used in) financing activities	(2,344,856)	6,393,151	(2,038,801)	(2,098,416)	(2,161,011)
Decrease)/increase in cash and cash equivalents	316,507	200,367	1,331,116	1,513,629	1,644,885
Movement in cash and cash equivalents					
At start of the year	(302,038)	14,468	214,835	1,545,952	3,059,581
Decrease)/increase in cash and cash equivalents	316,507	200,367	1,331,116	1,513,629	1,644,885
At end of the year	14,468	214,835	1,545,952	3,059,581	4,704,465

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are consistent with historical financial statements. These policies have been consistently applied to all the periods presented unless otherwise stated.

a) Basis of preparation and statement of compliance

The prospective condensed financial information are prepared in accordance with ISAE 3400, Examination of Prospective Financial Information.

b) Use of assumptions and estimates

The company's financial reporting and financial results are influenced by assumptions, estimates, and management judgments which necessarily have to be made in the preparation of the prospective financial statements.

All estimates and assumptions required in conformity with IFRSs are best estimates undertaken in accordance with the applicable standard. Estimates and judgments are evaluated on a continuous basis, are based on past experience and other factors, including expectations with regard to future events, and are considered appropriate under the given circumstances.

Taxes on income in the prospective financial information are accrued using the tax rates of 15% that would be applicable to expected total annual earning in accordance with the Annex to law n° 006/2021 of 05/02/2021 on investment promotion and facilitation detailing the investment incentives for registered investors.

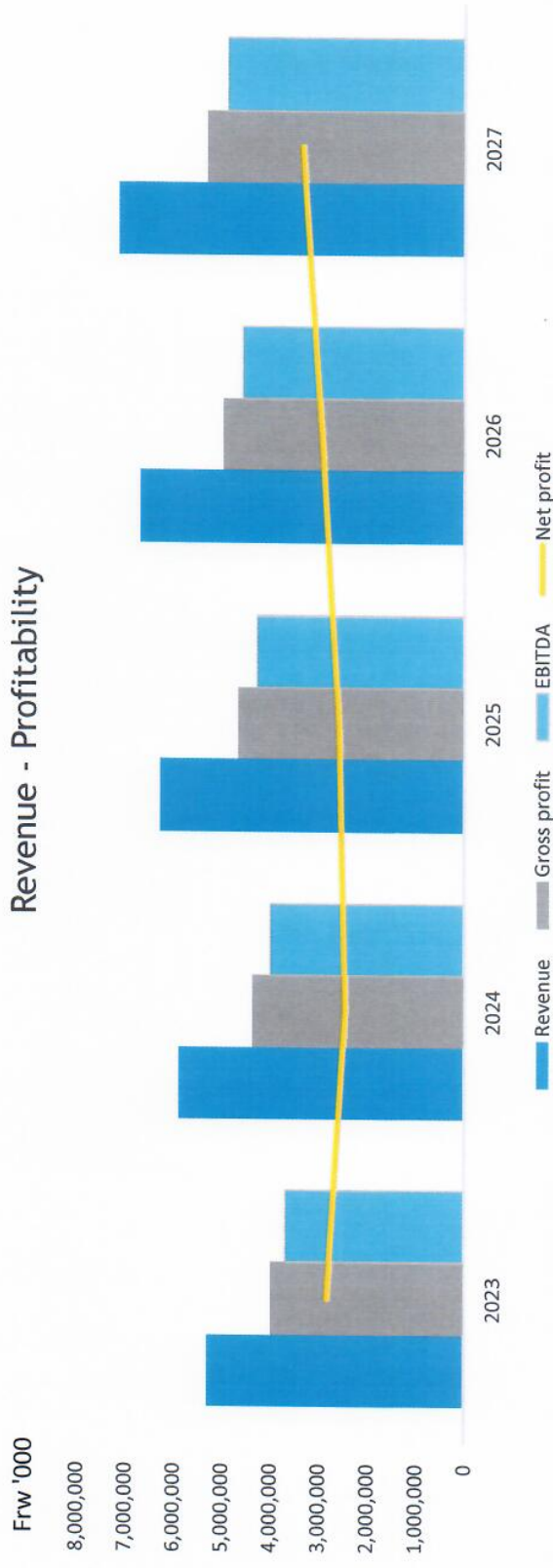
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SUMMARY FINANCIAL STATEMENTS FOR RATIOS CALCULATIONS

For the purpose of having real ratios portraying the real performance of the organization, we considered using the actual cash receipt instead of IFRIC 12 revenue. Below is the summary of the non-IFRIC 12 financial statements prepared. (Full non IFRIC 12 financial statements are in *appendix 2*)

SUMMARY STATEMENT OF PROFIT OR LOSS

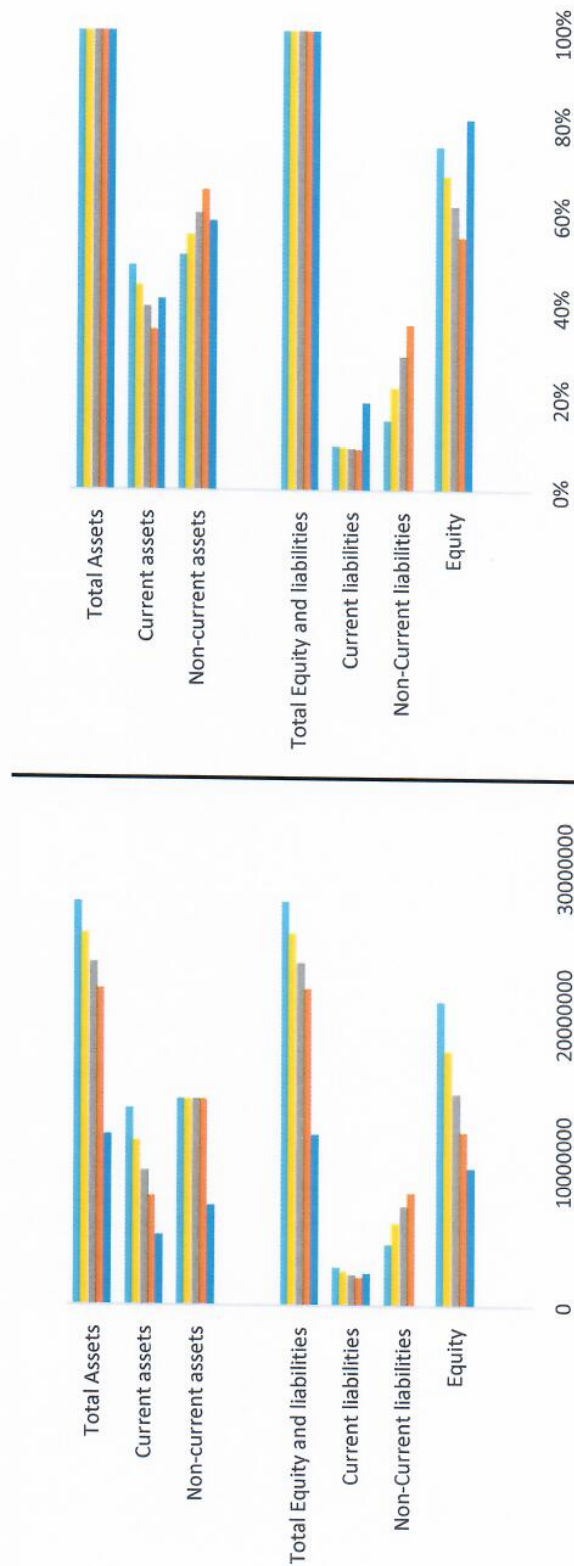
	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Revenue	5,290,685	5,874,705	6,262,335	6,677,984	7,123,850
Gross profit	3,985,572	4,362,459	4,655,698	4,970,509	5,308,607
EBITDA	3,678,316	3,991,119	4,265,790	4,561,107	4,878,734
Net profit	2,805,385	2,435,749	2,558,392	2,915,553	3,315,298



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SUMMARY STATEMENT OF FINANCIAL POSITION

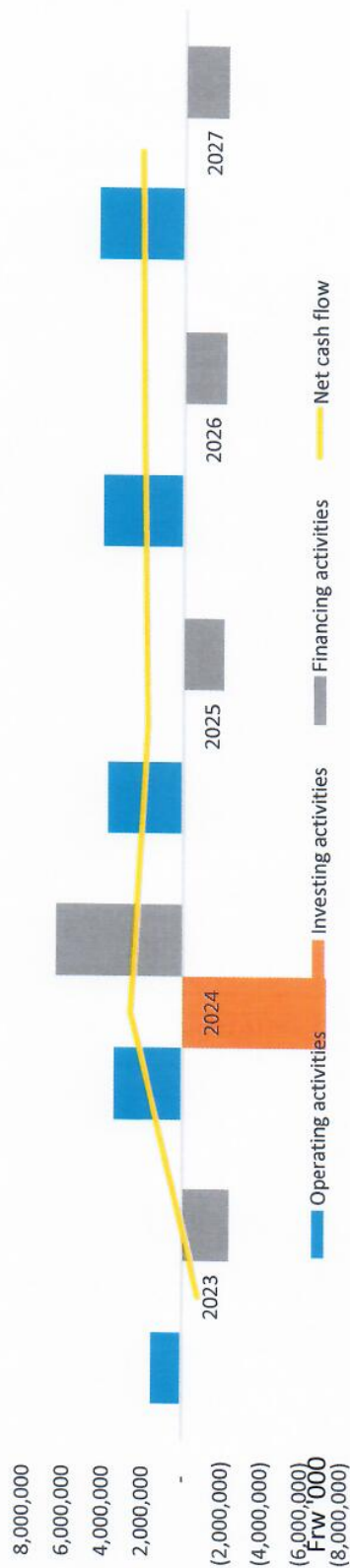
	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Equity					
Non-Current liabilities	9,487,614	11,923,364	14,481,756	17,397,309	20,712,607
Current liabilities	-	7,749,653	6,794,097	5,629,561	4,220,415
Total Equity and liabilities	2,223,918	1,920,507	2,106,118	2,358,403	2,648,363
	11,711,533	21,593,524	23,381,970	25,385,274	27,581,385
Non-current assets	6,858,431	14,103,400	14,094,870	14,087,340	14,107,710
Current assets	4,853,102	7,490,124	9,287,100	11,297,934	13,473,675
Total Assets	11,711,533	21,593,524	23,381,970	25,385,274	27,581,385



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SUMMARY STATEMENT OF CASH FLOWS

	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Operating activities	1,516,051	3,430,488	3,764,088	4,033,377	4,283,293
Investing activities	(30,000)	(7,283,500)	-	(1,000)	(29,000)
Financing activities	(2,344,856)	6,393,151	(2,038,801)	(2,098,416)	(2,161,011)
Net cash flow	(858,805)	2,570,139	1,725,287	1,933,962	2,093,281



FREE CASHFLOW TO THE FIRM

	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Profit before Tax	3,300,453	2,867,148	3,010,704	3,430,063	3,123,486
Add: Depreciation	7,183	7,183	7,183	7,183	7,283
Add: Amortization	1,347	1,347	1,347	1,347	1,347
Add back interest	380,692	1,115,440	1,246,556	1,122,513	969,754
Less: Capital Expenditure	(30,000)	-	-	(1,000)	(29,000)
Changes in working capital	(918,841)	(560,630)	(501,703)	(527,729)	(595,441)
Free Cash Flow to Firm	2,740,835	3,430,488	3,764,088	4,032,377	4,254,293

**PRIME ENERGY PLC
REPORTING ACCOUNTANT REPORT
FOR THE HISTORICAL FINANCIAL STATEMENTS AND PROSPECTIVE FINANCIAL INFORMATION**

KEY RATIOS

	2023	2024	2025	2026	2027
Gross profit Margin	75.33%	74.26%	74.34%	74.43%	74.52%
EBITDA Margin	69.52%	67.94%	68.12%	68.30%	68.48%
Net profit Margin	53.02%	41.46%	40.85%	43.66%	46.54%
Earnings before interest and tax interest cover	9.94	3.57	4.33	5.17	6.46
Funds From Operations (FFO) to Total Debt Ratio	1.49	0.30	0.34	0.43	0.57
Free Cash Flow to total debt	0.68	0.35	0.42	0.50	0.62
Total Free Cash flow to short-term debt	0.68	1.79	1.79	1.71	1.62
Debt-to-equity ratio	0.23	0.81	0.61	0.46	0.33
Debt-Service Coverage Ratio (DSCR)	1.17	1.1	1.64	1.72	1.79

KEY FINANCIAL RATIOS INTERPRETED

Ratio	Formula	2023	2024	2025	2026	2027
Debt-Service Coverage Ratio (DSCR)	Free cashflows to the firm / Debt service	1.17	1.1	1.64	1.72	1.79

The company's DSCR ratio is positive. This is an indication that it will be able to pay its current debts from the net operating income.

Ratio	Formula	2023	2024	2025	2026	2027
Earnings before interest and tax interest cover	EBIT / Interest expenses	9.94	3.57	4.33	5.17	6.46

The company's earnings before interest and tax interest coverage ratio shows a good indication that it will be able to pay its interest on outstanding debt. As the company increases profitability to sustain itself, debts get reduced. The ratio is growing on a yearly basis projection.

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Ratio	Formula	2023	2024	2025	2026	2027
Funds From Operations (FFO) to Total Debt Ratio	Total cash from operating activities / Total debt	1.49	0.30	0.34	0.43	0.57
Free Cash Flow to total debt	Free cash flow / Total debt	0.68	0.35	0.42	0.50	0.62
Total Free Cash flow to short-term debt	Free cash flow / short-term debt	0.68	1.79	1.79	1.71	1.62

The above three ratios are a good indication that the company is making free cash flow from operating activities, which will enable it to pay back its debts. This is a good indication that the organization will not face liquidity concerns to default repayment.

Ratio	Formula	2023	2024	2025	2026	2027
Net profit margin	Net Profit / Sales	53.02%	41.46%	40.85%	43.66%	46.54%

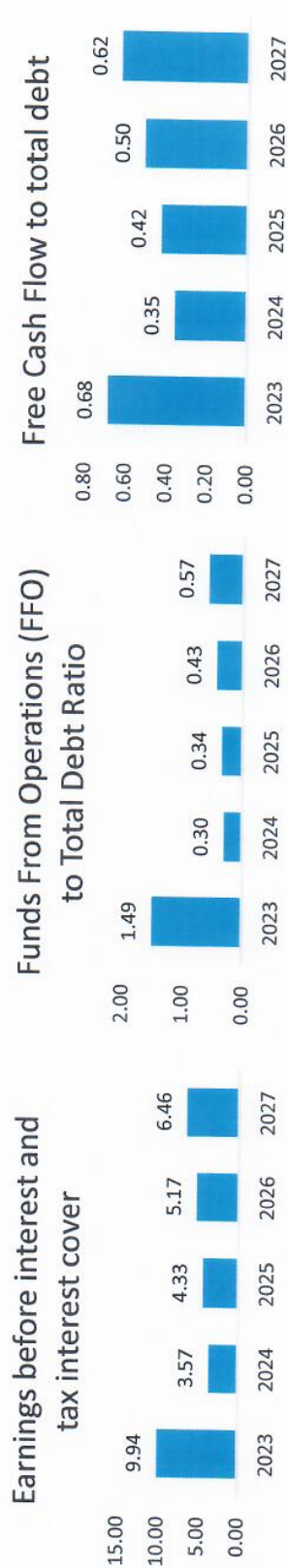
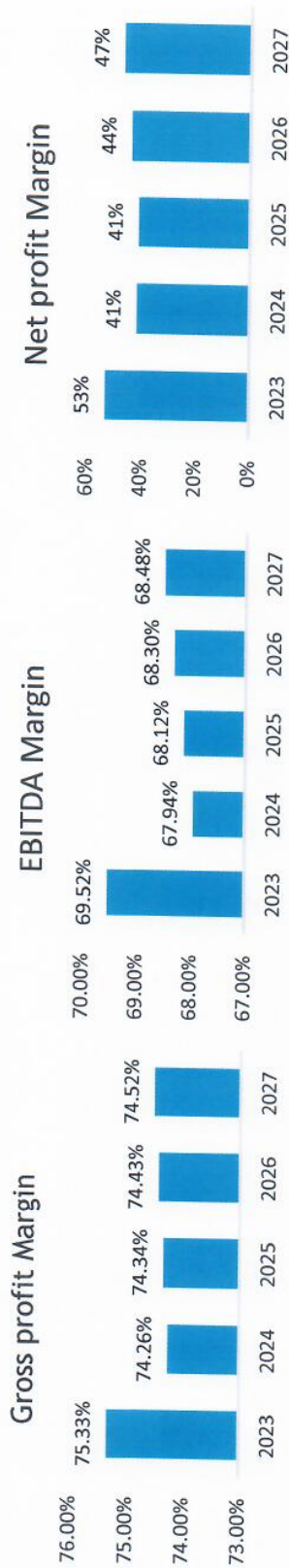
The net profit margin ratio of the organization looks good. This is an indication that the company will have money to distribute to shareholders or alternatively invest in more opportunities.

Ratio	Formula	2023	2024	2025	2026	2027
Debt-to-equity ratio	Debt / Equity	0.23	0.81	0.61	0.46	0.33

In the following years, the debt-to-equity ratio will look good as the company will continue to grow, creating more wealth for shareholders. By 2025 the ratio will start to be promising.

PRIME ENERGY PLC
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FINANCIAL DASHBOARD

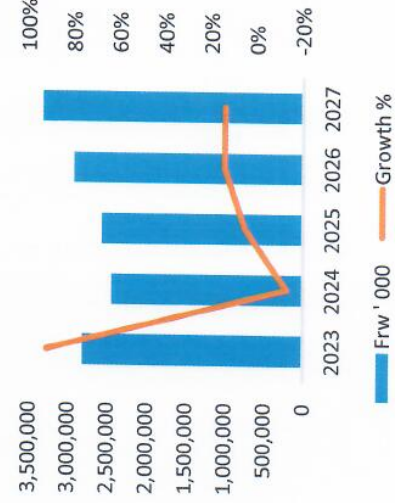
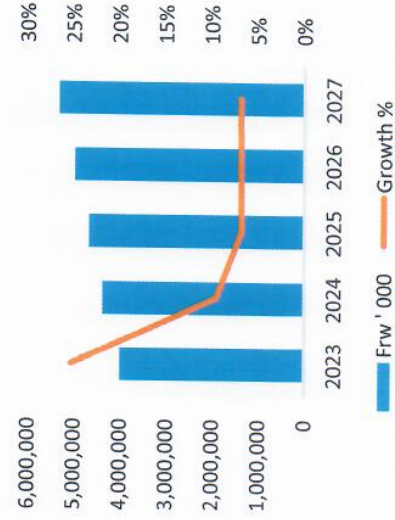
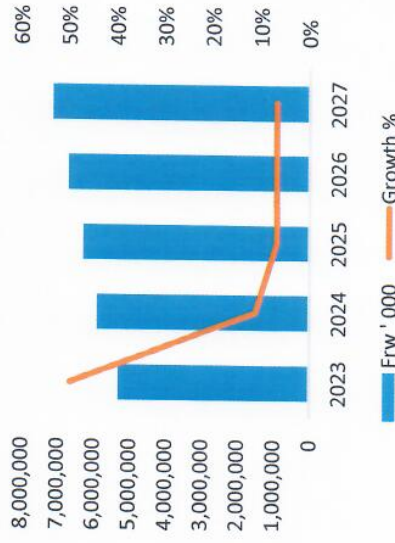


**PRIME ENERGY PLC
REPORTING ACCOUNTANT REPORT
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Revenue			Gross Profit			Net Profit		
Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %
2023	5,290,685	50%	2023	3,985,572	25%	2023	2,805,385	92%
2024	5,874,705	11%	2024	4,362,459	9%	2024	2,435,749	-13%
2025	6,262,335	7%	2025	4,655,698	7%	2025	2,558,392	5%
2026	6,677,984	7%	2026	4,970,509	7%	2026	2,915,553	14%
2027	7,123,850	7%	2027	5,308,607	7%	2027	3,315,298	14%

Revenue			Gross Profit			Net Profit		
Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %
2023	5,290,685	50%	2023	3,985,572	25%	2023	2,805,385	92%
2024	5,874,705	11%	2024	4,362,459	9%	2024	2,435,749	-13%
2025	6,262,335	7%	2025	4,655,698	7%	2025	2,558,392	5%
2026	6,677,984	7%	2026	4,970,509	7%	2026	2,915,553	14%
2027	7,123,850	7%	2027	5,308,607	7%	2027	3,315,298	14%

Revenue			Gross Profit			Net Profit		
Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %	Year	Frw ' 000	Growth %
2023	5,290,685	50%	2023	3,985,572	25%	2023	2,805,385	92%
2024	5,874,705	11%	2024	4,362,459	9%	2024	2,435,749	-13%
2025	6,262,335	7%	2025	4,655,698	7%	2025	2,558,392	5%
2026	6,677,984	7%	2026	4,970,509	7%	2026	2,915,553	14%
2027	7,123,850	7%	2027	5,308,607	7%	2027	3,315,298	14%



Appendix 1: Assumptions

1. General Assumptions

- i) There was no change in the company's accounting policies.
- ii) There was no change in the company's policies and procedure manuals.
- iii) There will not be changes in Management structures and employees that will affect employment benefits.
- iv) There will be no significant changes in the terms and conditions of the significant agreements i.e., the Power Purchase Agreements and Operation and Concession Agreements.
- v) The investment law that establishes the investment incentives for Prime Energy Plc on the corporate income tax rate of 15% is assumed to be consistent within the period of the five coming years.
- vi) There will be no significant changes in the present legislation and government regulations, rates and duties, tariffs, levies and taxes, which will adversely affect the operations of PEL or the market in which it operates.
- vii) The power plants will operate as planned and there are no factors which would significantly affect their operations. The power plants are not expected to be decommissioned throughout the projection period.
- viii) There will be no major breakdown or disruption or termination to the Company's operating activities, industrial disputes, and disruption in the supplies of materials or any other abnormal factor, both domestic and overseas, which will adversely affect the operations of the power plants.
- ix) There will be no significant changes in the current demand and in the prevailing market conditions in Rwanda which will adversely affect the demand of electricity from the power plants.
- x) There will be no significant changes to the prevailing economic and political conditions in Rwanda and elsewhere that will have direct or indirect effects on Prime Energy Plc's operations.

2. Revenue assumptions

- i) PPA Tariffs

Power plant	Tariff (UsC/Kwh)
Gisenyi	10.2
Mukungwa II	8.2
Gashashi	13.4
Rukarara II	11.34

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- ii) US Consumer Price Index: 4.0%¹
 iii) Annual production (2023 onwards):

Power plant	Projected annual production (MWh)	Assumed capacity factor (%)
Gisenyi	9,784	67
Mukungwa II	19,472	66
Gashashi	1,039	43
Rukarara II	14,001	74

- iv) Share of revenue

Concession Fees (% of revenue) for the period from Jul 22 - Jul 31	Prime Energy Plc	Government of Rwanda
Gisenyi	80%	20%
Mukungwa II	80%	20%
Gashashi	80%	20%
Rukarara II	80%	20%

3. Cost of sales (Direct costs)

This will be increased according to the inflation. Assumed to be 5% in the following five years.

4. Operating Expense Assumptions

- i) Operating costs comprise the following:
- Employee benefits
 - Operations and maintenance cost
 - Insurance cost
 - Administrative expenses
- ii) All the above costs are assumed to increase according to the inflation factor.
 Annual Rwanda inflation is 5.0%²

5. Key Balance Sheet Assumptions

Working Capital Parameters	Days
Accounts receivable days	60
Accounts payable days	30

The above working capital assumptions are based on the existing agreements with EUCL (customer) and suppliers.

Existing bank loan interests	Assumption
Bank loan interest rate	15.25%

¹ <https://www.bls.gov/news.release/cpi.nr0.htm>

² BNR medium term target

**PRIME ENERGY PLC
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Bond Parameters

New investment into Rukarara VI (Frw)	7,500,000,000
Capex to rehabilitate existing plants (Frw)	2,000,000,000
Bond amount	9,500,000,000
Start date	01 April 2024
Currency	Frw
Bond tenure	7 Years
Repayment Frequency	Semi-annual
<i>Interest Rate in FRW scenarios</i>	
- Scenario 1 (150 bps)	13.68%
- Scenario 2 (300 bps)	15.18%
Interest rate for USD linked indexation	10.00%

Part of the bond will be dollar-linked to shield investors from currency depreciation challenges.

Capex and Investment Parameters

Value of Capex for rehabilitation of the Existing Plants (Frw)	2,000,000,000
Year of Investment	2024
Value of New Investments (Frw)	7,500,000,000
Year of Investment	2024

Property and equipment depreciation parameters

Generators	5.0%
Furniture and fixtures	25.0%
Motor vehicles	25.0%
Motorcycles	25.0%
Computer and accessories	33.3%
Other office equipment	25.0%
Intangible asset	4.0%

**Property and equipment additions
(Frw '000)**

	2022	2023	2024	2025	2026	2027
Motor vehicles	-	12,000	-	-	-	12,000
Motorcycles	-	8,000	-	-	-	8,000
Computer accessories	-	1,000	-	-	1,000	-
Office furniture	-	5,000	-	-	-	5,000
Other office equipment	-	2,000	-	-	-	2,000
Generators	-	2,000	-	-	-	2,000
	-	30,000	-	-	1,000	29,000

Appendix 2: Non-IFRIC 12 Financial Statements

INCOME STATEMENT

	2023		2024		2025		2026		2027	
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Revenue	5,290,685		5,874,705		6,262,335		6,677,984		7,123,850	
Government share	(1,117,087)		(1,174,941)		(1,252,467)		(1,335,597)		(1,424,770)	
Net revenue	4,173,598		4,699,764		5,009,868		5,342,387		5,699,080	
Direct costs	(188,026)		(337,305)		(354,170)		(371,878)		(390,472)	
Gross profit	3,985,572		4,362,459		4,655,698		4,970,509		5,308,607	
Other income	128,561		-		-		-		-	
Administrative expenses	(407,915)		(324,076)		(340,280)		(357,294)		(375,158)	
Other operating expenses	(27,901)		(47,265)		(49,628)		(52,109)		(54,715)	
EBITDA	3,678,316		3,991,119		4,265,790		4,561,106		4,878,734	
Depreciation	(7,183)		(7,183)		(7,183)		(7,183)		(7,183)	
Amortization	(1,347)		(1,347)		(1,347)		(1,347)		(1,347)	
EBIT	3,669,786		3,982,588		4,257,260		4,552,576		4,870,104	
Finance costs	(369,332)		(1,115,440)		(983,484)		(879,788)		(753,750)	
FX adjustment					(263,072)		(242,726)		(216,004)	
Profit before tax	3,300,453		2,867,148		3,010,704		3,430,063		3,900,351	
Tax charge	(495,068)		(431,399)		(452,312)		(514,509)		(585,053)	
Profit after tax	2,805,385		2,435,749		2,558,392		2,915,553		3,315,298	

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BALANCE SHEET

	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Equity					
Share capital	500,000	500,000	500,000	500,000	500,000
Retained earnings	8,987,614	11,423,364	13,981,756	16,897,309	20,212,607
	9,487,614	11,923,364	14,481,756	17,397,309	20,712,607
Non-current liabilities					
Borrowings - Bond	-	7,749,653	6,794,097	5,629,561	4,220,415
	-	7,749,653	6,794,097	5,629,561	4,220,415
Current liabilities					
Borrowings - BK Loans 1&2	1,296,380	-	-	-	-
Borrowings - overdraft	405,067	405,067	405,067	405,067	405,067
Borrowings - Bond	-	1,055,317	1,218,628	1,407,261	1,625,150
Trade and other payables	26,403	27,724	29,110	30,565	32,094
Payables to RP	1,000	1,000	1,000	1,000	1,000
Current income tax	495,068	431,399	452,312	514,509	585,053
	2,223,918	1,920,507	2,106,118	2,358,403	2,648,363
	11,711,533	21,593,524	23,381,970	25,385,274	27,581,385
Non-current assets					
Property and equipment	23,070	15,887	8,704	2,521	24,238
Financial asset	2,775,235	2,775,235	2,775,235	2,775,235	2,775,235
Intangible assets	32,179	30,832	29,484	28,137	26,790
Long-term receivables from RPs	4,027,947	11,281,447	11,281,447	11,281,447	11,281,447
	6,858,431	14,103,400	14,094,870	14,087,340	14,107,710
Current assets					
Financial asset	3,656,728	3,656,728	3,656,728	3,656,728	3,656,728
Trade and other receivables	1,019,584	1,086,467	1,158,157	1,235,029	1,317,489
Cash and cash balances	(755,777)	1,814,362	3,539,649	5,473,610	7,566,892
Receivables from RPs	932,567	932,567	932,567	932,567	932,567
	4,853,102	7,490,124	9,287,100	11,297,934	13,473,675
	11,711,533	21,593,524	23,381,970	25,385,274	27,581,385

Director

Date and signature

Sayur

Director

Date and signature

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26.02.2024

PRIME ENERGY PLC
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FOR THE HISTORICAL FINANCIAL STATEMENTS AND PROSPECTIVE FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS

	2023	2024	2025	2026	2027
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cash flows from operating activities					
Profit/(loss) before tax	3,300,453	2,867,148	3,010,704	3,430,063	3,900,351
Adjustments for:					
Depreciation on PPE	7,183	7,183	7,183	7,183	7,283
Amortization of intangible assets	1,347	1,347	1,347	1,347	1,347
Interest expense- bonds	-	1,037,989	983,484	879,788	753,750
Interest expense- BK Loan	380,692	77,451	-	-	-
FX differences	-	-	263,072	242,726	216,004
Changes in working capital					
• Increase in trade and other receivables	(212,734)	(66,883)	(71,690)	(76,872)	(82,460)
• increase/(decrease) in trade and other payables	(666,104)	1,320	1,386	1,455	1,528
• increase/(decrease) in payable to related party	-	-	-	-	-
Tax paid	(1,294,787)	(495,068)	(431,399)	(452,312)	(514,509)
Net cash flows from operating activities	1,516,051	3,430,488	3,764,088	4,033,377	4,283,293
Cash flows used in investing activities					
Purchase of PPE	(30,000)	-	-	(1,000)	(29,000)
Investments in group companies	-	(7,253,500)	-	-	-
Net cash flows used in investing activities	(30,000)	(7,283,500)	-	(1,000)	(29,000)
Cash flows used in financing activities					
Proceeds from borrowings - Bond	-	9,500,000	-	-	-
Repayment of borrowings - Bond	-	(695,029)	(1,055,317)	(1,218,628)	(1,407,261)
Repayment of borrowings - BK loan 1 & 2	(1,964,164)	(1,296,380)	-	-	-
Interest paid- bond	-	(1,037,989)	(983,484)	(879,788)	(753,750)
Interest paid- BK loan 1 and 2	(380,692)	(77,451)	-	-	-
Net cash flows from/(used in) financing activities	(2,344,856)	(6,393,151)	(2,038,801)	(2,098,416)	(2,161,011)
Decrease)/increase in cash and cash equivalents	(858,805)	2,570,139	1,725,287	1,933,962	2,093,282
Movement in in cash and cash equivalents	103,028	(755,777)	1,814,362	3,539,649	5,473,610
At start of the year					

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Decrease)/increase in cash and cash equivalents	(858,805)	2,570,139	1,725,287	1,933,962	2,093,282
At end of the year	(755,777)	1,814,362	3,539,649	5,473,610	7,566,892
End of the reporting accountant report					

Appendix C: Application Form



Application List
Opening Date
18th March 2024

Application List
Closing Date
3rd May 2024

LONG TERM GREEN BONDS

For the offering of Long Term Bonds Senior Unsecured Fixed Rate Green Bond

I/We, the undersigned hereby apply to purchase the amount specified below of the Fixed Rate Rate Bond (the "Bond") to be issued by Prime Energy Plc upon the terms and conditions set out in this application form and the Prospectus dated March 2024.

Senior Unsecured Fixed Rate Green Bonds (PLEASE TICK ✓)		Senior Unsecured USD Linked Green Bonds (PLEASE TICK ✓)	
Applications must be made in accordance with the instructions set out in this document. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult the Transaction Advisor or Sponsoring Broker or Selling Agent for guidance.			
Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE			
PARTICIPANT STATUS (PLEASE TICK ✓)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)	
Resident	DECLARATION (PLEASE TICK ✓) <input type="checkbox"/> I/We note that the Issuer and the Sponsoring Broker are entitled in their absolute discretion to accept or reject this application. <input type="checkbox"/> I/We confirm that I/we have read the Prospectus dated March 2024 and that my/our application(s) is/are made on the terms set therein. <input type="checkbox"/> I/We agree to accept the Principal Amount as may be allocated to me/us subject to the terms in the Terms and Conditions. <input type="checkbox"/> I/We authorise you to enter my/our name on the Register of Bond holders of the Bonds that may be allotted to me/us and to register my/our address as given below. <input type="checkbox"/> I/We hereby irrevocably undertake and confirm my/our application(s) for Bonds is on the terms outlined in the relevant Terms and Conditions.		
Non Resident			
Tax Exempt			
Taxable			
PARTICIPANT TYPE (PLEASE TICK ✓)			
Pension Fund Manager			
Unit Trust			
Insurance Company			
Corporate			
Bank			
Individual			
[other]			
PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)			

All applications must be for a minimum amount of FRW 100,000,000 (Rwanda Francs One Hundred Million) and in multiples of FRW 100,000 (Rwanda Francs One Hundred Thousands) thereafter.

SURNAME/CORPORATE NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FIRST NAME (FOR INDIVIDUALS ONLY)

OTHER NAMES (FOR INDIVIDUALS ONLY)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)

OTHER NAMES (FOR INDIVIDUALS ONLY)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

TEL.

CITY

COUNTY

EMAIL

PARTICIPATION AND ALLOTMENT DETAILS

TRANCHE ONE FACE VALUE:	FRW												
TRANCHE ONE FACE VALUE:	FRW												

Please credit my/our CDS Account as detailed below to the extent of the Bonds are allotted:

PARTICIPANT'S
CDS ACCOUNT NO:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BANK DETAILS FOR INTEREST PAYMENTS										
BANK NAME								BRANCH		
ACCOUNT NO:									CITY/COUNTY	
SIGNATURES										
SIGNATURES				2 ND SIGNATURE (CORPORATE/ JOINT)			OFFICIAL STAMP			
NAME OF AUTHORISED SIGNATORY (<i>Corporate only</i>)				NAME OF AUTHORISED SIGNATORY (<i>Corporate/Joint</i>):						
DESIGNATION (<i>Corporate only</i>):				DESIGNATION (<i>Corporate only</i>):						

Appendix D: Form of Commitment



Application List
Opening Date
18th March 2024

Application List
Closing Date
3rd May 2024

LONG TERM GREEN BONDS

For the offering of Long Term Bonds Senior Unsecured Fixed Rate Green Bond

I/We, the undersigned hereby apply to purchase the amount specified below of the Fixed Rate Bond (the "Bond") to be issued by Prime Energy Plc upon the terms and conditions set out in this application form and the Prospectus dated March 2024.

Senior Unsecured Fixed Rate Green Bonds		
Applications must be made in accordance with the instructions set out in this document. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult the Transaction Advisor or Sponsoring Broker or Selling Agent for guidance.		
Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE		
PARTICIPANT STATUS (PLEASE TICK ✓)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
Resident	DECLARATION (PLEASE TICK ✓) <input type="checkbox"/> I/We note that the Issuer and the Sponsoring Broker are entitled in their absolute discretion to accept or reject this application. <input type="checkbox"/> I/We confirm that I/we have read the Prospectus dated March 2024 and that my/our application(s) is/are made on the terms set therein. <input type="checkbox"/> I/We agree to accept the Principal Amount as may be allocated to me/us subject to the terms in the Terms and Conditions. <input type="checkbox"/> I/We authorise you to enter my/our name on the Register of Bond holders of the Bonds that may be allotted to me/us and to register my/our address as given below. <input type="checkbox"/> I/We hereby irrevocably undertake and confirm my/our application(s) for Bonds is on the terms outlined in the relevant Terms and Conditions.	
Non Resident		
Tax Exempt		
Taxable		
PARTICIPANT TYPE (PLEASE TICK ✓)		
Pension Fund Manager		
Unit Trust		
Insurance Company		
Corporate		
Bank		
Individual		
[other]		
PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes.		

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will not be considered as multiple applications. All orders must be for a minimum amount of FRW 100,000,000 (One Hundred Million Francs) and in multiples of FRW 100,000 (One Hundred Thousand Francs) thereafter.

ORDER 1	
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF FRW 100,000,000 (One Hundred Million Francs) and in multiples of FRW 100,000 (One Hundred Thousand Francs) thereafter.	BID COUPON RATE
IN FIGURES	
IN WORDS	

ORDER 2	
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF FRW 100,000,000 (One Hundred Million Francs) and in multiples of FRW 100,000 (One Hundred Thousand Francs) thereafter.	BID COUPON RATE
IN FIGURES	
IN WORDS	

ORDER 3	
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF FRW 100,000,000 (One Hundred Million Francs) and in multiples of FRW 100,000 (One Hundred Thousand Francs) thereafter.	BID COUPON RATE
IN FIGURES	
IN WORDS	
PARTICIPANT DETAILS (CORPORATE/INSTITUTIONS) (Please use one box for one alphabet leaving one box blank between first word and second)	

All orders must be for a minimum amount of FRW 100,000,000 (Rwanda Francs One Hundred Million) and in multiples of FRW 100,000 (Rwanda Francs One Hundred Thousands) thereafter.

SURNAME/CORPORATE NAME

	OTHER NAMES (FOR INDIVIDUALS ONLY)
--	------------------------------------

FIRST NAME (FOR INDIVIDUALS ONLY)

	OTHER NAMES (FOR INDIVIDUALS ONLY)
--	------------------------------------

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)

--

CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

--

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

Bonds

1. Completing the form

This completed form should be forwarded by fax, email or by hand to the Transaction Advisor or Sponsoring Broker at the following address:

BK Capital Limited
BK Head Office
P.O Box 175, Kigali Rwanda
Tel: +250 788 143 241
Email: bkcapital@bk.rw
Call Centre: 4455
Website: www.bkcapital.rw
Account Name: BK Capital Settlement Account at BK Capital
Account Number: 000400695834791

Application lists will close at 2359 hours on 3rd May 2024

- All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by applicants.
- Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.
- Applications are made subject to the provisions of the Prospectus to which this form is attached
- Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer
- Individual applicants must be 18 years of age or older.

2. Acceptance

By signing an application form the applicant undertakes

- i. For Non-Professional Investors: to pay to the Issuer on the date the offer closes, in same day funds, the purchase price for the Bonds subscribed for;
- ii. For Professional Investors: to pay to the Issuer on the Issue Date in same-day funds the purchase price for the Bonds allotted to it in accordance with the provisions of the Agency Agreement.

For the purposes of this clause, a Professional Investor refers to (i) any person licensed under the CMA Act; (ii) an authorized scheme or collective investment scheme; (iii) a bank or subsidiary of a bank, insurance company, cooperative, statutory fund, pension or retirement fund; or (iv) a person including a company, partnership, association or a trustee on behalf of a trust which, either alone, or with any associates on a joint account subscribes for Bonds with an issue price of at least ten million FRW.

3. Settlement procedure

Payment of the purchase price for the Bonds may be made:

- a. Non-Professional Investors: by bank transfer/remittance using real time gross settlement (RTGS), to be made on application for subscription of the Bonds, to the Issuer's FRW Account No. 100012380229 or such other accounts as may be provided in the books of the Fiscal Agent and Registrar not later than 2359 hours (Rwanda time) on the date the offer closes; and
- b. Professional Investors: by bank transfer/remittance using real time gross settlement (RTGS), to be made on the instructions of the successful applicant to his bank of the funds for credit of the Issuer's FRW Account No. 100012380229 or such other accounts as may be provided in the books of the Fiscal Agent and Registrar, not later than 2359 hours (Rwanda time) on the settlement date of each issue.

4. General

The Prospectus and any contracts resulting from an acceptance of an application for the Bonds shall be governed and construed in accordance with Rwandan law

Appendix E: Response to PRIME request for No-objection letter for issuances of listed Green Bond from MININFRA dated 06 November 2023

REPUBLIC OF RWANDA



MINISTRY OF INFRASTRUCTURE
P.O. Box 24 KIGALI
E-mail: info@mininfra.gov.rw

Kigali..... 06 NOV 2023

Ref. No. 1658/PS/23

Managing Director/BK Capital
KIGALI

Dear MD,

RE: Response to your Request for No-Objection Letter for Issuance of Listed Green Bond by Prime Energy PLC

Reference is made to your letter dated September 28th, 2023 requesting for No-Objection for Issuance of Listed Green Bond by Prime Energy PLC; and to the letter from Prime Energy Ltd. dated July 31st, 2023 on a similar request;

Reference is also made to the Concession and Implementation Agreements signed on September 23rd, 2015, and amended on November 21st, 2019, between the Government of Rwanda (GoR) and Prime Energy Ltd for the projects of Gashashi, Mukungwa II, Gisenyi, and Rukarara II;

Further reference is made to the Agreement dated December 22nd, 2020, between GoR and Rukarara VI HPP Limited for the Rukarara VI project.

These Concession and Implementation Agreements do not require the ProjectCo (Prime Energy) to seek a no-objection from GoR before assigning or granting security interests in respect of its rights and interests under the agreements.

However, given that the agreements restrict the possibility of assignment or grant of security interest to a 'security agent' which is defined as any bank or other institution appointed to act as an agent or trustee on behalf of all or any of the Lenders; it is important that the Bank examines whether bondholders whom ProjectCo's rights and interests will be assigned to through the envisaged transaction (issuing green bond on Rwanda Stock Exchange), qualify to be security agents.

Please note that the Ownership of the Gashashi, Mukungwa II, Gisenyi and Rukarara II Hydro Power Plants shall remain fully vested in the Government of the Republic of Rwanda.

Sincerely,


ABIMANA Fidèle
Permanent Secretary



CC:

- Hon. Minister of Infrastructure
- Hon. Minister of State in charge of Economic Planning
- Hon. Minister of State/MININFRA
- CEO/RDB and Cabinet Member
- CEO/REG
- CEO/Prime Energy Ltd

KIGALI

Appendix F: Non – objection for the issuance of listed corporate Bond from RURA dated 07 September 2023



Date: 07 SEP 2023
Ref: 6640/GM/EL-EWS/RURA/023

Chief Executive Officer
Prime Energy
Email: sandy@primeenergyltd.com
P. O. Box 1167
KIGALI

Dear Sir,

Re: No-Objection for the issuance of Listed Corporate Bond

Reference is made to your letter Ref. No Prime Energy/482/OGL/2023 informing Rwanda Utilities Regulatory Authority (RURA) of your intention to apply to the Capital Market Authority of Rwanda for the issuance of a green bond and therefore requesting for a non-objection;

We appreciate your commitment to issuing a green bond with the objective of financing both new and existing power plant projects.

Based on the information provided and the alignment of this initiative with our regulatory goals, we are pleased to inform you that RURA has no-objection for the issuance of the green bond.

Yours Sincerely,



Alexis MUTWARE
General Manager
Energy, Water and Sanitation





Kigali, 08 SEP 2023
N°11.07.029/.14.97./23 /EUCL /DOP /HRSP /CG/GN /ah

Chief Executive Officer
Prime Energy Ltd
KIGALI

Dear CEO,

RE: Response to your letter

Reference is made to your letter Ref No: Prime Energy/480/OGL/2023 dated 31st July 2023 requesting Energy Utility Corporation Limited for non-objection for Issuance of Listed Corporate Bond;

We note that through your letter you highlight that the requested non-objection aims at assigning or granting a Security Interest for the Rights and Interests within the existing Concession Agreements in favour of the trustee of the issued bond and in review of this request we would wish to refer to:

- Power Purchase Agreements (PPAs) executed on 26th August 2015 between Prime Energy Ltd and Energy Utility Corporation Limited (EUCL) for the development and operation of four (4) hydropower plants, namely RUKARARA II, MUKUNGWA II, GISENYI, GASHASHI.
- Notice of Assignment Agreement on MUKUNGWA II, GISENYI and GASHASHI dated 17th January 2017 between Prime Energy Ltd and Bank of Kigali Plc endorsed by EUCL on 18th January 2017.
- Novation, Restatement and Amendment Deed between Energy Utility Corporation Limited, Prime Energy Ltd and RUKARARA VI HPP Limited dated 22 December 2020.

Having noted that EUCL have already been notified of the Assignment of Rights under MUKUNGWA II, GISENYI, GASHASHI agreements and shall honour its commitments under such Notice unless otherwise communicated by Bank of Kigali Plc;

Considering that the entry into capital Market is a discretionary initiative from Prime Energy Ltd Management and given the scope of our partnership as enshrined in the above PPAs;

KN82 ST3, Nyarugenge District, Kigali City, P.O. Box 5634 Kigali, Rwanda
TEL: 0799373402, E-mail: info@eucl.reg.rw, website: www.reg.rw



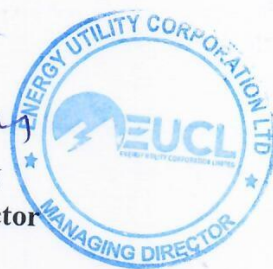
EUCL would advise you to address your request for non-objection for Issuance of Listed Corporate Bond to the Ministry of Infrastructure as the Competent Authority to authorise the Creation of Security under the Concession and Implementation Agreements.

EUCL would also wish to inform Prime Energy Ltd that, in consideration of the above-mentioned Novation, Restatement and Amendment Deed, EUCL reserves its opinion on RUKARARA VI project.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Claver GAKWAVU', is written over a circular blue stamp.

Claver GAKWAVU
Ag. Managing Director



Cc:

- Chief Executive Officer, REG
- Chief Executive Officer, Bank of Kigali

KN82 ST3, Nyarugenge District, Kigali City, P.O. Box 5634 Kigali, Rwanda
TEL: 0799373402, E-mail: info@eucl.reg.rw, website: www.reg.rw

GREEN BOND FRAMEWORK | 2023



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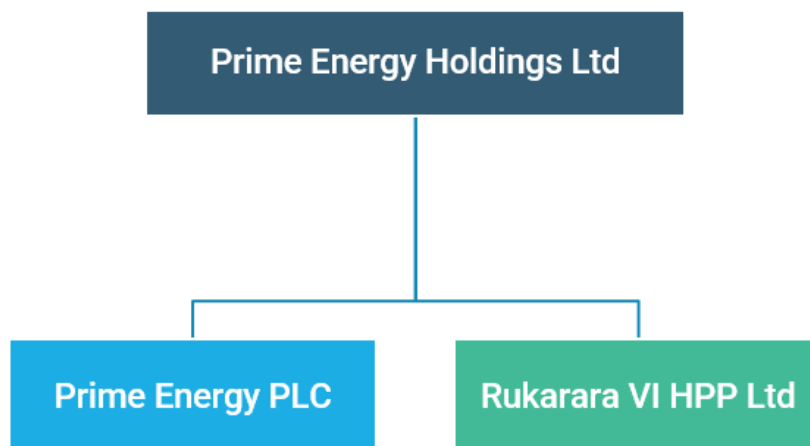
1. Introduction

1.1. Executive Summary

- Prime Energy Holding -PEH-

Prime Energy Holdings Ltd is a company registered in Rwanda as a non-operating holding company controlling 100 percent of Prime Energy PLC and **Rukarara VI HPP Ltd**, both of which are special purpose vehicles (SPVs) for the group's investments in hydropower projects in Rwanda.

- **Prime Energy PLC** currently operates four (4) fully commissioned Mini-HPPs under Concession and Power Purchase Agreements with the Government of Rwanda whereas. All the 4 plants are run-of-river, these started operations in 2015;
- **Rukarara VI HPP Ltd** is currently developing a 9.7MW run-of-river Greenfield HPP on the Rukarara River.



Prime Energy Holding Ltd has a strong track record of delivering high-quality, reliable, and sustainable hydropower projects in Rwanda. The company is well-positioned to capitalize on the growing demand for clean energy in the country and contribute to the Government's goal of achieving universal access to electricity by 2024.

The Holding company draws from a host of highly skilled and experienced individuals, both within Rwanda and through partnerships and alliance agreements to render quality services within the requisite time frame, cost and quality.

Prime Energy Holding's core business is management and investment in the following areas:

- Development of energy production power plants
- Operation of energy production power plants
- Modular design and modernization of system
- Maintenance of energy production power

- **Prime Energy PLC**

Prime Energy PLC is a leading renewable energy company in Rwanda, with a focus on hydropower generation. The company was registered in 2014 as pioneers of private power generation industry in the country.

The Ministry of Infrastructure awarded **Prime Energy PLC** a twenty-five-year concession to renovate, upgrade, operate and maintain four Hydro-Power Plants (HPPs) through a transparent and international tendering process. The four HPPs are Gashashi (0.28MW), Gisenyi (1.7MW), Mukungwa II (3.6MW) and Rukarara II (2.2MW), totaling 7.8MW producing between 45 – 46 Million KWh p.a. All four plants are connected to the national grid.

The company also signed Power Purchase Agreements with Energy Utility Corporation Limited (Rwanda utility) for the four power plants and started operation in 2015. Three [3] plants out of the 4HPP were fully renovated and upgraded in 2018. The 4th plant (Rukarara II 2.2MW) was not renovated as it was commissioned in 2014. The 3 renovated plants in 2017-2018 are:

- **Mukungwa II HPP:** fully renovated and upgraded from 2.5MW to 3.6MW
- **Gisenyi HPP:** fully renovated and upgraded from 1.2MW to 1.7MW
- **Gashashi HPP:** fully renovated and upgraded from 0.2MW to 0.28MW

The company has secured long-term power purchase agreements (25 years) with the national utility, ensuring a stable and predictable revenue stream. The company has been operating for 8 years and was profitable 7 years of the 8 years. The only year that the company got a loss was 2018 as 3 plants were under full renovation.

All four power plants are run-of-river units, unlike traditional hydropower plant that requires the creation of a dam and reservoir to store water, a run of river plant uses the natural flow of the river to turn turbines and generate electricity. This type of plant typically has less environmental impact than traditional hydropower plants, as it does not require the creation of a large reservoir and does not disrupt the natural flow of the river.

Through an RWF 9.5 billion corporate bond to be issued in February 2024, **Prime Energy PLC** aims to invest 79% of the bond's proceeds in the Rukarara VI project which is a significant addition to the Holding's portfolio, as it will increase the overall installed capacity and further the group's revenues. The balance of 21% will be invested in the renovation of the existing 4HPP.

- **Rukarara VI HPP Ltd**

The Holding Company has a pipeline of projects under development, which will significantly expand the parent company's portfolio in the coming years.

Among the projects in the pipeline, Rukarara VI Project is the most advanced; currently under construction. With its 9.7MW installed capacity, the run-of-river project will produce 55 million KWh p.a. on average for the 25 years after commissioning. The project is developed under an SPV named Rukarara VI HPP Ltd registered in 2018.

The 65% of bond's proceed will be injected in Rukarara VI Project through the Holding Company; in the form of related party's loan.

The greenfield project will contribute to the Government's goal of reducing the dependency on the diesel generators which still provide 40% of the country's energy supply.

By early 2024, the **Holding Company** will be the 2nd largest Independent Power Producer in Rwanda, with an annual production nearing 100 Million KWh.

1.2. The Holding Company's Mission

The Holding's mission is to "understand the need for clean energy development and maintenance solutions on a continent with massive demand for electricity and rapidly deteriorating natural resources and emerging opportunities. The Holding builds on continuous innovation to satisfy the needs of the consumer while protecting the environment for prosperity"

Prime Energy PLC plans to issue a green bond to finance the business expansion (10MW run-of-river Rukarara VI Project) and renovating the assets in operation (4 run-of-river HPP totaling 8MW).

This Green Bond Framework has been developed to achieve the following objectives;

Integrity and Transparency: The framework aims to ensure integrity and transparency in the issuance and use of green bonds. It provides investors with confidence that the funds will be used for environmentally beneficial projects and that there will be proper reporting on the allocation of proceeds.

Environmental Impact: The primary objective of the Green Bond Framework is to finance projects and initiatives that have a positive environmental impact. By setting clear criteria for eligible green projects, the framework ensures that the issued bond contribute to environmental sustainability and climate change mitigation

Investor Confidence: Green bond investors, who often include environmentally conscious institutional investors and individuals, want assurance that their investments align with their sustainability goals. A robust framework helps build trust and confidence among investors that their money will be channeled into environmentally responsible activities

1.3. Alignment with the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) provide a global framework under the United Nations for addressing various social, economic and environmental challenges were developed and adopted in 2015. Their aim is to achieve a more equitable, sustainable and prosperous world by 2030. Prime Energy Holding's activities and the use of proceeds from the Green Bond are aligned with three SDGs, namely:

SDG 7: Affordable and Clean Energy, which includes targets to (i) increase substantially the share of renewable energy in the global energy mix, and (ii) double the global rate of improvement in energy efficiency.

SDG 9: Industry, Innovation and Infrastructure, which includes targets to (i) develop quality, reliable, sustainable and resilient infrastructure, and (ii) upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

SDG 13: Climate Action, which includes targets to (i) strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries and (ii) Integrate climate change measures into national policies, strategies and planning.

1.4. Purpose

This Green Bond Framework sets the governing guidelines and principles for issuing green bonds at Prime Energy PLC's level. It reflects the company's strong commitment to advance sustainable finance agenda and establish itself as a leading example in the energy sector of Rwanda. The Framework has been developed based on international standards and best practices, such as:

- The Green Bond Principles (GBP), 2021 edition issued by the International Capital Market Association (ICMA).
- The Common Principles for Climate Mitigation, utilized by various Multilateral Development Banks, including the International Finance Corporation (IFC).

Prime Energy PLC will use this framework as a reference for the issuance of green bonds, in line with its



strategic priorities, future funding needs and the company's Environmental and Social Management System (ESMS) framework. The Framework will be publicly available on Prime Energy PLC website (www.primeenergyltd.com) on the day of the first green bond issuance.

The ESG goals of Prime Energy Ltd. are:

- Sustainability in the Environment
 - The goal of water management policy is to apply sustainable water management techniques that cause the least amount of harm to nearby ecosystems and communities downstream.
 - Fish Protection installs fish-friendly devices like fish ladders or screens to safeguard aquatic life when water is being moved through an area.
 - Habitat Restoration initiatives are supported in the impacted area in order to mitigate environmental damage.
- Being Socially Responsive
 - Community Engagement aims to interact with local communities to learn about their worries, provide information, and address problems relating to the functioning of the hydropower plant.
 - The creation of jobs, with a focus on local employment prospects, job training, and skill development for the benefit of neighboring areas. Respecting and preserving local cultural history, especially sacred sites and the rights of the indigenous people, is the goal of cultural preservation.
 - Public Security put in place strict safety procedures to safeguard the environment, local communities, and workers.
- Governance and Moral Conduct
 - Openness. By providing pertinent information about the plant's performance, environmental effect, and community engagement initiatives, this policy aims to maintain transparent operations.
 - Adherence Follow all applicable laws and rules on safety, environmental protection, and the operation of hydropower plants.
 - Moral business conduct: Encourage moral business practices, such as anti-corruption measures and ethical purchasing.
 - Stakeholder Engagement: Discuss issues and solicit feedback from stakeholders, such as local communities, investors, and regulators.
- Conserving Biodiversity
 - Ecosystem Protection intends to maintain and conserve the local biodiversity, including the flora and fauna in the project area.
 - System Integration: Work with regional utilities to effectively integrate hydropower from renewable sources into the electricity system.
- Continual Development
 - Regular reporting and interaction with stakeholders are crucial for monitoring progress and resolving any new problems.

2. Green Bond Framework Overview

Under this Green Bond Framework Prime Energy PLC intends to issue Green Bonds to help finance the development of Eligible Green Projects. The Green Bond Framework has been developed in line with the four key pillars of the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA) as follows:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting and Verification

In addition, a Second Party Opinion on the alignment of this GBF with the ICMA’s GBPs will be sought.

2.1. Use of proceeds

Prime Energy PLC will allocate 100% of the Green Bond proceeds to finance the renovation, the development and the construction of Eligible Assets. A sub-account will be created for ring-fencing the net proceeds. Prime Energy PLC will use the eligibility criteria as set below:

Prime Energy PLC Green Bond Eligibility Criteria

GBP Eligible Category	Eligibility Criteria	SDGs
Renewable Energy	<p>Proceeds will finance expenditures related to construction, renovation, development, operation and maintenance of new and ongoing renewable energy activities in renewable energy (hydropower plants) and emissions including costs related to Purchase/finance of:</p> <ul style="list-style-type: none"> -Construction works -Maintenance works -Equipment manufacturing <p>This will aim for the lowest possible greenhouse gas emissions (less than emission intensity of 24 gCO₂-eq/kWh) while maximizing energy efficiency to reduce carbon emissions and slow down climate change.</p>	<p>7. Affordable and clean energy</p> <p>9. Industry, Innovation and Infrastructure</p> <p>13. Climate Action</p>

The nominated renewable energy projects will have a number of environmental benefits; the utilization of renewable energy sources reduces greenhouse gas emissions, enhances air and water quality, safeguards ecosystems, and promotes sustainability, among other environmental benefits. These advantages are essential for solving the pressing environmental issues that our planet is currently confronting. Whereas the projects that focus on Environmentally Sustainable Management of Living Natural Resources and Land Use will play a critical role in safeguarding the environment, maintaining ecosystem services, and mitigating the negative impacts of human activities on the planet. These practices contribute to the overall well-being of both ecosystems and human societies by promoting long-term ecological sustainability.

The composition of the portfolio will be the four HPP in operations and the 10MW run-of-river plant in construction, to be commissioned in Q4 2024. In summary the expected allocation of funds to the other eligible categories are as below;

New Investment into Rukarara VI	7,500,000	79%
Maintenance CAPEX of existing HPP	2,000,000	21%
Gross proceeds	<u>9,500,000</u>	<u>100%</u>

Exclusion Criteria

Prime Energy PLC is a small-scale renewable energy company, and therefore will not use any proceeds of the Green Bond on the following types of projects:

- Large-scale hydropower plants that have a generation capacity of over 15MW
- Nuclear power plants
- Fossil fuel projects, which include; refined or alternative coal technologies, gas-to-liquid projects and natural gas projects.

2.2. Process for Project Evaluation and Selection

Eligibility assessment, exclusion list, E&S.

Prime Energy PLC projects are subject to Environmental, Social and Governance (ESG) standards in this regard, potentially eligible projects will be reviewed for the green bond proceeds and a project portfolio created. Projects that pass the eligibility criteria will also be screened to ensure they comply with company's Environmental and Social Risk Management Policy. Projects that do not meet the stated criteria will not be eligible for the Green Bond proceeds.

Prime Energy PLC evaluation and selection of green bonds will involve several key steps to ensure that the projects funded by the green bonds align with sustainability and environmental objectives. The evaluation will involve; Project Screening and Assessment of the identified projects to determine their environmental and social impact on greenhouse gas emissions reduction potential, resource efficiency, positive social implications, and adherence to local regulations and environmental standards, Financial and Technical Feasibility, Quantify Green Impact, Risk Analysis, Stakeholder Engagement, Green Bond Certification, Issuance and Reporting. The selection and evaluation will follow an established governance structure.

The governance structure for selecting and evaluating green bond projects is crucial to ensure transparency, accountability, and alignment with environmental goals. The governance structure for selecting and evaluating green bond projects will be as follows:

- Green Bond Issuer: Prime Energy PLC is responsible for establishing and maintaining the governance structure.
- Green Finance Team: Prime Energy PLC will create a dedicated team responsible for managing green bonds. This team will include individuals with expertise in sustainability, finance, and project evaluation.

- **Green Bond Committee:** Prime Energy PLC will form a committee responsible for overseeing the green bond program. The committee will include representatives from various departments within Prime Energy PLC, such as finance, sustainability, legal, and risk management. The committee's responsibilities include:
 - **Setting the green bond framework:** Develop a clear framework that outlines Prime Energy PLC green objectives, the types of projects eligible for funding, and the reporting requirements.
 - **Project Selection:** Review and approve projects that are eligible for green bond financing based on the established criteria.
 - **Reporting and Disclosure:** Ensure that regular reporting on the use of proceeds and the environmental impact of funded projects is conducted and disclosed to investors and stakeholders.
- **External Expert Advisory Panel:** Prime Energy PLC will involve external experts/advisors to provide independent input on project selection and evaluation. This will enhance credibility and provide additional expertise in sustainability.
- Prime Energy PLC by establishing a comprehensive governance structure will build trust with investors and demonstrate their commitment to funding environmentally sustainable projects through green bonds. This, in turn, will attract more investors and contribute to the financing of a greener and more sustainable future.

Responding to environmental and social risks

As part of its organization to promote sustainability initiatives, Prime Energy PLC has a Sustainability Management Committee under the supervision of the CEO. The Committee discusses policies and measures concerning sustainability initiatives and ESG risk management and reports to the Board of Directors.

Prime Energy PLC has an ESMS that demonstrate a commitment to sustainability and responsible environmental and social practices like; Environmental Risk Management (Identification and Assessment, Mitigation Strategies, Compliance), Social Risk Management (Stakeholder Engagement, Human Rights, Diversity and Inclusion Community Investment), Reporting and Transparency, Data Collection and Monitoring, Reporting Standards (Global Reporting Initiative - GRI) to provide transparent and standardized reporting on environmental and social performance, External Verification, Risk Mitigation Plan, Training and Capacity Building and Continuous Improvement.

It is essential for Prime Energy PLC as a company to integrate robust environmental and social risk management practices into their green bond policy framework to ensure that the proceeds from green bonds are used to finance projects that contribute positively to sustainability goals while minimizing adverse impacts on the environment and society.

2.3. Management of the Proceeds

The net proceeds of Green Bonds issued by Prime Energy PLC will be managed on a portfolio basis. Proceeds will be used for the financing of Eligible Green Projects. Prime Energy PLC through its Finance Department aims to achieve a level of allocation to the Eligible Green Projects portfolio that matches or exceeds the balance of net proceeds from its outstanding green bonds.

The Finance Department will guarantee the allocation of net proceeds by following an internal management system that aims to define the destination of cash-flows, set reserved accounts for not invested funds and adjust periodically the net proceeds. Additional eligible investments and/or

projects will be added to the Eligible Green Projects portfolio as needed to ensure that the net proceeds from outstanding green bonds will be allocated to Eligible Green Projects.

The Green Bond's proceeds will be allocated in a period of 1 year (April 2024 to March 2025). The proceeds will be allotted to the following use:

- 79% will be injected in the 9.7MW renewable energy project under construction;
- 21% will finance the renovation of the 4 HPP in operation;

Pending allocation of any green bond net proceeds, Prime Energy PLC will temporarily hold and/or invest, at its own discretion, in its treasury liquidity portfolio (in cash or cash equivalents), or in reimbursement/purchase of existing debt, the balance of net proceeds not yet allocated to the Eligible Green Projects portfolio. Proceeds not immediately disbursed will not be invested in non-green projects.

Prime Energy PLC will monitor their portfolio closely and take proactive measures to address any issues that may lead to a loss of eligibility. This will help ensure the portfolio's long-term success and its ability to contribute to environmental sustainability goals.

Prime Energy PLC envisages full portfolio compliance to its eligibility criteria, however in the event of non-compliance several consequences will be taken, depending on the specific circumstances;

- Corrective Actions - Will involve implementing new strategies, technologies, or management practices to address the issues that led to the loss of eligibility.
- Reevaluation and Redesign - In some cases, when a Green Project no longer meets its eligibility criteria, it will need to be reevaluated and redesigned. This could involve making changes to the project's goals, strategies, or technologies to align with the eligibility criteria once again.

Prime Energy PLC will establish a Green Financing Register to record on an ongoing basis the allocation of net proceeds from our Green Financing Framework to Eligible Green Projects. The Green Financing Register will contain relevant information to identify each Green Bond or Green Loans and the Green Assets relating to it, including the country, category, and nature of the Green Assets. The Green Financing Instruments Register will be monitored by Prime Energy PLC's Finance team and will be updated on a semi-annual basis.

2.4. Reporting

Prime Energy PLC will publish a Green Bond Report on its website annually until maturity using ICMA requirements. The annual reports will be issued by the end of February for the previous reporting period (from January 1st to December 31st). The report will contain details of the total amount of projects in the Green Bond portfolio and the total outstanding amount raised by the Green Bond. In addition, the Green Bond Report will provide details of eligible assets within the Green Bond project Portfolio along with Prime Energy PLC's financial commitments to each project; the total amount of unallocated proceeds, if any; and environmental impacts of the Green Bond Project Portfolio to the extent it is practical to do so.

Reporting indicators the projects will be essential for providing transparency and accountability to investors and stakeholders. These indicators also help demonstrate the environmental impact and sustainability of the projects funded. Reporting will typically include both qualitative and quantitative information these are some key reporting indicators:

- Use of Proceeds: Describe how the funds raised through the green bond were allocated across eligible projects. Provide a breakdown of investments in specific green activities, such as renewable energy, environmentally and sustainable management of land use.

- Environmental Impact Metrics:
 - Carbon Emissions Reduction: Report on the expected or realized reduction in greenhouse gas emissions resulting from the project.
 - Energy Savings: Quantify the amount of energy saved or generated by the project.
- Compliance with Green Bond Principles (GBP): Ensure that the project aligns with the GBP's core components and voluntary disclosure guidelines.

Impact Reporting

Prime Energy PLC will strive to report on the environmental impact of Eligible Projects financed by the issuance of Green Bond based on the Framework when feasible and subject to availability of data that will include:

- Define and disclose the period and process for including projects in their report.
- The total signed amount and the amount of green bond proceeds allocated to eligible disbursements and also show additional information such as the year of signing (or other measures to describe the seasoning of a portfolio) or project stage from a financing point of view (such as signed, disbursed, repaying).
- Define characteristic of green bonds is that the issuance proceeds be used i.e issuer's predefined eligibility criteria.
- List of projects to which green bond proceeds have been allocated, or report solely on a portfolio level.
- The impact report should illustrate the expected environmental impacts or outcomes made possible as a result of projects to which green bond proceeds have been allocated.
- The estimated lifetime results and/or a project's economic life (in years) to provide users with a basis for understanding the impact of the project over its lifetime.
- To facilitate comparison of project results, the issuers will report on a limited number of sector specific core indicators for projects included in their green bond programmes.
- Greenhouse gas (GHG) emissions reduced/avoided

3. Disclaimer

This Green Bond Framework has been prepared by Prime Energy PLC for information purposes only. It cannot be relied upon in connection with and does not constitute, or form part of, any offer to sell or offer to buy Prime Energy Green Bond. This document does not constitute legal or financial advice, and nothing contained herein shall constitute, form the basis of or be relied on in connection with any contract, binding obligation or claim whatsoever. Any decision to purchase any Prime Energy Green Bond should be made solely on the basis of the information to be contained in any offering document produced in connection with the offering of such Bonds. Prospective investors are required to make their own independent investigation and appraisals prior to any investment decisions and are solely liable for any use of the information contained herein. No assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding any "green", "sustainable" or other equivalently labelled performance objectives.

Persons who might come into the possession of this document must inform themselves about and comply with any applicable legal or regulatory restrictions.



MANAGEMENT REPORT

PRIME ENERGY PLC

GREEN BOND FRAMEWORK
PRE-ISSUANCE SECOND PARTY OPINION

October 2023

Introduction

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) has been engaged by Prime Energy Plc (“Prime Energy” or “the Issuer” or “the Company”) to perform a pre-issuance Second Party Opinion (SPO) assurance engagement to determine the alignment of Prime Energy’s Green Bond Framework 2023 (referenced to as “the Framework”) with the International Capital Markets Association (ICMA) Green Bond Principles of June 2021 (the Green Bond Principles or GBPs). This report is produced in accordance with the terms of our engagement letter dated 11 August 2023.

Prime Energy Holdings Limited (PEHL) is a non-operating registered company in Rwanda which controls 2 Special Purpose Vehicles (SPVs) for the Group’s Hydro Power Projects (HPPs). They are:

- Prime Energy PLC: Operates 4 fully commissioned mini HPPs under Concession and Power Purchase Agreements with the Government of Rwanda
- Rukarara VI HPP Limited (Rukarara): Currently developing a 9.7MW run-of-river Greenfield HPP

Prime Energy is well-positioned to capitalize on the growing demand for clean energy in the country and contribute to the Government's goal of achieving universal access to electricity by 2024. The Issuer understands the need for clean energy development and maintenance solutions on a continent with massive demand for electricity and rapidly deteriorating natural resources and emerging opportunities while committing to ensuring its initiatives and projects not only contribute to environmental sustainability but also addresses the issue of climate change.

IBIS Independence And Quality Control

IBIS is an independent provider of non-financial assurance services. This engagement was conducted by a multidisciplinary team of non-financial assurance specialists led by Petrus Gildenhuis, who has more than 25 years of experience in non-financial performance measurement involving both advisory and assurance work and supported by assurance consultants, Seko Mbatha and Uchechukwu Nwachukwu. IBIS conducted the engagement based on the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information* issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

Scope and Objectives

The objective of this assurance engagement is to verify the alignment of Prime Energy’s Green Bond Framework with ICMA GBPs June 2021 Pre-issuance core component requirements in terms of:

- Use of Proceeds;
- Process for the Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting.

IBIS' responsibilities do not extend to any other disclosures or assertions.

Prime Energy Limited's and IBIS' Responsibilities

The management of Prime Energy is responsible for generating and maintaining accurate and reliable information provided to IBIS for this assessment. IBIS shall not be held liable if any of the information provided by Prime Energy's management is not accurate or complete.

IBIS' responsibilities are to conduct an assurance engagement and to report its conclusions to the Directors of Prime Energy in accordance with the assurance procedures followed.

Inherent limitations

The evidence-gathering procedures performed in a Limited Assurance engagement vary in nature, form, and are less in extent, than for a Reasonable Assurance engagement. As a result, the level of assurance obtained in a Limited Assurance engagement is lower than the assurance that would have been obtained had we performed a Reasonable Assurance engagement.

Restriction of liability

Our work has been undertaken to enable us to express the conclusion on the specified scope and objectives of the engagement to the Directors of Prime Energy in accordance with the terms of our engagement, which includes the publication of this opinion, and for no other purpose. We do not accept or assume responsibility to any third parties i.e., other than to the Directors of Prime Energy, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

Summary of assessment performed.

Prime Energy provided IBIS with its Green Bond Framework 2023 and other supplementary information to support the independent assurance process. IBIS' Limited Assurance procedures were based on our professional judgement and consisted of:

- Management enquiry and interviews;
- Review of Prime Energy's green bond related documentation and publicly available market information; some documents reviewed include
 - Environmental Impact Assessment (EIA) Rukarara II
 - Gashashi EIA Certificate
 - Report of EIA Mukungwa II
 - Prime Energy's Environmental and Social Management System (ESMS)
- Evaluation of the Prime Energy Green Bond Framework against the ICMA GBP June 2021 requirements as related to the Issuer's Strategy and Rationale, Use of Proceeds, Process for the Project Evaluation and Selection, Management of Proceeds and Reporting.

SPO Section	Summary	Evaluation
Section 1 Green Bond's Link to the Issuer's Sustainability Strategy	The Use of Proceeds to be financed through this Green Bond Framework is consistent with the Issuer's sustainability strategy. The rationale and objectives for issuing a Green Bond are clearly articulated by the Issuer.	Aligned
Section 2 Alignment with ICMA's Green Bond Principles.	The Issuer has defined a formal concept for its Green Bond Framework regarding the use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. The concept is aligned with the requirements of the 4 pillars of the ICMA's Green Bond Principles	Aligned
Section 3 Sustainability Quality and Assurance Conclusion	In our opinion, and based on our Limited assurance procedures conducted, nothing has come to our attention that causes us to believe that Prime Energy's Green Bond Framework does not conform in all material respects to ICMA GBPs of June 2021	Aligned

Section 1: Green Bond's Link to Issuer's Sustainability Strategy Reporting

Background

Prime Energy, which is a subsidiary of Prime Energy Holding Limited, is a renewable energy company with experience in the development, construction, operation, and maintenance of renewable energy projects. The Company has a track record of delivering hydropower projects within Rwanda and is committed to providing clean energy solutions to the growing demand for energy in the country while contributing to the Government's goal of achieving universal access to electricity by 2024.

The Ministry of Infrastructure awarded Prime Energy a twenty-five-year concession to upgrade, operate and maintain four HPPs through a transparent and international tendering process. The four HPPs are:

- Gashashi (0.28MW)
- Gisenyi (1.7MW)
- Mukungwa II (3.6MW) and
- Rukarara II(2.2MW), totaling 7.8MW producing 45Million kWh.

All four plants are connected to the national grid. The company also signed Power Purchase Agreements with Energy Utility Corporation Limited (Rwanda utility) for the four power plants and

started operation in 2015. Three plants out of the 4 HPPs were fully renovated and upgraded in 2018.

Prime Energy aims to invest in the Rukarara VI project which is a significant addition to the Group's portfolio, as it will increase the overall installed capacity and further their commitment towards the need for clean energy development. Rukarara VI is a project in the pipeline of the Issuer which is currently under construction. The project has a proposed installed capacity of 9.7MW with the potential to generate about 55million kWh on average for the 25 years after commissioning. The Rukarara VI project also plans to contribute to the Government's goal of reducing the dependency of the country's energy supply on diesel generators.

The Company intends to issue an RWF 9.5 billion corporate green bond of which 79% of the proceeds will be invested in the Rukarara VI project while the outstanding balance will be invested into the maintenance of the four HPPs.

The Issuer's Sustainability Strategy

The Issuer recognizes the complexity and urgency of climate change and is committed to the transition to a cleaner low-carbon world through its energy solutions. ESG is a core strategic priority for the Issuer, with a focus on environmental sustainability, social responsibility, biodiversity conservation, and continuous development. The primary objectives of the green bond is to finance projects that have a positive environmental impact and contribute to environmental sustainability while also addressing the impacts of climate change.

The Company's E&S strategy is aligned with the considerations of the IFC Performance Standards and three (3) Sustainable Development Goals (SDGs) namely:

- **SDG 7 (Affordable and Clean Energy):** This includes targets to (i) increase substantially the share of renewable energy in the global energy mix, and (ii) double the global rate of improvement in energy efficiency.
- **SDG 9 (Industry, Innovation and Infrastructure):** This includes targets to (i) develop quality, reliable, sustainable and resilient infrastructure, and (ii) upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- **SDG 13 (Climate Action):** This includes targets to (i) strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries and (ii) Integrate climate change measures into national policies, strategies and planning.

Conclusion on the Rationale for issuance

Prime Energy intends to use the proceeds of the green bond to provide cleaner energy solutions which are environmentally sustainable and friendly, while also addressing socio-economic challenges of power supply. IBIS finds that the Use of Proceeds financed through this bond is consistent with the Issuer's sustainability strategy. The rationale for issuing Green Bond is also clearly described within the framework.

Section 2: Alignment with Green Bonds Principles

Use Of Proceeds

Use of Proceeds

Prime Energy is committed to allocating an amount equivalent to the net proceeds of the green bond to eligible projects as defined within the Green Bond Framework with the environmental objectives focused mainly on climate change mitigation. The framework clearly defines the green project category as *Renewable Energy* which is aligned with the GBPs. It further defines the eligibility criteria under the eligible category as below:

GBP Eligible Category	Eligibility Criteria
Renewable Energy	<ul style="list-style-type: none"> • Proceeds will finance expenditures related to the construction, development, operation, and maintenance of new and existing HPPs. • Greenhouse Gas (GHG) emissions intensity would be less than 100 gCO₂-e/kWh (aiming for less than emission intensity of 24 gCO₂-e/kWh) • HPPs with a generation capacity below 15MW

The Issuer commits to allocate 15% of the net proceeds of the Green Bond to refinancing existing loans of the existing HPPs and has defined its expected lookback period for the refinanced portion as 84 months. In summary, the expected allocation of funds to the other eligible categories are as below:

	Eligible Projects	% of Proceeds Allocation
1	New Investment into Rukarara VI	79
2	Maintenance CAPEX of existing HPP	21
	Total Net Proceeds	100%

The framework also articulates the anticipated environmental benefits of the eligible project category. These include but are not limited to reduction in greenhouse gas emissions, enhanced air quality, conserved ecosystems, etc.

Conclusion

IBIS has assessed the Green Bond Framework and confirms that the Issuer's eligibility criteria for its use of proceeds align with the ICMA GBPs. The Green Project category selected by the Issuer, namely Renewable Energy, is

in line with the ICMA GBPs. Environmental benefits are also articulated within the framework.

Process For Project Evaluation and Selection

Evaluation and Selection

The Issuer's framework articulates several key steps and processes for the evaluation and selection of eligible green projects. The governance structure relevant to the selection and approval of eligible projects are also adequately defined to support transparency and accountability of the green bond. The governance structure includes:

- **Green Finance Team:** The team will be responsible for managing the green bond process and will comprise of individuals with expertise in sustainability, finance, and project evaluation.
- **Green Bond Committee:** The committee will have overarching responsibility for overseeing the entire green bond process. Its responsibilities will include but not limited to project selection, reporting, etc.
- **External Expert Advisory Panel:** Prime Energy commits to the involvement of external experts/advisors to provide independent input on project selection and evaluation to enhance credibility and provide additional expertise.

A Green Finance team will screen the identified projects against the company's Environmental and Social (E&S) Risk Management Policy to identify potential E&S risks impact across several considerations such as compliance with local environmental regulations, greenhouse gas emissions, resource efficiency, stakeholder engagements, etc. Prime Energy has an Environmental and Social Management System (ESMS) which supports the integration of environmental and social factors in the Issuer's decision-making process.

The framework also details an exclusion list which states that the net proceeds of the green bond will not be allocated to the following projects:

- Large-scale hydropower plants that have a generation capacity of over 15MW,
- Nuclear power plants, and
- Fossil fuel projects, which include; refined or alternative coal technologies, Gas-to-liquid projects and Natural gas projects.

	The Company has developed the Green Bond framework and its associated use of proceeds to be align with <i>The Common Principles for Climate Mitigation</i> .
Conclusion	<p><i>The Issuer has articulated its governance structure and processes for selecting and evaluating the eligible projects within the framework. Environmental and Social risks are clearly considered in the assessment process while also ensuring that the nominated projects aligns with the eligibility criteria. The exclusionary criteria are clearly defined.</i></p> <p><i>IBIS considers the Issuer's process for selecting and evaluating the identified projects to be aligned with the ICMA's requirements.</i></p>

Management Of Proceeds

Management of Proceeds	<p>According to the framework, Prime Energy commits to manage the net proceeds of the Green Bond on a portfolio basis. The Issuer commits to achieving an allocation of the net proceeds that match the Eligible Green Project portfolio. The Finance Department will be responsible for the allocation and tracking of the net proceeds through the use of its internal accounting system which will be ringfenced into a dedicated sub-account. Prime Energy will maintain a Green Financing Register to record, on an ongoing basis, the allocation of the net proceeds of the Green Bond, the unallocated proceeds, and details of the eligible projects. The Finance team will be responsible for updating the Register on a semi-annual basis. Prime Energy envisages full portfolio compliance to its eligibility criteria, however in the event that a project no longer meets the eligibility criteria, the following will be considered;</p> <ul style="list-style-type: none"> ▪ Corrective Actions: This will involve implementing new strategies, technologies, or management practices to address the issues that led to the loss of eligibility. ▪ Re-evaluation and Redesign: This could involve making changes to the project's goals, strategies, or technologies to align with the eligibility criteria once again. <p>The Company also intends to allocate 100% of the net proceeds within 12 months of the issuance of the Green Bond and additional eligible projects will be included into the Eligible Green Projects Portfolio to ensure full allocation.</p>
Unallocated Proceeds	<p>Pending the allocation of the Green Bond Proceeds, Prime Energy commits to temporarily hold and/or invest, at its own discretion, in its treasury liquidity portfolio (in cash or cash equivalents), or reimbursement/purchase of existing debt, the balance of unallocated proceeds.</p>

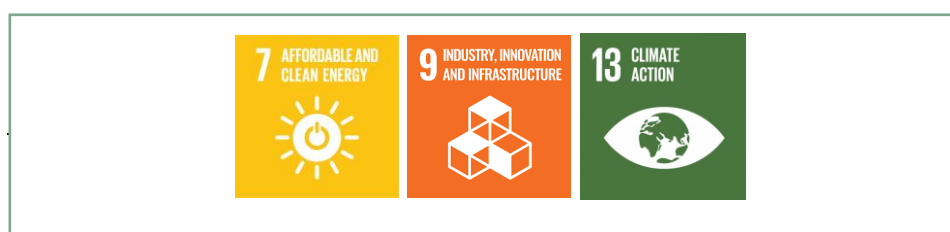
Conclusion	<i>IBIS considers the Management of Proceeds proposed by Prime Energy within its framework to be aligned with the requirements of ICMA Green Bond Principles. The Issuer intends to track the proceeds using its internal management system. The Issuer has also disclosed the intended types of temporary investment instruments for unallocated proceeds.</i>
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Reporting	
Reporting Commitment	<p>Prime Energy commits to prepare and publish its Green Bond Report annually until the full allocation of net proceeds on its website.</p> <p>The Green Bond Report will provide qualitative and quantitative details on:</p> <p>Allocation Reporting</p> <ul style="list-style-type: none"> • the details of each eligible green project, • a record of the amount or amounts invested and/or allocated to each eligible green project, and • total amount of unallocated proceeds <p>Impact Reporting</p> <p>For purposes of impact reporting, Prime Energy will consider the following impact metrics for its green project categories which will include but not limited to:</p> <ul style="list-style-type: none"> • GHG emissions reduced/avoided resulting from the projects, and • Total energy generated by the project <p>The annual reporting will provide transparency and accountability to investors and stakeholders during the life of the green bond.</p>
Conclusion	<i>Prime Energy's reporting on bond performance is aligned with the GBPs. The framework has committed to a transparent process on the level of expected reporting in terms of allocation and impact. Impact indicators of the green project categories are listed within the framework.</i>

Part 3- Sustainability Quality and Assurance Conclusion

Sustainability Quality

Based on the assessment of the sustainability quality of the use of proceeds and using ICMA High-level mapping to the SDGs, IBIS has assessed that the contribution of the Issuer's Green Projects would have a positive contribution to the following SDG.



OPINION

We believe that the information provided by Prime Energy Plc, and the assessment performed by IBIS are sufficient and appropriate to form a basis for our Second Party Opinion.

In our opinion, and based on our Limited assurance procedures conducted, nothing has come to our attention that causes us to believe that Prime Energy's Green Bond Framework 2023 does not conform in all material respects to ICMA GBPs of June 2021, with regard to:

- Use of Proceeds;
- Process for the Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting.

A handwritten signature in black ink, appearing to read "P. Gildenhuys".

Petrus Gildenhuys

DIRECTOR, IBIS ESG CONSULTING AFRICA (PTY) LTD

Johannesburg

IBIS ESG Consulting Africa (Pty) Ltd
1st Floor, Acacia Building
The Avenue Office Park
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Appendix J: Directory of authorised selling agents

No.	Name and address	Contact information	Contact person
1.	BK Capital Limited BK Head Office P.O Box 175, Kigali Rwanda	Tel: +250 788 143 241/+250 781 449 631 Email: bkcapital@bk.rw/ s.kisoso@bk.rw Call Centre: 4455 Website: www.bkcapital.rw	Mr. Siongo Kisoso
2.	FAIDA Securities Rwanda Centenary House 4th floor P. O. Box 124 Kigali, Rwanda	Tel: +250784333734/+250782859330 Email: stephen.njoroge@fib.co.ke Website: www.fib.co.ke	Mr. Njoroge Stephen
3.	African Alliance Rwanda Securities Limited. KN 41 St Kiyovu - Nyarugenge, 1st Floor P. O. Box 7179, Kigali – Rwanda	Tel: +250785694490 Email: securitiesrw@africanalliance.com Website: www.africanalliance.com	Mr. Kenneth Kitariko
4.	Baraka Capital Limited 4th Floor – Building 2000 P. O. Box 7180, Kigali – Rwanda	Tel: +250280381100/+250255120337 Email: baraka@barakacapital.com	Mr. Gathaara Davis
5.	CDH Capital Limited 9th Floor, Ecobank Building P. O. Box 6237 Kigali Rwanda	Tel: +250788304274/+250788301007 Email: shehzadnoordally@cdhcapitaltd.org Website: www.cdhcapitaltd.org	Mr. Shehzad Noordally
6.	Mo Capital Limited Kigali City Towers 1st Floor P. O. Box 3360 Kigali-Rwanda	Tel: +250788750569 Email: o-muneza@mocapital.co.rw/ info@mocapital.co.rw Website: www.mocapital.co.rw	Mr. Muneza Olivier
7.	MBEA Brokerage Services Limited. Regus Offices. Kigali City Towers (KCT), 14th floor P. O. Box 3492 Kigali, Rwanda	Tel: +250788803371 / +250788 803370 Email: info@mbea.net Website: www.mbea.net / www.mbeagroup.net	Mr. Owiny Otengo Andrew



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