



Clifford Capital and Pentagreen Capital announce US\$30 million green loan collaboration with BECIS to support bioenergy projects in Southeast Asia and India

Singapore, 5 July 2024 - Clifford Capital, an infrastructure financing platform, and Pentagreen Capital (“Pentagreen”), the sustainable infrastructure debt financing platform established by HSBC and Temasek, today announced a joint green loan collaboration of US\$30 million with BE C&I Solutions Holding Pte. Ltd. (“BECIS”) to catalyse the construction of distributed sustainable bioenergy projects across Southeast Asia and India.

The borrowing entity is BECIS Bioenergy, a subsidiary of BECIS, a leading provider of energy-as-a-service solutions in Asia.

The loan will finance 14 individual decentralised installations across Indonesia, Thailand, Cambodia, the Philippines and India. The projects convert agricultural waste and other sustainably sourced feedstock into renewable steam, which is delivered to industrial customers under offtake agreements, and are expected to result in 114,404 tons of CO2 emissions avoided annually. The installations are located at industrial and manufacturing sites operated by established local and multinational companies across industries, including food and beverage, consumer goods, construction materials and agricultural products.

BECIS Bioenergy applies Supplier Due Diligence and Responsible Sourcing Criteria to installations consistent with the key principles of international standards, such as the Roundtable on Sustainable Bioenergy’s Principles and Criteria. This includes independent third-party assessment to ensure standards are well maintained.

Clifford Capital and Pentagreen are providing a US\$30 million Secured Green Loan Facility on a 50:50 basis. Clifford Capital, as the Structuring Arranger, together with Pentagreen Capital as the Green Loan Coordinator, arranged an innovative dual-tranche structure where Pentagreen’s tranche is subordinated to the commercial tranche provided by Clifford Capital, and has a differentiated repayment profile. The combined solution unlocks the full required financing package for the Borrower, catalysing growth in energy efficiency and sustainability activities in the region. In anticipation of future growth, the financing comes with an accordion feature to allow the facility size to be increased to US\$50 million. The committed US\$30 million has the potential to unlock US\$60 million in project value.

The financing has been structured as a Green Loan under BECIS' Green Loan Framework, which is aligned with the Green Loan Principles 2023, administered by the Asia Pacific Loan Market Association and Loan Syndications and Trading Association. A Second Party Opinion has been issued by Sustainalytics.

Audra Low, Group Head of Client Coverage of Clifford Capital said: "This is an exciting collaboration that has the potential to catalyse the development of distributed sustainable bioenergy projects across the region. It is in keeping with Clifford Capital's ambition to support innovative financing solutions for Singapore based companies for projects that support sustainability objectives and deliver commercial returns to shareholders."

Marat Zapparov, Chief Executive Officer of Pentagreen Capital said: "We are delighted to work with Clifford Capital and BECIS in accelerating industrial decarbonisation in developing Asia. Industrial processes, agriculture and energy contributed to more than 72% of greenhouse gas emissions in Southeast Asia¹, highlighting the acute need to channel capital towards innovative industrial decarbonisation solutions. This transaction demonstrates the power of partnership between different types of financiers acting together to make a deal happen and crowd-in capital to an innovative business model in emerging Asia."

Eren Ergin, Chief Executive Officer of BECIS said: "We are pleased with the strong commitment Pentagreen Capital and Clifford Capital have shown in providing the financing to accelerate the growth of our bioenergy solutions business. This funding is a critical milestone in our long term strategy, and it will enable us to continue to be our customers' trusted partner in achieving their energy transition and net zero targets."

Kelvin Tan, ASEAN Head of Sustainable Finance of HSBC and Board Director of Pentagreen Capital said: "The transaction demonstrates the impact that a differentiated debt financier can have and is timely as the region looks for innovative solutions to scale decentralised energy solutions and decarbonise manufacturing processes."

¹ Bain, Southeast Asia's Green Economy 2024 Report. Greenhouse gas emissions data from Climate Watch.

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Connie Chan, Head, Financial Services at Temasek and Board Director of Pentagreen Capital said: “Asia’s green transition can be realised only if we derisk the financing of sustainable infrastructure, at scale. Pentagreen has demonstrated its ability in identifying opportunities to support sustainable infrastructure projects which are marginally bankable, by partnering with commercial lenders to unlock the full capital flow needed to bring such projects to fruition. We need many more such partnerships to unlock the implementation of projects in the region, and pave the way towards an accelerated and inclusive transition.”

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About Clifford Capital

Singapore-headquartered Clifford Capital was established with the support of the Government of Singapore as a provider of debt financing solutions to companies and projects with a nexus to Singapore in the infrastructure and maritime sectors.

Clifford Capital is an infrastructure financing platform, with an increasing focus on areas such as energy and utilities, natural resources, maritime, industrials and transportation, and social and digital infrastructure. Its ambition is to deliver innovative financing solutions that positively influence sustainability and deliver commercial returns for its shareholders. Please visit www.cliffordcapital.sg for more information.

About Pentagreen Capital

Pentagreen Capital is a debt financing company dedicated to catalysing sustainable infrastructure projects, with an initial focus on Southeast Asia. Based in Singapore, it seeks to remove barriers that prevent marginally bankable sustainable infrastructure projects from accessing capital, through a combination of technical assistance and blended finance at scale. Pentagreen will target opportunities in the renewable energy and storage, water and waste treatment, and sustainable transportation sectors, as it helps to build resilience to offset the global impact of climate change. For more information, please visit www.pentagreen.com.

About BECIS

BECIS is a leading Energy as a Service (EaaS) provider to high-quality commercial and industrial customers. With the EaaS model, BECIS develops, constructs, operates and owns distributed energy solutions. This reduces the risk and complexity for our customers whilst achieving their key objectives of sustainability, increased cost efficiency and

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BECIS
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resilience of their energy infrastructure. For more information: please visit <https://be-cis.com/>.

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