

MCB Capital Markets advises EnVolt on its inaugural Green Project Bond issue

Port Louis, 25th October 2023, Mauritius : MCB Capital Markets, the Investment Banking, Asset Management and Principal Investments arm of MCB Group, has advised EnVolt on its inaugural issue of MUR 510m (USD 11 million) Green Project Bonds under its MUR 2 billion (USD 45 million) Multicurrency Green Bond programme.

EnVolt, the renewable energy development arm of ENL Group (“ENL”), a diversified investment holding company in Mauritius, is engaged in the construction of 13 solar roof and ground mounted facilities across the island with an aggregate capacity of 14 MWh and an estimated project cost of MUR 680 million (USD 15 million).

The issuance represents a major milestone for the Mauritian debt capital markets. It is the first time that a renewable energy project is financed by a bond issue. It is also the first Green Project Bond issued under the *Green Bond Principles 2021* of the International Capital Market Association (ICMA). In line with the FSC Guidelines and international best practices, ENL’s Green Bond Framework was independently reviewed by Morningstar Sustainalytics. FSD Africa, the UK’s financial sector development organisation, provided technical support on the bond programme, as part of its wider Green Bonds programme.

The bond, which was rated by CARE Ratings Africa, raised fixed rate financing in Mauritian Rupees with a tenor of up to 17 years and attracted a broad investor base comprising banks, asset managers and pension funds. MCB Ltd was the largest investor in the bonds.

The project aligns seamlessly with and contributes to the Mauritian government’s ambition to achieve 60% renewable energy production by 2030. As the foremost banking group in Mauritius, MCB fully endorses this initiative, which endeavours to accelerate the country’s transition towards renewable energy. MCB is committed to supporting the transition to a circular and greener economy in line with Mauritius’ Nationally Determined Contribution (NDC), and to fostering local production.

Gilbert Espitalier-Noel, CEO ENL Group, said: "Our group positions itself as a major player in the renewable energy sector. Our initiatives align with the national strategy to produce up to 60% of Mauritius' energy needs from renewable sources by 2030. Our green bond program will finance the expansion of our production capacity and enable us to contribute significantly to improve the country’s energy mix and energy security."

Rony Lam, CEO MCB Capital Markets, said: “We are proud to have advised EnVolt on this landmark transaction, which sets international standards for the issuance of Green Project Bonds in Mauritius. This transaction reflects the rapid development of the local currency bond market over the past eight years. The deployment of local resources to finance the domestic economy and infrastructure projects is vital to the development of the African continent.”

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Mark Napier, CEO FSD Africa, said: “FSD Africa is pleased to have supported everyone involved in this historic green bond issuance by EnVolt, which we hope sets a precedent for further such transactions not only in Mauritius but across the wider SADC region, building the strength of domestic African capital markets and, crucially, delivering financing routes for vital energy transition projects, which can accelerate Africa’s energy and climate security.”

Charlotte Pierre, UK High Commissioner to Mauritius, said: “International bond markets remain among the most effective and good value options for financing energy transition and major infrastructure investment programmes. We hope that many more African countries will follow the Mauritius example.”

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About EnVolt

EnVolt Limited is a subsidiary of ENL Group (“ENL”), a diversified investment holding company based in Mauritius. With over 100 subsidiaries and total assets totalling in excess of USD 2bn, the company has been a major player in the Mauritian economy since 1821. EnVolt Limited has a broad objective of developing and implementing ENL’s renewable energy initiatives. The Company, which has been operating since 2018, owns and operates 10 solar farms with a capacity of 4.1 MW under the Medium-Scale Distributed Generation 1 scheme of The Central Electricity Board of Mauritius.

For more information, please visit <https://www.envolt.mu/>

About MCB Capital Markets

MCB Capital Markets is the Investment Banking, Asset Management and Principal Investments arm of MCB Group, the largest banking group in Mauritius. The company provides a broad range of services under one roof, including corporate finance advisory, asset management, stockbroking, private equity, real asset investments, structured products and registry services. Based in Mauritius, the team works with clients wishing to start or grow their operations in Africa and helps them develop solutions that meet their financing, strategic and investment objectives. MCB Capital Markets is a member of The International Capital Market Association.

For more information, please visit <https://www.mbcicapitalmarkets.mu/en/>

About MCB Group

Anchored on 185 years of history, MCB Group is the largest banking group in Mauritius and is an increasingly prominent financial services player in Africa. The group offers a wide array of financial solutions, including retail, business and corporate banking, factoring, leasing, global business, wealth management and investment banking.

MCB has the highest market capitalisation on the local Stock Exchange and a large base of local and foreign shareholders. The group is pursuing a rapid overseas diversification strategy based on a sound business model, which has enabled it to expand into new areas of banking and non-banking while consolidating its domestic operations. It has an expanding

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international footprint, including a presence in France, South Africa, Dubai, Kenya, Mozambique, Madagascar, Maldives, Seychelles, Réunion and Mayotte.

For more information, please visit <https://mcbgroup.com/>

About FSD Africa

FSD Africa is a specialist development agency established in 2012 by the UK Government working to make finance work for Africa's future. The organisation works on the ground in over 30 African countries to mobilise "green plus" finance that will power economic and social development while delivering environmental gains and building Africa's resilience. FSD Africa works on policy and regulatory reform, capacity strengthening and improving financial infrastructure, and addressing systemic challenges in Africa's financial markets to spark large-scale and long-term change.

For more information, please visit www.fsdafrica.org

About ENSafrica (Mauritius)

ENS is a leading legal firm in Mauritius and Africa, offering a full range of legal services on the continent. With a presence in several African countries, ENS specializes in legal advice on mergers and acquisitions, corporate law, commercial law, financial markets law, banking law, litigation and related areas.

For more information, please visit <https://www.ensafrica.com>

About Morningstar Sustainalytics

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, please visit www.sustainalytics.com

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