



KarmSolar secures 83M EGP in funding from HSBC for Farafra Solar Grid, a First-of-Its-Kind, innovative Microgrid Solution

EGP 83M debt financing from HSBC for the project

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Cairo, Egypt,

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Solar power developer and electricity distributor KarmSolar has announced the development of Farafra Solar Grid, the company's 2nd Grid-solution after the Marsa Alam Solar Grid, covering 100% of clients' load.

Phase 1 of the Farafra Solar Grid will consist of a 3.4 MWp solar PV station, 3.7 MVA diesel generators, and a 4 MWh/1MW solar battery storage system, established under KarmSolar's SPV; Mars for Selling and Distributing Electricity. The project will allow for around 60% solar penetration aiming to reach 100% in three years' time, thereby offsetting a total of around 5,200 tons of CO2 emissions per year.

Targeting to become fully operational by Q3 2023, Farafra Solar Grid is a first-of-its-kind microgrid solution that utilizes solar PV panels, battery storage system, and diesel generators in a centralized setup, operating under a usufruct agreement, then distributing the generated electricity to the different off takers. The current clients for Phase 1 are Juhayna and Nawa for Agricultural Investment, with huge room for future expansion to other operational clients in this area.

"The kickoff of the Farafra Solar Grid enables us to achieve our vision of extending affordable, reliable solar energy to relatively inaccessible parts of the country. It is very refreshing to see institutions like HSBC willing to focus their efforts and trust towards investing in nonconventional projects like the Farafra Solar Grid."- KarmSolar's Co-founder and CEO Ahmed Zahran commented.

The solar grid project has received EGP 83 million debt financing from HSBC for phase 1 with the support of Ezdaher Financial Consultancy. "HSBC is committed to supporting and financing the transition to secure a net zero future by helping our clients access sustainable and innovative finance solutions across all business sectors so they can make the investments needed to



achieve their net zero goals,” Yasmin Farid, Head of Small and Medium Enterprises and Business Banking, HSBC Bank Egypt, said.

"Through our partnership with Kamsolar, we are delighted to have successfully implemented a unique project that provides solar power to Alfarfra Farm. This project not only promotes sustainability, but also provides a reliable source of energy that will enable us to become more efficient and effective in our operations. We are proud to be setting an example of sustainability for other businesses to emulate, as well as creating a positive impact on the communities we serve." said Ali Al-Shareef, Group Chief Executive Officer of Sisban For Agricultural Investment, Nawa's mother company.

The focus of this project is on the agricultural sector in Farafra region, a sector known to be operating using inefficient, decentralized diesel generator setups. The Farafra Solar Grid will allow for clients' energy costs to be driven down significantly, as well as removing the burden of infrastructure, maintenance, and management operations off the farmers by providing cheaper kilowatt hours and competitive prices, allowing for more efficient optimization, in return driving down carbon footprint and CO2 offset.

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About KarmSolar

KarmSolar spearheads the growth of the private solar energy market in Egypt, revolutionizing that market through the introduction of innovative and integrated solutions across the industrial, agricultural, commercial, and tourism sectors. With unique technical and financial expertise, deployed across solar-integrated solutions in energy, water, and construction utilities, today KarmSolar leads the Egyptian market with the largest portfolio of private solar energy projects.

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