

Proposed Sale of Shareholding in Sembcorp Energy India Limited

September 5, 2022



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Objectives of Proposed Sale



Accelerate the transformation of SCI's portfolio from brown to green



Strengthen SCI's balance sheet



Preserve value for shareholders



Protect stakeholders' interests



Stable transition to a proven and trusted long-term partner

Transaction Overview

Proposed Transaction

- **Proposed Sale:** Sembcorp Industries Ltd (“**SCI**”), through its wholly-owned subsidiary, Sembcorp Utilities Pte. Ltd. (“**SCU**”), is selling 100% of its shares in Sembcorp Energy India Limited (“**SEIL**”). SEIL shares (“**SEIL Sale Shares**”) will be acquired by Tanweer Infrastructure Pte. Ltd. (the “**Purchaser**”)
- **Purchaser:** The Purchaser is indirectly owned by a consortium (the “**Tanweer Consortium**”) led by Oman Investment Corporation S.A.O.C. (“**OIC**”), the Ministry of Defence Pension Fund, Oman (“**MODPF**”) and Dar Investment SPC (“**Dar Investment**”). The Purchaser is a newly-incorporated entity formed for the purpose of acquiring SEIL
- **Project:** SEIL is one of the largest independent power producers in India, operating two supercritical coal-fired power plants totalling 2,640MW
- **Base Purchase Price:** The consideration for the SEIL Sale Shares payable by the Purchaser to SCU is INR117,338 million (approximately S\$2,059 million¹). The Base Purchase Price is 1.0x of the SEIL book value as of 30 June 2022²
- **Final Purchase Price:** The Base Purchase Price is subject to certain adjustments³ on and after the date of completion under the Share Purchase Agreement

Transaction Structure

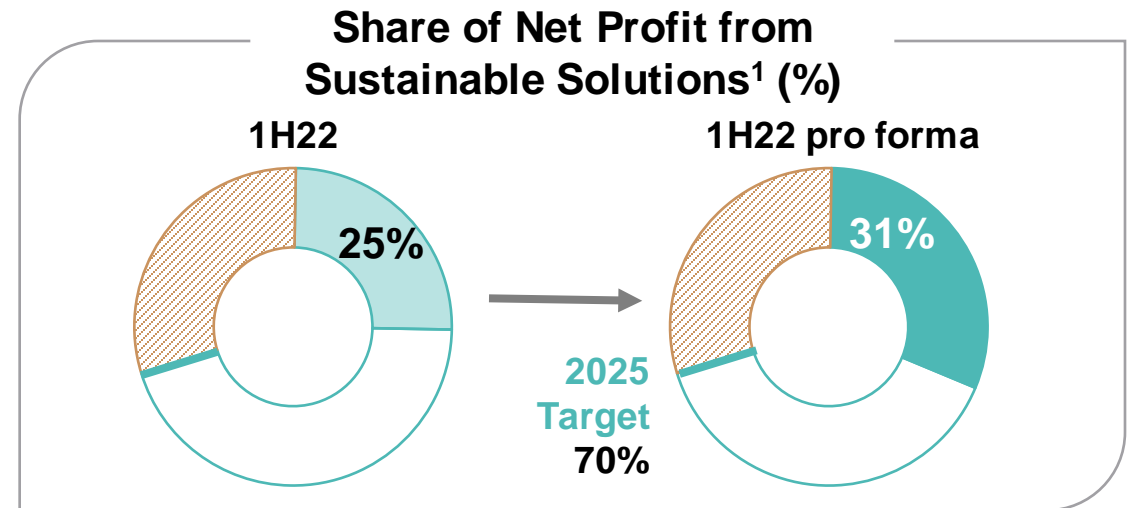
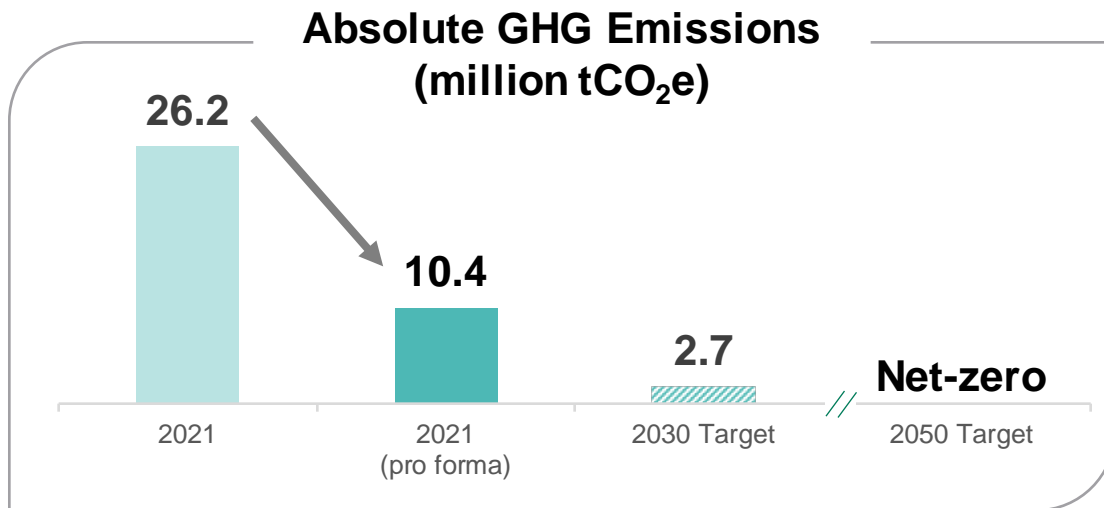
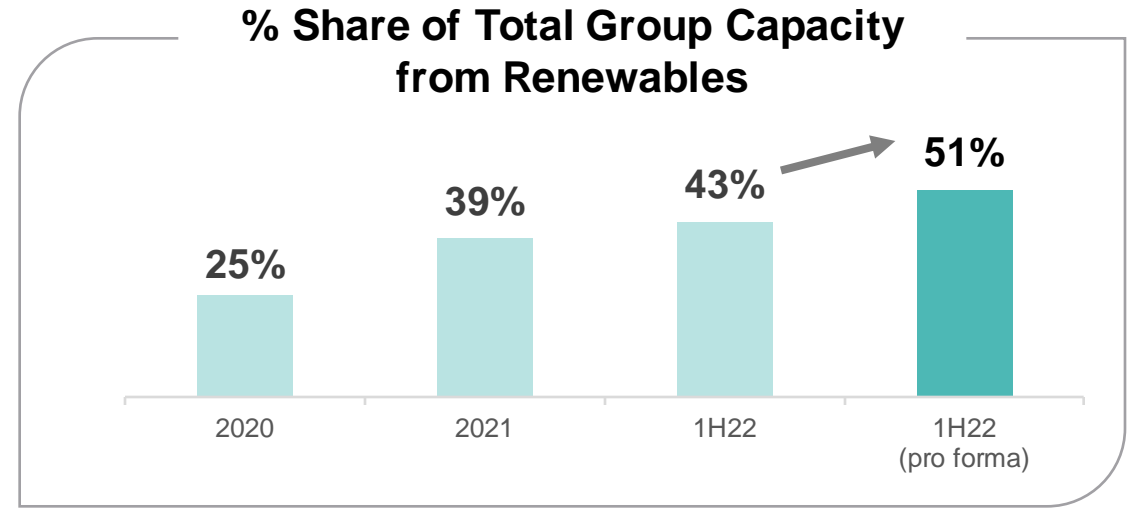
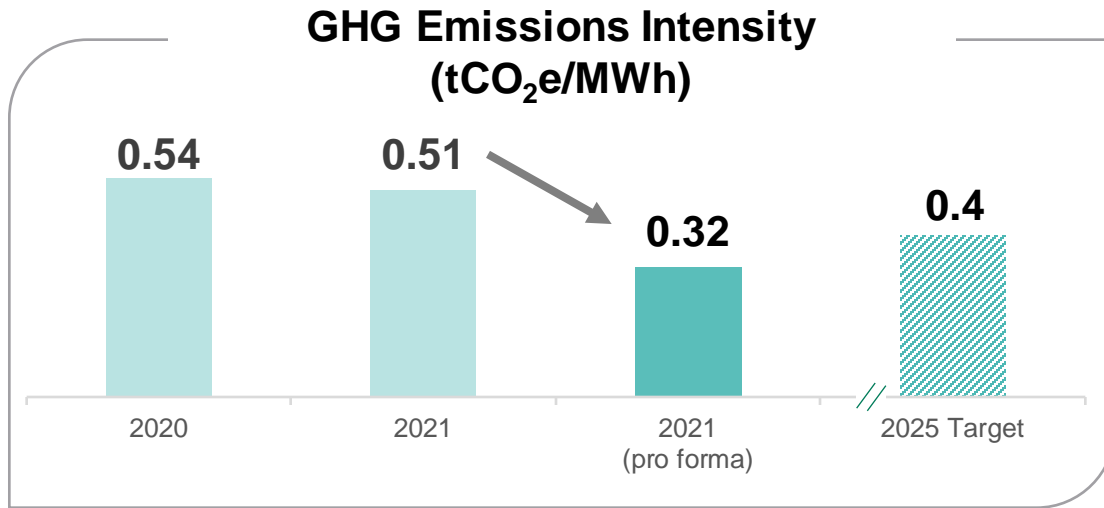
- **Deferred payment note³ (“DPN”):** On Completion, the Purchaser will settle the entire Final Purchase Price via a facility provided by SCU under a DPN. The DPN will bear interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate, minus a greenhouse gas (“GHG”) emissions intensity reduction incentive rate (“**GHG Reduction Incentive Rate**”)³
- **Technical services agreement³ (“TSA”):** In connection with the Proposed Sale, Sembcorp India Pvt Ltd (a wholly-owned subsidiary of SCU incorporated in India) (“**Technical Advisor**”), will upon Completion, enter into the TSA with SEIL to provide certain non-exclusive supporting and advisory services relating to technical, financial, environmental, regulatory, legal and corporate communications-related work, in order to continue the highest standards of reliability, operational efficiency and best practices in the management of the Project
- **Employees:** Existing employees to be retained under ownership of the Purchaser

1 Based on the Relevant Exchange Rate of SGD/INR = 57 as at 30 Aug 2022 (the “**Latest Practicable Date**”)

2 SEIL’s book value of INR114 billion as of 30 Jun 2022

3 Please refer to SCI’s announcement dated 5 Sep 2022, in relation to the proposed sale of SCU’s entire shareholding in SEIL (the “**Announcement**”) for further information on the adjustments, DPN, GHG emissions intensity reduction incentive rate and the TSA

1 Accelerate the Transformation of SCI's Portfolio from Brown to Green

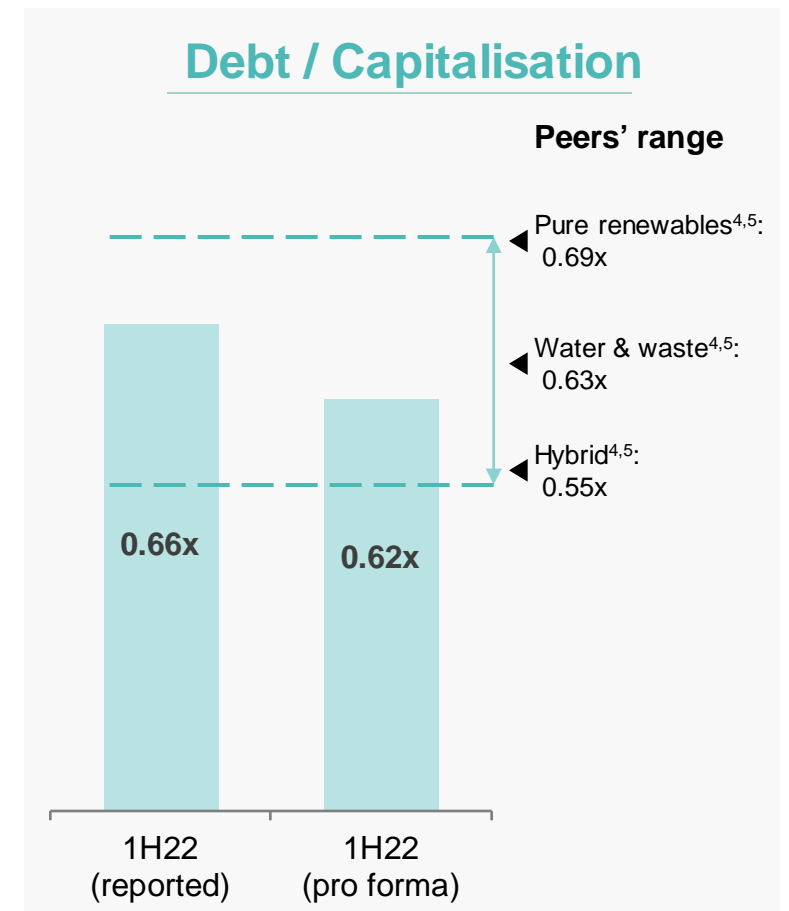
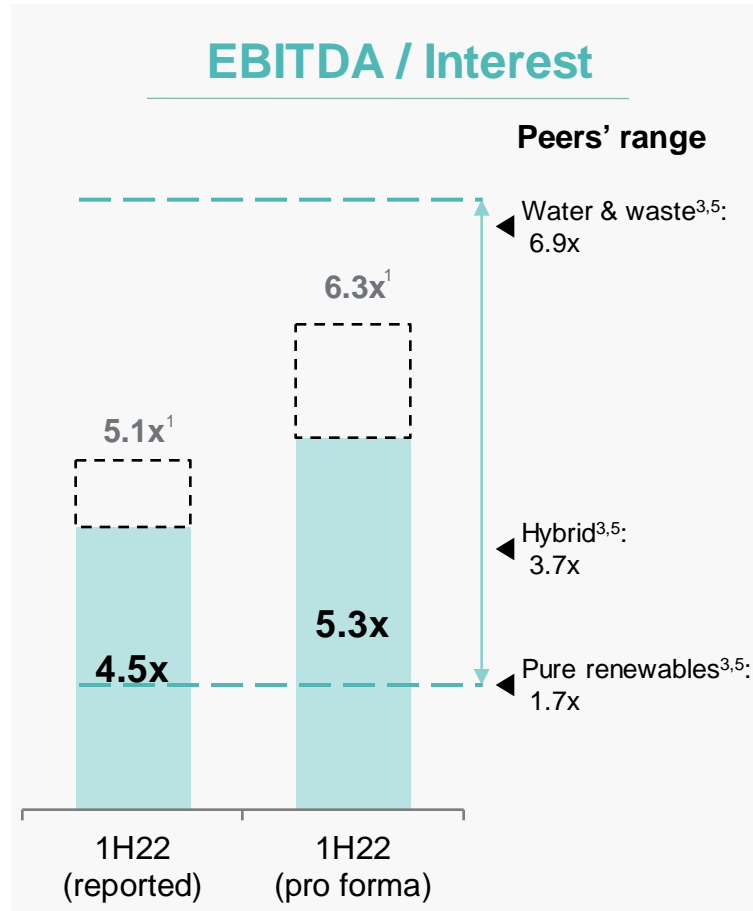
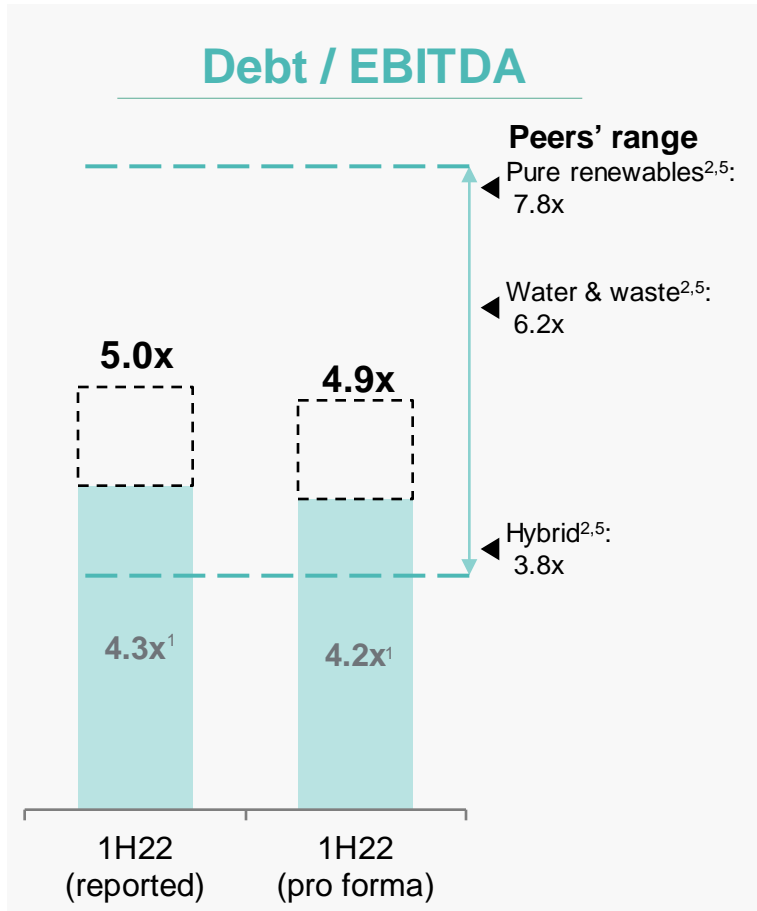


tCO₂e/MWh: tonnes of carbon dioxide equivalent per megawatt hour

¹ Before corporate costs and exceptional items

2 Strengthen SCI's Balance Sheet

SCI's leverage ratios improve – strengthening the balance sheet for further green growth



Share of results of associates & JVs

Source: Company Information

¹ Based on adjusted EBITDA for the 6-months ended 30 Jun 2022 (annualised). Adjusted EBITDA = reported EBITDA + share of results of associates & JVs (net of tax)

² Median of peers' reported Debt/EBITDA as of the latest audited public financials

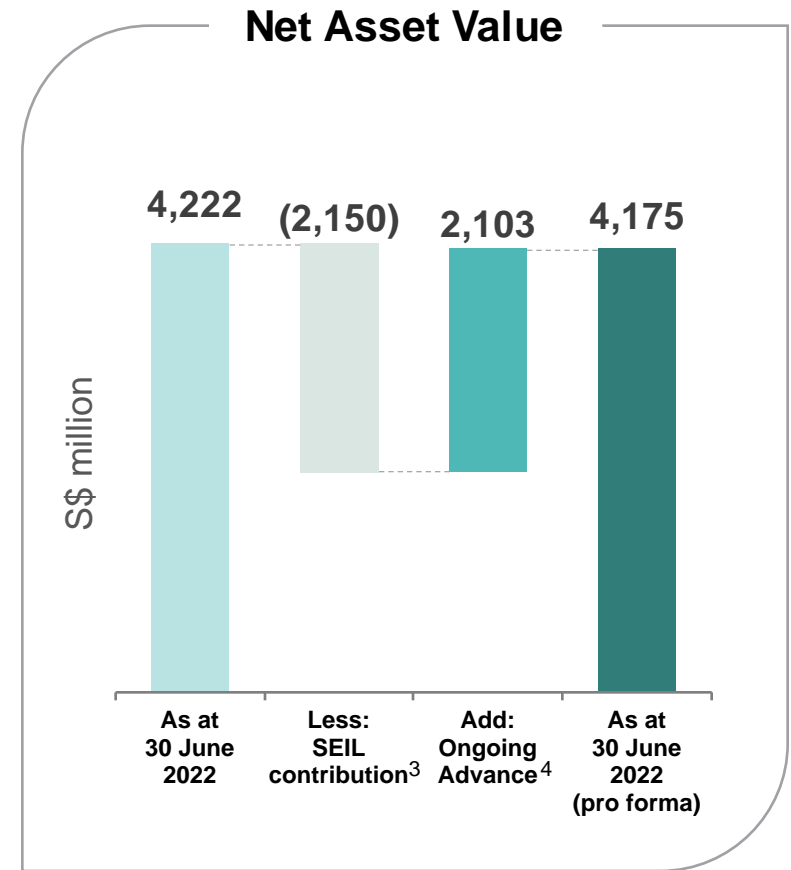
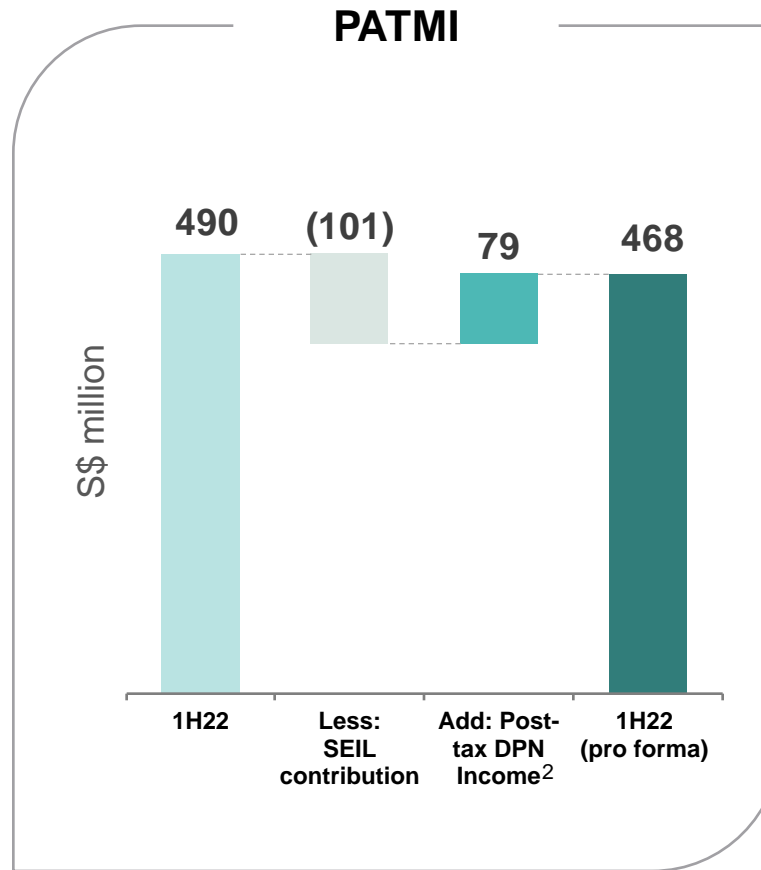
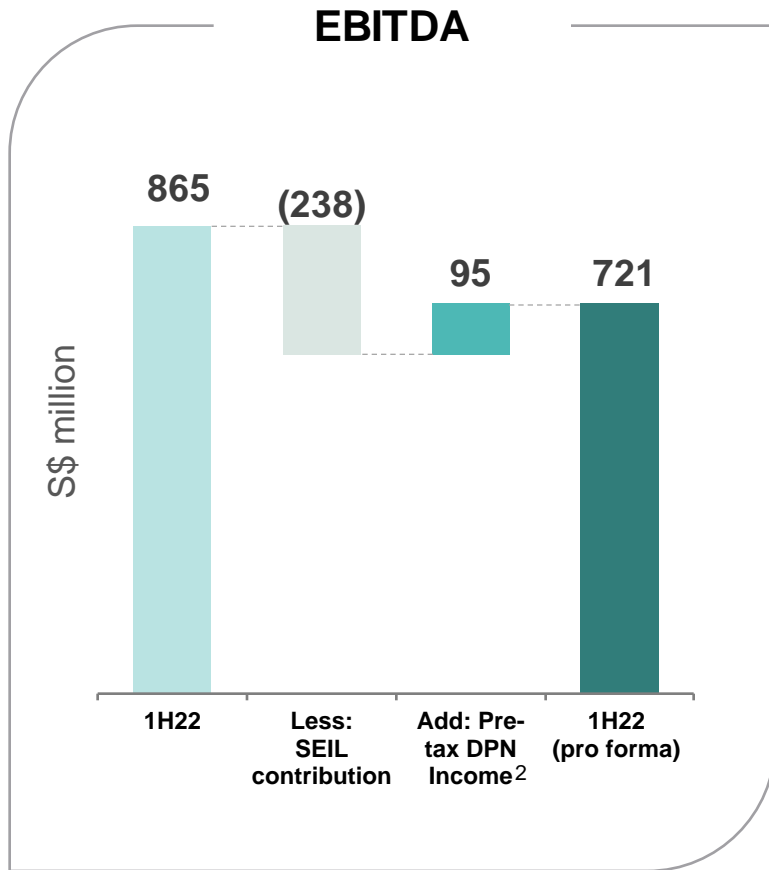
³ Median of peers' reported EBITDA/Interest as of the latest audited public financials

⁴ Median of peers' reported Debt/Capitalisation as of the latest audited public financials

⁵ Peer comparables – Hybrid: CLP, EDP, Enel, Engie, Iberdrola, RWE, SSE, Tata Power; Water & Waste: Evoqua, Manila Water, United Utilities, Veolia; Pure renewables: Adani Green Energy, Azure Power, Brookfield Renewable, Orsted

3 Preserve Value for Shareholders

Sale of SEIL implies Price/Book Value¹ of 1.0x; Financial metrics on a pro forma basis remains stable



Based on the Relevant Exchange Rate of SGD/INR = 57 as at 30 Aug 2022. Please refer to the Announcement for further information on the assumptions which the pro forma financial effects take into account

¹ Based on (i) Base Purchase Price of INR117 billion; and (ii) SEIL's Book Value of INR114 billion as of 30 Jun 2022

² S\$95 million (pre-tax) or S\$79 million (post-tax) of DPN income for the six-month period ended 30 June 2022. Assumes (i) an Ongoing Advance of S\$2,103 million and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN

³ Comprises SEIL's book value, goodwill, other consolidation adjustments, and costs arising out of the Proposed Sale, as of 30 June 2022

⁴ As defined in the Announcement

4 Protect Stakeholders' Interests

Power Distribution Customers and End Users



- **Service over 2.5 million households** with essential energy
- **Continue to fulfill contractual obligations** to power distribution companies via long-term and medium-term contracts, and merchant market participation

Employees



- Existing **employees will not be affected**
- Tap on expertise of operations team to continue the highest standards of reliability, operational efficiency and best practices in the management of the Project

Lenders



- Long-term Power Purchase Agreements secured ensures **timely debt servicing** for SEIL lenders

Indian Power System



- **Maintain grid stability** through operational continuity of two of the largest, most efficient national grid-connected plants
- **Strategic fuel flexibility** due to access to domestic and imported coal

5 Stable Transition to a Proven and Trusted Long-term Partner

Operational excellence and GHG emissions intensity reduction initiatives at SEIL supported through technical service agreement and a GHG Reduction Incentive Rate¹

The Tanweer Consortium led by OIC



70%²

- ❑ OIC is a leading Omani private equity investment company with a strong track record
- ❑ OIC and SCI jointly developed and operated the Salalah Independent Power and Water Plant since 2009³



20%²

- ❑ MODPF is one of Oman's largest pension funds with significant investments across power and infrastructure

Dar Investment

10%²

- ❑ Dar Investment represents the family office of H.E. Sheikh Abdullah Al Salmi, who is the Executive President of Oman's Capital Market Authority and board member of Oman Investment Authority

OIC has a strong track record of investments in...

Energy and Infrastructure

- ✓ Nafath Renewable Energy
- ✓ Salalah Independent Power & Water Plant³
- ✓ Sembcorp Operations & Maintenance

Real estate and logistics

- ✓ Khazaen Economic City
- ✓ Khazna Logistics
- ✓ Khazaen Central Fruit & Vegetable Market

Healthcare

- ✓ Aman Healthcare
- ✓ Saada Hospital

Asset and project management

- ✓ Aman Capital
- ✓ Meras Technical Services

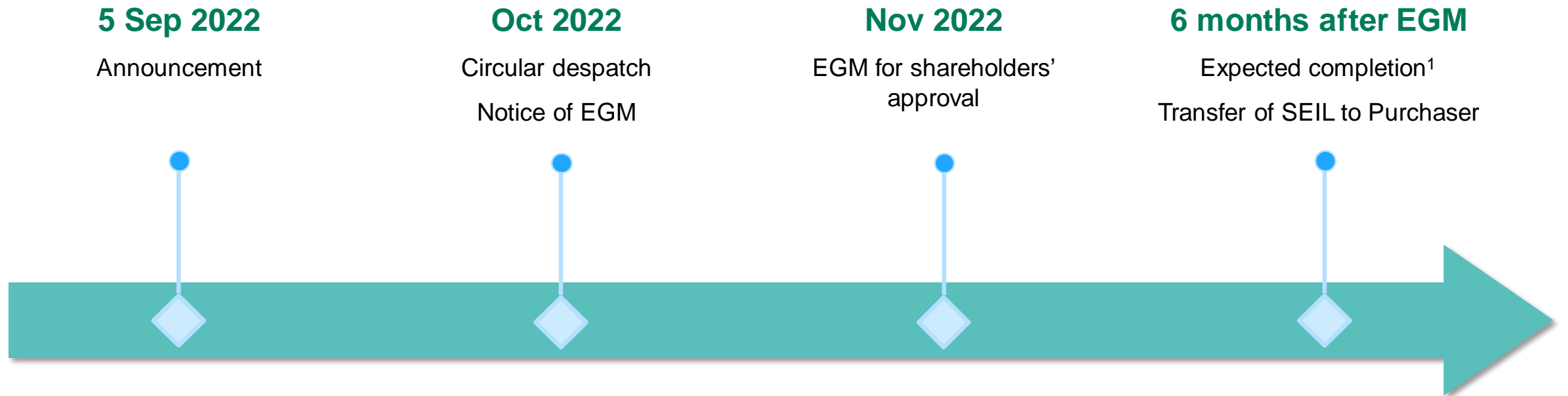
Ongoing initiatives at SEIL to reduce GHG emissions intensity, supported with a GHG Reduction Incentive Rate¹

¹ The interest rate under the DPN will reduce correspondingly with improvements in SEIL's GHG emissions intensity

² Indirect interest held in the Tanweer Consortium, and post the Proposed Disposal, in SEIL

³ OIC and SCI successfully built and have been operating the US\$1 billion Salalah Independent Power and Water Plant in Oman since 2009. The Plant has a gross capacity of 518MW and a gross water capacity of 72,950m³/day

Indicative Timeline



Disclaimer

This presentation should be read in conjunction with the Sembcorp Industries' announcement dated 5 September 2022, in relation to the proposed sale of Sembcorp Utilities' entire shareholding in Sembcorp Energy India Limited. A copy of the Announcement is available on <http://www.sgx.com>.

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