

PAN AMERICAN FINANCE
INVESTMENT BANKING FOR THE AMERICAS



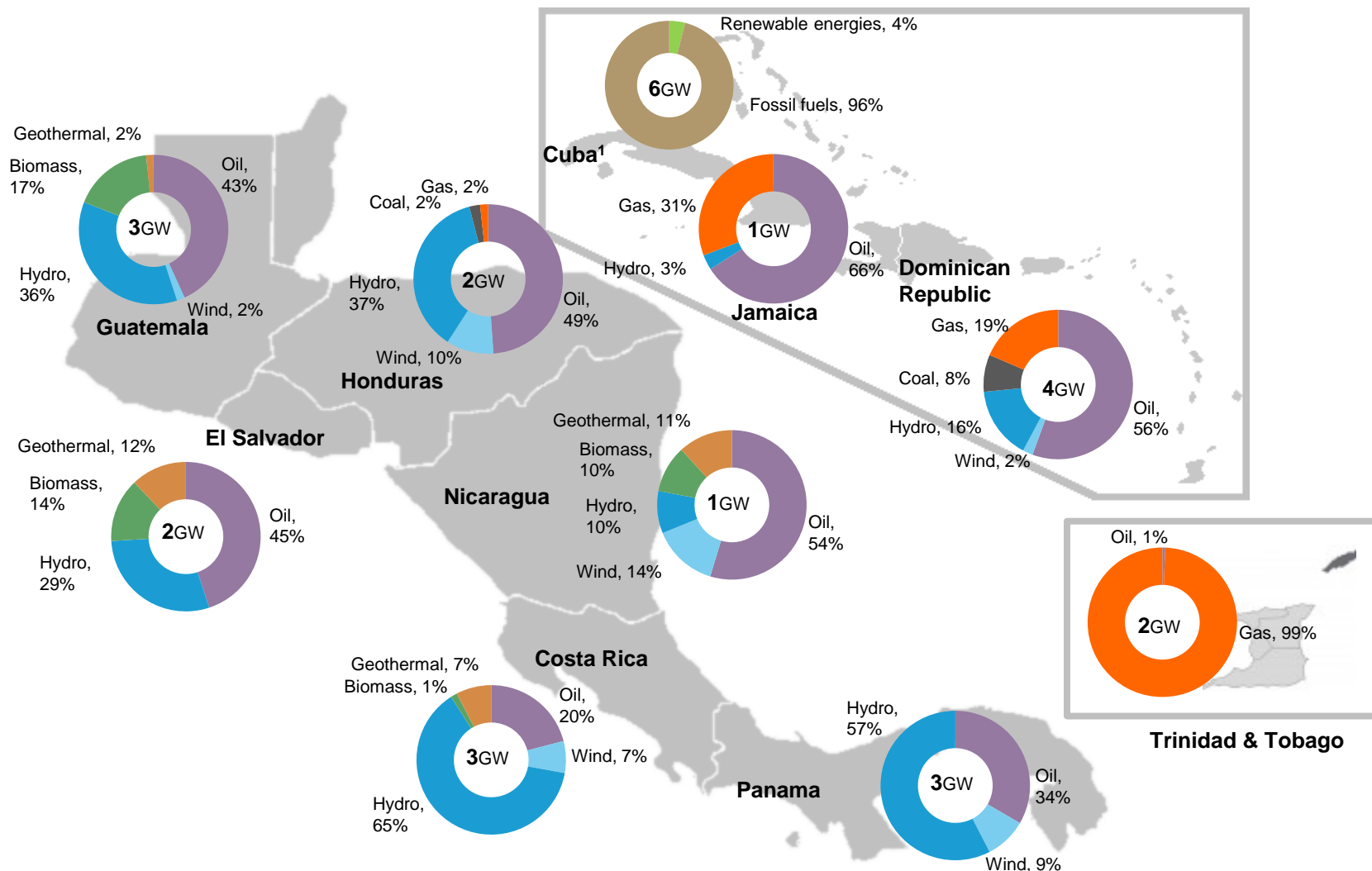
**11th Annual
Latin American Energy
& Infrastructure Finance Forum**

March 2017

Pan American Finance

- Financial advisory firm, established in 2003, based in Miami
- Strategic advisory and capital raising services
- 50+ transactions completed, US\$3+ billion total, US\$1+ for renewable energy
- Significant experience in M&A and capital raising for renewable energy
 - Sonnedix Solar – sale to JPMorgan Asset Management
 - Sonnedix Solar – €300 million equity raise from JP Morgan Asset Management
 - InterEnergy 215MW wind plant (Panama) – US\$300 million project debt financing
 - Kawa Capital – acquisition of Conergy, a global solar PV EPC contractor and developer
 - Polaris Energy 72MW geothermal (Nicaragua) – US\$245 million project debt financing
 - Ongoing assignments:
 - US\$500 million equity for Mexican wind platform
 - US\$250 million equity for European solar PV developer
 - US\$120 million project debt financing for Chilean solar PV project

Caribbean Basin – 27 GW generation capacity, 9 GW of renewable energy



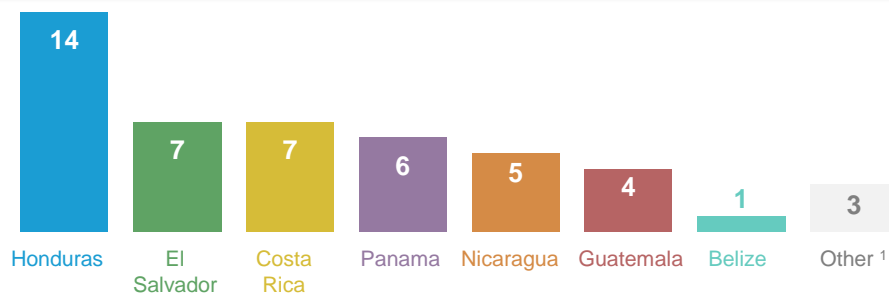
47 renewable energy projects successfully reached financial close since 2012; Honduras and solar PV lead the region in renewable energy investments

Volume

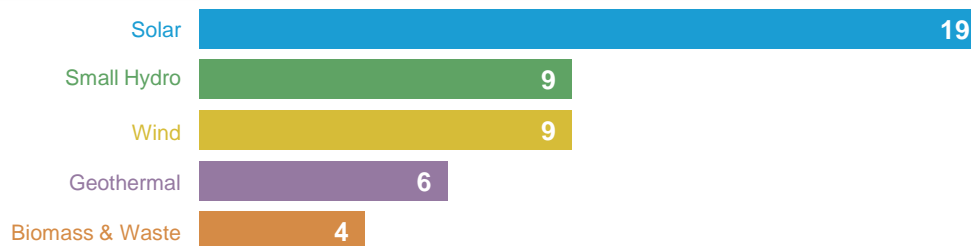
47

**Financial Closings
2012 – 2016**

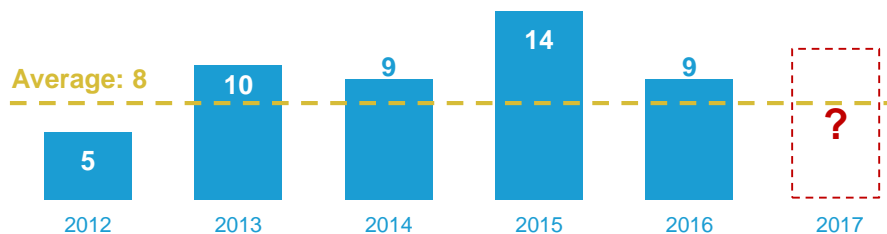
By Country (volume)



By Technology (volume)



By Year (volume)



Source: Bloomberg New Energy Finance as of March 2017.
¹ Other represents Jamaica (2) and St. Vincent & the Grenadines (1).

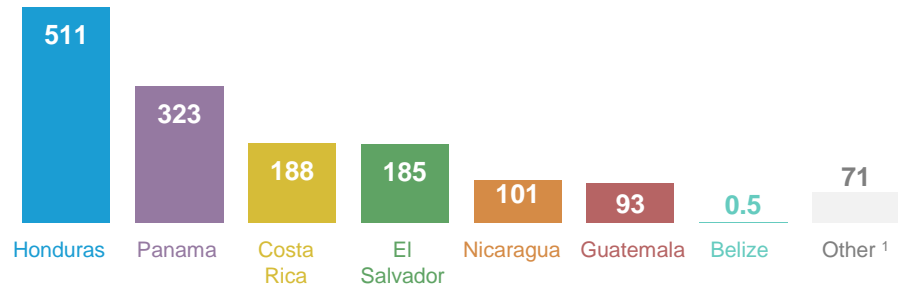
1.4+ GW of renewable energy capacity additions over the past five years, predominantly from wind and solar PV, led by Honduras and Panama

Capacity Additions

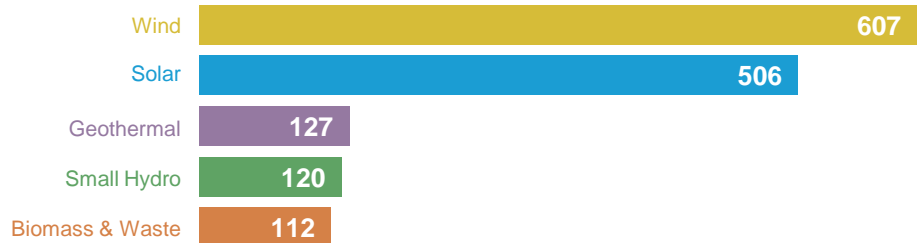
**1,472
MW**

**Capacity
Additions
2012 – 2016**

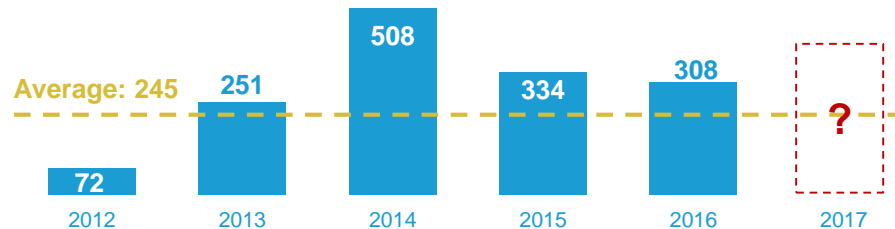
By Country (MW)



By Technology (MW)



By Year (MW)



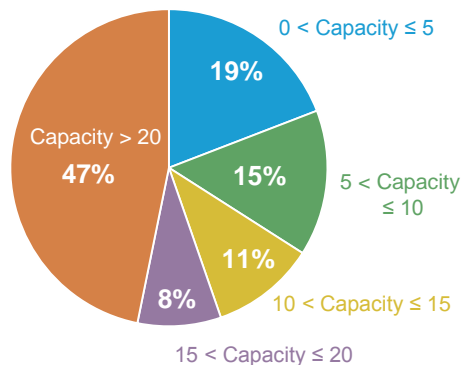
Source: Bloomberg New Energy Finance as of March 2017.

¹ Other represents Jamaica (56 MW) and St. Vincent & the Grenadines (15 MW).

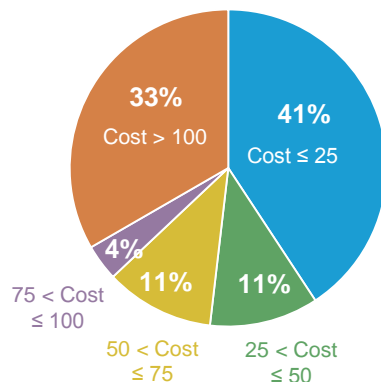
Half of these projects are larger than 20 GW, led by new wind plants; and over 80% have leverage ratios greater than 65%

Project Attributes

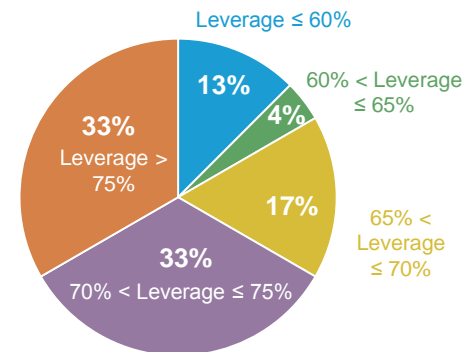
Distribution by Size (MW)



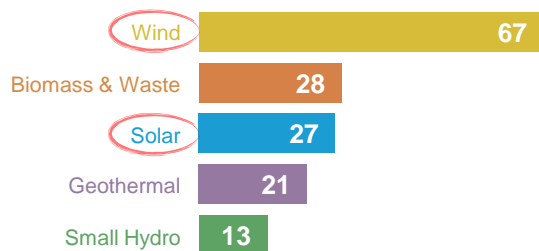
Distribution by Project Cost¹ (USDmm)



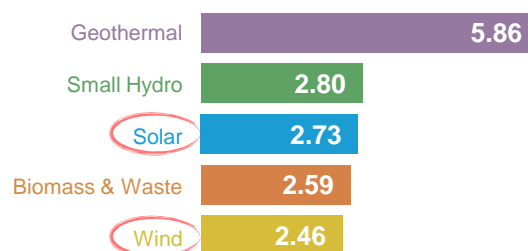
Distribution by Leverage²



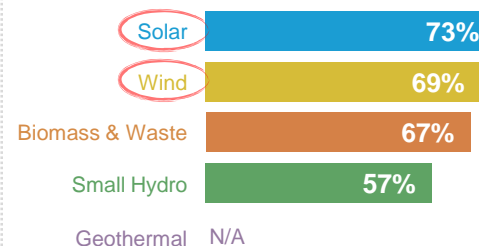
Avg. Size by Technology (MW)



Avg. Cost/W by Technology (USD)



Avg. Leverage by Technology



Source: Bloomberg New Energy Finance as of March 2017.

¹ Based on projects for which total cost was disclosed (US\$2.1 million, representing 27 out of the 47 projects identified in this analysis).

² Based on projects for which total cost and total debt were disclosed (24 out of the 47 projects identified in this analysis).

Renewable Energy Investments in the Caribbean Basin in 2012 – 2016

Observations

■ **Solar PV and wind are the dominant technologies**

- 1.1 GW of new solar PV and wind – 75% of 1.5 GW total
- Solar PV and wind are now competitive with gas-fired power on an LCOE basis
- Cost of solar PV still falling rapidly; technology gains in wind

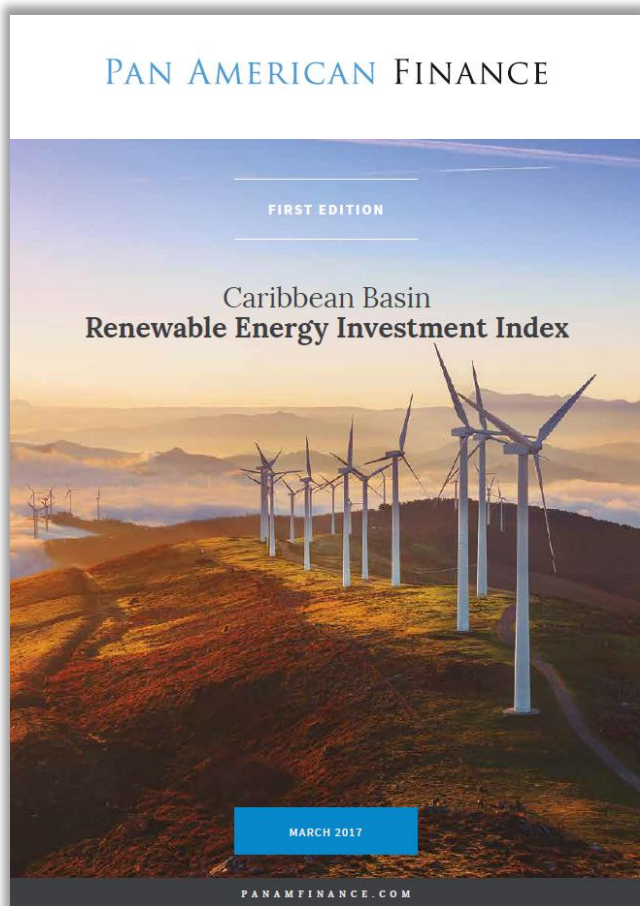
■ **Honduras and Panama have led the region**

- 0.8 GW of new capacity in Honduras and Panama – 57% of 1.5 GW total
- Panama still the most attractive country for investment
- Feed-in-tariff drove investment in solar PV in Honduras; now threatened by payment issues
- El Salvador auctions have proven attractive, despite country rating concerns

■ **Drivers for new investment in renewable energy**

- Aggressive targets for renewable energy share of generation mix – 25% up to 100%
- Availability of long-term PPAs through energy auctions
- Certainty of payment more important than country ratings

Pan American Finance's new Caribbean Basin Renewable Energy Investment Index



Country Ranking

In this 1st Edition of Pan American Finance's Caribbean Basin Renewable Energy Investment Index, we set out to rank the 10 selected countries in the Caribbean Basin region in terms of investment potential in renewable energy projects.

RANKING	COUNTRY
1	PANAMA
2	GUATEMALA
3	JAMAICA
4	COSTA RICA
5	DOMINICAN REPUBLIC
6	HONDURAS
7	NICARAGUA
8	EL SALVADOR
9	TRINIDAD & TOBAGO
10	CUBA

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