UTILITY CONSULTING SOLUTIONS

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UTCS PRIVATE ENERGY PORTFOLIO

Institutional Project Funding Architecture

A layman's guide to the roles of UtCS, the Portfolio HoldCo, ring-fenced Project SPVs and the independent Security Trustee

UtCS originates it. Portfolio HoldCo raises the equity. Project SPV owns it. UtCS builds and operates it. The trustee protects investors.

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SECTION 1 | EXECUTIVE ORIENTATION

The structure in one page

The central design decision is to separate the business that creates and operates projects from the entities that own the long-term investments. UtCS remains the commercial engine. The investable assets and contracted cashflows sit in ring-fenced project companies beneath an investor-facing Portfolio HoldCo.

UtCS OpCo

The builder and engine. Originates, develops, delivers, operates, meters and settles projects.

Portfolio HoldCo

The investment basket. Raises portfolio equity and owns shares in qualifying Project SPVs.

Project SPV

The individual project box. Owns the asset, contracts, bank account and project cashflow.

The independent Security Trustee sits outside the ownership chain. It holds and, if required, enforces the agreed security package for investors and lenders. Project income flows into controlled collection accounts and is distributed through a contractually agreed cashflow waterfall.

This is similar to separating a property developer from a property fund: the developer finds and builds the properties; the fund owns the investment basket; each building sits in its own company.

The investor should generally fund the portfolio or a specific Project SPV - not UtCS's ordinary operating account.

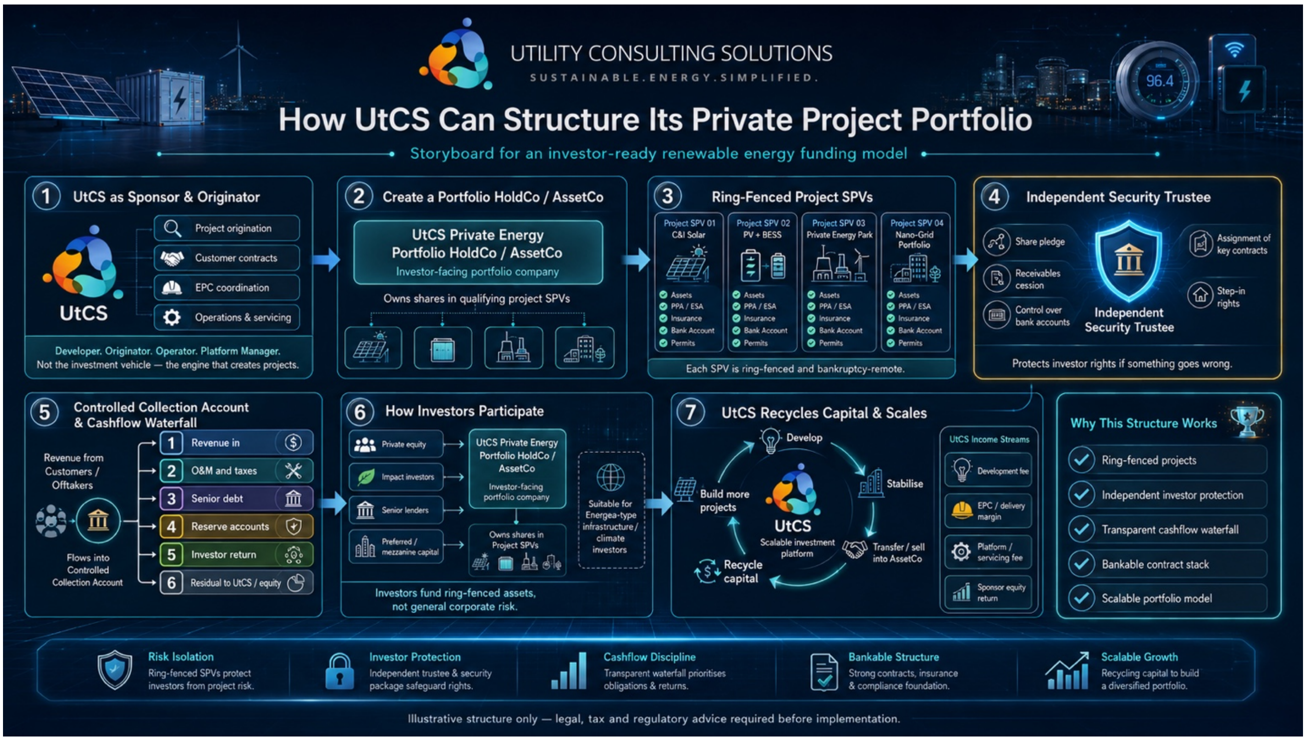
The strategic result

- Risk isolation: one project problem should not automatically contaminate other projects or UtCS's wider business.
- Investor clarity: the investor can diligence identifiable assets, contracts and cashflows rather than taking general corporate risk on UtCS.
- Capital recycling: UtCS can develop, stabilise and place projects into the portfolio, then reuse capital for the next projects.
- Multiple earnings: UtCS can earn development, EPC/project-management, recurring platform/O&M; and sponsor-equity returns.

SECTION 2 | VISUAL OVERVIEW

How the UtCS portfolio model fits together

The storyboard below shows the seven linked components: origination, the investor-facing holding vehicle, ring-fenced SPVs, independent security, controlled cashflows, investor participation and capital recycling. A full-size version appears in Appendix A.



Stage	Plain-English meaning
1. UtCS originates	UtCS finds, structures and services the project opportunity.
2. HoldCo aggregates	The portfolio company receives equity and owns the project companies.
3. SPVs ring-fence	Each project owns its own asset, contracts, bank account and obligations.
4. Trustee secures	Independent security is held for investors and lenders.
5. Cash is controlled	Customer receipts follow a pre-agreed payment priority.
6. Investors participate	Capital can be equity, preference capital, debt or a negotiated hybrid.
7. UtCS scales	Capital is recycled into more qualifying projects.

SECTION 3 | ROLES AND ACCOUNTABILITY

UtCS versus Portfolio HoldCo versus Project SPV

The easiest distinction is: UtCS creates the opportunity; Portfolio HoldCo owns the investment basket; the Project SPV owns the individual project.

UtCS - Sponsor, Originator and Operator

Utility Consulting Solutions (Pty) Ltd remains the active operating company. It should retain the brand, team, IP, MyMunic/MEA technology, origination capability, customer acquisition, project-development know-how, settlement capability and portfolio-servicing capacity.

- finds and qualifies the customer opportunity;
- collects and analyses consumption, tariff and site data;
- designs the PV, BESS, metering and energy-service solution;
- negotiates the PPA or Energy Services Agreement;
- coordinates approvals, permits, technical studies and insurance;
- develops the project financial model and investment case;
- manages procurement, EPC contractors, commissioning and handover;
- operates, monitors, meters, settles and services the project after completion.

Portfolio HoldCo - Investor-facing owner

A company such as UtCS Private Energy Portfolio Holdings (Pty) Ltd would have a deliberately narrow role: receive long-term portfolio equity and own the shares in qualifying Project SPVs. It is the investor-facing basket of assets, not the operating engine.

Project SPV - Individual project owner

Each SPV should generally own the physical energy assets, the PPA/ESA, receivables, warranties, insurance, site rights, project bank accounts and other project-specific rights and obligations. It appoints UtCS and other service providers under written agreements.

SECTION 4 | FUNDING AND DELIVERY

Who asks for the money, and who builds?

Who approaches the investor?

Christo and the UtCS team originate and sponsor the investment conversation. UtCS presents the pipeline, development capability, customer contracts, technical design and operating platform.

Who legally receives the long-term capital?

For portfolio equity, the legal investment request should normally be framed as an investment into UtCS Private Energy Portfolio Holdings (Pty) Ltd or into a specific ring-fenced Project SPV - rather than as unrestricted funding into UtCS's normal operating account.

Capital layer	Typical recipient	Purpose
Portfolio equity / private equity	Portfolio HoldCo	Seed and grow a diversified portfolio; inject equity into approved SPVs.
Senior project debt	Individual Project SPV	Finance a defined asset against project contracts and cashflows.
Development capital	UtCS or a dedicated development vehicle	Fund origination and development costs before full financial close, subject to agreed recovery rules.

Illustrative capital stack

A R100 million project could, purely illustratively, be funded with R35 million of equity injected through Portfolio HoldCo and R65 million of senior debt borrowed by the Project SPV. The actual gearing, pricing, security and covenant package must be project-specific.

Who develops and builds?

The Project SPV should ideally be the legal project owner/client. It appoints UtCS under a Development Agreement, EPC Management Agreement, Project Management Agreement and/or O&M;/Servicing Agreement. UtCS then coordinates the engineers, installers, OEMs and specialist contractors.

On paper: the Project SPV owns the plant. In practice: UtCS makes the plant happen.

SECTION 5 | OWNERSHIP FROM DAY ONE

What “transfer or sell into AssetCo” actually means

Nothing necessarily moves physically. The panels, battery and meters stay at the project site. What changes is legal ownership of the asset, project company or contractual rights. There are two main routes.

Model A - Preferred for new projects

Create the Project SPV before construction. Portfolio HoldCo owns the SPV. Investors fund HoldCo; HoldCo injects equity into the SPV; a bank may lend additional debt to the SPV; and the SPV appoints UtCS to deliver the project. The SPV owns the completed equipment from day one.

Step	New-project flow
1	UtCS identifies and develops the customer opportunity.
2	The dedicated Project SPV is incorporated early.
3	The PPA/ESA, site rights and core project documents are placed in the SPV.
4	The investment committee approves the project and conditions precedent.
5	Portfolio HoldCo injects equity; the SPV may also draw project debt.
6	The SPV appoints UtCS and other delivery parties under written contracts.
7	The SPV owns and operates the completed asset; customers pay the controlled account.

Model B - Existing UtCS-funded projects

If UtCS has already funded and built a project, the institutional portfolio may acquire it at financial close. The acquisition can be structured as an asset-and-contract sale, or often as a purchase of shares in the Project SPV that already owns the project. Cash consideration flows back to UtCS, allowing capital to be recycled.

The exact transfer route must be selected with legal and tax advice because VAT, income tax, transfer restrictions, counterparty consent, lender consent, licences and warranties may be affected.

SECTION 6 | REPEATABLE OPERATING MODEL

The cleaner flow for new UtCS projects

Step	Action	Result
1	Originate	UtCS finds and screens the project.
2	Structure	SPV is created; project contracts are allocated.
3	Approve	Investment committee signs off risk and return.
4	Fund	HoldCo equity and any SPV debt are committed.
5	Deliver	SPV contracts UtCS; UtCS manages construction.
6	Operate	SPV owns the asset; UtCS meters and services it.
7	Distribute	Controlled cashflow pays costs, financiers and equity.

Why this is scalable

Project 51 should not require a completely new project-finance system. It should enter an established architecture through standard eligibility rules, due-diligence gates, contract templates, security accession documents, reserve policies, reporting standards and investment-committee approvals.

Standardise

Core corporate documents, PPA/ESA terms, service agreements, security documents and reporting.

Qualify

Clear technical, legal, credit, return and ESG thresholds for projects entering the portfolio.

Control

Dedicated accounts, reserve policies, covenants, insurance and independent monitoring.

Build the investment architecture once; plug each qualifying project into the machine.

SECTION 7 | SOUTH AFRICAN COMPANY RELATIONSHIP

How the companies are actually registered and connected

There is no special CIPC registration category called a “Project SPV”. Each entity is ordinarily incorporated as a separate private company with its own registration number, governance records, tax position, accounting records, contracts and bank accounts. “HoldCo”, “OpCo” and “SPV” describe their commercial function.

Preferred group architecture

EXISTING / ULTIMATE SHAREHOLDERS

UTCS GROUP HOLDINGS (PTY) LTD
Group sponsor holding company

UTILITY CONSULTING SOLUTIONS (PTY) LTD Operating company - the builder	UTCS PRIVATE ENERGY PORTFOLIO HOLDINGS (PTY) LTD Investment holding company - the owner

PORTFOLIO HOLDCO OWNS: PROJECT SPV 01 | PROJECT SPV 02 | PROJECT SPV 03 | ...

The operating company and Portfolio HoldCo can therefore be sister companies under a group holding company. This is often cleaner than placing the entire investment portfolio directly inside the existing operating company. It also helps protect UtCS's IP, staff, municipal business, platforms and unrelated future opportunities from a project-specific investor relationship.

This may require a restructuring of existing ownership. No restructuring should be implemented before corporate, tax, accounting, regulatory and lender analysis.

SECTION 8 | LEGAL SEPARATENESS

What ownership and control mean in practice

The shareholding and governance arrangements - not the label on the company - determine whether one company controls another. In a simple initial structure, UtCS Group Holdings could own 100% of both the operating company and Portfolio HoldCo; Portfolio HoldCo could own 100% of each Project SPV.

Entity	Plain-English role	Investor capital?	Develops / builds?	Owns energy assets?
Utility Consulting Solutions (Pty) Ltd	The builder, operator and commercial engine	Generally not long-term portfolio capital	Yes - directly and through appointed contractors	Ideally not the long-term portfolio assets
UtCS Private Energy Portfolio HoldCo	The investment basket and investor-facing owner	Yes - portfolio equity or preferred capital	No	Indirectly through shares in SPVs
Project SPV	The individual project box	Receives HoldCo equity and may borrow project debt	Appoints UtCS/EPC parties	Yes - physical assets and project rights
Independent Security Trustee	External guardian of secured rights	No	No	Does not operate assets; holds/enforces agreed security

Corporate hygiene required for ring-fencing

- separate incorporation, statutory records and beneficial ownership filings;
- separate boards or clearly documented director duties and reserved matters;
- separate bank accounts, accounting ledgers, budgets and audited reporting where required;
- written, arm's-length contracts for every service or transfer between related companies;
- no casual mixing of cash, assets, liabilities or undocumented guarantees;
- clear limits on permitted business and indebtedness in each SPV;
- board and shareholder approvals for material contracts, security and related-party transactions.

Ring-fenced does not mean automatically immune from failure. The legal separateness must be respected operationally, and all required security, cessions, consents and registrations must be properly completed.

SECTION 9 | INVESTOR PARTICIPATION

How an Energea-type investor can enter the structure

The investor does not necessarily become a shareholder in Utility Consulting Solutions itself. It can invest only in the private-energy portfolio, preserving UtCS's wider enterprise value.

Illustrative equity entry

UtCS Group Holdings: 60% ordinary equity | Institutional investor: 40% equity | Both invest into Portfolio HoldCo

Alternative instruments

Instrument	How it works	Primary trade-off
Ordinary equity	Investor owns a negotiated percentage of Portfolio HoldCo or a project SPV and participates in profit and value growth.	Maximum equity upside, but returns are residual and governance rights must be negotiated.
Preference equity	Investor receives an agreed preferred distribution before ordinary shareholder dividends, subject to lawful distributions and terms.	Improves return priority but can constrain sponsor distributions.
Senior secured debt	A lender advances debt to the SPV and is paid principal and interest ahead of equity.	Lower-cost capital may be available, but covenants, security and debt-service resilience are critical.
Mezzanine / convertible capital	Subordinated or hybrid funding may earn a premium return and convert into equity on agreed events.	Flexible, but usually more expensive and documentation-heavy.

Actual acceptance by Energea or any other investor is never guaranteed. Each investor's mandate, jurisdiction, return thresholds, investment committee, due diligence, documentation and transaction terms will govern.

SECTION 10 | INDEPENDENT INVESTOR PROTECTION

Where the Security Trustee sits and what it protects

The Security Trustee should sit outside the company ownership tree. It does not own or run UtCS. It holds and, after a defined uncured default and proper instruction, enforces the agreed security package for the beneficiaries.

Potential security package

Security element	Plain-English purpose
Share pledge	Provides agreed enforcement rights over shares in the relevant HoldCo or Project SPV.
Receivables cession	Captures defined customer payments and other project receivables as secured collateral.
Bank-account security	Protects and controls collection, reserve and distribution accounts under the finance documents.
Contract cession / assignment	Secures rights under PPAs, EPC/O&M; contracts, warranties, insurance and other material contracts where legally permitted.
Insurance proceeds	Ensures covered-loss proceeds are applied according to reinstatement or repayment rules.
Step-in rights	Allows a replacement operator or other remedial action so the project can continue after serious failure.

An umbrella or master security framework can make the platform scalable. Each new qualifying SPV can join through accession and project-specific security documents, rather than creating a completely unrelated structure every time.

Important legal caution

South African counsel must choose the appropriate security-agent, trustee or security-SPV mechanism and properly perfect each pledge, cession and account arrangement. Calling an entity a “security trust” does not itself create valid or enforceable security.

SECTION 11 | CASH DISCIPLINE

The controlled collection account and waterfall

Customer revenue should generally flow into a ring-fenced project collection account, not UtCS's ordinary operating account. The finance documents and account controls determine the payment order.

Priority	Payment layer	Why it comes here
1	Taxes and statutory charges	Keeps the project legally compliant.
2	Essential operating and maintenance costs	Keeps the asset safe and generating.
3	Senior debt service	Pays scheduled lender principal and interest.
4	Debt-service reserve account (DSRA)	Provides a buffer against temporary revenue shortfalls.
5	Maintenance / battery reserve	Funds planned replacements and lifecycle obligations.
6	Investor preferred return / mezzanine	Pays agreed priority capital returns.
7	Residual equity distributions	Remaining distributable cash flows to investor and UtCS sponsor equity.

The contract decides the order. Sponsor distributions happen only after the senior obligations, reserves and covenant tests are satisfied.

The detailed waterfall should also address cure rights, trapped cash, distribution lock-ups, minimum coverage ratios, reserve top-ups, extraordinary receipts, insurance proceeds, asset-sale proceeds and termination payments.

SECTION 12 | INVESTOR-READY PROPOSITION

What the investor should see

The investment story should move from “UtCS needs money to build projects” to a precise, diligence-ready portfolio proposition. For example:

A ring-fenced renewable-energy portfolio comprising defined SPVs, contracted customers, identifiable PV/BESS assets, controlled collections, independent security, reserves, insurance, technical verification and asset-level reporting.

Minimum investor data room

Workstream	Core evidence
Corporate	CIPC records, MOIs, shareholders, beneficial owners, board authorities, group chart and intercompany agreements.
Commercial	Pipeline, signed PPA/ESA, customer credit analysis, tariff baseline, term, escalation, termination and default rights.
Technical	Design, yield study, equipment specifications, warranties, grid studies, permits, EPC programme and independent engineer report.
Financial	Project model, capex and opex evidence, sensitivities, debt sizing, DSCR, reserves, tax assumptions and distribution waterfall.
Legal / security	Title/site rights, licences, material contracts, security documents, direct agreements, consents and enforceability opinions.
Operations / ESG	O&M; plan, metering and settlement, insurance, HSE, environmental/social controls, reporting and incident management.

The investor can then diligence assets and cashflows rather than relying principally on UtCS's general corporate balance sheet.

SECTION 13 | SCALE AND SPONSOR ECONOMICS

How UtCS recycles capital and earns in four places

Capital recycling cycle

Phase	What happens
Develop	UtCS originates the customer, designs the solution, secures contracts and carries agreed development risk.
Stabilise	The asset is constructed, commissioned, operating and generating a verified payment history.
Transfer / contribute	Portfolio HoldCo or another institutional vehicle acquires the qualifying SPV or project rights under agreed valuation and conditions.
Recycle	Cash released to UtCS or the development vehicle funds the next projects.
Repeat	Standard architecture allows a diversified asset portfolio to compound.

UtCS revenue architecture

1. Development

Fee or margin for originating, structuring and bringing the project to financial close.

2. Delivery

EPC or project-management margin for deploying the infrastructure.

3. Recurring service

Platform, metering, settlement, O&M; oversight and portfolio-management income.

4. Sponsor equity return - UtCS retains negotiated ownership upside in the portfolio after priority obligations.

All related-party fees must be arm's-length, transparent, benchmarked and fully documented. Investors must be able to see what is paid to UtCS, when it is paid, and what remains available to the project and capital providers.

SECTION 14 | GOVERNANCE AND BANKABILITY

Controls to scaffold on top of the companies

Control	Recommended design
Investment committee	Approve eligibility, pricing, risk limits, valuations, related-party arrangements and conditions precedent.
Board / reserved matters	Protect both sponsor and investor on debt, asset sales, budgets, distributions, material contracts and changes of control.
Independent technical oversight	Confirm design, capex, yield, commissioning, availability and material operational events.
Financial reporting	Monthly project reporting, covenant tests, portfolio aggregation, annual budgets and audit-ready records.
Insurance and reserves	Comprehensive cover, monitored limits, DSRA, maintenance and battery-replacement planning.
ESG and compliance	HSE, environmental/social screening, permit compliance, complaints and incident reporting.
Conflicts and fees	Document related-party appointments, benchmark pricing and require approvals where conflicts arise.

Risks that the structure does not eliminate

- customer/offtaker non-payment or early contract termination;
- construction delay, defects, cost overruns or underperformance;
- equipment failure, warranty gaps and battery degradation;
- regulatory, licensing, grid-connection, tax or accounting changes;
- interest-rate, refinancing, inflation and currency risk;
- weak corporate separateness, invalid security or missing consents;
- concentration in customers, sectors, geography, contractors or technology.

The architecture allocates and controls risk; it does not make risk disappear.

SECTION 15 | PRACTICAL NEXT STEPS

90-day structuring roadmap for UtCS

Timing	Action	Primary output
Days 1-15	Confirm sponsor objectives, pipeline scope, target investors, jurisdictions, tax constraints and whether a Group HoldCo restructuring is required.	Approved structuring brief and decision log.
Days 15-30	Appoint corporate, project-finance, tax and accounting advisers; select the Portfolio HoldCo and SPV ownership model.	Legal and tax architecture memorandum.
Days 30-45	Draft standard MOIs, shareholder terms, reserved matters, investment policy, project eligibility rules and related-party policy.	Corporate governance pack.
Days 45-60	Standardise PPA/ESA, development, EPC management, O&M;, metering/settlement and account-control documentation.	Bankable contract stack.
Days 60-75	Design master security, controlled accounts, reserves, waterfall, direct agreements and trustee appointment.	Finance and security term sheet.
Days 75-90	Select 2-3 pilot projects, populate the data room, complete diligence and approach target investors with a portfolio model.	Pilot investment memorandum and diligence-ready data room.

Immediate decisions for the UtCS board

- Will the Portfolio HoldCo be a sister company under a new UtCS Group Holdings company?
- Which private-project categories qualify for the initial portfolio?
- Will investors enter at Portfolio HoldCo level, SPV level, or both?
- Which projects are new-build SPV-from-day-one projects, and which are existing assets requiring acquisition?
- What sponsor equity percentage and governance protections must UtCS preserve?
- Which fees will UtCS earn, and how will they be benchmarked and disclosed?
- Who will act as independent security trustee, account bank, technical adviser and fund/portfolio administrator?

SECTION 16 | RECOMMENDED END-STATE

The UtCS institutional funding blueprint

The recommended architecture is a three-level ownership system with an external security layer and disciplined cash management:

Layer	Entity / function	Purpose
Group	UtCS Group Holdings (if adopted)	Owns and governs the operating and investment platforms.
Operating	Utility Consulting Solutions (Pty) Ltd	Originates, develops, delivers and services projects; retains brand, IP and operating capability.
Investment	UtCS Private Energy Portfolio HoldCo	Raises portfolio equity, admits negotiated investors and owns qualifying Project SPVs.
Project	Ring-fenced Project SPVs	Own individual assets, contracts, accounts, project debt and project cashflows.
Security	Independent Security Trustee / agreed security vehicle	Holds and enforces security for investors and lenders.
Cash control	Collection, DSRA and maintenance reserve accounts	Apply the contractual waterfall and protect project obligations.

UtCS originates it. Portfolio HoldCo raises the equity. Project SPV owns it and may borrow. UtCS builds and operates it. Customers pay controlled accounts. The trustee protects investors. UtCS earns fees and retained equity upside.

End-state objective

UtCS should not present 50 unrelated SPVs to the market. It should create one repeatable Private Energy Investment Architecture with an investor-facing HoldCo, standard Project SPVs, master documents, independent security, controlled collections, reserve policies, technical standards, governance rules and portfolio reporting. Each qualifying project then plugs into that system.

This is the shift from a company looking for project funding to an institutional renewable-energy asset origination and investment platform.

SECTION 17 | BASIS AND LIMITATIONS

Sources, assumptions and professional advice

This paper documents and expands the preceding UtCS structuring explanation. It is a conceptual commercial architecture, not a legal opinion, tax opinion, regulated investment recommendation or commitment by any investor. All transaction documents, security, licensing, accounting, tax and regulatory matters require advice from appropriately qualified South African and, where relevant, cross-border professionals.

Selected public reference material

Energea - Special Purpose Vehicle definition
https://www.energea.com/glossary/special-purpose-vehicle-spv/
Describes a renewable-energy SPV as a separate project entity holding project assets, contracts and debt to isolate risk.

Energea - Understanding Your Returns
https://www.energea.com/understanding-energea-returns/
Public context on portfolio investment and investor distributions.

Energea - Solarize Africa ownership update
https://www.energea.com/investor-update-acquisition-management-ownership-solarize-africa/
Public context on portfolio ownership and management in South Africa.

South African Companies Act 71 of 2008
https://www.justice.gov.za/legislation/acts/2008-071.pdf
Primary legislation governing companies, control, subsidiaries and corporate governance.

South African Revenue Service - Private Companies
https://www.sars.gov.za/businesses-and-employers/small-businesses-taxpayers/starting-a-business-and-tax/private-companies/
General SARS guidance on private companies and their tax/legal status.

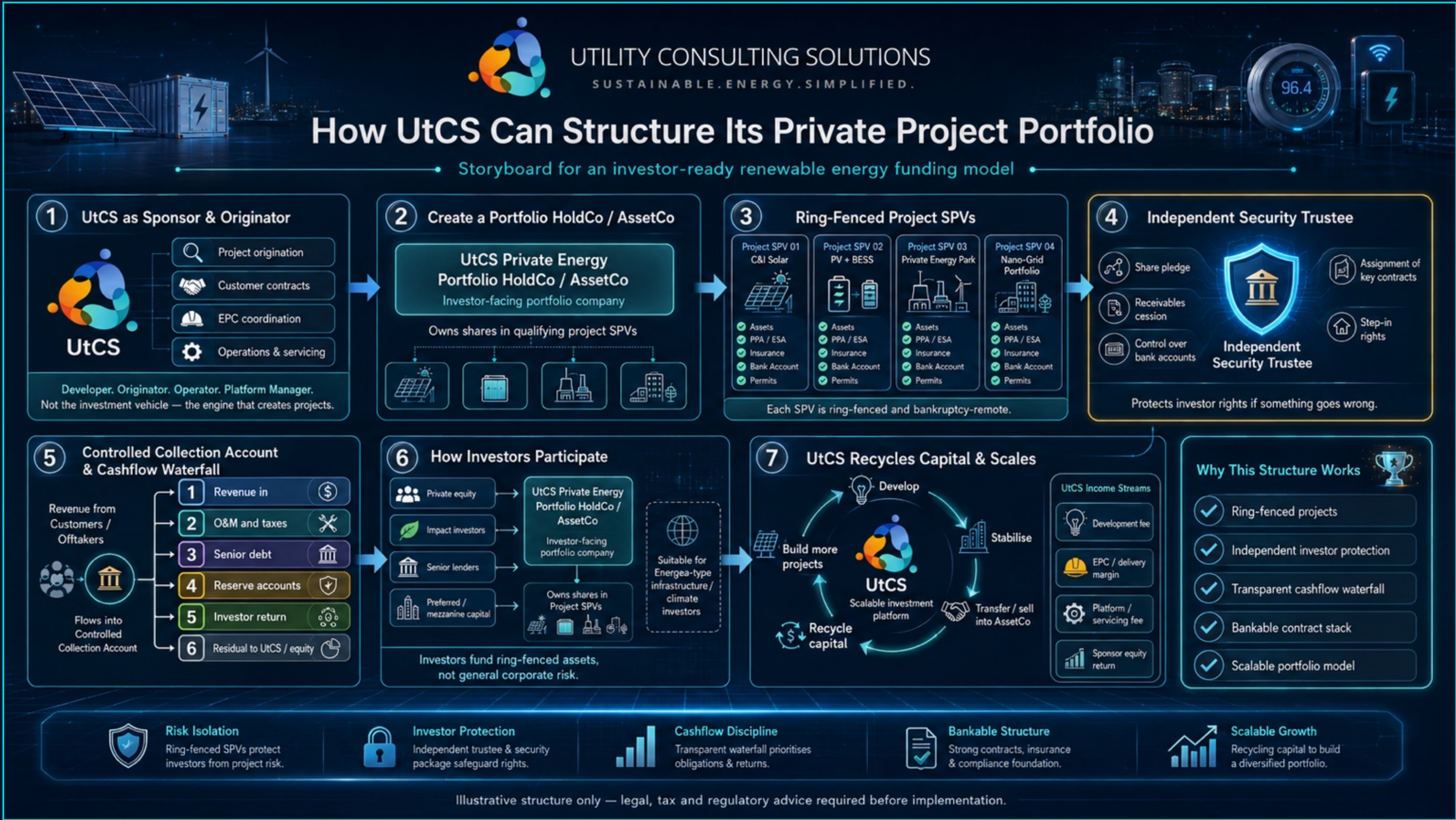
CIPC - Beneficial Ownership
https://www.cipc.co.za/?page_id=16055
CIPC information concerning beneficial ownership filings and compliance.

Document design note

The UtCS-specific storyboard and the generic private-equity security diagram supplied with the request are reproduced as full landscape appendices. They are illustrative only and should be updated once legal and tax advisers confirm the final structure.

APPENDIX A

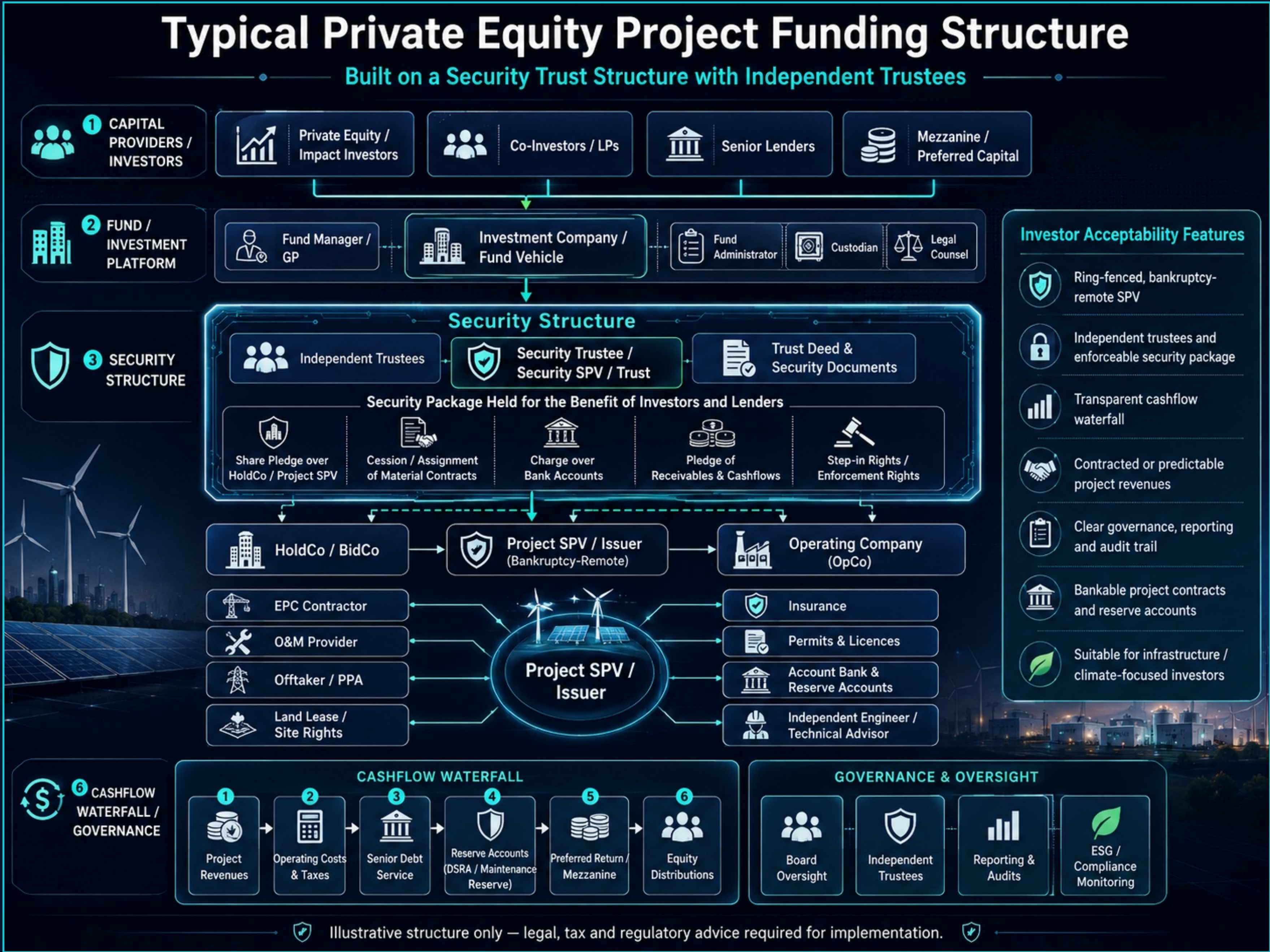
UtCS Private Project Portfolio Storyboard



Illustrative only - legal, tax and regulatory advice required before implementation.

APPENDIX B

Typical Private Equity Project Funding Structure



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