

Mahindra Group and Ontario Teachers’ to form a strategic partnership in the renewable energy space

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Mumbai, September 17, 2022: Mahindra Group and Ontario Teachers’ Pension Plan Board (“Ontario Teachers”) announced today a strategic partnership to capitalise on the growing renewables opportunity in India and contribute towards the country’s decarbonisation ambitions. The parties have signed binding agreements pursuant to which Ontario Teachers’ will acquire a 30% equity stake in Mahindra Susten Private Limited (“Mahindra Susten”) at an equity value of INR 2,371 crore (~USD 300 million).

The proposed transaction also envisages the setting up of an Infrastructure Investment Trust (“InvIT”) in compliance with applicable regulations of the Securities and Exchange Board of India. The InvIT is initially proposed to comprise renewable power assets seeded by Mahindra Susten with operational capacity of around 1.54 GWp. As part of the proposed transaction, shareholder loans of INR 575 crore (~USD 73 million) advanced by Mahindra Group to Mahindra Susten will be repaid.

As a result of this transaction, Mahindra Group will receive an inflow of approximately INR 1,300 crore (~USD 165 million). Mahindra Group and Ontario Teachers’ will jointly explore the sale of an additional 9.99% stake in Mahindra Susten by May 31, 2023. Mahindra Group will deploy these funds, plus an incremental amount of up to INR 1,750 crore (~USD 220 million),

into the business & InvIT over the next seven years.

Over the same period, Ontario Teachers' has committed to deploy an additional amount of up to INR 3,550 crore (~USD 450 million) into the business and the InvIT over the next seven years.

This transaction will enable Mahindra Susten to build a strong renewable energy business focused on solar energy, hybrid energy, integrated energy storage & round-the-clock ("RTC") green energy plants.

Puneet Renjhen, Member of Group Executive Board and EVP, Partnerships & Alliances at the Mahindra Group said: *"We are delighted to welcome Ontario Teachers' as a strategic partner in Mahindra Susten. The partnership with Ontario Teachers' will enable the Mahindra Group to unlock value in the renewable energy sector with continued joint investments towards accelerated growth. The Mahindra Group aims to be Planet Positive by 2040 and the continued inflow of patient, long-term capital in our climate positive businesses is validation of our commitment to be a global ESG leader."*

Bruce Crane, Senior Managing Director, Asia Pacific, Infrastructure & Natural Resources at Ontario Teachers' said: *"We are pleased to continue making significant investments in India and to acquire a meaningful stake in Mahindra Susten, one of India's leading renewable energy platforms. As part of our climate change strategy, we are committed to continue growing our portfolio of green assets around the globe with investments like Mahindra Susten. This strategic partnership marks the beginning of what we hope will be a long-term and mutually beneficial relationship with the Mahindra Group."*

Deepak Thakur, Managing Director & Chief Executive Officer, Mahindra Susten said: *"This partnership with Ontario Teachers' syncs with Mahindra*

Susten's plan to substantially grow our green energy portfolio across solar PV, wind, and energy storage. This platform will leverage our proven experience in development and deep knowledge of the Indian energy market. Our in-house EPC capabilities honed across renewable energy projects executed globally ensures Mahindra Susten engineers and delivers superior performing assets, thereby enabling our energy platform to provide clean and reliable power to millions of people across India."

Chris Ireland, Senior Managing Director, Greenfield Investments & Renewables, Infrastructure & Natural Resources at Ontario Teachers'

said: "We are proud to invest in one of India's leading renewable energy platforms. We believe the renewable energy sector in India is poised for significant growth in the coming years as India works towards its ambitious clean energy goals, and are excited to partner with the Mahindra Group in this initiative."

As per the updated Nationally Determined Contributions ("NDCs") of the United Nations Framework Convention on Climate Change ("UNFCCC"), India now stands committed to reducing the emissions intensity of its GDP by 45% by 2030 from its 2005 levels, and achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. These are concrete steps towards achieving India's long-term goal of reaching net-zero by 2070. As a result, the Indian renewable industry is expected to continue to grow significantly in the long term.

It is expected that Ontario Teachers' acquisition of a 30% shareholding in Mahindra Susten, which is subject to closing conditions including regulatory approvals, will complete over the next few months. The InvIT is also expected to be formed during FY 2024 subject to requisite approvals.

Avendus Capital acted as financial advisor and Khaitan & Co. acted as legal advisor to the Mahindra Group for the transaction. Ambit acted as financial advisor and Cyril Amarchand Mangaldas acted as legal advisor to Ontario Teachers' for the transaction.

About Mahindra Group

Founded in 1945, the Mahindra Group is one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate.

The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise/ For updates subscribe to <https://www.mahindra.com/news-room>

About Mahindra Susten

Mahindra Susten is Mahindra Group's renewable energy platform, which includes one of the leading renewable engineering, procurement and construction ("EPC") businesses (capacity constructed of over 4 GWp), an independent power producer ("IPP") business with around 1.54 GWp of operational solar plants spread across several states in India, and plan to have a significant solar development pipeline. The IPP solar portfolio is spread across 5 key states in India and is backed by long-term power purchase agreements – approximately 75% of assets are backed by central government entities and the remaining with distribution companies backed

by state governments. Besides its own in-house management team with extensive capabilities across both EPC and IPP domains, Mahindra Susten also benefits from solar plant operations and maintenance services and other technical expertise of Mahindra Teqo Private Limited. For more information, visit <https://www.mahindrasusten.com>

About Ontario Teachers'

Ontario Teachers' Pension Plan Board (Ontario Teachers') is a global investor with net assets of C\$242.5 billion as at June 30, 2022. We invest in more than 50 countries in a broad array of assets including public and private equities, fixed income, credit, commodities, natural resources, infrastructure, real estate and venture growth to deliver retirement income for 333,000 working members and pensioners.

With offices in Hong Kong, London, Mumbai, San Francisco, Singapore and Toronto, our more than 350 investment professionals bring deep expertise in industries ranging from agriculture to artificial intelligence. We are a fully funded defined benefit pension plan and have earned an annual total-fund net return of 9.6% since the plan's founding in 1990. At Ontario Teachers', we don't just invest to make a return, we invest to shape a better future for the teachers we serve, the businesses we back, and the world we live in. For more information, visit otpp.com and follow us on Twitter @OtpplInfo

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Tags :

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