PART 6 – FINANCING SOCIAL INFRASTRUCTURE DIFFERENTLY

Ketlaphela Pharmaceuticals SOC Ltd
Active Pharmaceutical Ingredients (APIs) Manufacturing
Project





OUTLINE

The Presentation covers the following

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- 1 High Level Project Information
- Investment Plan and Financing Gap
- 3 Investment Required
- 4 Project Risks and Mitigation
- **Project Implementation Milestones**
- 6 Q&A

PROJECT

Active Pharmaceutical Ingredients (APIs) Manufacturing Plant

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Project Scope	Development and Construction of Active Pharmaceutical Ingredients (API) manufacturing plant for the burden of diseases (HIV/AIDS, TB, Malaria) and lifestyle diseases to supply South Africa and the Region. South Africa, a R61Bn pharmaceutical market is the largest market for HIV/AIDS & TB, globally but produces as ADIa.
	market for HIV/AIDS & TB globally but produces no APIs.
Developmental Impact	Security of Supply of critical Pharmaceutical products Job Creation (700 direct and 2100 indirect) Positive (R2Bn) contribution to balance of trade Skills development and training (~100 /year)
Project Sponsor(s)	Department of Mineral Resources and Energy (DMRE)
Implementing Agent	Ketlaphela Pharmaceuticals SOC Ltd
Other Key Stakeholders	Govt Departments (DoH, DMRE, DSI, DTIC, National Treasury, etc) Provincial Health Depts, other Govt agencies, CSIR Lenders (IDC, IFC, Commercial Banks).









INVESTMENT PLAN AND FINANCING GAP

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Estimated Total Investment Cost	R1,2Bn	Funding Gap	R1,2Bn
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- API Project Development Costs = R200Mn
- Construction Costs (Equipment, Installation & Commissioning) = R900Mn
- Contingency = R100Mn

Sources of Funding		Uses	
Equity	R30Mn	Project Identification	R15Mn
Debt Funding	R1Bn	Project Development	R185Mn
Grant Funding/ Project Co- Development Funding	R170Mn	Construction Costs (excl. Financing costs)	R900Mn
		Contingency	R100Mn
TOTAL	R1,2Bn	TOTAL	R1,2Bn

INVESTMENT REQUIRED

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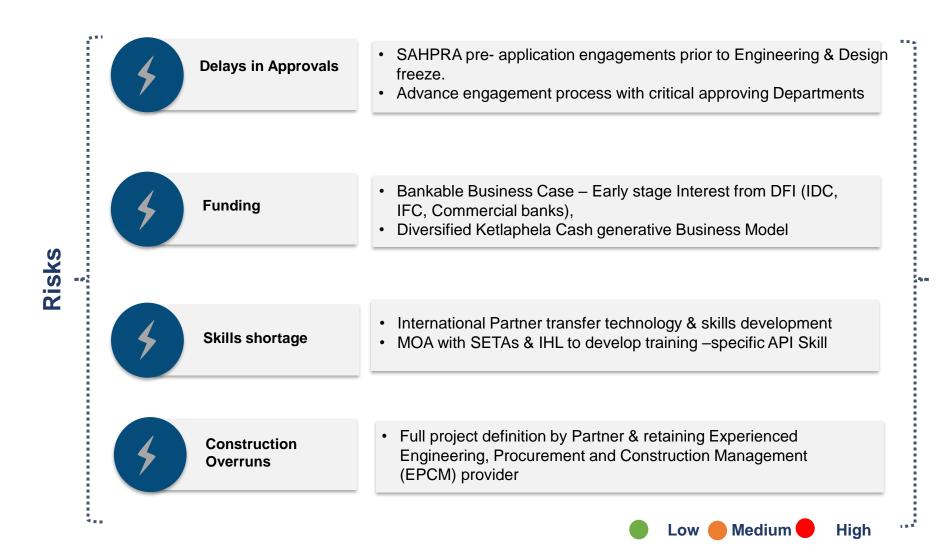
	Budget Phasing	2021/22: R 15Mn	2022/23: R 130Mn	2023/24: R 55Mn	2024/25- 2027: R1Bn
	Utilisation of Funds	Project Development	Project Development	Project Development	Construction
		<u>ACTIVITY</u>		<u>TOTAL</u>	
 The project will be asset financed (syndicated): DFIs & Commercial Banks 	Project Prep Funding Required	Project Development Design and Engineerin Environmental Impact Licenses and Permits Technical Assessmen Owners Development Sub Total (R'm)	Assessment ts	R'80m R'10m R'40m R'40m R'30m R'200m	
 ✓ Industrial Development Corporation (IDC) ✓ International Finance Corporation (IFC) ✓ Commercial Banks 				Construction Costs Warehousing Equipment Balance of Plant (Utilities) Sub Total (R'm)	R'100m R'600m R'200m R'900m
 Project will be sited on SEZ 				Contingency Sub Total (R'm)	R'100m

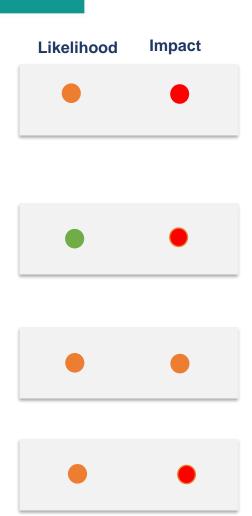


PROJECT RISKS AND MITIGATION

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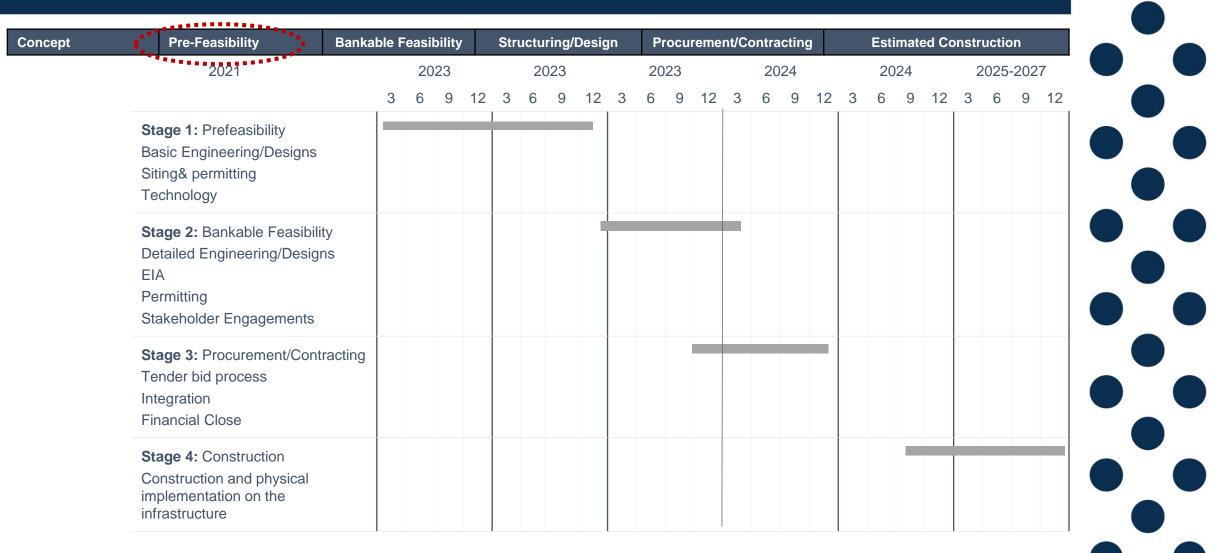
Mitigation Strategy





PROJECT IMPLEMENTATION MILESTONES

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THANK YOU Q&A

