



SCALAR

# Decarbonisation Fund I

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# DECARBONISATION FUND I

The Scalar African Decarbonisation Fund I is a transformative fund unlocking the potential of Sub-Saharan Africa's clean energy transition. By investing in renewable energy, energy efficiency, battery storage, and EV charging infrastructure, the fund aims to deliver dual returns—strong financial performance and measurable social impact.

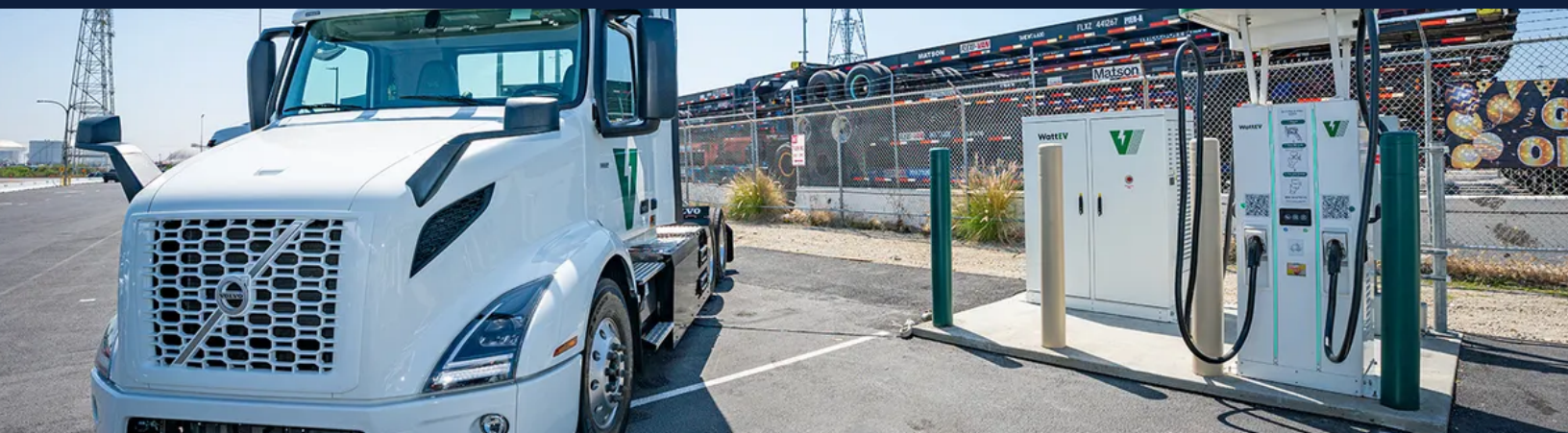
## A Transition to Energy Efficiency and Infrastructure Resilience

### Fund Details

|                              |                                                       |
|------------------------------|-------------------------------------------------------|
| Fund Size                    | \$150m                                                |
| Ticket Size                  | \$1-4m                                                |
| Holding Period of Investment | 5 yrs                                                 |
| Target Sectors               | C&I (Clean Energy)                                    |
| Target Return                | 12-14% (Gross IRR)                                    |
| Instruments                  | Equity, Quasi Equity, Mezz, Debt                      |
| Impact Strategy              | SDG 5, 7, 8, 13                                       |
| Geographic Focus             | Sub-Saharan Africa: Southern Africa Power Pool (SAPP) |

### Our Mission

Support property owners, developers, and managers with financing tools to pay for property improvement upgrades. These retrofits and new developments are at the heart of energy efficiency and reliability in buildings and urban areas. We prioritise projects that advance the reduction of both costs and emissions over time. We encourage teams from energy service companies and Independent Power Producers with a demonstrable track record and supply chains incorporating first-tier women and youth-led teams.



## Target Countries:

South Africa, Lesotho, Namibia, Botswana, Zambia, Tanzania, Swaziland, Mauritius



## Partnership for Impact

Our Commercial & Industrial buildings contribute to significant emissions and pollution in these areas. We are launching our fund to address the split incentives commonly found between tenants and most building owners.

By leveraging innovative off-balance sheet financing structures, we help accelerate the deployment of reliable and efficient energy solutions across urban and

industrial environments. These solutions are particularly well-suited to energy-intensive users such as data centres, industrial parks, and manufacturing facilities.

We are actively seeking to collaborate with managers of large property portfolios, as well as firms providing embedded energy technologies in urban areas across the SADC region.

## Our Investment Areas

### Target Technologies & Projects

We have initiated our search to build a pipeline of investable projects aligned with the fund's objectives spanning the full clean energy value chain, from enabling infrastructure to end-use electrification—with a primary focus on Commercial and Industrial (C&I) sectors and the following technologies:

- Energy Efficiency
- Battery Storage
- Renewable Energy
- EV Charging
- IoT & Smart Metering
- Water Infrastructure

### Stage of Investment

- **Development:** The project is undergoing feasibility studies, permitting, and financing arrangements, with construction not started yet.
- **Commissioning:** The project is under active construction or undergoing final testing before commercial operations begin.
- **Operational:** The project is fully built, commissioned, and generating revenue through consistent production/savings and agreements.



## Investment Criteria

- 1. Bankable Offtakes supported by Financials
- 2. Developers and EPCs with track record
- 3. Embedded in Commercial and Industrial
- 4. Environmental and Social Impact
- 5. Proven, Scalable and Replicable Solutions

## Timeline



## Specific Focus Areas

We work with project developers and asset owners to implement embedded energy solutions that create value through reduced consumption and improved efficiency. Our focus is on on-site renewables and high-return efficiency technologies tailored for operational buildings with predictable load profiles. These interventions are commercially viable, quick to deploy, and aligned with long-term asset performance goals.

## Technologies

| Area             | Technology       | Description                                                                                                                             | Application                                                                                                    |
|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Renewable Energy | Solar PV & BESS  | Installation of solar photovoltaic systems with battery energy storage to enhance energy supply reliability and reduce grid dependence. | Data centres, shopping malls, industrial parks, logistics hubs, manufacturing facilities, commercial campuses. |
|                  | Wind             | Deployment of small to medium-scale wind turbines to supplement energy supply in suitable wind zones.                                   | Coastal industrial parks, agri-processing plants, remote manufacturing facilities, mines.                      |
| EV Charging      | Public Charging  | Installation of EV charging infrastructure for public use, including DC and AC charging.                                                | Municipal parking lots, shopping malls, petrol stations, transport hubs.                                       |
|                  | Private Charging | Installation of EV charging infrastructure for private companies, with technology                                                       | Warehouses with electric forklifts, logistics depots, mining operations,                                       |

|                   |                       |                                                                                                                            |                                                                                                                    |
|-------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|                   |                       | as required.                                                                                                               | commercial fleet operators.                                                                                        |
| Energy Efficiency | HVAC                  | Replacement of aging infrastructure with newer and more efficient equipment and control technology, including BMS systems. | Hospitals, shopping centres, commercial office parks, data centres, large educational institutions.                |
|                   | Refrigeration         | Upgrading refrigeration units to energy-efficient technology, including newer control systems.                             | Cold storage facilities, food manufacturers, large supermarket chains, distribution centres.                       |
|                   | Variable Speed Drives | Installation of VSDs to control motor speed (e.g., pumps, fans) to match demand.                                           | Water utilities, manufacturing plants, data centres, cold chain logistics, mining and industrial processing sites. |
|                   | Heat Pumps            | Replacing large electric geysers with efficient heat pump systems for water heating.                                       | Hotels, student housing, multi-residential developments, hospitals, leisure facilities.                            |
|                   | LED Lighting          | Retrofitting lighting in buildings, including smart lighting and motion sensors.                                           | Office blocks, malls, schools, warehouses, logistics centres, healthcare facilities.                               |

## Building Types

| Building Type           | Characteristics & Opportunity                                                                  |
|-------------------------|------------------------------------------------------------------------------------------------|
| Data Centres            | Always-on energy demand, high cooling loads, very receptive to BESS and HVAC optimisation.     |
| Shopping Malls          | Large daytime energy loads, rooftop solar potential, HVAC and lighting retrofits deliver ROI.  |
| Industrial Parks        | Aggregated load from multiple tenants, suitable for district-level interventions.              |
| Cold Storage Facilities | High base load due to refrigeration, quick ROI from VSDs and BESS.                             |
| Warehousing & Logistics | Growing sector with energy needs (e.g., forklifts, EV charging) and large rooftops.            |
| Hospitals               | Continuous power needs, high HVAC and water heating loads, benefit from reliability + savings. |
| Office Parks            | Good daylight profiles for solar, potential for LED and HVAC retrofits.                        |

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