



TERMS OF REFERENCE

CONSULTANCY SERVICES FOR A COMPREHENSIVE FINANCIAL AND TECHNICAL DUE DILIGENCE

1. Background

Press Corporation Plc (PCL), incorporated in Malawi and listed on the Malawi Stock Exchange, is Malawi's largest holding company with interests in several subsidiary companies, joint ventures and associated companies, in financial services, energy, hospitality, telecommunications and property management, among others. PCL's strategic approach emphasizes growth through investments in new projects and ventures, and in both green and brown fields. More details can be accessed on www.presscorp.com.

PCL, through its subsidiary Press Energy Limited (PEL), is implementing a 50 megawatts (MW) solar power photovoltaic (PV) project. To achieve this objective, PCL is seeking a reputable strategic equity and technical investor to partner with in the project. The potential partner must possess both the financial strength and technical expertise required to successfully implement the project. Given the project's strategic importance, it is critical to conduct a comprehensive financial and technical due diligence of the potential partner.

Accordingly, PCL seeks to engage a consultant to provide an independent financial and technical due diligence of the potential investor in order to assess the investors capacity and mitigate risks associated with any potential partnership.

2. Objectives

The general objective of this consultancy is to provide PCL with a comprehensive financial and technical due diligence of the potential partner. Specifically, the objectives are:

- To evaluate the potential partner's financial position, investment capacity and funding mechanisms in order to confirm their financial capacity.
- To assess the technical capability, experience and track record of the potential partner in implementing similar solar power projects.
- To identify financial, technical, legal and operational risks associated with the potential partner, and propose mitigation measures.
- To evaluate that the potential partner's vision, strategy and capabilities align with the objectives of the solar project.
- To provide a clear recommendation on whether or not PCL should proceed with the potential partner.

3. Scope of Consultancy

The scope of work for this project includes, but is not limited to:

3.1 Financial Due Diligence

- Verify the potential partner's ability to meet equity contribution commitments for the project.
- Analyze the potential partner's audited financial statements (balance sheets, income statements, and cash flow statements) for the past 5 years.
- Assess financial ratios (e.g., profitability, liquidity and solvency) to evaluate the financial health of the potential partner.
- Evaluate the potential partner's credit rating and borrowing capacity.
- Analyze the potential partner's sources of funding (e.g., equity, debt, grants) and assess their reliability and sustainability.
- Assess the potential partner's compliance with all relevant Laws on anti-money laundering (AML).

3.2 Technical Due Diligence

- Evaluate the potential partner's portfolio of solar energy projects, focusing on:
 - Scale and complexity of completed projects.
 - Types of technology employed (e.g., PV panels, inverters, energy storage systems).
- Success metrics (e.g., capacity factor, project delivery timelines, operational performance).
- Assess the potential partner's engineering and project management capabilities, including feasibility studies, design, construction, and commissioning of solar farms.
- Verify the potential partner's level of adherence to international technical standards and certifications, such as IEC standards for solar PV systems.
- Review the potential partner's operational and maintenance (O&M) framework, including predictive maintenance practices and performance monitoring systems.

3.3 Risk Assessment

- Identify potential risks, including financial instability, technical inadequacy, regulatory non-compliance, or reputational issues associated with the potential partner.
- Develop a comprehensive risk matrix with mitigation strategies and contingency plans.
- Provide a risk mitigation strategy.

3.4 Recommendation Report

- Based on the findings of the financial and technical due diligence, provide a clear recommendation on whether PCL should proceed with further engagements with the potential partner or not. The report should include justifications for the recommendation, supported by data and analysis.
- Highlight any conditions or considerations PCL should take into account if they decide to proceed with the potential strategic technical partner.

4. Key Deliverables

The following are the key deliverables for the assignment:

- Inception Report: a report outlining the methodology, timeline and any initial observations or concerns.
- Draft Report: A draft report including preliminary findings on the financial and technical due diligence.
- Final Report: A comprehensive detailed financial and technical due diligence report including (i) financial assessment (ii) technical evaluation (iii) risk matrix with mitigation strategies (iv) recommendations for the potential investor selection
- Presentation: A presentation of the key findings and recommendations to PCL's Executive Management and Board of Directors.

All the deliverables will be submitted both electronically and in hard copy.

5. Duration

The timeline for this assignment is expected to be 4 weeks, with a final report due no later than the end of the fourth week.

6. Qualifications

PCL is looking for an individual consultant or a team of consultants with demonstrated experience in financial and technical due diligence. The proposal should include curriculum vitae for the consultant or all the members of a team of consultants where appropriate. The team leader or individual consultant should meet or possess the following:

- A post-graduate qualification in finance, economics, engineering, renewable energy or any related field from a reputable university or institution.
- Extensive experience in financial and technical due diligence for renewable energy projects.
- Successful completion of similar assignments in the solar energy sector.
- Familiarity with renewable energy financing models and regulations
- Deep understanding of solar PV technology and related technical standards.
- Strong analytical and financial modelling skills.
- Excellent report writing and presentation skill.
- Ability to work collaboratively with the company's Executive Management and Board of Directors.
- Ability and availability to complete the assignment within the agreed timeline.
- A proven track record of undertaking similar assignments.
- Submission of letters from traceable referees will be an added advantage.

7. Management of the Contract

The consultant will report to the Chief Executive Officer on all administrative matters and key deliverables. Regular updates and meetings will be scheduled to ensure alignment and progress toward the objectives.

8. Obligation of PCL

PCL will make available to the consultant all the relevant information on the assignment and will be expected to review and approve all the deliverables.

9. The Technical Proposal and Financial Proposal

The consultant will be expected to submit a technical and financial proposal for PCL's consideration.

10. Payment Terms

The consultant is expected to propose a payment schedule which will be discussed during contract negotiations.

11. Submission of Proposals

- Interested consultants or consultancy firms are invited to submit proposals that include the following:
- A detailed project plan outlining the approach to be taken, including the methodology, timelines and deliverables.
 - A proposed budget and fee structure.
 - CVs of the consultant(s) who will undertake the assignment.
 - References from previous clients for similar assignments previously completed.

The consultant(s) will be required to submit one original and two (2) copies of both the Technical and Financial Proposals sealed in separate envelopes, and then both envelopes sealed in one outer envelope. The outer envelope should be clearly marked '**TENDER FOR CONSULTANCY SERVICES FOR FINANCIAL AND TECHNICAL DUE DILIGENCE**', and should be sent to the address below by 14th February 2025 at 17:00 pm.

Requests for clarifications and applicants' proposals may be sent to:

The Chairperson, Internal Procurement Committee
Press Corporation Plc
P.O. Box 1227
Blantyre
E-Mail: ipc@presscorp.com
Tel: +265 111 833 569