

Vortex sells 45% stake in 365 MW solar PV power portfolio to leading Malaysian pension fund KWAP in GBP 67.5 million transaction

Malaysia's second-largest pension fund has acquired a 45% stake in EFG Hermes' Vortex Solar Investments S.a.r.l. as the platform extends its fund-raising footprint in Asia

London, 17 December 2017

Vortex, one of Europe's foremost renewable energy investment platforms, has sold a 45% equity stake in Vortex Solar Investments S.a.r.l ("Vortex Solar") to Malaysia's second-largest pension fund, Kumpulan Wang Persaraan (Diperbadankan) ("KWAP"), in a GBP 67.5 million transaction.

Vortex, which is managed by EFG Hermes, will continue to maintain a 5% long-term shareholding in Vortex Solar, having acquired 365 MW of solar PV producing assets in the United Kingdom from TerraForm Power in January 2017. This comes in-line with Vortex's strategy of eyeing key investors from around the globe to diversify its partner base.

"KWAP fits very well strategically as a long-term future partner to Vortex and EFG Hermes. It is a reputable institutional investor with assets under management of around USD 30 billion across multiple asset classes, globally," said Karim Moussa, Head of Private Equity and Asset Management at EFG Hermes. "I am very pleased to have placed a 45% stake with the right partners after a highly competitive process that saw interest from leading investors around the world."

"This transaction demonstrates our ability to utilize the Group's liquid balance sheet effectively under our merchant banking strategy to support our core business in delivering on its investment targets, creating AUM growth and delivering immediate as well as long-term returns for our shareholders. By completing the sale to KWAP we successfully complete the cycle of the underwriting for Vortex Solar in less than 12 months," said EFG Hermes Group Chief Executive Officer Karim Awad.

"With our successful track-record in investing and managing large renewable energy portfolios across several European markets, Vortex represents a great gateway to the asset class for global partners and specifically for Middle Eastern and Asian investors," Moussa said.

Commenting on the investment, Dato' Wan Kamaruzaman bin Wan Ahmad, KWAP's Chief Executive Officer said, "Entering a partnership with Vortex demonstrates our commitment toward environmental sustainability in our investments. This marks our first direct investment in the renewable energy sector, which strategically positions KWAP as the financial co-investor of choice for the expansion of this industry. Also, as an investor, we intend to increase our exposure in real assets, and renewable energy is one of most active sectors in the infrastructure asset class



for deal flow, globally. We see this as an opportunity that will provide attractive investment income to the fund while supporting our ESG (Environmental, Social and Governance) efforts.”

Following the completion of the transaction, the shareholding of Vortex Solar will stand as 50% Tenaga Nasional Berhad (TNB), 45% KWAP and 5% Vortex.

Including its UK solar assets, Vortex manages net 822 MW in operating solar and wind assets in Europe that provide electricity to over 350,000 households in Great Britain, France, Spain, Portugal and Belgium. The platform has invested c. EUR 1.3 billion in the renewable energy space in under three years of operation.

“Immediately following completion of the acquisition in May, we embarked on an extensive turnaround plan that included replacing the previous operator with Europe’s leading solar developer Lightsource, building a dedicated in-house asset management team to streamline the portfolio’s operations and cost structure, in addition to refinancing the portfolio’s existing debt with a competitively priced GBP 337 million debt package, that was successfully c. 2x oversubscribed by a club of eight leading European banks,” Moussa noted. “Today with the right partners at the ownership level, we look forward to a new era and solid performance for Vortex Solar in the years to come.”

The transaction is expected to close within the coming weeks.

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About Vortex

Vortex was established in 2014 as an investment platform, sponsored by EFG Hermes, to pursue yielding renewable energy assets primarily in Europe. Vortex comprises of a team of 10 dedicated infrastructure and private equity specialists with wide experience in global infrastructure and renewable energy investments.

Vortex acquired in 2014 a 49% stake in wind energy company EDPR France in a USD 208 million leveraged buyout and acquired a 664 MW portfolio spanning Spain, Portugal, Belgium, and France in 2016 for USD 620 million, bringing Vortex’s net capacity in onshore wind to 457 MW. Combined with the UK solar assets, Vortex manages today a net capacity of 822MW.

About Kumpulan Wang Persaraan (Diperbadankan)

Kumpulan Wang Persaraan (Diperbadankan) [KWAP] or the Retirement Fund (Incorporated) was established on 1st March 2007 under the Retirement Fund Act 2007(Act 662) replacing the repealed Pensions Trust Fund Act 1991 (Act 454).

KWAP manages contributions from the federal government and relevant agencies to obtain optimum returns on its investments through sound management and investment of the Fund in equity, fixed income securities, money market instruments, and other forms of investments as permitted under the Retirement Fund Act 2007 (Act 662). The Fund shall be applied towards assisting the Federal Government in financing its pension duties. In 2015, KWAP was officially

appointed as an agent of the Federal Government for the purpose of pension payment, gratuity or other benefits granted under any written law from the Consolidated Fund in such manner as may be agreed between the Federal Government and KWAP.

Visit www.kwap.gov.my for more information.

About Tenaga Nasional Berhad (TNB)

TNB is one of the largest players operating in the utilities sector in Malaysia in Asia, primarily in the generation, transmission and distribution of electricity with a total installed capacity of c.12 GW as of FY2015. The Company has a strong integrated business model, encompassing the entire electricity value chain, in addition to a diverse generation mix (including coal, gas & hydro). TNB contributes about 50% of Malaysia's installed capacity, and is the sole owner and operator of peninsular Malaysia's electricity transmission and distribution network.

Listed on the Malaysian Stock Exchange with a market capitalization of around USD 20bn as of December 2016, TNB has a robust asset base exceeding USD 30bn and is looking to continue expanding it further through selective investments that drive changes to its business operations, amongst which is growing its geographical presence with a focus on renewable energy investments.

For further information, please contact:

EFG Hermes Media

media@efg-hermes.com

May El Gammal

Head of Marketing & Communications

melgammal@efg-hermes.com

Note on Forward-Looking Statements

In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.