

Vortex enters into a definitive agreement with TerraForm Power to acquire a 365 MW solar energy portfolio in the United Kingdom with an Enterprise Value of c. GBP 470 million

Acquisition of one of the largest UK solar PV portfolios gives EFG Hermes' Vortex 822MW of net installed renewable energy generation capacity and total investments of c. USD 1.4billion in the sector across Europe to date

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Vortex, a European renewable energy platform managed by the private equity arm of EFG Hermes, has entered into a sale and purchase agreement to acquire 100% of a 365 MW operational solar PV power portfolio in the United Kingdom, owned by TerraForm Power.

The transaction is valued at an Enterprise Value of c. GBP 470 million and comprises 24 operational assets, representing one of the largest portfolios of solar PV in the United Kingdom. The closing of the transaction is subject to the completion of certain conditions precedents.

“This landmark acquisition caps a two-year period in which our private equity team has built Vortex from a newcomer into a platform managing 822 MW in net capacity across the United Kingdom, France, Spain, Belgium and Portugal, making it one of the largest renewable energy focused investment managers in Europe,” said EFG Hermes Group Chief Executive Officer Karim Awad. “The transaction is also an example of our group’s announced merchant banking strategy of effectively utilizing our balance sheet to support our core businesses and enhance shareholder returns.”

The Portfolio has an average asset age of two years and an estimated useful life of c. 30 years. It is backed by the United Kingdom Government’s Renewable Obligation Certificates and 14-year power purchase agreements with creditworthy off-takers. It currently carries a project finance debt facility of c.GBP 300 million. Vortex intends to refinance the existing debt shortly after the completion of the transaction.

With this transaction, Vortex has successfully deployed c. USD 1.4 billion in the European renewables market since 2014 after acquiring net installed wind capacities of 457 MW through assets managed by EDP Renováveis SA across four Western European jurisdictions.

Lightsource, Europe’s largest developer of solar PV projects with more than 1.3 GW of assets under management, will act as a technical partner for operations and management services post completion of the acquisition.

“The United Kingdom is a key contributor to Europe’s solar market. This Portfolio offers us an attractive entry point with a long-term investment proposition in the country. Our existing asset



base in Vortex has paid superior cash yields to our investors to date. We are delighted to add this high-quality Portfolio to the platform and bring in the United Kingdom’s premier solar developer as our technical partner,” said EFG Hermes Head of Private Equity Karim Moussa.

Nick Boyle, CEO at Lightsource, said: “We are delighted to have partnered with EFG Hermes to secure this deal. At Lightsource we are very proud of the in-house knowledge and expertise that we have developed over the last five years, which allows us to provide a gold-standard service in Operations & Maintenance to third party clients and thus help us secure such quality business. We look forward to a long and successful partnership with EFG Hermes.”

Tenaga Nasional Berhad (“TNB”), one of the largest utility players in Asia with a market capitalization of c. USD 17 billion and a power generation capacity of 12 GW in 2016, has subscribed into Vortex to fund 50% of the equity share capital of the transaction. The remaining 50% will be initially underwritten by EFG Hermes with a final targeted hold of 5% of the equity, consistent with the previous transactions undertaken by Vortex.

Karim Moussa adds, “It is our pleasure to announce our new partnership with TNB, a major reputable industry player in Asia. With such strong additional backing of our platform, we shall continue adding significant renewable capacities to Vortex through future acquisitions in the United Kingdom and other European countries.”

TNB CEO Datuk Seri Ir. Azman bin Mohd said: “This is a rare opportunity to acquire a sizeable solar power business via Vortex in the United Kingdom and helps us deliver the renewable energy part of Tenaga’s international expansion plan more than one year ahead of schedule.”

Vortex’s advisors on the transaction included Watson Farley and Williams, Davis Polk, and Shearman & Sterling (legal), Deloitte (financial, tax and accounting), Enertis (technical), Willis (insurance), Baringa (market), Operis (model audit) and Global Capital Finance (financial advisor).

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About EFG Hermes

With a current footprint spanning seven countries in the Middle East and North Africa, EFG Hermes started in Egypt and has grown over 30 years of success to become the region’s leading investment bank. Drawing on our proven track-record and a team of 865 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region.

Combining our strengths and expertise in the region, we offer our clients best-in-class products and services that are tailored to their needs to maximize their investment goals in a rapidly changing environment.



EFG Hermes' private equity arm is one of the Arab world's leading private-equity groups with a special focus on investing in infrastructure (particularly renewable energy), healthcare and consumer products. With more than 25 years of experience in investing across a broad industrial footprint, the firm is a leader in infrastructure private equity.

For further information about EFG Hermes, please visit www.efghermes.com and stay connected with us:    

About Vortex

Vortex was established in 2014 as an investment platform, sponsored by EFG Hermes, to pursue yielding renewable energy assets 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.

About Lightsource

Lightsource Renewable Energy was founded in 2010 and since then has achieved an unrivalled track record in the UK solar PV market. The company is currently the leading solar photovoltaic energy generator in the UK and Europe, and one of the top ten largest solar PV energy generators globally. Lightsource has deployed more than GBP 2.2 billion of solar assets and manages an operational portfolio of more than 1.3GW with GBP 115 million of Annual Portfolio Turnover – enough to power more than 350,000 households each year. For further information, please visit www.lightsource-re.com

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.

About TerraForm Power

TerraForm Power is a renewable energy company that is changing how energy is generated, distributed and owned. TerraForm Power creates value for its investors by owning and operating clean energy power plants. For more information about TerraForm Power, please visit:

www.terraformpower.com

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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.