

Vortex Energy Exits its 365MW UK Solar Portfolio

Cairo, September 17th, 2020: Vortex Energy, a European renewable energy platform managed by Beaufort Investments s.a.r.l, a subsidiary of the private equity arm of EFG Hermes Holding, has completed the sale of its controlling and management stake in Vortex Solar, a 365MW solar PV portfolio to TNB International Sdn Bhd, a wholly owned subsidiary of Tenaga Nasional Berhad.

EFG Hermes Holding (which has an indirect ownership of 5% in Vortex Solar) will receive cash sales proceeds of GBP11 million versus an initial investment outlay of GBP7.5 million. This will result in a capital gain of GBP1.6 million that will be realized in the third quarter of 2020 with the remaining gains already realized through equity and Income Statement during the life of the investment. In addition, EFG Hermes Private Equity division will book a carry of GBP16.7 million.

Below you may find EFG Hermes Holding press release as announced on September 17th, 2020.

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Press Release

Vortex Energy sells a controlling stake in its 365MW UK Solar Portfolio to TNB valuing the portfolio at c. GBP 500m

The transaction further solidifies Vortex Energy's track-record in creating value for its investors and paves the way for plans to launch Vortex IV, a global clean energy platform.

17 September 2020

(London, United Kingdom) — Vortex Energy, a global renewable energy platform managed by Beaufort Investments S.ar.l (“Beaufort”), a subsidiary of the private equity arm of EFG Hermes, has completed the sale of its controlling and managing stake in Vortex Solar (“Vortex III”), a 365MW solar PV portfolio, acquired in 2017 from TerraForm Power, at an enterprise value of c. GBP 500m.

The stake was sold to TNB International Sdn Bhd, a wholly owned subsidiary of Tenaga Nasional Berhad (“TNB”), an existing shareholder in the business and one of South East Asia’s largest utilities with an installed capacity of c.15GWs globally. Vortex III is one of the largest standalone portfolios in the UK, with an average asset age of 6 years, PPAs with major European energy companies and utilities, an attractive ROC regime and a long-term debt package from major lenders including Santander, RBS and ING. The portfolio achieved an EBITDA of c.GBP 39mn in 2019 with an 84% EBITDA margin, exceeding its budget and providing attractive cash yields to its shareholders. It continues to meet its targets in 2020, despite the global challenges.

Karim Moussa, Head of Private Equity and Asset Management, at EFG Hermes said, “This is a major milestone for Vortex. The exit of Vortex III delivered a 1.5x cash on cash multiple to our investors and an IRR of c. 14%. We continue to demonstrate our ability to pursue the full cycle of raising capital, investing strategically and exiting major renewable energy portfolios. Since launching Vortex in 2015, we have combined net 822MW of premium assets while investing more than EUR 1.3bn in the sector in developed markets. We have been consistently delivering attractive returns to our shareholders and partners by aggregating and enhancing assets and then selling portfolios to strategic long-term owners of renewable energy assets. This is the second major exit following the disposal of our 49% stake in a 1GW wind portfolio to funds managed by J.P. Morgan last year.”

Bakr Abdel-Wahab, Head of Energy, at EFG Hermes Private Equity said, “This transaction demonstrates Beaufort’s skills as a leading investment and asset manager of large scale portfolios and businesses. Since acquiring the UK assets, we have improved their performance and capital structure via a major refinancing; revamping all key portfolio agreements, partnering with Lightsource BP and establishing a strong London based asset management team. This active management strategy has generally enabled us to return to our investor across our three Vortex Energy platforms since inception, a net average annual cash yield of 5%, cash-on-cash multiple of 1.4x and IRR of 13%. We look forward to continue growing Vortex Energy’s footprint and investing in energy transition businesses and portfolios globally over the coming period.”

The Beaufort team is currently planning to establish Vortex IV, a renewable energy platform that will target global generation, storage, distribution and technology businesses. Moussa

concluded, “We are excited about future global opportunities in renewables and the wider clean energy space, we shall aim to commence our fundraising efforts by the end of 2020, with anchor investors already showing increased interest in our next endeavor Vortex IV.”

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About Vortex Energy

Vortex Energy was established in 2015 as an investment platform, sponsored by the Private Equity arm of EFG Hermes, via Luxembourg-based Beaufort Investments, to pursue renewable energy investments globally. Beaufort Investments and its affiliates comprise of a team of 15 dedicated infrastructure and private equity specialists, with wide experience in global infrastructure and renewable energy, that manage all Vortex Energy investments and initiatives.

As of the end of 2018, Vortex had a portfolio of wind and solar assets of 822MW acquired through various investments amounting to approximately EUR 1.3bn, spanning the UK, Spain, France, Portugal and Belgium. Currently, the company has a full operational asset management team based in London.

Learn more about us at www.vortexenergy.ae

About EFG Hermes

With a current footprint spanning four continents, EFG Hermes started in Egypt and has grown over 35 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track record and a team of more than 5,500 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 MENA region.

In 2015, EFG Hermes launched the NBFi Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing, Tanmeyah Microfinance, valU for instalment sale services and EFG Hermes Factoring. This falls in line with the Firm’s strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh, Nigeria, Vietnam, the United Kingdom and the United States. Learn more about us at www.efghermes.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.