

## **Soon-to-be-listed Revego Africa Energy Limited invests in leading South African concentrated solar power plant**

Revego Africa Energy Limited (Revego) has announced its first major acquisition, in the form of a 12% stake in the 50 MW Bokpoort Concentrated Solar Power (CSP) asset in the Northern Cape for R204 million.

Bokpoort CSP is one of South Africa's premier CSP projects and fulfils Revego's mandate of investing in operational, dividend-earning renewable assets. Revego is buying the stake from Metier, one of South Africa's leading private equity firms, who manages the Lereko Metier Sustainable Capital fund.

Bokpoort CSP is a 50MW plant run as an independent power producer, with Saudi Arabian based ACWA Power International acting as the operational partner.

Bokpoort CSP was one of the first CSP projects in South Africa under the Renewable Energy Independent Power Producer Procurement (REIPPP) programme. It is unusual among renewable energy projects in that it has significant energy storage onsite in the form of thermal salt storage. It recently became the first renewable facility in Africa to complete a full week of continuous operations, going on to run continuously for 13 days using its onsite storage. It also claimed the record as South Africa's largest infrastructure refinancing transaction, of approximately R5bn.

Reyburn Hendricks, CEO of Revego, says the Bokpoort CSP acquisition is an important first step towards building the Revego portfolio. "The economics of the acquisition stack up well – Bokpoort CSP is backed by a 20-year Power Purchase Agreement with Eskom, supported by government guarantees, and with a power tariff indexed to the Consumer Price Index," he argues. "Our investment team also has expertise in renewable energy acquisitions and the complexities of CSP technology."

Hendricks adds that a major part of Revego's strategy is to provide a viable option to early-stage investors in renewable projects. "These are investors whose investment objective have been achieved, such as private equity firms or sponsors looking for an exit, BEE investors looking to realise gains or redeploy capital, or REIPPP investors wanting to liquidate their holdings into cash or into a listed asset such as Revego," he explains.

In this case, Metier was looking to realise its investment in a project in which it has been involved from the outset, from site identification through to successful operation. Partners Marc Immerman and Michael Goldblatt with Metier and Lereko and supported by the Industrial Development Corporation, initiated the Bokpoort CSP project and were active throughout the entire development, construction and operational periods.

This was part of Metier's sustainable capital practice, which targets investments in energy efficiency, renewables, water and waste management businesses, as well as projects supporting Africa's development objectives and environmental commitments.

Goldblatt says Metier is proud of the role it has played in bringing Bokpoort CSP to where it is today. "In addition to a well-operated and significant renewable plant on the South African grid, we also leave a lasting legacy of extensive and successful socio-economic development programmes implemented in the local community, including a comprehensive youth centre, a farming ownership programme, school

feeding vegetable gardens, and bursaries for local students amongst others. We are confident that Revego, alongside other shareholders, will continue to take the project from strength to strength.”

The Bokpoort CSP acquisition ahead of the listing of Revego on the JSE, has been funded through a bridge facility provided by Investec Bank. Investec is also a cornerstone investor in Revego, alongside UKCI, a joint venture between the Green Investment Group and the UK government and the Eskom Pension and Provident Fund.

**About Revego Africa Energy Limited (Revego):** Revego is a yield-focused specialist BEE investment vehicle that will participate principally as an equity investor in, predominately, operational renewable energy assets in sub-Saharan Africa with a track record of generating stable cash flows. Revego aims to provide Shareholders with an initial dividend yield of approximately 9% - 10% and will seek to increase this dividend yield over time, with a targeted yield to maturity of approximately 11%.

**About Bokpoort CSP:** Bokpoort CSP is a 50 MW concentrated solar power project that was selected as the only CSP plant in the second round of the REIPPP. The plant is located in a rural area of the Northern Cape Province, 120km south east of Upington. Bokpoort CSP is structured as an independent power producer, with Saudi Arabian based ACWA Power International acting as the operational partner. Bokpoort CSP is project financed based on a 20 year Power Purchase Agreement with Eskom, supported by government guarantees, with a power tariff indexed with CPI. The project uses CSP trough technology which currently makes up the bulk of the installed base of global CSP capacity and has a thermal energy storage capacity of 1 300MWh (thermal), equivalent to about 9.5 hours of operation. The plant draws water from the Orange River through a dedicated pipeline. The R5.1 billion project started commercial operations in March 2016 and has been operating successfully since commissioning.

**About Metier:**

Metier is an independent private equity fund management business with a proven track record in Africa spanning four decades. Metier’s Sustainable Capital Practice has garnered significant traction since its inception in 2010. The practice targets investment in energy efficiency, renewables, water and waste management businesses and projects supporting Africa's development objectives and environmental commitments.

Revego Fund Managers (Pty) Ltd. is an authorised Financial Services Provider (FSP number 47561).