

PRESS RELEASE

EFG Hermes Announces the Closing of Vortex’s EUR 550 Million Pan-European Deal; Doubling its Private Equity AUMs to USD 1.1 Billion and Bringing Total Group AUMs to USD 3.5 Billion

A sale and purchase agreement for the transaction was signed in April 2016 between EFG Hermes’ private equity arm and EDP Renováveis S.A., and includes a portfolio of 23 wind farms in Portugal, Spain, France and Belgium.

15 June 2016

Dubai, UAE — EFG Hermes’ announced today that its renewable energy platform, Vortex, successfully closed the transaction to acquire a 49% stake in an operational 664 MW portfolio of European wind assets from EDP Renováveis S.A. (“EDPR”), one of the largest players in the global renewable energy sector. The closing of the transaction nearly doubles private equity’s total assets under management (“AUMs”).

The EUR 550 million transactions is a key milestone in plans set by EFG Hermes’ renewable energy platform, Vortex, to own more than 1 GW of net installed capacity within the coming two years.

“This milestone transaction not only doubles our private equity AUMs to just over USD 1.1 billion, but also augments EFG Hermes’ total group AUMs to USD 3.5 billion,” said EFG Hermes Chief Executive Officer Karim Awad. “The successful close of this landmark deal provides EFG Hermes’ private equity division with considerable traction in Europe’s renewable energy space, a key pillar of EFG Hermes’ regional and global expansion strategy,”

“The transaction also demonstrates the dedication and professionalism of our private equity team, who have done an excellent job in solidifying EFG Hermes’ infrastructure investment footprint across several European jurisdictions,” he added.

Earlier this week, EFG Hermes had announced its intent to utilize proceeds from selling nearly two thirds of its stake in Crédit Libanais to fuel growth in its traditional lines of business, one of which is the strategy to acquire yielding asset plays across global markets through its highly successful private equity division.

Awad further added, “Our private equity team has been systematically implementing a strategy that focuses on infrastructure plays that offer strong returns, with the previous 18 months having witnessed a marked expansion of our renewables investment portfolio.”

Vortex, which is the renewable energy platform managed by EFG Hermes, increased its net installed capacity following this acquisition to 457 MW across Western Europe, rising from 132 MW of net installed capacity as of late 2014, when Vortex had acquired a 49% equity stake in EDPR France in a USD 208 million transaction.

Commenting on the transaction closing, EFG Hermes Head of private equity Karim Moussa said, “We aim to replicate the success witnessed in EDPR France in its first year of investment, during which Vortex was able to generate a superior cash yield. With our current portfolio that now covers four European jurisdictions, Vortex now ranks amongst the largest renewable energy focused investment managers in Europe.”

“Going forward, we will continue to explore further business opportunities in European markets, leverage our track record and knowledge in pursuing defensive, long-term investments with attractive risk adjusted return potential for our investors. Furthermore, we plan to play an active role in shaping the renewable industry in MENA and Egypt primarily, as key markets with great potential for growth and new capacity development,” added Moussa.

“One of the firm’s main business objectives during the coming period will be growing our AUMs on both the public and private front. We aim to reach a level that is expected to generate a steady annual flow of management fees together with the upside potential of periodic performance fees,” Awad concluded.

The EUR 550 million to fund the transaction was raised in the form of 40% equity, 5% of which was a seed investment by EFG Hermes and 95% of which takes the form of sovereign capital from the Gulf Cooperation Council region. The remaining 60% of the acquisition finance is in the form of a 13-year facility provided by five prominent European banks.

Vortex’s advisors on the transaction included Linklaters (legal), Shearman and Sterling (legal), PwC (tax and accounting), DNVGL (technical), Willis (Insurance) and BNP Paribas (Financial Advisor).

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Notes for editors:

About EFG Hermes

With a footprint spanning seven countries in the Middle East and North Africa, EFG Hermes started in Egypt and has grown over 30 years to become the region's leading investment bank. We have a proven track record of providing a wide spectrum of financial services including investment banking, asset management, securities brokerage, research and private equity to clients across the region and beyond. EFG Hermes also owns a 23.7% stake in the Lebanese commercial bank Crédit Libanais.

Through our on-the-ground operations in Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE, and with 865 talented employees of 25 nationalities, we serve a considerable and diversified client base from the Middle East and North Africa to Europe, Africa and the United States. Our clients include corporations, financial institutions, governments, high net worth clients and individual customers.

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

About EFG Hermes Private Equity Division

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 a decade of experience in investing across a broad industrial footprint, the firm is a leader in infrastructure private equity. Vortex, a renewable energy platform managed by the firm, acquired in 2014 a 49% stake in wind energy company EDPR France with a in a USD 208 million leveraged buyout; Vortex is now acquiring a 664 MW portfolio spanning Spain, Portugal, Belgium, and France.

EFG Hermes private equity arm advised InfraMed, the largest investment vehicle dedicated to infrastructure investments in the Southern and Eastern Mediterranean. The firm is also one of five global and regional founding sponsors that together contributed EUR 385 million to establish InfraMed. The Division, by end of 2015, managed a total AUM of c. USD 0.6 billion.