

PRESS RELEASE

Vortex to Acquire Major Pan-European Wind Energy Portfolio in EUR 550 million Transaction

The transaction is part of Vortex's drive to own more than 1 GW of net installed capacity within the coming two years, and nearly doubles EFG Hermes' private equity AUMs to USD 1.1 billion,

19 April 2016

Dubai, UAE — Vortex, a renewable energy platform managed by EFG Hermes' private equity arm, announced today it has entered into a sale and purchase agreement (SPA) with a subsidiary of EDP Renováveis S.A. ("EDPR"), one of the largest players in the global renewable energy sector, to acquire a 49% stake in an operational 664 MW portfolio of European wind assets.

The transaction is valued at EUR 550 million and includes a portfolio of 23 wind farms in four European Union jurisdictions, including Spain (348 MW), Portugal (191 MW), Belgium (71 MW) and France (54 MW).

"In just 18 months since its first transaction acquiring 49% of EDPR France, Vortex has gained considerable momentum and market recognition in the European renewable energy space. Our track record and knowledge of the market was a decisive edge in a very competitive M&A process that saw Vortex bidding head-to-head with major global investors," said EFG Hermes Head of Private Equity Karim Moussa.

"As our second remarkable transaction in Europe, it underlines our ability to identify, structure and execute large-scale deals that deliver on our strategy of building a yielding infrastructure platform. This acquisition, which nearly doubles our AUMs to just over USD 1.1 billion, is a testament to our position as the region's leading renewable energy investment manager," He added.

"I am pleased to announce this transaction, which further expands our strong partnership with Vortex, which has been a great success to date. This is part of the asset rotation plan that the company has been successfully implementing in recent years," Said Mr. João Manso Neto, CEO of EDP Renováveis.

"This strategy allows EDPR to crystallize the value of its projects' future cash-flow stream and re-invest in the development of quality and value accretive projects," added Mr. João Manso Neto.

Moussa further stated, "We have successfully raised EUR 550 million to fund the transaction; 40% in the form of 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."

Bakr Abdel-Wahab, Managing Director of Infrastructure Private Equity at EFG Hermes, noted, “The transaction was complex to structure and execute as it covers four jurisdictions with different regulatory and operational regimes. The premium underlying assets, generating in excess of 1.7 TWh per annum, have four years of average age, fifteen years of remaining regulatory life and blue-chip turbine technology. This gives Vortex exposure to a highly regulated European revenue stream. Moreover, its margins and wind capacity factors are above the market average, setting the floor for very attractive and competitive cash yields.”

Abdel-Wahab added, “In 2015, our first year of investment in EDPR France (334 MW gross capacity), active asset management allowed Vortex to generate a superior cash yield to its investors, mainly due to strong operational improvements, cost-savings and generation enhancement initiatives.”

Noting that the transaction puts Vortex well on its way toward its goal of owing in excess of 1 GW of net installed capacity in the coming two years, Moussa concluded, “We will continue to pursue high quality yield-generating assets with attractive return potential for our investors in developed markets and selective emerging markets.”

Execution of the SPA that was announced today would see Vortex’s net installed capacity rise 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.

The transaction, which is subject to regulatory approval and other conditions precedent, is expected to close in the second quarter of this year.

Vortex’s advisors on the transaction include 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 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.

About EDPR

EDP Renewables (Euronext: EDPR) is a global leader in the renewable energy sector and the world's fourth-largest wind energy producer. Supported by a healthy project pipeline, top quality assets and unrivalled operating capacity, EDPR has seen impressive growth over recent years and is currently present in 12 markets worldwide (Belgium, Brazil, Canada, France, Italy, Mexico, Poland, Portugal, Romania, Spain, the United Kingdom and the United States). Energias de Portugal, S.A. ("EDP"), the principal shareholder of EDPR, is a global energy company and a leader in value creation, innovation and sustainability. EDP is Portugal's largest industrial group and the only Portuguese company to form part of the Dow Jones Sustainability Indexes (World and STOXX).

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 63.7% majority 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.

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