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STARSIGHT ENERGY AND SOLARAFRICA TO JOIN FORCES AND TRANSFORM INTO ONE OF THE LARGEST C&I SOLAR DEVELOPERS ON THE AFRICAN CONTINENT

Leading East and West African renewable energy provider, Starsight Energy, merges with renowned South African solar energy enabler, SolarAfrica, to expand their operations into South Africa

Key Highlights

- The merged group, subject to regulatory approvals, will be a pure-play commercial and industrial (“C&I”) service provider, covering the full scope of C&I projects, from rooftop projects to large scale corporate Power Purchase Agreements (“PPA”) backed projects.
- It provides carbon reduction, power security and cost savings to blue-chip clients in a number of key economic sectors including banking, healthcare, education, manufacturing and data storage.
- It spans three key geographical hubs (Eastern, Southern and Western Africa) with further pan-African diversification being considered.
- Solutions are technology-enabled via proprietary, inhouse developed software which covers development, construction and asset management.
- The merged group, backed by Helios Investment Partners (“Helios”) and African Infrastructure Investment Managers (“AIIM”), will comprise a portfolio of over 220MW of operated and contracted generation capacity, with 40MWh of battery storage, and an additional pipeline exceeding 1GW.
- Key credentials include Starsight being the first renewable energy company in Nigeria to secure carbon credit accreditation, whilst SolarAfrica was named African Solar Company of the Year during 2021.
- The transaction represents a vote of confidence in the pan-African renewables sector, with Helios and AIIM increasing their investment footprint in multiple markets across the continent.

Johannesburg, 22 September 2022. Renewable energy services provider, Starsight Energy, and South African-based solar firm, SolarAfrica Energy, today announce their

merger agreement, combining their strengths to become one of the continent's leading solar players with a genuine Pan-African footprint to provide competitive, full-service renewable energy and energy efficiency solutions to the C&I sector.

The merger, which is subject to standard regulatory approvals including anti-trust approvals, comes at an opportune time following favourable changes in South African renewable energy regulations. The merger will create the first truly Pan-African renewable energy services provider, amidst a global drive towards greener and cleaner energy sources, which is well positioned to serve an even wider range of clients with a comprehensive mix of renewable energy solutions that provides power security, cost savings and carbon reduction. The merged entity will comprise a portfolio of over 220MW of operated and contracted generation capacity, and 40MWh of operational battery storage, with an additional generation pipeline exceeding 1GW.

Alongside the merger, funds managed by AIIM have committed substantial further funding to the South African subsidiary of the merged entity, to progress the build-out of the contracted pipeline in the C&I wheeling market in South Africa, providing energy security and certainty of pricing to large C&I customers.

Starsight Energy was founded in 2015 and is backed by Helios and AIIM, a member of Old Mutual Alternative Investments. It offers reliable and sustainable energy and cooling solutions – on- and off-grid – to the C&I sectors, with market leading operations in East and West Africa with over 656 sites in Nigeria, Kenya and Ghana. The company was named one of Africa's fastest growing companies in 2022 by UK Financial Times, and is also the first renewable energy company in Nigeria to secure carbon credit accreditation, certified by the Verra Verified Carbon Standard (VCS) programme, the world's most widely used voluntary Green House Gas (GHG) certification programme.

Founded in 2011, SolarAfrica has built up extensive experience in delivering state-of-the-art energy solutions through Power Purchase Agreements (PPAs) to businesses across Southern Africa. It has evolved from a specialist provider of rooftop solar photovoltaic systems to a full-service provider of capex-free, green energy solutions ranging from solar and battery storage options through to wheeling and electricity trading to the C&I market.

SolarAfrica has already positioned itself as a competitive player in the newly enabled power wheeling space, having recently signed up large blue chip customers. The group is now well positioned to service large power users with a lower cost electricity alternative from a recently developed centralised solar generation site, taking advantage of South Africa's newly revised regulations permitting wheeling and self-generation of up to 100MW by private generators. In 2021, SolarAfrica was named the continent's leading solar energy firm, scooping the Africa Solar Industry Association's African Solar Company of the Year award.

Over and above the global shift towards the reduction of greenhouse gas emissions through decarbonisation, the demand for cost-effective and reliable power by commercial and industrial users will continue to grow and open further opportunities in the renewable energy sector particularly in South Africa, where power supply is expected to remain constrained with a substantial deficit of generation capacity.

Tony Carr, Starsight Energy's Group Chief Executive Officer, explains: "This merger demonstrates our joint commitment to expand our footprint across Africa. With SolarAfrica, the new combined group becomes one of the largest commercial providers of reliable and clean energy solutions to the commercial and industrial sector across the continent."

"The merger will enable efficiencies across the group, ranging from procurement to funding, and further allow for the rollout of our proprietary technology platform across the continent. These efficiencies will assist the group in providing a unique and valuable offering, that takes customers on a green energy journey to solve their power struggles and enables a sustainable future for their businesses," says David McDonald, SolarAfrica Energy co-founder and Chief Executive Officer.

Olusola Lawson, Managing Director and co-Head at AIIM, comments: "The transformational Starsight/SolarAfrica merger is a strong illustration of value creation in the nascent African commercial and industrial renewable energy space. As one of Africa's largest renewable energy equity investors, and with a renewable energy portfolio of c.2GW, AIIM has been privileged to play a key role in the growth and expansion of the Starsight platform over the last five years. We are delighted to continue to support the business with additional funding to expedite the realisation of its substantial pipeline, and we look forward to the continued success of the combined platform."

Ogbemi Ofuya, Partner at Helios Investment Partners notes: "This transaction combines the complementary capabilities and geographical reach of two leading players in distributed energy solutions for businesses and industries across Africa. Helios has been a part of Starsight's journey from its inception and has supported the growth of the business leveraging on our experience in building and scaling market leading infrastructure businesses on the continent. This transaction creates a market leader across Sub-Saharan Africa's largest economies, with a long track-record of providing, cleaner and more reliable energy solutions for its customers delivered at competitive price levels. We remain excited about the significant growth prospects of the enlarged Starsight platform."

The newly formed entity will comprise of 340 staff across multiple jurisdictions and create a combined shareholder group providing financial capacity to deliver renewable energy services across Africa.

Looking ahead, the two parties believe that their combined expertise, along with SolarAfrica's energy solutions software platform, which enables its sales teams to customise energy proposals and produce accurate savings projections, will not only position the group as Africa's leading provider of green energy solutions to commercial and industrial power users, but will also accelerate Africa's transition towards a greater renewable energy mix.

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NOTE FOR EDITORS

About Starsight Energy

Across the continent, Starsight Energy is redefining what it means for businesses to be energy efficient. Starsight Energy provides premier clean on-grid and off-grid energy services to commercial and industrial clients in Africa.

Serving the commercial and industrial, financial, residential, educational and agricultural sectors, Starsight Energy delivers tailored power and cooling solutions to meet client requirements while optimising consumption through energy-efficient appliances and environmentally-friendly practices and recommendations.

From load analysis and modelling to demand management and customised solution design, Starsight Energy helps clients optimize energy efficiency and cost savings across the board.

About SolarAfrica

Founded in 2011, SolarAfrica provides a suite of Capex-free, green energy solutions from solar and battery storage through to wheeling and electricity trading, to the commercial and industrial sectors in Southern Africa.

With the aim to create a sustainable future for businesses by providing energy solutions that enable cost savings, carbon reduction and power security, SolarAfrica takes customers on a green energy journey that allows them to secure 100% of their energy needs offline, solving their power struggles both now and for years to come.

The company has evolved into an ambitious team who are passionate about what they do and the core values they uphold. In 2021, SolarAfrica was named the continent's leading solar energy firm, scooping the Africa Solar Industry Association's African Solar Company of the Year award.

About Helios Investment Partners

Established in 2004, Helios Investment Partners is the largest Africa-focused private investment firm, with a record that spans creating start-ups to providing expanding companies with growth capital and expertise. The firm is led and managed by a predominantly African team based in London, Paris, Lagos and Nairobi, with the language skills and cultural affinity to engage with local entrepreneurs, managers and intermediaries on the continent.

Helios leverages its local and global networks to create attractive proprietary investment opportunities, with an emphasis on building market leaders in core economic sectors and driving performance through a highly engaged approach to portfolio operations. The firm's unique combination of a deep knowledge of the African operating environment, a singular commitment to the region and a proven capability to manage complexity, is reflected in its diverse portfolio of growing, market-leading businesses and its position as a partner of choice in Africa.

Helios is the second mainstream private equity firm globally, and the largest in emerging markets, to achieve B Corp certification. B Corp status recognizes the firm's long-standing commitment to sustainability and responsible business practices.

About African Infrastructure Investment Managers (“AIIM”)

AIIM, a member of Old Mutual Alternative Investments* (“OMAI”), has been investing in the African infrastructure sector since 1999 with a track record extending across seven African infrastructure funds. AIIM's team of 40+ investment professionals are based out of five locally staffed offices across the continent in Cape Town, Johannesburg, Nairobi, Lagos and Abidjan providing direct on-the-ground coverage of our key markets.

AIIM is Africa's largest dedicated infrastructure private equity manager and currently manages an aggregate AUM of USD2.4 billion in assets across the power, renewable energy, digital infrastructure, mid-stream energy and transport sectors with operations in 19 African countries.

AIIM is a licensed FSP approved by the Financial Sector Conduct Authority in South Africa.

*Old Mutual Alternative Investments (OMAI) is a private alternative investment manager in Africa, with over USD4.8 billion (ZAR76 billion) under management in infrastructure, private equity, hybrid equity and impact funds. It is a member of Old Mutual Investment Group, the investment management arm of Old Mutual.