

PRESS RELEASE

CUAMBA SOLAR PV and ENERGY STORAGE REACHES FINANCIAL CLOSE

MAPUTO, 22 DECEMBER 2021: Globeleq, the leading independent power company in Africa and its project partners, Source Energia, a Lusophone Africa energy developer and Electricidade de Moçambique (EDM), the Mozambican national power utility, have reached financial close on the 19MWp (15MWac) Cuamba Solar PV plant with a 2MW (7MWh) energy storage system.

The US\$36 million project located in the Cuamba district, Niassa province (about 550 km west of the coastal town of Nacala) will supply electricity through a 25-year power purchase agreement with EDM. The project is the first IPP in Mozambique to integrate a utility scale energy storage system and includes an upgrade to the existing Cuamba substation.

Once operational, the Cuamba Solar plant will supply enough power for 21,800 consumers, and over the life of the project is expected to avoid the equivalent of more than 172,000 tonnes of CO₂ emissions. First power is expected to flow in the second half of 2022.

The Emerging Africa Infrastructure Fund ("EAIF"), a member of the Private Infrastructure Development Group ("PIDG") provided US\$19 million in debt funding, with PIDG's Viability Gap Funding (VGF) grant facility providing US\$7 million to enable an affordable tariff, fund essential grid upgrades and an energy storage system for EDM. CDC Plus, the technical assistance facility of CDC Group, has contributed a US\$1 million grant towards the battery energy storage system.

Olivia Carballo, a Director at Ninety One Ltd, the managers of EAIF, commented: "This is a pioneering project for EAIF and PIDG. We congratulate Globeleq, Source Energia, EDM and Mozambique on reaching a key milestone in deploying more solar technology to the northern grid, and on installing Mozambique's first grid-scale battery energy storage system."

Sarah Marchand, CDC Director, CDC Plus, said: "We are delighted to support one of sub-Saharan Africa's first grid-scale battery energy storage systems through this grant for the battery storage system. In line with CDC's ambition to catalyse more storage solutions across the continent, CDC Plus will also offer support to capture and disseminate learnings around the battery component's operational, economic, and development impact."

"With the ongoing challenges due to the pandemic, I am proud our team has achieved financial close, and we can begin building the first solar and energy storage facility in the country. We fully support the Mozambican Government in their initiatives to support the Paris Agreement and provide its citizens with reliable and clean alternative energy options," added **Mike Scholey, Globeleq's CEO**.

EDM's Chairman, Marcelino Gildo Alberto said: "This project is a demonstration of EDM's commitment to provide sustainable solutions to speed up energy access to Mozambicans. In compliance with the Government's Five-Year Plan to introduce 200MW of renewable energy, EDM is at the forefront of the energy transition in line with the Paris Agreement."

"We are very pleased to make another contribution to the Mozambique Energy sector and look forward to supporting the future growth of the industry in the country. Our thanks go to our project partners and funders for their unparalleled patience and commitment during the development phase." Said **Pedro Coutinho, CEO of Source Energia**

The project will require approximately 100 workers during construction, many of whom will be hired from the local community. The Spanish company Grupo TSK has been appointed as the project EPC contractor and will immediately commence mobilisation of its construction team. E22, part of the Spanish Gransolar Group, will supply the complete battery energy storage system. Globeleq will oversee the construction and operations of the power plant, supported by Source Energia.

For more information, please contact Vincent.mulder@globeleq.com or Pedro Coutinho ppcoutinho@source.capital.

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About Globeleq

Globeleq is the leading developer, owner and operator of electricity generation in Africa. Since 2002, its experienced team of professionals have built a diverse portfolio of independent power plants, generating more than 1,500 MW in 14 locations across 6 countries, with a further 305 MW in construction and more than 2,000 MW of power projects in development. www.globeleq.com

About Source Energia

Source Energia is an independent developer of renewable energy projects in Mozambique and Angola. The company is developing a portfolio focused on the development and management of on-grid and off-grid projects. It is part of the Source Capital group, a boutique private equity firm sourcing investable assets across Portuguese-speaking Africa. www.source.capital

About EDM

Electricidade de Moçambique E.P. (EDM) is the Mozambican state-owned electricity utility set up in 1977, two years after the independence of Mozambique. EDM is the central buyer of electricity, system operator, manager of the notational transmission grid and operator of the energy distribution infrastructure in Mozambique. EDM generates, transmits, distributes, and sells electricity in Mozambique. www.edm.co.mz

About EAIF

The Emerging Africa Infrastructure Fund is a member of the Private Infrastructure Development Group (PIDG). EAIF provides a variety of debt products to infrastructure projects promoted mainly by private sector businesses in Africa and parts of the Levant. The Fund mobilises private sector capital for investment in new infrastructure across Africa. Its core objective is to promote economic development, leading to sustained economic stability, greater business confidence, job creation and poverty reduction. It has to date supported over 80 completed infrastructure projects across 10 sectors. It has backed projects located in 18 African countries, though the Funds impact extends to many parts of the continent. This is most notably the case in the digital and telecommunications, ports and energy sectors. EAIF was established and substantially funded by the governments of the United Kingdom, The Netherlands, Switzerland, and Sweden. It raises its debt capital from public and private sources, including Allianz Global Investors, the global insurance and financial services company; Standard Chartered Bank; the African Development Bank; the German development finance institution, KfW, and FMO, the Dutch development bank. EAIF is managed by Ninety One. www.eaif.com.

About CDC

CDC Plus is the CDC Group's dedicated technical assistance and support facility, that uses its experience as an impact investor in emerging markets to identify and create opportunities that are beyond the scope of returnable capital. CDC Group is funded by the UK government and is the UK's impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa. The company has investments in over 1000 businesses in emerging economies and total assets of £6.9 billion. In 2020, CDC committed over of £1.1 billion to businesses in Asia and Africa and aims to invest up to £1.3 billion in 2021 – with a focus on driving inclusive growth, job creation and supporting economic recovery from COVID-19.

CDC will become British International Investment plc on 4 April 2022. Under its new strategy, its geographical mandate will be expanded to include Indo-Pacific countries and the Caribbean, with a broader remit to deliver jobs and clean growth. Read more [here](#).