

CUAMBA SOLAR PV + ENERGY STORAGE PROJECT BREAKS GROUND IN MOZAMBIQUE

MAPUTO, 14 June 2021: In a significant step toward a clean energy future, Globeleq, a leading independent power company in Africa and its project partners, Source Energia and Electricidade de Moçambique (EDM) have celebrated the start of construction of the 19MWp (15MWac) Cuamba Solar PV plant and a 2 MW (7MWh) energy storage system with a ground-breaking event.

The Minister of Mineral Resources and Energy, Dr Ernesto Max Tonela, was the official guest at the power plant site in Cuamba where the ceremony was held. The project will contribute to the Government's "Energy for All" strategy, aiming to have universal energy access by 2030.

The US\$32 million project is located in the Teterene District of the city of Cuamba, Niassa province, about 550 kms west of the coastal town Nacala. 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. Electricity will be sold through a 25-year power purchase agreement with EDM.

The project is expected to receive US\$19m of debt funding from The Emerging Africa Infrastructure Fund ("EAIF"), a member of the Private Infrastructure Development Group ("PIDG"). Furthermore, the project will receive US\$7m in grant funding from PIDG's Viability Gap Funding ("VGF") grant facility and a US\$ 1m grant from CDC Plus to enable an affordable tariff and the energy storage system.

Jonathan Hoffman, Globeleq's Chief Development Officer commented: "This project is a trailblazer for future utility-scale energy storage in Mozambique and the region. Cuamba Solar, along with all our energy projects we are working on, cements our ongoing commitment to contribute to the long-term energy security and development of the country on a low carbon pathway."

Globeleq and Source Energia are also developing one of the first wind projects in Mozambique located near the town of Namaacha 40km west of Maputo. In addition, Globeleq has recently pre-qualified to compete for the 40 MWp Dondo solar power project in Sofala Province and has been selected for two 15MWp solar projects in neighbouring Eswatini.

Pedro Coutinho, Source Energia's Founding Partner and Managing Director added: "Source is excited to have reached this significant milestone to Mozambique and the Niassa Province with the Cuamba Solar PV and energy storage project. We are committed to work towards developing projects that are in line with the Mozambique energy goals for universal access that are led by EDM."

Marcelino Gil, EDM Chairman explained EDM's commitment to the country energy mix based on the abundance of resources in Mozambique, with the visibility to promote clean and renewable energy toward the commitment of universal access to energy to all Mozambicans by 2030.

It is expected the project will need around 100 workers during construction, many of which will be hired from the local community. The Spanish company, TSK, has been appointed as the project EPC contractor. Globeleq will oversee the construction and operations of the power plant, supported by Source Energia.

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About Globeleq

PRESS RELEASE

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Globeleq is a leading investor, developer, owner and operator of power projects in Africa. The company has more than 1,400MW of power generation in operation across 28 projects in Cameroon, Cote d'Ivoire, Kenya, Nigeria, South Africa and Tanzania. With a further 305MW being constructed in Kenya (52MWp solar) and Cote d'Ivoire (253MW), and a further 2,000MW of projects under development, Globeleq has a long-term commitment to the power sector in Africa. www.globeleq.com

About Source Energia:

Source Capital is an independent private equity boutique founded in 2015, sourcing investable assets in Real Estate, Energy and general Private Equity across Portuguese-speaking Africa, primarily in Mozambique and Angola. Energy is a strategic sector and Source Energia was created as the diversified renewable energy platform focused on the development, management, operations and maintenance of large & small scale on- & off-grid projects. 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