

PRESS RELEASE

ARCH Africa Renewable Power Fund announces \$16.5M funding commitment to support C&I solar projects through CrossBoundary Energy

- *Funding enables the ongoing expansion of CrossBoundary Energy's Commercial & Industrial solar services and is first stage of larger transaction to scale solar for businesses across Africa*
- *CrossBoundary Energy is currently operating or delivering more than 26MW of fully financed solar PV projects for over 20 customers across 7 countries in Africa*

19 February 2020 - ARCH Emerging Markets Partners' Africa Renewable Power Fund (ARCH ARPF) today announced its commitment to fund CrossBoundary Energy (CBE) with up to US\$16.5M in equity funding to develop and finance new Commercial & Industrial (C&I) solar assets that will provide businesses across Africa with access to cheaper, cleaner power. This commitment represents the first stage of a larger transaction under finalisation by CrossBoundary Energy to scale solar for business across Africa.

The announcement comes as the International Energy Agency (IEA) predicts a strong acceleration in the global adoption of distributed solar photovoltaic (PV) solutions. The IEA report, **Renewables 2019**, forecasts that distributed solar PV will account for almost half of the near-term growth in the overall solar PV market, with global installed capacity expected to increase by over 250% by 2024. The IEA also notes that the rapid growth is being driven by a continuing decline in system costs, allowing solar to generate greater savings on corporate customers' electricity bills.

CBE has pioneered the solar-as-a-service business model in Africa, through which corporate customers avoid upfront capital expenditure and instead enter into long-term solar service agreements. Under these agreements, CBE, in partnership with local developers and solar contractors, finances, installs and operates solar assets that provide customers with cleaner and cheaper power. CBE has already developed landmark projects in Kenya, Rwanda, Ghana, and Nigeria, with its clients including Unilever, Diageo, Heineken, Actis and leading, local companies. This additional funding will allow CBE to reach new markets and customers across Africa and deploy solar PV and battery storage solutions that reduce energy costs, improve power reliability and lower carbon emissions.

Pieter Joubert, Chief Investment Officer, CrossBoundary Energy says, "Partnering with an industry-leading investor like ARCH ARPF highlights the proven viability of captive commercial and industrial solar projects in Africa. We're very excited to work with ARCH ARPF to continue providing Africa's leading businesses with cheaper, cleaner, more reliable power at no upfront cost. This commitment by ARCH ARPF represents the first phase of a larger transaction which will allow us to take the C&I

sector to scale across Africa, and in doing so reduce energy costs for our customers, create additional jobs within the solar sector, and significantly reduce carbon emissions.”

William Barry, Managing Director, ARCH ARPF, says, “The off-grid segment is an important component of our African renewable power mandate as businesses and retail consumers alike seek reliable, cost-effective solutions to their electricity needs. Within this market, ARCH ARPF aims to partner with strong management teams and invest in scalable business models that offer compelling alternatives to their customers, including in the C&I space. Now that companies recognize the attractive project economics of distributed solar PV, we are confident that CBE’s pipeline of projects will accelerate, and are delighted to be supporting their industry-leading management team as they expand their footprint across the continent.”

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About CrossBoundary Group

www.crossboundary.com

The CrossBoundary Group’s mission is to unlock capital to make a strong return and a lasting difference in frontier markets. It has over 80 professional staff and offices in Ghana, Kenya, Mali, Nigeria, Senegal, South Africa, UAE, UK and USA. **CrossBoundary Advisory** provides a range of due diligence and transaction services. It has advised on over US\$750 million of closed transactions, across a range of sectors in Sub-Saharan Africa and in frontier markets globally. **CrossBoundary Energy** was launched in 2015 and was Sub-Saharan Africa's first investment platform for C&I solar.

CrossBoundary Energy Access is the Group’s latest investment platform and provides blended project finance for mini-grids in Africa.

About CrossBoundary Energy

www.crossboundaryenergy.com

CrossBoundary Energy was launched by the CrossBoundary Group in 2015 as Sub-Saharan Africa's first provider of fully financed C&I solar solutions. It currently operates across Kenya, Rwanda, Ghana and Nigeria, and has a pipeline of over 300MW of projects across Africa. Its customers include both multinational companies such as Unilever, Diageo, Heineken, and Actis, and leading, local companies. CrossBoundary Energy’s first investment vehicle was supported by the US Government’s Power Africa initiative, the Shell Foundation, the Overseas Private Investment Corporation (OPIC), the UK Department for International Development’s Solar Nigeria Programme, and anchored by prominent impact investors such as the Blue Haven Initiative and CeniARTH.

About the ARCH Africa Renewable Power Fund

www.archpartners.com/africa-renewable-power

Founded in 2018 as a partnership between African Rainbow Capital Proprietary Limited and JCH & Partners LLP, ARCH Emerging Markets Partners Limited is an emerging markets investment advisory firm specialising in private equity opportunities with an initial focus on energy and logistics in developing economies. ARCH ARPF is a dedicated African renewable energy fund whose mission is to create long term value for its stakeholders while addressing the African market's growing demand for bankable, de-risked electricity generation. ARCH ARPF's team has (prior to launch of ARCH ARPF) collectively spent decades originating and managing private sector power investments across Africa, from early-stage development through operations, including over \$1 billion of successful power generation project financial closings. ARCH ARPF, whose investors include institutional investors and DFIs, has been partly funded by the European Union.