



AFRICAN INFRASTRUCTURE INVESTMENT MANAGERS

PRESS RELEASE

African Infrastructure Investment Managers (AIIM) announces the final close of African Infrastructure Investment Fund 3 (AIIF3) at USD 320 million

- AIIF3 targets significant influence investments across the power, transport and midstream energy sectors in Sub-Saharan Africa - areas with the biggest disconnect between demand for critical infrastructure and supply of available capital.
- The Fund focuses on mid-market opportunities in these sectors gaining exposure to opportunities in countries with high growth prospects but lacking the scale to support mega deals.
- Limited Partners in AIIF3 include existing AIIF2 investors as well as new commitments from a high quality, diverse and global investor base demonstrating the ongoing attractiveness of Africa as an investment destination.
- The fund closing follows a number of successful exits from previous funds including the Azura-Edo Power Plant in Nigeria and Kipeto Energy Limited in Kenya, which provided strong returns for the fund investors.

London and Cape Town, 24 July 2019: African Infrastructure Investment Managers (AIIM), one of Africa's largest and most experienced infrastructure-focused private equity fund managers, today announces the final close of its flagship pan-African infrastructure fund, AIIF3, which raised USD320 million from a diverse investor base across Africa, Europe and Asia. Since inception, AIIM has raised cumulative commitments of USD2.2 billion over 7 funds and executed more than 56 transactions in target pan-African markets.

With a focus on diversification and predictable cash flows, AIIF3 targets significant influence investments across the power, transport and midstream energy sectors in Sub-Saharan Africa - areas with the biggest disconnect between demand for critical infrastructure and supply of available capital. The Fund focuses on mid-market opportunities in these sectors, a space which is less competitive and carries less execution risk than the larger marque deals; gaining exposure to opportunities in countries with high growth prospects but lacking the scale to support mega deals.

A key priority for AIIF3 is also the continued implementation of a rigorous and ambitious Environmental, Social and Governance (ESG) strategy as part of its responsibility to all stakeholders including the communities in which it operates. AIIM has fully integrated the Fund's Social and Environmental Management System (SEMS) into the investment process for every single investment the Fund makes and developed a robust measurement system aligned to the UN Sustainable Development Goals which tracks the performance of key impact metrics.

Limited Partners in AIIF3 include existing AIIF2 investors as well as new commitments from a high quality, diverse and global investor base demonstrating the ongoing attractiveness of Africa as an investment destination. The support from existing investors and the trust that non-AIIF2 investors have placed in AIIM in making their first pan-African allocations through AIIF3 is a strong show of support for AIIM's strategy and track record.

AIIM's on-the-ground team has already established a diversified portfolio of assets for the Fund with nine investments concluded across the thermal power, renewable energy, ports & logistics and airports sectors; gaining exposure to operations across 12 African countries. Supported by the focus on mid-market deals with shorter construction periods, five of the assets in the AIIF3 portfolio are already operational and delivering against their original investment thesis.

Paul Frankish, Head of Strategic Initiatives at AIIM, said: "Africa-focused alternatives funds have concluded fundraisings of USD2.5 billion, on average, per year over the last five years with final closes for Africa-focused infrastructure funds over this period averaging USD233 million. The success of AIIM's fundraising against this backdrop demonstrates the confidence our deeply experienced investors feel in both our team and the potential of Africa".

Jurie Swart, CEO of AIIM adds: “This fund epitomises AIIM’s broader investment thesis of building out domestic infrastructure in Africa and driving sustainable economic growth across the region. AIIM’s 2,100MW renewable energy portfolio generated a total of 1,795GWh of clean power last year, offsetting nearly 1 million tonnes of Co2 equivalents and at full generation, AIIM projects will generate around 10% of Nigeria’s on-grid generation, 27% of Mali’s on-grid generation and 17% of Ghana’s on-grid capacity.

We are delighted that our investors share our vision for the African infrastructure opportunity and we are grateful to them for placing their trust in our proposition.”

This fund closing follows a number of successful exits from previous funds including the Azura-Edo Power Plant in Nigeria and Kipeto Energy Limited in Kenya, which provided strong returns for the fund investors. Azura-Edo is Nigeria’s first non-recourse project financed Independent Power Project (IPP) in almost two decades. The 461MW power plant supplies 14 million homes with electricity and accounts for 10% of the country’s on-grid power supply. AIIM was an early co-developer in Azura and one of the largest equity investors in the project at the time of financial close, as well as subsequently chairing the board’s technical committee which oversaw the completion of construction 8 months ahead of schedule. AIIM’s in-house ESG experts were also involved in the project, supporting on the development and implementation of ESG initiatives, from investment through to exit. The exit represents the largest exit by a private equity fund in the Nigerian power sector to date.

Commenting on the disposal, Olusola Lawson, Head of West Africa at AIIM said: “AIIM is proud to have played a role in delivering the pioneering Azura project over a period of seven years, initially as a co-developer and subsequently as a significant financial close equity investor. We continue to believe that the energy sector in Nigeria holds great potential, and this is evidenced by our recent growth equity investment into Starsight Power Utility, and our commitment to invest in the Uquo Integrated Gas project. The successful sale of our shareholding in Azura-Edo to existing shareholders also indicates their confidence in the country’s prospects and the future of the power sector. Importantly, it creates a marker for successful exits to both domestic and international investors in the nascent Nigerian power sector”.

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ABOUT AIIM

AIIM, a member of Old Mutual Alternative Investments, has been investing in the African infrastructure sector since 2000 with a track record extending across seven African infrastructure funds. AIIM currently manages USD2.1 billion in assets across the power, telecommunications and transport sectors with operations in 17 countries across East, West and Southern Africa.

As a leading infrastructure manager across Africa, central to AIIM’s investment objectives and processes is its commitment to responsible investments. AIIM is committed to fulfilling fiduciary duties as the custodian of shareholders’ and beneficiaries’ long-term interests. In this regard, AIIM considers the incorporation of environmental, social and governance (ESG) factors into its investment and ownership processes to support the pursuit of creation of positive futures and obtaining sustainable, superior risk-adjusted returns for its clients.

AIIM’s investment team consists of 40 investment professionals across the financial structuring, technical, asset management and ESG capabilities. The team are based out of 5 offices in Cape Town, Johannesburg, Nairobi, Lagos and Abidjan.

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