

Press Release

8 January 2024

**Affirma Capital leads US\$145 million deal for Copperbelt Energy Corporation
("CEC" or the "Company")**

Affirma Capital (formerly Standard Chartered Private Equity ("SCPE")) has led a US\$145 million investment into CEC in an unprecedented single-asset continuation deal in Africa. The private equity firm originally invested in CEC in March 2014 via a structured equity investment backing the Company's controlling shareholder. In March 2018, Affirma Capital converted its investment into a 34.64% shareholding in CEC.

CEC is an independent power transmission and distribution company in Zambia and is listed on the Lusaka Securities Exchange. The Company's core business consists of distributing power to the majority of mines operating in Zambia's Copperbelt Province and bordering Katanga Province in the Democratic Republic of Congo ("DRC"). The Company also transmits power for ZESCO Limited, the Zambian national utility and is engaged in trading, buying and selling electricity from public and independent electricity generation companies in the Southern African Development Community ("SADC") as part of the Southern African Power Pool ("SAPP"). The Company is investing heavily in renewable energy with a 34MW operating solar plant and another 60MW plant due to be commissioned in January 2024.

Affirma Capital is teaming up with Norfund and Kommunal Landspensjonskasse gjensidig forsikringsselskap ("KLP") to provide financing for the transaction. Norfund is the Norwegian Investment Fund for Developing Countries, a state-owned Development Finance Institution focusing on a variety of sectors, including clean energy, financial institutions, green infrastructure and agribusiness. KLP is the largest pension fund in Norway managing a large share of Norwegian public sector pensions and is owned by municipalities, health enterprises and businesses with public-sector pensions. Standard Bank of South Africa Limited ("Standard Bank") is supporting the transaction with US\$50 million of acquisition financing.

Since its investment in CEC in 2014, Affirma Capital has led a number of initiatives to strengthen the business. In 2016, CEC was demerged from CEC Africa, its 100% owned subsidiary which was focussed on Nigeria, via a dividend in specie to CEC shareholders. This was followed by the sale of CEC's stake in CEC Liquid, a 50/50 JV with Liquid Telecoms, to its JV partner. The business then focussed on deploying capital in its core business in Zambia

as well as building out the power trading business in neighbouring Katanga Province. Recent initiatives have seen the Company deploying significant capital in developing its own solar projects. As part of the transformation, a high performing independent local management team was inserted in addition to best-in-class governance systems. This has catalysed a systematic approach to decision-making and strategy development which has driven growth amidst a tough macro environment. From 2014 – 2023, CEC generated c.US\$600 million of cash, paid US\$285 million in dividends, reduced debt by c.US\$120 million while investing heavily in critical infrastructure like the two solar plants, the interconnector into the DRC and extending its infrastructure to reach new customers. With this transaction, Affirma Capital, Norfund and KLP would want to see CEC expanding its investments in both transmission infrastructure and renewable energy in the years to come.

CEC is one of Affirma Capital's most successful investments to date, and the deal demonstrates its continuing long-term relationship with the Company. With the continuation transaction, Affirma Capital aims to build on CEC's success to date by strengthening the Company's leadership in the Africa decarbonization program, building additional renewable capacity, extending access to power in both Zambia and the DRC and assisting the Company in playing a leading role in the liberalization and evolution in the electricity market in Southern Africa.

Ronald Tamale, Founding Partner and Head of sub-Saharan Africa at Affirma Capital said: "We are excited to partner with Norfund and KLP on CEC, an asset which we are extremely bullish on. We look forward to continuing the journey with existing shareholders, management and the Board in building a leading energy company in Africa. Hopefully a transaction of this nature will be testament that private equity firms can team up with like-minded investors from different spheres to be long-term owners of businesses in Africa."

Affirma Capital is an independent emerging market-focused private equity firm established through the spin-off of Standard Chartered Private Equity from Standard Chartered Bank in 2019. With a 20-year long track record of successful investments in over 100 companies across Asia, Africa, and the Middle East, Affirma Capital currently manages over USD 3 billion in assets.

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For further information, please email media@affirmacapital.com