



MEDIA RELEASE

23 April 2024 | Red Rocket Shareholders Resolve to Explore Strategic Options | Cape Town, South Africa

Red Rocket, the largest Independent Power Producer (IPP) in South Africa, continues to see exponential growth in both its development pipeline and the renewable energy market opportunity.

In South Africa, Red Rocket has capitalised on the evolution of the energy landscape, as the success of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) continues to gain momentum along with a growing Commercial & Industrial (C&I) market.

Red Rocket expects to benefit from further tailwinds coming from the deregulation of the electricity sector in South Africa, which includes opportunities arising from the creation of the standalone electricity transmission company and legislative changes proposed in the Electricity Regulation Amendment Bill, which are both precursors to a competitive electricity market in South Africa.

Given its extraordinary growth and the increasing size of the opportunity set, the shareholders of Red Rocket have resolved to explore strategic options to evaluate the optimal positioning of the Group going forward, which may include a potential sale. Goldman Sachs has been appointed to assist with the exercise.

Matteo Brambilla, CEO of Red Rocket commented:

“Red Rocket has reached an inflection point – at the moment, in addition to the plants in operations, we have, c.750MW of assets under construction and additional c.2GW approaching financial close and a pipeline of projects of c.16GW. Shareholders have considered and given milestones reached with respect to the portfolio as well as Red Rocket’s growth ambitions, that now is the right time to explore strategic options. We have built an integrated IPP operating across the value chain, from development through construction to asset management, and operations and maintenance. Red Rocket’s advanced pipeline of 16GW is readily deployable and given the positive structural changes we believe that the business is well positioned to capitalise on the attractive energy market dynamics.”

Information on Red Rocket

The journey began in 2011 when Building Energy, an Italian solar EPC company, expanded its business geographically into Africa. In 2019, Red Rocket, a fully integrated IPP on a mission to design, develop, and distribute clean energy in South Africa and beyond, was born out of a buyout of Building Energy’s African operations by management and its strategic investment partner, Inspired Evolution.

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Since then, Red Rocket has grown to over 190 employees based at the Cape Town headquarters and at operating sites and has been highly successful in REIPPPP bid windows as well as in the increasing C&I market, with the combination of operating assets, assets and under construction and those approaching financial close expected to deliver a portfolio of c.3GW of operating assets by 2026 across wind, solar and hydro. Shareholders invested in Red Rocket include Inspired Evolution managed funds EVII and EVIII, FMO and STOA Infra & Energy.

Red Rocket is a leading African IPP, as well as the largest in South Africa. It operates across onshore wind, solar, and hydro technologies, offering a unique differentiated proposition with the ability to develop, construct, and operate renewable power assets.

The Group maintains a strong track record in South African renewable capacity auctions (both public and private) driven by a multi-tech operation that is highly integrated across the value chain from development through to operation. The Red Rocket team continues to experience significant headcount growth to support the conversion of their development pipeline and is led by a team of executives with long-standing experience in the renewable energy sector.

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