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PRESS RELEASE

**FINAL TRANCHE OF ACORN GREEN BOND OVERSUBSCRIBED
ISSUER RAISES OVER KES 2 BILLION EXCEEDING TARGET BY OVER KES 650 MILLION**

Thursday 22nd July 2021, Nairobi – Acorn Project (Two) Limited Liability Partnership, the Issuer of the Acorn Medium-Term Green Note (MTN) Programme, closed the final tranche on Friday 16th July 2021. The Issuer raised KES 2.096 billion against the target of KES 1.438 billion representing a subscription rate of 146%.

“We see the oversubscription of our Green Bond as a huge vote of confidence for Acorn and the wider Capital Markets especially given the on-going COVID-19 pandemic. Despite the pandemic, the Acorn Green Bond has continued and will continue to pay coupons promptly due to the appropriate project bond structure that was adopted at the outset. When we started this journey in 2019, the Bond Market in Kenya had essentially dried up with new issuances non-existent. Now we are seeing new corporate bond issuances coming to the market and this is a very positive development for the Kenyan Capital Markets. We continue to be grateful for the support we continue to receive from GuarantCo and PIDG as part of our journey to providing safe, secure and affordable accommodation to University and College students in Kenya”. Said Acorn Holdings Limited Group Chief Executive Officer, Mr. Edward Kirathe.

In October 2019, Acorn issued a KES 5 billion MTN programme, which became the first Green Bond in Kenya. In the process, the first tranche of the issue raised KES 4.262 billion against a minimum target of KES 2 billion.

The programme enjoys a partial credit guarantee of 50% of the principal and interest by GuarantCo, who mobilise local credit solutions for infrastructure projects, and are members of the Private Infrastructure Development Group (PIDG). Emerging Africa Infrastructure Fund (EAIF), the anchor investor and also a member of the PIDG, advanced KES 1.279 billion into the programme. The initial tranche was deployed towards the construction of 6 environmentally friendly purpose-built student accommodation (PBSA) properties in Nairobi. The buildings are benchmarked against the IFC EDGE green building standard for water, energy and materials use, with the aim of achieving low operation costs and low carbon impact in the long-term.

In May 2021, Acorn was granted approval by the Capital Markets Authority (CMA) to upsize the MTN programme from KES 5 billion to KES 5.7 billion. The final tranche aimed to raise the KES 0.738 billion remaining from the initial October 2019 programme, and the additional KES 0.7 billion from the now upsized programme, providing a final subscription tranche amounting to KES 1.438 billion. The subscription book was well diversified in terms of its funding base with significant investment from Kenyan domestic pension funds, commercial banks, and re-insurance companies.

The additional financing will go towards the development of another 2 PBSA properties providing 2,654 beds bringing the total numbers of developments funded under the MTN programme to 8 with a total bed capacity of 7,349.

In February 2021, Acorn launched the Acorn Student Accommodation Development REIT (ASA D-REIT) and Income REIT (ASA I-REIT) with support from InfraCo Africa, a PIDG member company, as the Anchor Investor who committed over KES 1 billion. As part of this transaction, the Acorn Green Bond was transferred to the ASA D-REIT. All Acorn student accommodation projects are now being developed and constructed through the ASA D-REIT and then sold to the ASA I-REIT once operational. This approach unlocks construction capital and enables it to be recycled into new developments.



The Acorn Green Bond is rated B1 Global by Moody's Investor Service and is listed on the Nairobi Securities Exchange and the International Securities Market of the London Stock Exchange.

Stanbic Bank Kenya Limited is the Lead Transaction Advisor and SBG Securities Limited is the Lead Placement Agent for the programme.

Speaking on behalf of Stanbic Bank Kenya Limited, the Chief Executive, Mr. Charles Mudiwa said, *"As a Kenyan Bank, we are honored to be part of such a historic deal. Not only does this demonstrate our overall commitment to contributing to the economic growth of the country, but it also paves way for domestic financing institutions to be part of green financing and have a social impact in the Kenyan market."*

Gregory Waweru, the Head of SBG Securities added that: *"As the placing agents for East Africa's first ever Green bond, we are proud of this successful and landmark Issuance that is a trailblazer for sustainable financing via the capital markets. We are keen to leverage on our insights and knowledge to grow and develop our continent and build a future that is structured to last."*

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About Acorn Holdings Limited

Originally established in 2001, Acorn has 20 years' experience in East Africa's real estate sector. Acorn is the largest provider of purpose-built student accommodation (PBSA) in East and Central Africa and currently provides over 3,000 operating beds with a further 6,000 beds in development. In 2019, with support from GuarantCo, Acorn raised the first Green Housing Bond in Africa which was subsequently listed on the Nairobi Stock Exchange and London Stock Exchange ISM. Subsequently, in February 2021, Acorn successfully launched the Acorn Student Accommodation REITs after receiving all the requisite approvals from Capital Markets Authority. The REITs are managed by Acorn Investment Management Limited (AIML), a wholly owned subsidiary of Acorn Holdings Ltd. www.acornholdingsafrica.com/

About Stanbic Holdings Plc

Stanbic Holdings Plc ("the Group") is a subsidiary of Stanbic Africa Holdings Limited ("SAHL"), which is in turn owned by Standard Bank Group Limited ("the Group"), Africa's leading banking and financial services group. Stanbic Holdings Plc owns 100% of Stanbic Bank Limited, 100% of SBG Securities Limited, and 100% of Stanbic Insurance Agency Limited. Stanbic Bank is licensed and regulated by the Central Bank of Kenya and provides the full spectrum of financial and banking services for Corporates, SMEs, and Individuals.

About SBG Securities

SBG Securities is a leading stockbroker on the Nairobi Securities Exchange and is licensed by the Capital Markets Authority in Kenya where it is authorised to carry out the services of Stockbrokerage and Advisory services.