Sanlam Building, Floor 2, 4 Daventry Street,
Lynnwood Bridge Office Park, Pretoria
E. info@bwua.org.za
W. bwua.org.za
T. +27 (12) 348 4654

Doc Ref: BWU-BUS-COM-PRS-002

PRESS RELEASE

Stage 1 of the Olifants Management Model Programme Reaches Mezzanine Debt Financial Close with Climate Fund Managers

Milestone follows Commercial Close and partial construction commencement and builds on continued support from IFISA and DWS, enabling grant and mezzanine lending to flow in parallel.

- Stage 1 of the Olifants Management Model Programme has achieved Financial Close with its mezzanine debt lender, Climate Fund Managers, through its European Union-supported Climate Investor Two facility;
- The milestone builds on the foundational support of Infrastructure Finance and Implementation Support Agency (IFISA) and the Department of Water and Sanitation (DWS) and enables mezzanine debt lending and grant funding streams to progress in parallel;
- Stage 1 achieved Commercial Close in December 2025 with detail design, limited procurement and construction activities commencing in February 2026;
- The OMM Programme's next financing milestone is Senior Lender Financial Close with Absa, Nedbank and Standard Bank, with conditions precedent progressing well;
- The broader R25 billion OMM Programme is expected to benefit approximately 390,000 people, provide water to around 140 communities and support significant regional economic growth and job creation.

Pretoria, 15 July 2026 – The Badirammogo Water User Association (BWUA) has announced that Stage 1 of the R25bn Olifants (River) Management Model (OMM) Programme has achieved Financial Close with its mezzanine debt lender, Climate Fund Managers, a climate-focused blended finance investment manager, through its European Union-supported Climate Investor Two facility. This milestone marks a significant financing milestone for one of South Africa's largest water infrastructure programmes.

The achievement follows the successful Commercial Close of Stage 1 in December 2025 and the commencement of detail design, limited procurement and construction in February 2026, further strengthening the programme's funding platform as implementation progresses.

The achievement confirms that the principal mezzanine debt lending arrangements for Stage 1 have been concluded, thereby making available a committed mezzanine lending facility to support the programme's implementation. The milestone is further strengthened by the progression of institutional grant funding arrangements through IFISA and DWS, allowing both grant and mezzanine debt lending streams to progress in parallel.

The OMM Programme is a R25 billion multi-stage, source-to-tap water infrastructure development programme and a pioneering 50:50 public-private collaboration between government and the private sector. Registered as a Strategic Integrated Project 19 (SIP-19), the programme is designed to accelerate the expansion of bulk raw and potable water infrastructure across the Northern and Eastern Limbs of the Bushveld Igneous Complex in Limpopo Province.

What Mezzanine Debt Financial Close Means

Mezzanine Debt Financial Close represents the conclusion of the principal funding, legal and commercial arrangements associated with Climate Fund Manager's mezzanine debt investment. It confirms Climate Fund Managers' committed debt participation in Stage 1 to support the continued implementation of the OMM Programme, strengthening its overall funding structure.

The milestone further validates the bankability of the OMM Programme and demonstrates continued confidence from both institutional and private-sector funding partners in the programme's long-term sustainability and impact. It also strengthens the programme's position as it progresses toward full Senior Lender Financial Close with the appointed consortium of commercial banks comprising Absa, Nedbank and Standard Bank.

Building on Strong Institutional Foundations

The achievement of Mezzanine Debt Financial Close builds upon the foundational support provided by IFISA and the DWS, whose early participation and ongoing commitment helped establish the OMM Programme's bankability and enabled the successful mobilisation of private capital.

The collaboration model underpinning the OMM Programme demonstrates how government institutions, development finance partners, commercial lenders, industry stakeholders and private investors can work together to accelerate the delivery of strategic national infrastructure.

The debt funding milestone follows Climate Fund Managers' earlier commitment through its EU-supported water, waste and oceans infrastructure fund, Climate Investor Two, which approved a USD 86.2 million (approximately R1.4 billion) financing facility to support the first stage of the OMM Programme and strengthens its ability to attract senior debt financing.

Delivering Lasting Water Security and Economic Growth

Stage 1 of the OMM Programme, valued at approximately R8.5 billion, comprises critical bulk raw water pipelines, pump stations, associated water treatment infrastructure and supporting energy solutions. It forms part of the broader six-stage programme that will progressively expand water infrastructure across Limpopo.

Once fully implemented, the OMM Programme will include more than 875 kilometres of bulk raw and potable water infrastructure and is expected to provide potable water to approximately 140 communities, benefit an estimated 390,000 people, strengthen water security for municipalities, communities, mining operations and industrial users, support regional economic growth and climate resilience, and create an estimated 42,000 direct, indirect and induced employment opportunities.

Leadership Comments

Darron Johnson, Regional Head of Africa at Climate Fund Managers, said: "Achieving Mezzanine Debt Financial Close is a significant milestone for the Olifants Management Model Programme and demonstrates how blended finance can continue to support the delivery of strategic infrastructure at scale. Through Climate Investor Two, Climate Fund Managers is proud to be collaborating with BWUA, Government stakeholders and funding partners on a programme that addresses long-standing water security challenges in a region of significant economic importance.

The OMM Programme exemplifies how public, private and institutional capital can be combined to advance critical infrastructure while improving climate resilience, supporting economic growth and expanding access to reliable water services. This milestone strengthens the programme's funding platform and reflects the confidence of all project partners in its ability to deliver lasting benefits for communities, municipalities and industry."

Dr Kobus van Duvenhage, Chief Executive Officer of BWUA, said: "The achievement of Mezzanine Debt Financial Close represents another significant step forward for the Olifants Management Model Programme and demonstrates the confidence that our funding partners have in the project's vision, governance model and long-term impact.

We are deeply appreciative of the confidence shown by Climate Fund Managers in reaching this milestone, which further validates both the strength of the project and the effectiveness of our blended-finance approach. We also recognise the early and ongoing support provided by the Infrastructure Finance and Implementation Support Agency and the Department of Water and Sanitation, whose commitment helped establish the foundation for the programme and advance Stage 1 from planning into implementation.

This milestone further strengthens our ability to deliver transformative water infrastructure that will benefit communities, municipalities and industry alike. We now turn our attention to achieving Financial Close with our senior lenders and maintaining implementation momentum."

Sandra Kramer, European Union Ambassador, noted: “I am delighted that European Union support has assisted in leveraging significant private sector commitment towards the next financing milestone, the so-called Senior Lender Financial Close with South African banks.”

Looking Ahead

With Mezzanine Debt Financial Close achieved and construction activities already underway, the OMM Programme continues to progress the remaining requirements associated with Senior Lender Financial Close, which is expected to further strengthen the programme's long-term funding structure. As this process advances, BWUA and its financing partners continue to focus on maintaining implementation momentum and delivering long-term water security objectives.

ENDS

Notes to Editors:

About Climate Fund Managers:
Climate Fund Managers is a climate-focused blended finance investment manager operating in emerging markets across Africa, Asia and Latin America. It raises and deploys blended climate finance funds, working in partnership to deliver climate solutions at scale and pace. With over USD 2.8 billion in assets under management and more than 50 active projects, it invests across key areas of climate change mitigation and adaptation, including renewable energy; energy transition and green hydrogen; water, waste and maritime; and sustainable cities and the built environment. Its private equity strategies include Climate Investor One, Climate Investor Two, Climate Investor Three and the Shariah-compliant Malaysia Climate Infrastructure Fund (MCIF), which broadens access to climate infrastructure investment for Islamic investors. It also offers a private credit strategy through the GAIA Climate Loan Fund. Its funds are supported by public and private sector organisations, with public capital deployed strategically to balance risk and mobilise private sector capital, enabling investment across the project lifecycle – from development to construction and operation. Established in 2015, Climate Fund Managers is a joint venture between

the Dutch development bank FMO and Sanlam InfraWorks of the Sanlam Group in South Africa, with offices in The Hague, Cape Town, Singapore and Bogotá. www.climatefundmanagers.com.

About BWUA:

Badirammogo Water User Association (BWUA), formerly known as the Lebalelo Water User Association, was established in 2002 to provide bulk raw water to mines – primarily Platinum Group Metals (PGM) and chrome mining companies – and to doorstep communities, through the Department of Water and Sanitation, in the Eastern Limb of the Bushveld Igneous Complex in Limpopo, South Africa, one of the world's most important mineral regions. Since inception, BWUA has financed, developed, operated and maintained extensive bulk water infrastructure while maintaining industry-leading standards of operational excellence, safety and governance. BWUA's NOSA 5-star platinum status, which was achieved in 2024 and retained in 2025, coupled with certification and compliance with six (6) ISO standards (9001, 14001, 37101, 45001, 50001 & 55001), reinforces its commitment to operational excellence and safety. BWUA is currently implementing the Olifants Management Model Programme, a R25 billion source-to-tap infrastructure programme that will expand bulk raw and potable water supply across Limpopo Province. www.bwua.org.za

About the European Union:

The European Union is an economic and political union of 27 European countries. It is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. It acts globally to promote sustainable development of societies, environment and economies, so that everyone can benefit.

Media Contacts:

Sophie Blythe, Climate Fund Managers (s.blythe@climatefundmanagers.com)
Tim Boshoff, BWUA (tim@bwua.org.za)