

9 Sept 2024

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## **ECOFIN U.S. RENEWABLES INFRASTRUCTURE TRUST PLC**

**(the "Company")**

### **Q2 2024 Net Asset Value and conclusion of the Strategic Review**

#### **Net Asset Value**

The Company announces that its unaudited net asset value ("NAV") as at 30 June 2024 on a cum-income basis was 0.6503 per Ordinary Share (31 March 2024: 0.7937) or 89.8 million (31 March 2024: 109.6 million).

The contributors to the changes in NAV were:

- a 17.8 million decrease ( 0.1291 per Ordinary Share) in the Fair Market Value ("FMV") of investments, principally due to a 1.1% increase in discount rates, as well as updates in forecast assumptions and quarterly roll-off of cash flows;
- a 1.7 million decrease ( 0.0123 per Ordinary Share) due to an increase in the deferred tax accrual, resulting from the decrease in FMV and the Company's ability to use tax attributes; and
- a 0.3 million decrease ( 0.0020 per Ordinary Share) in cash and accrued financial assets, primarily driven by lower than expected energy production and revenue accrual relating to temporarily lower availability and corrective maintenance actions at various sites, fund expenses, and interest expense on the Company's Revolving Credit Facility.

The weighted average pre-tax discount rate used by the Company's independent valuation service provider, Marshall & Stevens, Inc ("M&S"), to determine the FMV of investments was 8.51% unlevered. The increase in the discount rate was based on M&S's assessment of: comparable data; sales multiples of recent M&A transactions; and current illiquidity in the M&A marketplace.

The basis of valuation, being discounted cash flow, assuming a willing buyer and a willing seller on an asset-by-asset basis, relies on financial forecasts which by their very nature are uncertain. The forecasts and projections are based upon assumptions about events and circumstances which have not yet transpired. The Company cannot provide any assurance that the estimates will be representative of the cash flows which will actually be achieved during the forecast period. If these assumptions are not correct or do not hold true, the valuations could change materially. Ecofin Advisors , LLP (the "Investment Manager") has confirmed that the information provided to M&S is materially complete and fair in the manner of its portrayal and, therefore, forms a reliable basis for the valuation.

#### **Conclusion of the Strategic Review**

The Company announced a strategic review on 8 September 2023 and appointed Marathon Capital ("Marathon"), as financial adviser, to undertake a process focused on a sale of all the Company's assets. An extensive marketing exercise was undertaken by Marathon but unfortunately no buyer has been identified for the Company's entire portfolio on acceptable terms. Accordingly, following careful consideration of the options available to the Company, and on advice from Marathon and taking into account feedback from shareholders, the Board now believes it would be in the best interests of shareholders to implement a managed wind down of the Company (the "Managed Wind Down"). Under the

Managed Wind Down, the Board will seek to implement an incremental sales programme of the Company's assets in an orderly manner with a view to repaying borrowings and subsequently making returns of capital to shareholders while aiming to obtain the best available value for the Company's assets at the time of their realisations.

A circular will be prepared and posted to shareholders in due course seeking approval for the implementation of the Managed Wind Down and amendment of the Company's existing investment policy ("Investment Policy"). The first sale of assets under the Managed Wind Down is progressing and assuming a transaction is agreed will be announced in due course and will be subject to shareholder approval of the Managed Wind Down.

#### **Suspension of Dividend**

In the circumstances, the Board has decided not to declare a dividend for Q2 2024 but instead to focus the Company's cash-flows towards the repayment of borrowings in anticipation of future returns of capital to shareholders.

Later this month, the Company expects to publish its half-year report for the six months ended 30 June 2024, prepared on a going concern basis, notwithstanding the plan to implement the Managed Wind Down.

#### **Board change**

With the conclusion of the strategic review, Louisa Vincent has decided to step down from the Board with effect from 31 October 2024.

Patrick O'D Bourke, Chair, said: "Louisa joined the Board in October 2020 and has played a key part in the development of the Company. I would like to thank her for her very significant contribution".

#### **Amendments to Investment Policy**

The implementation of the Managed Wind Down will require amendments to the Company's Investment Policy. Such amendments are subject to the approvals of (inter alia) the Financial Conduct Authority and shareholders pursuant to the Listing Rules. The Board intends to publish a circular in due course to convene a general meeting at which it will seek approval from shareholders of the proposed new Investment Policy by way of ordinary resolution.

The proposed new Investment Policy will be one of effecting an orderly wind-down of the Company with a view to maximising the value received from the Company's assets and making any returns to shareholders, once the Company's Revolving Credit Facility has been repaid. The Company will not make any new investments save that investments may be made in existing portfolio companies when considered appropriate to maximise value for shareholders.

Shareholders should note that during the Managed Wind Down, the Company intends to maintain its investment trust status and listing. Maintaining the listing would allow shareholders to continue to trade shares during the Managed Wind Down.

#### **For further information, please contact:**

##### **Ecofin U.S. Renewables Infrastructure Trust plc (via the Company Secretary)**

Patrick O'D Bourke  
Brett Miller

##### **Ecofin Advisors, LLC (Investment Manager)**

Edward Russell  
Eileen Fargis

+1 913 981 1020

##### **Marathon Capital (Financial Adviser)**

Ammad Faisal

+1 646 823 1650

##### **Stifel (Corporate Broker)**

Edward Gibson-Watt  
Madison Kominski

+44 20 7710 7600

##### **Apex Listed Companies Services (UK) Limited (Company Secretary)**

Jenny Thompson  
Edmar Mabal

+44 20 4582 6470

Further information on the Company can be found on its website at <https://uk.ecofininvest.com/funds/us-renewables-infrastructure-trust-plc/>.

The Company's LEI is 2138004JUQUL9VKQWD21.

The person responsible for arranging for the release of this announcement on behalf of the Company is Jenny Thompson of Apex Listed Companies Services (UK) Limited.

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