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GCP Infrastructure Investments Ltd
30 January 2025

GCP Infrastructure Investments Limited

("GCP Infra" or the "Company")

LEI: 213800W64MNATSIV5Z47

Onshore Wind Disposal and Capital Allocation Policy Update

30 January 2025

Onshore Wind Disposal

GCP Infra is pleased to announce it has disposed of its interest in two operational onshore wind farms, Pates Hill Wind Farm and Milton Keynes Wind Farm, with total generating capacity of 28MW (the "Projects"). The Projects are located in Cumbria and Milton Keynes, each with installed capacity of 14MW, powered by seven Vestas V80 2.0MW turbines. The Projects benefit from Renewable Obligation (RO) subsidy support and have been operational since 2010. The Projects have been acquired by OnPath Energy, a subsidiary of Brookfield Asset Management.

The disposal proceeds are made up of a day one consideration and a deferred element, the payment of which is linked to milestones. Without factoring in any deferred amounts, the realised IRR of the Company's investment is 9.7%. Including deferred amounts (and including the expected time of receipt of such amounts) increases the IRR to 10.3%.

The disposal proceeds (including deferred amounts) represent c. 88% of the valuation included in the net asset value at 30 September 2024. Day one cash proceeds of c. £16.5 million have been generated, with a further c. £1.3 million of deferred proceeds, and c. £1.0 million of tax benefits released.

Proceeds from the disposal will be used in line with the Company's published capital allocation policy and are expected to contribute to the Company's commitment to return at least £50 million to shareholders by way of share buy backs.

Capital Allocation Policy Update

The Board of Directors of the Company reconfirmed its commitment to the Capital Allocation Policy in its 2024 Annual Report and Accounts. Continuing to prioritise a material reduction in leverage, as well as reducing equity-like exposures and exposures in certain sectors, whilst also facilitating the return of £50 million of capital to shareholders.

This disposal represents further progress in facilitating the Company's execution on its capital allocation policy, decreasing equity exposure to merchant electricity prices and providing cash resources to support the share buyback programme. The Board and Gravis Capital Management Limited continue to focus on additional opportunities for refinancings or disposals within the portfolio in order to achieve the targets, set out in the capital allocation policy.

Andrew Didham, Chair of GCP Infra commented:

"This disposal reinforces the Company's commitment to its capital allocation policy and illustrates the attractive risk-adjusted returns the Company has been able to achieve for shareholders. The disposal is in line with the stated objectives of the capital allocation policy and the Board remain focused on the continued recycling of capital from the Company's assets as has been set out in such policy."

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Notes to the Editor

About GCP Infra

GCP Infra is a closed-ended investment company and FTSE-250 constituent, its shares are traded on the main market of the London Stock Exchange. The Company's objective is to provide shareholders with regular, sustained, long-term distributions and to preserve capital over the long term by generating exposure to UK infrastructure debt and related and/or similar assets.

The Company primarily targets investments in infrastructure projects with long term, public sector-backed, availability-based revenues. Where possible, investments are structured to benefit from partial inflation protection. GCP Infra is advised by Gravis Capital Management Limited.

GCP Infra has been awarded with the London Stock Exchange's Green Economy Mark in recognition of its contribution to positive environmental outcomes.

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