



11 February 2025

The Renewables Infrastructure Group Limited

"TRIG" or "the Company", a London-listed renewables investment company advised by InfraRed Capital Partners ("InfraRed") as Investment Manager and Renewable Energy Systems ("RES") as Operations Manager.

Net Asset Value, dividend & capital allocation update - Q4 2024

- Estimated unaudited Net Asset Value as at 31 December 2024 is 115.9 pence per share, a decrease of 5.7 pence per share in the quarter principally due to changes to operational assumptions and an increase in UK discount rates by 30 basis points.
- 2024 dividend target of 7.47 pence per share was met. It was covered 2.1x on a gross basis before the repayment of £206m project level debt, and 1.0x on a net basis¹.
- 2025 dividend target increased to 7.55 pence per share². Gross cash cover and net dividend cover are expected to increase to 2.1-2.2x and c. 1.1x, respectively, in 2025².
- Share buyback programme increased from £50m to £150m.
- The Company's recently renewed revolving credit facility ("RCF") will be used to fund share buybacks as a bridge to further divestments and refinancings, the proceeds of which are expected to exceed £300m.

Q4 2024 movements in Net Asset Value per share

	Net Asset Value (p / share)	Positive Movements (p / share)	Negative Movements (p / share)
NAV per share at 30 September 2024	121.6		
Q4 portfolio performance			(0.8)
Q4 macroeconomic movements			(1.7)
Changes to revenue forecasts			(0.1)
Update of operational assumptions			(3.4)
Value enhancement		0.2	
Impact of buybacks		0.1	
NAV per share at 31 December 2024 ³	115.9		

The key drivers of the movement in NAV per share over the quarter are summarised in the table below:

Q4 portfolio performance

Portfolio performance was below forecast in the quarter principally due to lower than budgeted wind generation in the UK and south of France, with particularly low wind speeds in November. Power price levels achieved in the period were consistent with valuation assumptions for most regions.

Q4 macroeconomic movements

The reduction in valuation due to macroeconomic movements in the quarter was largely driven by discount rates for UK assets being increased by 30bps, following the widening of Gilt yields observed over the period. No adjustment

was made to European discount rates where sovereign bond yields have remained broadly stable. The movement in the UK discount rate resulted in a -1.5p reduction in the NAV per share. The portfolio weighted average discount rate is now 8.6%, representing a 4.7% equity risk premium over the portfolio weighted average reference rate.

Actual inflation in the period was slightly below that forecast in the 30 June 2024 valuation. This was the net impact of UK RPI and CPI in the year being slightly above the previous forecast and European inflation coming in below expectations. The Euro strengthened against Sterling over the quarter, with the impact partly offset by the hedges the Company has in place at group level. Overall, movements in inflation and FX had a -0.2p impact on NAV per share.

Changes to revenue forecasts

Changes to revenue forecasts have broadly had a neutral effect on the valuation, mitigated in part by TRIG's diversification across technologies and geographies. A recovery in Swedish power price forecasts was offset by reductions in expectations for the GB and Spanish power market. Updates to REGOs, GoOs and capacity market forecast revenues had a slightly negative impact on valuation.

Changes to operational assumptions

The Managers review and update each project's budget annually, which includes an assessment of the appropriateness of energy yield assumptions. This annual process resulted in adjustments having both positive and negative impact on the portfolio valuation. The more significant changes included:

- A net reduction forecast cash flows resulting from a change in energy yield and operating costs assumptions (-2.4p); and
- Increased grid losses for transmission connected UK offshore wind projects expected to apply from 1 April 2025⁴ (-0.9p).

Changes to energy yield assumptions have reduced the overall portfolio P50 generation expectation by c. 95GWh (approximately 1.5% annual production).

Value enhancements and impact of buybacks

A number of attractive revenue fixes were struck in Q4, demonstrating the Manager's active approach to power price management, and taking projected fixed revenues per unit of generation to 80% for 2025:

- Power price fixes were placed at four UK onshore wind farms for 100% of their output over 18 months, on a pay-as-produced basis.
- A pay as produced fix for Valdesolar in Spain for 26% of its generation for five years.
- The Company also entered into a 10-year fixed price contract for 40% of the GoO certificates generated by the Ranasjö and Salsjö windfarms in Sweden.

Since the period end, TRIG has entered heads of term discussions in respect of a 10-year corporate power purchase agreement ("CPPA") for c. 2% of annual portfolio-wide generation. The impact of this CPPA has not been included in the valuation.

The clearance and consent process for the sale of a 15.2% stake in Gode offshore wind farm for €100m at a 9% premium to carrying value, announced 1 August 2024, has taken longer than initially expected. The ticker fee agreed as part of the sale uplifts the consideration due with the passage of time. Completion of the sale is expected in late February 2025.

As part of the announced buyback programme, the Company purchased 15m shares in the quarter, increasing the NAV per share by 0.1p.

Capital allocation, dividend and share buyback

The key principle in the Board's approach to capital allocation remains to act in the best interests of long-term shareholders.

Based on current expectations for TRIG's inflation linked revenues and power price forecasts, the Board has set the dividend target for 2025 at 7.55p per share, representing 1.1% growth on the 2024 dividend. This increase is consistent with TRIG's policy of increasing the dividend to the extent it is prudent to do so. The 2025 dividend target represents a 9.4% yield to TRIG's closing share price on 10 February 2025.

Having consulted the Managers, the Board is increasing the scale of the Company's share buyback programme. The buyback programme is being increased from £50m to £150m, representing approximately 7% of TRIG's shares in

issue based on the share price as at 10 February 2025, of which £30m has been invested in the purchase of 32m shares to date. The programme is expected to end by 31 May 2026, subject to market conditions.

This recognises:

- The investment opportunity presented by the prevailing share price compared to the Net Asset Value per share as at 31 December 2024.
- The attractive dividend yield (9.4% based on the share price as at 10 February 2025) compared to the Company's marginal cost of debt (c. 5.5% interest rate).
- Buybacks at the prevailing share price are accretive to cash flow per share and therefore dividend growth prospects for long-term shareholders.

In increasing the share buyback programme, the Board notes:

- The strength of TRIG's balance sheet having repaid c. £500m of debt over the last two years and with the vast majority of debt across the group being fixed rate (at an average interest rate of 3.5%) and amortising (being repaid c. £190m per annum). TRIG's project-level gearing is modest at 37% of the portfolio enterprise value.
- Divestments of £210m signed by the Managers over the past 24 months at an average 10% premium to carrying value.
- The Company's revolving credit facility ("RCF") will be used to fund share buybacks as a bridge to further divestments and refinancings, the proceeds of which are expected to exceed £300m.
- Drawings under the Company's revolving credit facility remain expected to fall to c. £100m during the course of 2025, net of the increase in the Company's buyback programme.

The visibility of projected revenues across the group (80% fixed price per MWh electricity generated in 2025) as well as the resilient and growing operating cash flows (gross cash cover was 2.1x in 2024 and is expected to grow to c. 2.1-2.2x in 2025).

Management terms

The Board is in discussion with the Managers about the terms of the Investment Management Agreement and Operations Management Agreement (including future fees). A further announcement in connection with this is expected to be made alongside the annual results.

¹ Net dividend cover with profit on disposals completed in 2024 in respect of Little Raith, Forss and Pallas onshore wind farms would increase to 1.06x, which does not include profit on disposal of a 15.2% stake in Gode offshore wind farm that is expected to complete in late February 2025.

² Past performance is not a reliable indicator of future results. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital and income at risk.

³ NAV per share at 31 December 2024 presented after unwind of the discount rate, company costs and payment of the quarterly interim dividend.

⁴ Large assets connected to the transmission network have their generation volumes adjusted for "transmission losses" to reflect the electricity lost as heat through the network (split between generators and consumers). These losses are assessed every year and are applicable as of 1 April 2025. The losses comprise two components: a) an "average" component which is the same for all generators in any half hour period, designed to recover the cost; and b) a "locational" component differing between 14 zones designed to redistribute losses (i.e. a net-zero impact) based upon how efficiently the marginal unit of electricity generated / consumed in the zone can be utilised. The results of the annual review of the locational losses have led to relatively significant redistribution of losses between relevant zones. Overall, this redistribution has been slightly positive for wind farms in England and more negative for wind farms in Scotland.

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Notes

The Company

The Renewables Infrastructure Group ("TRIG" or the "Company") is a leading London-listed renewable energy infrastructure investment company. The Company seeks to provide shareholders with an attractive long-term, income-based return with a positive correlation to inflation by focusing on strong cash generation across a diversified portfolio of predominantly operating projects.

TRIG is invested in a portfolio of wind, solar and battery storage projects across six markets in Europe with aggregate net generating capacity of 2.7GW; enough renewable power for 1.8 million homes and to avoid 2.2 million tonnes of carbon emissions per annum.

Further details can be found on TRIG's website at www.trig-ltd.com.

Investment Manager

InfraRed Capital Partners is an international infrastructure asset manager, with more than 160 professionals operating worldwide from offices in London, Madrid, New York, Sydney and Seoul. Over the past 25 years, InfraRed has established itself as a highly successful developer and steward of infrastructure assets that play a vital role in supporting communities. InfraRed manages US 13bn of equity capital for investors around the globe, in listed and private funds across both core and value-add strategies.

InfraRed is part of SLC Management, the institutional alternatives and traditional asset management business of Sun Life.

For more information, please visit www.ircp.com.

¹ Uses 5-year average FX as at 30th June 2024 of GBP/USD of 1.2821; EUR/USD 1.1141. EUM is USD 12.741m.

Operations Manager

TRIG's Operations Manager is RES ("Renewable Energy Systems"). RES is the world's largest independent renewable energy company, working across 24 countries and active in wind, solar, energy storage, biomass, hydro, green hydrogen, transmission, and distribution. An industry innovator for over 40 years, RES has delivered more than 24GW of renewable energy projects across the globe and plans to bring more than 22GW of new capacity online in the next five years.

As a service provider, RES has the skills and experience in asset management, operations and maintenance (O&M), and spare parts - supporting 41GW of renewable assets across 1,300 sites. RES brings to the market a range of purposeful, practical technology-based products and digital solutions designed to maximise investment and deployment of renewable energy. RES is the power behind a clean energy future where everyone has access to affordable zero carbon energy bringing together global experience, passion, and the innovation of its 4,500 people to transform the way energy is generated, stored and supplied.

Further details can be found on the website at www.res-group.com.

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