

OTHERS TNB ACQUIRES 97.3MW ONSHORE WIND PORTFOLIO IN UK, REITERATES COMMITMENT TO RENEWABLE ENERGY GROWTH AND SUSTAINABILITY

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	TNB ACQUIRES 97.3MW ONSHORE WIND PORTFOLIO IN UK, REITERATES COMMITMENT TO RENEWABLE ENERGY GROWTH AND SUSTAINABILITY

Tenaga Nasional Berhad wishes to announce that its wholly-owned subsidiary, Vantage RE Ltd. has completed its acquisition of a 100% stake in a 97.3MW onshore wind portfolio in the United Kingdom ("UK") from a number of fund vehicles advised by Capital Dynamics Limited, an independent global private asset management firm and one of the world's leading clean energy investors, for a total consideration of GBP145.9 million (herein after referred to as the "Acquisition").

The wind portfolio comprises operational onshore wind farms across 11 sites in the UK that were developed either under the Feed-in Tariff or Renewable Obligation Certificate subsidy regimes which are expected to provide stable long-term revenues.

Please refer to the attachment and press release for further details of the Acquisition.

This announcement is dated 4 April 2022.

Please refer attachment below.

Attachments



[Details of the Acquisition.pdf](#)
177.7 kB



[Press Release.pdf](#)
252.9 kB

Announcement Info

Company Name	TENAGA NASIONAL BHD
Stock Name	TENAGA
Date Announced	04 Apr 2022
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TNB ACQUIRES 97.3MW ONSHORE WIND PORTFOLIO IN UK, REITERATES COMMITMENT TO RENEWABLE ENERGY GROWTH AND SUSTAINABILITY

1. INTRODUCTION

Tenaga Nasional Berhad wishes to announce that its wholly-owned subsidiary, Vantage RE Ltd. has completed its acquisition of a 100% stake in a 97.3MW onshore wind portfolio in the United Kingdom (“UK”) from a number of fund vehicles managed by Capital Dynamics Limited, an independent global private asset management firm and one of the world’s leading clean energy investors, for a total consideration of GBP145.9 million (herein after referred to as the “Acquisition”).

The wind portfolio comprises operational onshore wind farms across 11 sites in the UK that were developed either under the Feed-in Tariff or Renewable Obligation Certificate subsidy regimes which are expected to provide stable long-term revenues.

2. INFORMATION ON ENTITIES

2.1. Information on the TNB Parties

2.1.1. Tenaga Nasional Berhad

Tenaga Nasional Berhad (“TNB”) is a leading Malaysian utility company in Asia with an international presence in the UK, Kuwait, Turkey, Saudi Arabia, Pakistan and India. Within the renewable energy space, as of December 2021, TNB has a total portfolio of 2,771.4MW in Malaysia (including 2,536.1MW of large hydro) and 714.4MW across the UK, Turkey and India comprising mainly solar, wind and hydro energy generation assets.

TNB’s core activities are in the generation, transmission, and distribution and sales of electricity. In addition to being the nation’s primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 30 September 2021, TNB supplies electricity to approximately 10.3 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables, the provider of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services, services related to renewable energy, energy efficiency and power quality, higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation’s progress.

2.1.2. Vantage RE Ltd.

Vantage RE Ltd. ("Vantage RE"), a wholly owned subsidiary of TNB has been established to own, operate and manage a portfolio of RE assets in the UK and Europe. Headquartered in London, Vantage RE's portfolio consists of solar, onshore and offshore wind assets and today, it has further grown the portfolio with the addition of onshore wind assets, making up a total of capacity to 530MW.

2.2. Information on the Party involved

2.2.1. Capital Dynamics Limited

Capital Dynamics Limited is an independent global private asset management firm focusing on private assets, including private equity, private credit, and clean energy. Created in 1988, the Firm oversees more than USD 13 billion in assets under management and advisement¹, Capital Dynamics manages a number of funds with assets throughout UK and Europe.

3. DETAILS OF THE ACQUISITION

3.1. Transaction scope

Vantage RE has completed its acquisition of a 100% stake in a 97.3MW onshore wind portfolio in the UK from a number of fund vehicles advised by Capital Dynamics, an independent global private asset management firm, for a total consideration of GBP145.9 million (equivalent to RM805.7 million based on Bank Negara Malaysia's exchange rate of RM1.00: GBP5.52165 as at 1 April 2022).

3.2. Acquisition price and consideration

The consideration was paid at completion of the Acquisition.

4. RATIONALE OF THE ACQUISITION

This Acquisition, following TNB's maiden venture into the UK offshore wind market last October, marks another significant milestone in TNB's strategy to grow its international RE portfolio while strengthening its presence in a core growth market.

¹ [As of December 31, 2021](#). Assets Under Management are calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets Under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management.

5. FINANCIAL EFFECTS OF THE ACQUISITION

5.1. Issued and Paid-Up Share Capital

The Acquisition will not have any effect on the issued and paid-up share capital of TNB.

5.2. Substantial Shareholders' Shareholdings

The Acquisition will not have any effect on the substantial shareholders' shareholdings of TNB.

5.3. Net Assets and Gearing

Based on the latest audited consolidated financial statements of TNB for the Financial Year ended 31 December 2020, the Acquisition is not expected to have a material effect on the net assets and gearing of TNB.

5.4. Earnings per share ("EPS")

Based on the latest audited consolidated financial statements of TNB for the Financial Year ended 31 December 2020, the Acquisition is not expected to have a material effect on the EPS of TNB.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the Directors or Major Shareholders of TNB and/or persons connected with them has any interest, direct or indirect, in relation to the Acquisition.

7. DIRECTORS' STATEMENT

After having considered all aspects of the Acquisition, the Board of Directors of TNB is of the view that the Acquisition is in the best interest of TNB, fair, reasonable and on normal commercial terms and not detrimental to the interest of minority shareholders.

8. HIGHEST PERCENTAGE RATIO PURSUANT TO PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS OF BMSB (MMLR)

The highest percentage ratio applicable for the Acquisition pursuant to paragraph 10.02(g) of the MMLR is 1.60% based on the latest audited consolidated financial statements of TNB for the Financial Year ended 31 December 2020.



PRESS RELEASE

S.A. 2022/04/04_27 (HQ)

TNB ACQUIRES 97.3MW ONSHORE WIND PORTFOLIO IN UK, REITERATES COMMITMENT TO RENEWABLE ENERGY GROWTH AND SUSTAINABILITY

Tenaga Nasional Berhad (TNB)'s wholly-owned subsidiary, Vantage RE Ltd. (Vantage RE) has completed its acquisition of a 100% stake in a 97.3MW onshore wind portfolio in the United Kingdom (UK) from a number of funds advised by Capital Dynamics, an independent global private asset management firm and one of the world's leading clean energy investors, for a total consideration of GBP145.9 million.

This acquisition, following TNB's maiden venture into the UK offshore wind market last October, marks another significant milestone in TNB's strategy to grow its global RE portfolio while strengthening its presence in a focus market.

The wind portfolio comprises operational onshore wind farms across 11 sites in the UK that were developed under either the Feed-in Tariff or Renewable Obligation Certificate subsidy regimes, which are expected to provide stable long-term revenues. Upon the completion of this acquisition, Vantage RE's total operational RE capacity will grow by 23% from 433MW to 530MW. This additional onshore wind capacity will diversify Vantage RE's existing RE technology mix and improve the balance of its portfolio's electricity generation profile throughout the year.

"This acquisition represents the continued success of our strategy execution to expand TNB's RE portfolio in our focus markets such as the UK and Europe while accelerating TNB's journey in delivering its global Environmental, Social and Governance (ESG) vision," said TNB's President and Chief Executive Officer (CEO), Datuk Ir. Baharin Din. "We firmly believe in an innate responsibility towards a better world and brighter lives anchored on TNB's aspiration towards net zero emissions by 2050. TNB's Sustainability Pathway is underpinned by our commitment to reduce 35% of our emissions intensity as well as 50% of our coal generation capacity by 2035."

Baharin stated that this strategic acquisition of additional operational assets that are underpinned by subsidy regimes would also allow TNB to fully benefit from stable revenues and build financial resilience to weather the economic challenges aggravated by Covid-19. In addition, it will move TNB a step closer to transitioning towards a new energy future of low-carbon generation consistent with TNB's Sustainability Pathway and overall ESG vision.

Emphasising the importance of developing internal capabilities to the success of securing RE growth and value creation, he said: “The continuous development of our internal capabilities in onshore wind is key as we pursue onshore wind opportunities globally and create value through operational excellence. By acquiring this portfolio, we are building a platform to broaden our technology know-how in onshore wind and provide further capability development within the Group.”

Vian Davys, the Chief Executive Officer of Vantage RE said, “We are thrilled to announce our new acquisition of this onshore wind portfolio, which significantly allows us to move into managing and operating larger wind turbines in the UK. We looked at the depth and availability of the assets as well as the potential value creation to ensure that every strategic investment provides revenue certainty and positive financial contribution. This is a crucial milestone for Vantage RE and TNB in the build-up of internal capability in onshore wind.”

Dario Bertagna, Managing Director and Co-Head of Capital Dynamics Clean Energy, meanwhile said, “It has been a privilege to work with TNB on this transaction; we are fully supportive of their renewable-energy growth ambitions. As one of the world’s leading renewable energy investors, we greatly look forward to the opportunity to collaborate with TNB on other projects in the future.”

Released in Kuala Lumpur on 4 April 2022

Kindly forward all press enquiries to Hanim Idris at 019-2617617 /

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About Tenaga Nasional Berhad

Tenaga Nasional Berhad (TNB) (www.tnb.com.my) is a leading Malaysian utility company in Asia with an international presence in the United Kingdom, Kuwait, Turkey, Saudi Arabia, Pakistan and India. Within the renewable energy space, as of December 2021, TNB has a total portfolio of 2,771.4MW in Malaysia (including 2,536.1MW of large hydro) and 714.4MW across the UK, Turkey and India comprising mainly solar, wind and hydro energy generation assets.

About Capital Dynamics Limited

Capital Dynamics is an independent global asset management firm focusing on private assets, including private equity (primaries, secondaries co-investments), private credit, and clean energy. Created in 1988, the Firm has extensive knowledge and experience developing solutions tailored to meet the exacting needs of a diverse and global client base of institutional and private wealth investors. As of Q4 2021, Capital Dynamics oversees more than USD 13 billion in assets under management and advisement¹, and employs approximately 160 professionals globally across 14 offices in Europe, the Middle East, North America, and Asia. Capital Dynamics is a recognized industry leader in responsible investing, receiving the highest marks from the UNPRI for its Strategy & Corporate Governance, and investment strategies. For more information, please visit: www.capdyn.com

¹ [As of December 31, 2021.](#) Assets Under Management are calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets Under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management.