



PRESS RELEASE

S.A. 2020/09/61 (HQ)

TNB TAKES CONTROL OF ONE OF THE LARGEST SOLAR PLATFORMS IN THE UK

Tenaga Nasional Berhad (TNB) wishes to announce its wholly-owned subsidiary, TNB International Sdn Bhd (TNBI), has on 17 September 2020 acquired the controlling equity stake in Vortex Solar Investments S.a.r.l. (Vortex Solar) from Beaufort Investments S.a.r.l, a subsidiary of EFG Hermes Holding SAE for a consideration of GBP11.0 million. The acquisition will increase TNB's equity interest in Vortex Solar to 55%, giving TNB majority control of the company.

Vortex Solar is one of the largest solar platforms in the UK with Renewables Obligation Certificate (ROC) subsidy scheme. The portfolio comprises 24 operational solar farms with a total combined capacity of 365MW and has consistently produced strong results over the last two years.

TNB's President and Chief Executive Officer, Datuk Seri Amir Hamzah Azizan also described the acquisition as a key milestone in TNB's commitment to reduce its carbon footprint and grow its international Renewable Energy (RE) business portfolio, in line with its energy transition aspiration of becoming the leading provider of sustainable energy solutions both domestically and internationally.

"With the acquisition, TNB now has majority control of Vortex Solar, thereby further strengthening the Group's international European RE business footprint where TNB already wholly owns Tenaga Wind Ventures UK Ltd (TWV), the largest Feed-in-Tariff (FiT) wind portfolio in the UK."

"This acquisition forms part of TNB's new strategy of growing our RE businesses in the UK and Europe and is a deliberate move to take control of our high performing RE assets, beginning with the acquisition of 100% in TWV earlier this year."

By leveraging on TNB's existing capabilities and its control of TWV and Vortex Solar, he said, TNB will continue to expand in the region in line with its international RE growth strategy through the restructuring of Vortex Solar and TWV into a Renewable Asset Company aimed at owning, operating and managing a portfolio of RE assets in the UK and Europe.

Despite the challenging times caused by the global COVID-19 pandemic, both Vortex Solar and TWV's financial and operational performances have been performing beyond expectations.

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The acquisition of Vortex Solar has contributed positively to TNB's financials and strategic objectives. The portfolio reported GBP39.1 million EBITDA in 2019 and has grown from 80% EBITDA margin in 2018 to 84% in 2019. Upon completion, this acquisition is expected to contribute positively to the Group's net profit.

Released in Kuala Lumpur on 17 September 2020 at 6:00 pm

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