



PRESS RELEASE

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TNB LAUNCHES VANTAGE RE LTD, PICKS UP PACE ON GLOBAL ESG DRIVE

- Vantage to own, operate and manage a portfolio of Renewable Energy (RE) assets in the United Kingdom (UK) and throughout Europe
- This is an acceleration of TNB's Environmental, Social and Governance (ESG) push and its involvement in the UK's energy sector

Malaysia's leading utility company, **Tenaga Nasional Berhad (TNB)** is picking up the pace on its global Environmental, Social and Governance (ESG) effort, with the launch of Vantage RE Ltd (Vantage), a Renewable Energy (RE) investment and asset management company. This newly established platform will own, operate and manage a portfolio of RE assets in the United Kingdom (UK) and throughout Europe.

Vantage is set to be a vital component of TNB's purpose-driven journey, which is anchored on the ESG practices in the Malaysian national utility's business. Moreover, the UK's robust RE growth trajectory and supportive regulatory framework, coupled with the considerable experience gained in the country, have placed TNB in a unique position, to tap into more opportunities in the region. TNB has been investing in the UK's solar and wind sectors since 2017. Over the last four years, TNB has successfully secured close to 400MW of RE investments in the country.

"The international RE business is a priority for TNB to thrive in the long term. In keeping with our aspiration as the leading provider of sustainable energy in Malaysia and internationally, we will continue to invest substantially in this area. We believe that these activities will contribute extensively towards global low-carbon generation and further accelerate TNB's commitment towards its ESG goals. We understand the importance of ESG to investors in line with their values and priorities of their investment decisions," said Datuk Ir. Baharin Din, President/Chief Executive Officer of TNB.

“We will not be green, for green’s sake, as we know that a fundamental shift is needed to widen and deepen the global sustainability path. With the establishment of Vantage, we are on track to achieve the overall target of 8,300MW of TNB’s RE capacity. Therefore, in line with TNB’s global ESG vision, we will continue to grow the RE portfolio in our focus markets, leveraging on existing assets, experience, and capabilities,” he added.

Headquartered in London, Vantage will be led by Vian Davys, who holds more than 20 years of experience in the RE sphere in the UK and globally. With an experienced team comprising of local hires in the UK working alongside TNB’s Malaysian talents, Vantage is set to position itself swiftly for growth in the market, consistent with TNB’s position as an experienced and reliable player in the UK’s energy sector. The immediate growth plan of Vantage will be focused on the acquisition of subsidised Renewable Obligation Certificates (ROCs) and Feed-in-Tariff (FiT) assets across the UK and Ireland. In May this year, Vantage has successfully completed acquisition of an additional onshore wind turbine with revenue contracted under the FiT scheme, bringing the total wind capacity in the company to 26.6MW. In addition to its existing assets, Vantage has also built a sizeable acquisition pipeline of operational assets including those to be acquired via competitive bidding.

“This pipeline offers a solid and steady pathway for Vantage to acquire more assets in the UK and Europe and signals TNB’s determination to grow our RE business. We are open to explore opportunities with equity partners who are interested to join us as we accelerate our international business growth. We believe that this new platform presents an attractive value proposition for strategic and financial investors seeking exposure to stable yielding assets, besides committing to ESG goals,” said Shahazwan Harris, Chief International Officer of TNB.

TNB’s RE footprint in the UK began in 2017, when it invested in Vortex Solar UK Ltd (Vortex), a 50% equity interest in one of the largest solar platforms in the UK with the ROCs subsidy scheme. In 2018, TNB’s RE business portfolio in the UK was further expanded with the purchase of GVO Wind Ltd and Bluemerang Capital Ltd. These assets now operate under Tenaga Wind Ventures UK Ltd (TWV), a wholly-owned subsidiary of TNB and hold the largest FiT wind portfolio in the UK.

In 2020, TNB acquired the remaining 20% stake in the wind assets under TWV and an additional 5% of Vortex’s controlling stakes, thus emerging as the sole and majority shareholder of the respective companies. This was a move going beyond holding equity, allowing greater management and operational control by TNB of these RE businesses, and augmenting TNB’s ESG journey.

Despite the COVID pandemic and its effect on the world, the UK RE assets have remained resilient throughout the year, contributing solid operational margins through active asset management initiatives. Looking ahead, Vantage is set to grow and realise its full potential as a global RE player, supported by conducive government policies, growing global ESG demand and rapid preference for RE as the “mainstream” energy source.

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About TNB

TNB's core activities are in the generation, transmission, and distribution 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 31 March 2021, TNB supplies electricity to approximately 10.1 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. For further information, please visit www.tnb.com.my.