



# Investment Policy

Last updated July 3, 2020

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The Company, via its UK holding company (the “Group”), owns a large, diversified portfolio of operational solar energy assets, each located within the UK, with a focus on utility scale assets with high levels of regulated income. The Group will continue to be, primarily, invested in long life UK solar energy infrastructure alongside a minority exposure to other renewable energy assets (including non-subsidised assets) and energy storage assets. Such minority exposure will be limited to a maximum of 25 per cent. of the Company’s Gross Asset Value calculated at the time of investment. The Company’s portfolio is expected to generate attractive returns over a 25 year, or greater, asset life.

Individual assets or portfolios of assets are held within SPVs into which the Group invests through equity and/or debt instruments. The Group typically seeks legal and operational control through direct or indirect stakes of up to 100 per cent. in such SPVs, but may participate in joint ventures or minority interests where this approach enables the Group to gain exposure to assets consistent with the Company’s investment policy which the Group would not be able to acquire on a wholly-owned basis.

The Group can invest up to 10 per cent. of its Gross Asset Value into assets outside the UK to enable the Company to participate in acquisitions of portfolios with a mix of UK and non-UK assets. It is not the Company’s policy to be a long term holder of non-UK assets.

The Group can invest up to 5 per cent. of its Gross Asset Value into UK solar development opportunities that are pre-construction and may be without the requisite planning approvals or grid availability at the time of investment.

However, in addition to the specific investment limitations set out above, the aggregate exposure to other renewable energy assets (including non-subsidised assets) and energy storage technologies, UK solar development opportunities and/or non-UK assets will be limited to a maximum of 30 per cent. of the Company’s Gross Asset Value as calculated at the time of investment.

The Group may make use of non-recourse finance at the SPV level to provide leverage for specific assets or portfolios provided that at the time of entering into (or acquiring) any new financing total non-recourse financing within the portfolio will not exceed 50 per cent. of the prevailing Gross Asset Value. In addition, the Group may, at holding company level, make use of both short term debt finance and long term structural debt to facilitate the acquisition of investments, but such holding company level debt (when taken together with the SPV finance noted above) will also be limited so as not to exceed 50 per cent. of the Gross Asset Value.

No single asset (excluding any third party funding or debt financing in such asset) will represent, on acquisition, more than 25 per cent. of the Net Asset Value and the Company’s portfolio shall at no time consist of less than ten individual assets.

Diversification is also achieved across various other factors such as technology, revenue streams, grid connection points, individual landowners and leases, providers of key components and assets being located across various geographical locations within the United Kingdom.

The Group aims to derive a significant portion of its targeted return through a combination of the sale of Renewables Obligation Certificates, Feed in Tariffs and Contracts for Difference (or any such regulatory regimes that may replace them from time to time). Such regimes are currently underwritten by the UK Government, providing a level of fixed term, non-power market correlated revenues, typically for 20 years from the date of grid connection. The Group also intends, where appropriate, to enter into power purchase agreements with appropriate counterparties, such as co-located industrial energy consumers or wholesale energy purchasers. In addition, the Group may store energy or convert it into other forms for future sale.