

Wind Disposal and Capital Allocation Policy Update

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GCP Infrastructure Investments Ltd
26 April 2024

GCP Infrastructure Investments Limited

("GCP Infra" or the "Company")

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Onshore Wind Disposal and Capital Allocation Policy Update

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Onshore Wind Disposal

GCP Infra is pleased to announce it has disposed of its interest in loan notes secured against Blackcraig Wind Farm (the "Project"). The disposal occurred at a 6.4% premium to the valuation of the Project as at 31 March 2024.

The Project is a 52.9MW onshore wind farm located in Dumfries and Galloway, Scotland. The Project benefits from Renewable Obligation Certificate (ROC) subsidy support and has been operational since May 2018. The Company originally acquired the senior secured loan notes in 2017 from the UK Green Investment Bank. As an alternative to receiving repayment in full on the senior loan notes, the Company rolled over its senior secured loan notes into an equity-like interest in the Project in July 2018.

The disposal has generated net cash proceeds of c. £31 million. The net cash proceeds will be used to prepay drawings under the Company's revolving credit facility. Following such prepayment expected in the coming weeks, the Company's net debt position will be c.£45 million. Further, the disposal has reduced the Company's exposure to equity-like interests in the onshore wind sector.

Capital Allocation Policy Update

The Board of Directors of the Company adopted a capital allocation policy as part of its 2023 Annual Report and Accounts, reconfirming its intentions to prioritise a material reduction in leverage, as well as reducing equity-like exposures and exposures in certain sectors, as well as facilitating the return of capital to shareholders. The Board set a conditional target of releasing £150 million (c. 15% of the portfolio) from disposals or refinancings, to materially reduce leverage and return at least £50 million to shareholders before the end of the calendar year 2024.

This disposal represents a positive first step in facilitating the Company's execution on its capital allocation policy, materially reducing leverage while decreasing equity exposure across the portfolio. The Board and Gravis Capital Management Limited (the "Investment Adviser") continue to focus on additional opportunities for refinancings or disposals within the portfolio, in order to achieve the targets, set out in the capital allocation policy.

Andrew Didham, Chair of GCP Infra commented:

"This disposal reinforces the Company's commitment to its capital allocation policy, prioritising the reduction of leverage in the first instance, through a significant repayment of revolving credit facilities. It will further benefit the risk adjusted return of the portfolio, reducing equity-like exposure and exposure to electricity price movements."

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Notes to the Editor

About GCP Infra

GCP Infra is a closed-ended investment company and FTSE-250 constituent, its shares are traded on the main market of the London Stock Exchange. The Company's objective is to provide shareholders with regular, sustained, long-term distributions and to preserve capital over the long term by generating exposure to UK infrastructure debt and related and/or similar assets.

The Company primarily targets investments in infrastructure projects with long term, public sector-backed, availability-based revenues. Where possible, investments are structured to benefit from partial inflation protection. GCP Infra is advised by Gravis Capital Management Limited.

GCP Infra has been awarded with the London Stock Exchange's Green Economy Mark in recognition of its contribution to positive environmental outcomes.

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