MACQUARIE

Confidential

Project Kiara

Information Memorandum

September 2023

MACQUARIE

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Executive summary

Introduction

Opportunity to acquire a fully-operational offshore wind farm located in one of the world's most established OSW markets underpinned by high cash flow visibility

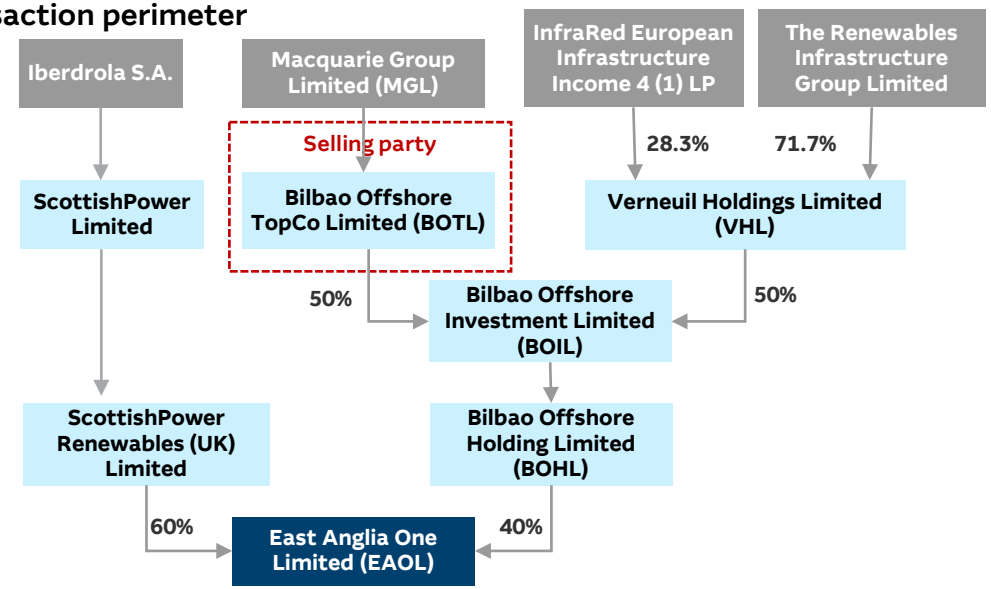
Investment opportunity

- MAM is considering the sale of their indirect 20% stake in the East Anglia One **("EA1")** offshore wind farm
- **EA1** represents a high quality investment opportunity, with the asset underpinned by:
  - Robust operational and financial performance, with proven resilience to macroeconomic cycles and market environment, can provide for steady cash-yield
  - Established relationships with leading operating and financial partners, underpinned by robust governance and contractual structures

Asset	
Installed capacity	714 MW (102 x Siemens Gamesa 7.0 MW)
COD	17 September 2021
Location	43 km off the Suffolk coast
Net energy yield	c. 3 TWh/p.a.
Operator	ScottishPower Renewables
Capital structure	15-year inflation linked senior debt with back-to-back CPI and Interest rate swap
Offtake	
Type	CfD
% capacity	100% of capacity
Initial CfD strike price	£159.24[1]
CfD end date	May 2035 (12 years remaining)

Note: 1. As at April 2023, noting this is net of removal of BSUoS costs and true-up payment of c. £6m to be received

Transaction perimeter



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- MAM – Green Investment Group has engaged Macquarie Capital as its exclusive financial advisor. All communications and inquiries relating to these materials and requests for additional information should be addressed to one of the representatives of Macquarie Capital listed below
- Under no circumstances should MAM – Green Investment Group, Kiara or any of its employees or other representatives be contacted directly

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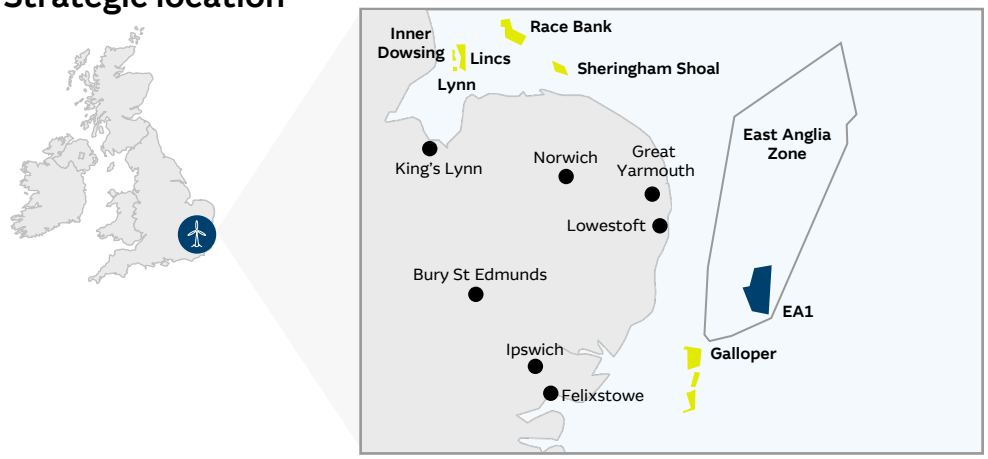
EA1 at a glance

East Anglia One is a 714 MW OSW farm located in the southern North Sea with stable revenues underpinned by the CfD mechanism until 2035

Strategic location



EA1 is part of a broader, key development zone comprising 3 further offshore wind farms East Anglia 1 North, East Anglia 2 and East Anglia 3 (The "**East Anglia Hub**")

Operations commenced in August 2020, with COD certified in September 2021, benefitting from **c. 3 years of operational history and learnings**

15 year CfD with 12 years remaining, signed in March 2015 provides high visibility on cash flow generation for EA1

Robust contractual structure with **long-term service agreements** in place

Key technical characteristics

- The Wind Turbine Generators ("**WTGs**") were provided by SGRE, a market-leading WTG manufacturer
- EA1 uses **102 SWT-7.0-154 WTGs** which form part of the D8 platform, which also includes the SWT-6.0-154 WTG deployed in other operational offshore wind projects including Westermost Rough, Galloper and Race Bank
- The WTG platform uses proven technology and has an excellent installation and operation track record
- SMA with SGRE for 15 years[1] which has a **95% yield-based availability warranty**, with an option to extend for 5-years

Location	UK southern North Sea, off the Suffolk Coast
Distance to shore	43km
Water depth	Mean depth of 44 m, with a maximum water depth of 53m and a minimum water depth of 31m.
Wind speed	c. 9.7m/s
Turbine type	Siemens SWT-7.0-154
Foundations	Steel jackets and piles
Offshore substations	One, 66/220kV
Offshore export cable	2 x ~ 85km, 220kV
Onshore cable	2 x ~ 37km, 220kV

Note 1. Termination for convenience after Year 10

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Investment highlights

Investment highlights

Summary

High quality investment opportunity for a long-term contracted offshore wind farm in one of the world's largest and most established offshore wind markets

1 High quality sizable asset with reliable counterparties	✓ 714 MW asset located in the North Sea of the UK ✓ Strong contractual framework in place including full-service O&M with availability warranty ✓ Counterparties with longstanding experience in European OSW, including Iberdrola
2 Long-term contracted cashflows provide for stable and predictable cash yield	✓ Operations spanning more than 3 years supported by stable performance provides clear visibility on future projections, supplemented by constant learning ✓ 100% capacity covered by CfD with stable and inflation-linked pricing over the next c. 12 years ✓ CPI and interest rate hedges in place to shield against challenging macroeconomic environment
3 Established subsidy regime in a stable region	✓ Known, mature CfD subsidy regime in place until May-2035 ✓ CfD awarded in Allocation Round 1 at favourable strike price ✓ Recent UK Government intervention to manage power prices did not affect generators supported by CfDs
4 Strong operational track record	✓ Trusted developers employing tried and tested technical design contributing to the robust performance of the underlying asset over the last 3 years ✓ Reliably high availability supported by long-term O&M contracts with market-leading providers
5 Optimised financing structure	✓ The underlying assets' pre-construction debt structure is fully optimised and to be fully repaid across the CfD period ✓ Innovative CPI-linked debt which significantly reduces inflation risk and aligns debt service to inflation-linked revenues
6 Multiple levers for pro-forma value creation	✓ Strategically located clean energy assets expected to benefit from continued market reform providing positive long-term pricing outlook ✓ Pre-construction financing package in place provides scope for renewed financing leveraging upon operational track record

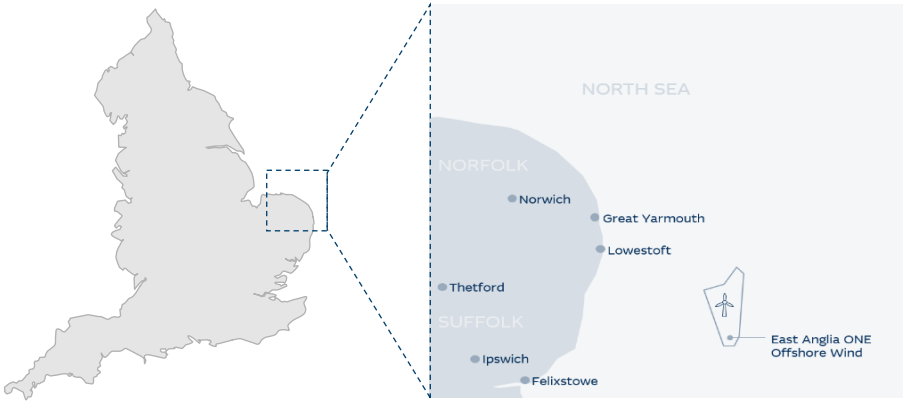
Investment highlights

1 High Quality Asset

EA1 benefits from favourable wind conditions, proven technology and key relationships with market leading counterparties

Attractive location: Strong wind region

Located 43km off the Suffolk Coast in the North Sea known for its high wind speeds, outperforming the UK average of 4.4 m/s



Proven technology and supplier

102 7.0MW turbines procured from the global leader Siemens Gamesa, which has over 22GW of offshore capacity installed and a further order book of over €10bn[1]

O&M provided by industry leaders

- O&M of the WTGs to be provided by SGRE for the first 15 years with Iberdrola assumed to take over from then, with both parties having a proven track record in O&M
- 60% of global offshore wind turbines (outside China) have been installed by SGRE
- ScottishPower Renewables is contracted as Project Operator for asset management, reporting and EHS under the OMA for 25-year term

Strategic partnerships with leading counterparties

- Opportunity to partner with world leading renewables owners, developers and operators
- Contractual structure with key partners has been designed to emphasis alignment, maximise value and ensure operational efficiency of the asset

IBERDROLA

- ***Iberdrola*** is one of the world's leading offshore wind developers and operators, with 15,000 wind turbines installed across 400 locations
- ***ScottishPower Renewables*** is responsible for carrying out all day-to-day management for EA1 and also act as the O&M service provider

SCOTTISHPOWER

- ***ScottishPower Energy Retail Limited*** is the counterparty to the PPA, providing a route-to-market access for 100% of the project's generation over the tenor of the CfD

SIEMENS Gamesa RENEWABLE ENERGY

- ***Siemens Gamesa*** is the world leading turbine manufacturer, with a proven track record in offshore wind market
- ***Siemens Gamesa Renewable Energy*** is providing scheduled and unscheduled turbine maintenance services for the first 5 years of operations (Option to extend it for another 5 years)

TRIG

- ***TRIG*** is the largest listed, renewable focused fund on the LSE by generation, with investments in c. 5,376 GWh of renewable electricity generated in 2022
- Shareholder in Bilbao Offshore Investment Limited ("BOIL") alongside GIG

Sources: 1. Per company website and disclosures

Investment highlights

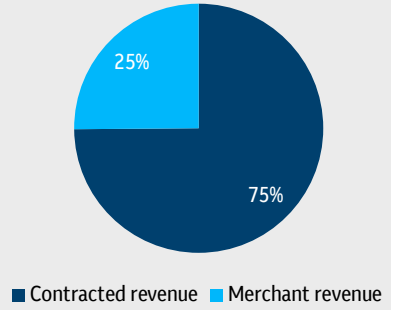
2 Long-term contracted cashflows for stable and predictable cash yield

EA1 benefits from reliable and inflation-shielded revenues from CfD at a high strike price indexed at CPI, with virtually all revenue being contracted until 2035

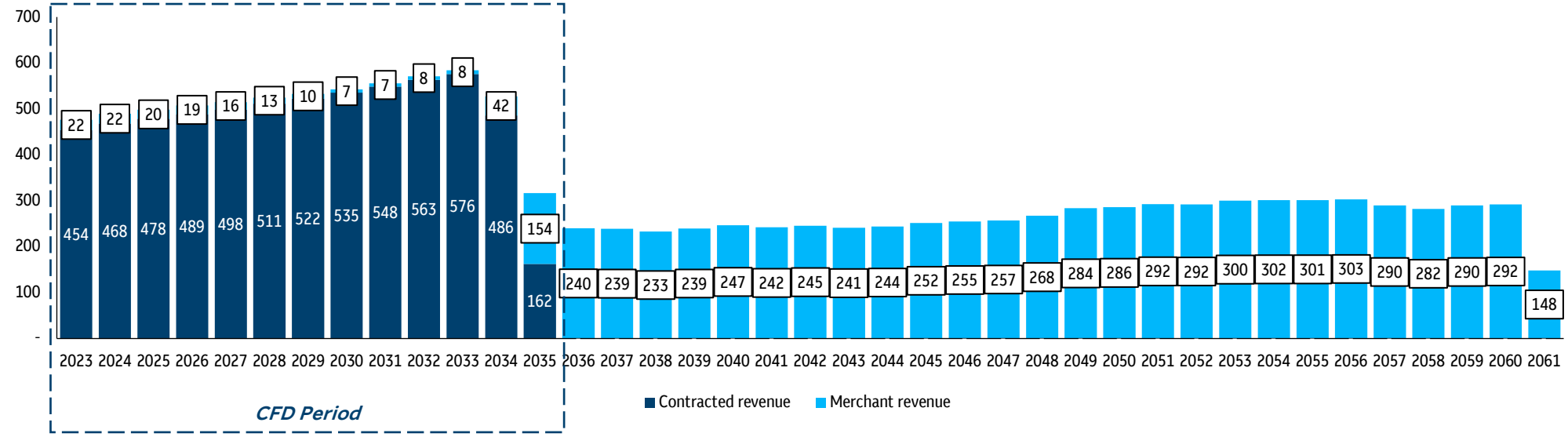
Highly favourable revenue profile

- Revenue composition underpinned by ***12-year remaining CfD*** with LCCC ***(AA / Aa2)***, which indexes at 100% of CPI and represents c. 99% of total nominal revenues over the first 10 years
- The current strike price £159.24[1] is much higher than the current market standard, with the **original £119.89 (2012, real) strike price achieved being 2.2x higher** than that of the most recent Round 4 Allocation, representing a unique opportunity to invest in a structure unobtainable in today's market
- CfD revenues underpin the revenue mix, contributing to **c. 77% of EA1's revenues** on an NPV basis
- 15-year route to market PPA in place with a **credible counterparty**, Scottish Power Energy Retail Limited, **rated BBB+**

NPV of revenue split EA1



Revenue composition through EA1 lifetime (£m, nominal)



Note: 1. Net of BSUoS

Investment highlights

3

Established subsidy regime in a stable region

EA1 was accredited in Allocation Round 1 at a favourable strike price, with CfDs being protected from recent UK Government intervention to manage power prices

CfD subsidy regime at a glance

- Contract for Difference ("**CfD**") mechanism, an **established support framework,** incentivises investments in low-carbon electricity generation in the UK
- EA1 obtained its CfD in the **favourable Allocation Round 1** in March 2015 at an original strike price of £119.89 / MWh (2012 real) for a **15-year term**
- EA1 benefitted from the high CfD strike prices in previous allocations, as recent clearing prices have been on the decline

UK: Mature OSW market and regulatory region

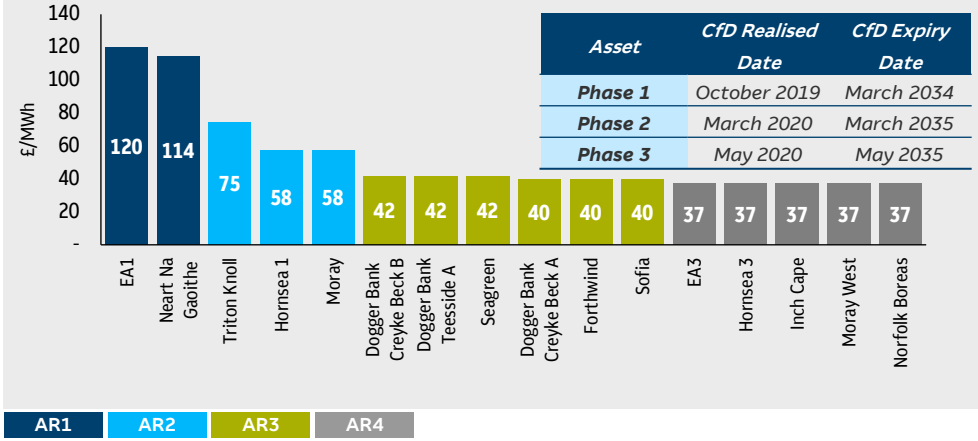
Longstanding government-backed subsidy regimes supporting renewable energy projects

Risk of retrospective policy change to the CfD scheme in the UK can be considered one of the **lowest** in Europe

One of the world's largest OSW market, with 13.7GW[2] of installed capacity representing **~24%[2] of installed European capacity**

Renewable energy and offshore wind represent 44%[3] and 14%[2] of the UK's electricity generation mix respectively

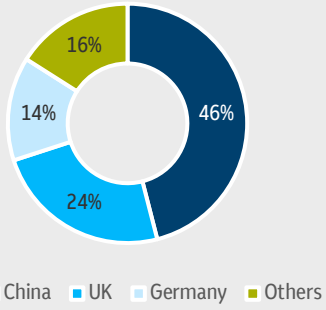
CfD: since EA1 Declining CfD prices across rounds



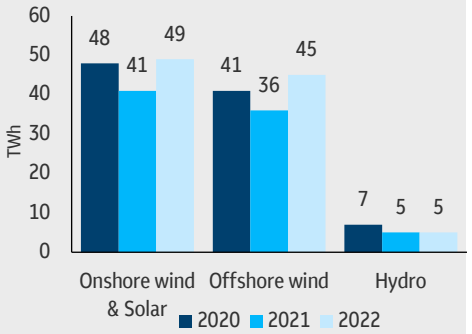
Asset	CfD Realised Date	CfD Expiry Date
Phase 1	October 2019	March 2034
Phase 2	March 2020	March 2035
Phase 3	May 2020	May 2035

UK: largest Offshore wind market globally

2022 Global offshore wind operating capacity[2]



2022 UK renewable generation mix[3]



Sources: 1. Consultation Paper (May 2023) on Contracts for Difference for Low Carbon Electricity Generation by the Department for Business, Energy & Industrial Strategy 2. Offshore Wind Report 2022 by The Crown Estate 3. Energy Trends: UK renewables (March 2023) by National Statistics, UK Government

Investment highlights

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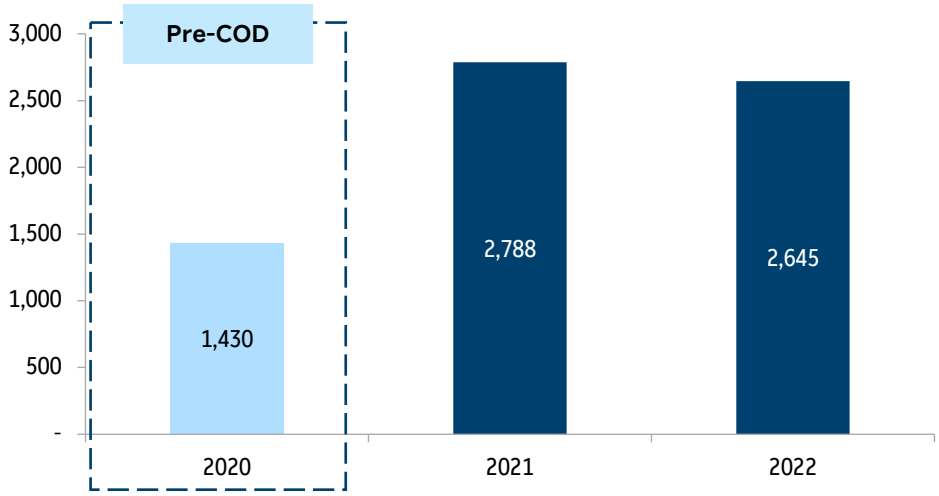
Strong operating track record

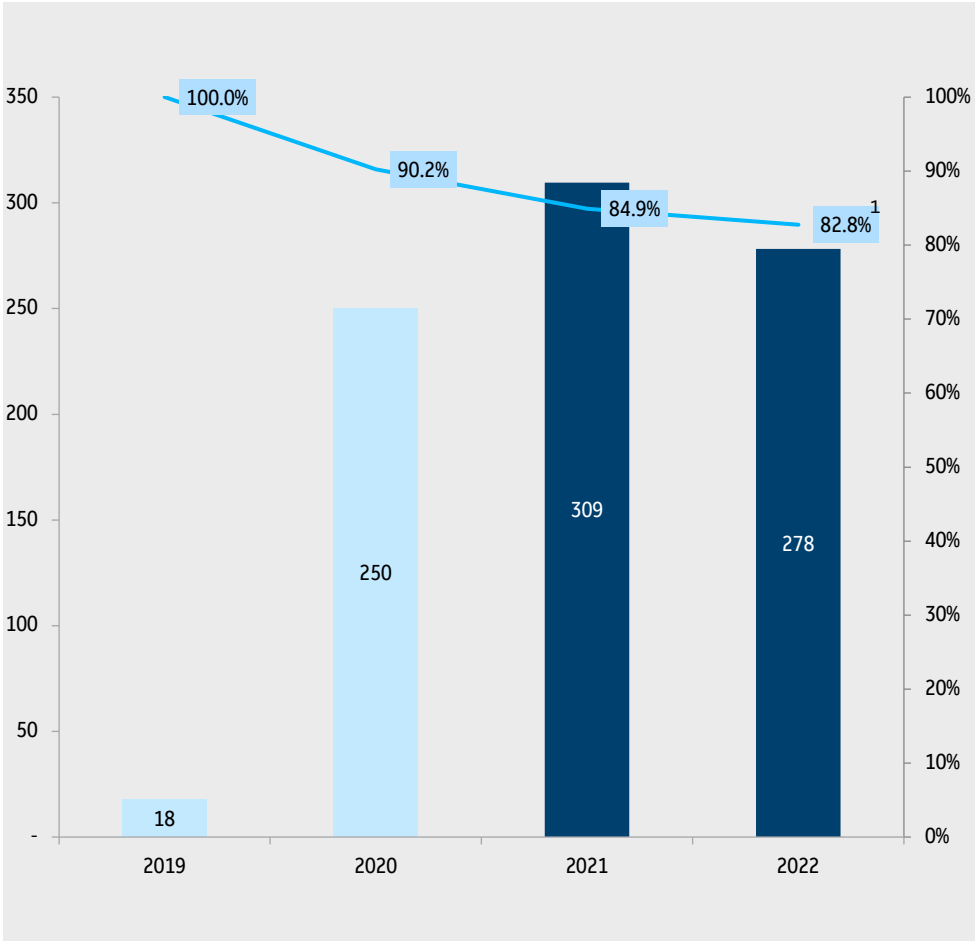
EA1 has had a stable track record of financial and technical performance since commercial operations began in September 2021

Historical energy yield (GWh p.a.)



- EA1 has been **fully operational since September 2021**
- Turbines **carefully maintained by SGRE**, who are the original turbine manufacturers, with >40 year experience in the sector
- Current yield forecasts **backed by operational performance** data collected by market-leading software provider, Clir
- **Renewed operational EYA** by Wood, who have deep experience in both the sector and EA1

Historical EBITDA profile (£m, nominal)



Notes: 1. Minor margin reduction 2021 to 2022 due to fluctuation in actual pre-commissioning revenues which were still being received (in addition to commissioned revenues until Dec-22)

Investment highlights

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Optimised financing structure

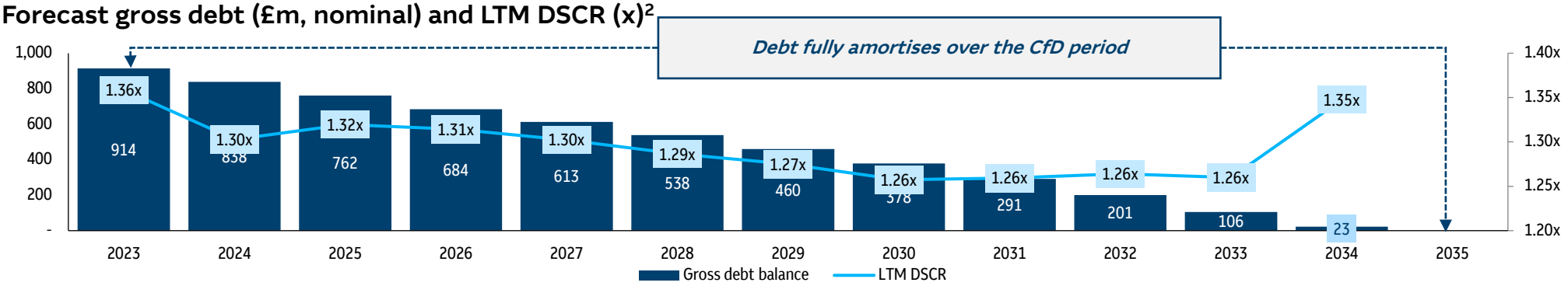
EA1 benefits from a market leading HoldCo capital structure, supported from tier 1 global project finance banks with hedging solutions in place to mitigate market volatility

Structure Summary

- The existing term debt and associated hedges ensures that the capital structure balances near term yield, while actively managing down side risk from adverse movement in the macroeconomic environment.

Facility	• Balance outstanding of £999m[1], sized at market leading terms of P90 1.25x / 1.40x target DSCR on contracted / uncontracted cash flows during the CfD period • Fully amortised over the CfD term
Margin	• Fully hedged base rate at highly competitive rate – 2.58%, including Credit & Execution margin of (0.14%) • Margin – 1.60% (until Aug-26), 1.70% (until Aug-31), 1.85% (until May-35)
Hedging	• 100% of interest rate exposure is managed through executed Interest Rate Swap • 100% CPI hedge executed to de-risk the mismatch between nominal debt service and real, but escalating revenue profile from the CFD • Coverage ratios are therefore protected from any downside CPI scenarios
Lenders	Santander, ING, MUFG, SMBC, Goldman Sachs, ICBC, KDB, CaixaBank, The Norinchukin Bank, Lloyds Bank, Siemens, AIB, SEB, Commerzbank

Forecast gross debt (£m, nominal) and LTM DSCR (x)[2]



Note: (1) As at 31-Dec-22; (2) Sourced from the Financial Model

Investment highlights

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Levers for value creation

Strategically located clean energy asset expected to benefit from continued market evolution, providing positive value uplift

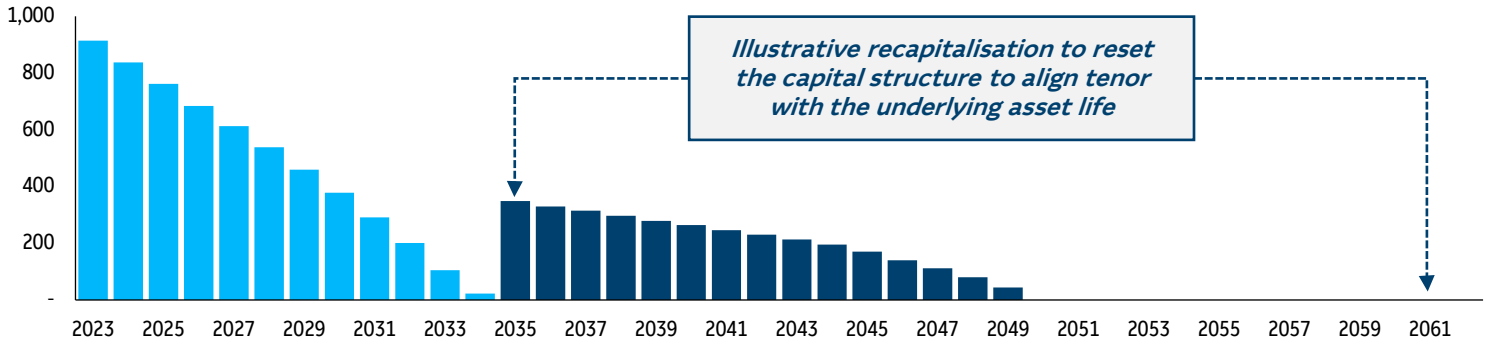
Included in base case

Merchant price	• ***Site specific price analysis conducted,*** demonstrating long term stability and value in the merchant market
Production	• Yield optimisation through the adaptation of SGRE's wake adapt software, which constantly adjusts the heading of individual WTGs to optimize the flow of wind across the farm • ***Uplift in AEP by up to 0.66%,*** with some revenue sharing mechanism to SGRE
Revenue	• ***Cornwall REGO,*** price adopted in the near-term, trending towards supportable long-term assumption
Expenses	• ***O&M cost savings of*** from Y15 onward supported by bottom-up analysis, which highlights the economics of scale due to the growth of the OSW sector nearby • ***Local TNUoS costs step down by 75%*** after end of OFTO concession

Not Included in base case[1]

Debt

- Potential to ***reinstate the capital structure*** post maturity of the current tranches benefitting from a long operational track record
- Lenders becoming more favorable to lend on a fully merchant basis, such that the notional of the debt can be extended to match the 40+ years of the asset life



Note: (1) Not included in base case as early in operational lifetime

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Asset overview

Key Historical Milestones

EA1 is a high-quality offshore wind asset that has a solid historical track record with strong outlook

Construction period

- Sep-19: first power achieved with all foundations and transmission infrastructure installed
- Apr-20: all turbines have been installed
- Jul-20: final commissioning

Grid connection

- Mar-20 to Sep-21: divestment process of OFTO
- The OFTO transmission assets transferred in December 2021 include the offshore substation, the offshore export cables, the onshore export cables, an onshore substation and the final connection to the national transmission grid

CfD accreditation

- Mar-15: CfD signed
- Start date from Oct-19 for Phase 1, Mar-20 for Phase 2 and May-20 for Phase 3

O&M optimisation

- It is expected that post initial contracts O&M / BoP strategy will be brought in-house by Iberdrola to capture significant efficiencies

First GIG selldown

- Aug-19: Acquired 40% stake in EA1 from Iberdrola
- Nov-20: Sold 50% of its stake (economic interest 20% in EA1) to InfraRed and TRIG

Financing package

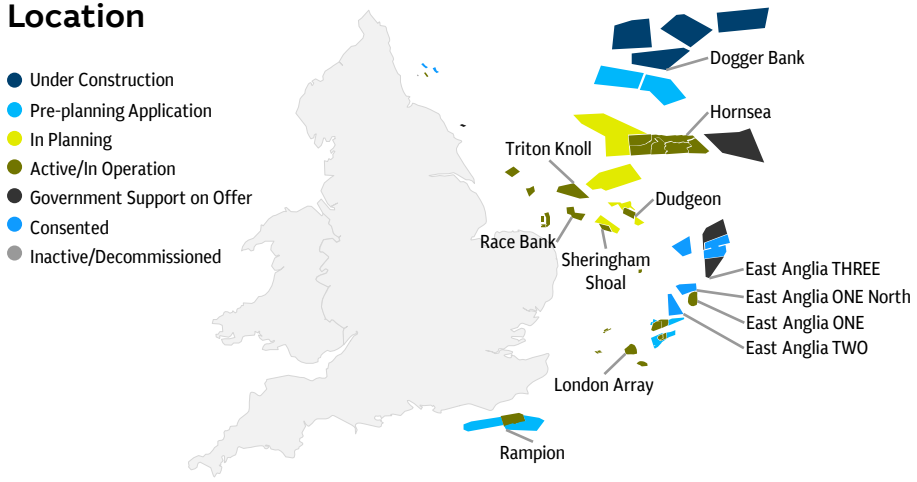
- Aug-19: Raised a £1,504m acquisition package to part finance HoldCo's acquisition of its 40% stake in EA1
- The total commitments received for the syndicated portion were £1,160m, a 1.54x oversubscription on the total £753m required for a successful syndication

Operational | **Shareholding, management and financing**

Strategic location and optimised layout

Benefitting from the strong winds of the North Sea, EA1 is situated in the premier UK OSW region within the ScottishPower-developed East Anglia Hub

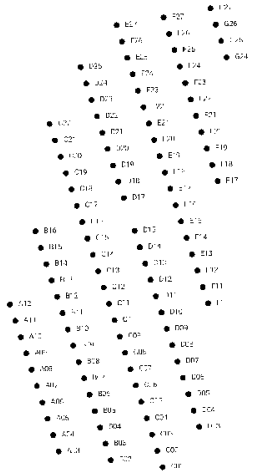
Location



Optimal layout

- The **c. 300 km²** wind farm consists of 102 turbines with a rated capacity of 7MW each
- All turbines are located in waters with mean depth of 44 m (min. 31 m, max. 53 m)
- Their layout was optimised based on:
  - geophysical and geotechnical investigations
  - wind speed and directionality studies
  - soil conditions
  - turbine model-specific considerations
- The research-backed layout coupled with powerful regional wind resource has generated high wind yields corroborated by recent operational assessments
- EA3 not positioned in EA1 wind direction, so not expected to effect generation

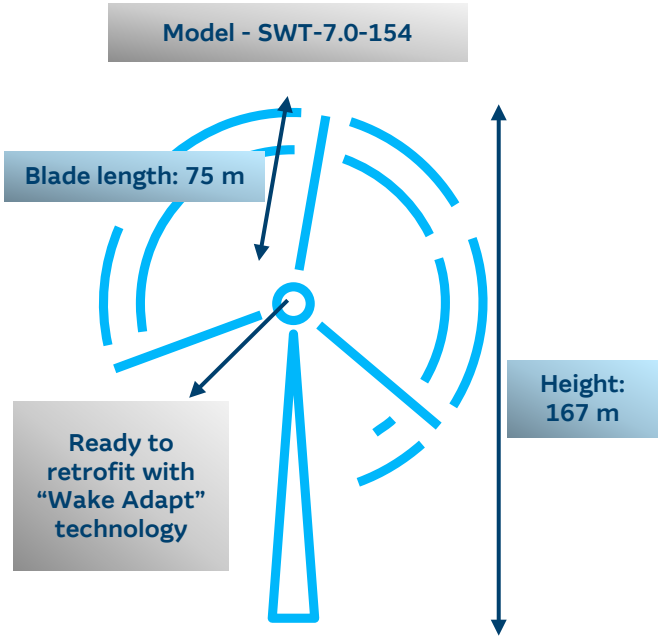
Benefits from strong North Sea winds, typically in excess of 8 m/s, which is significantly **windier than the sector "excellent" standard** of >7 m/s
Close to shore at ~43 km off the coast, reducing overall operations and maintenance costs
This strategic OSW location is now home to the **East Anglia Hub**, an OSW complex in development since 2022
EA1 is expected to benefit from synergies associated with the hub, which consists of **3 ScottishPower assets**, East Anglia ONE North, East Anglia TWO and East Anglia THREE. **Note that any potential wake effects from EA2 and EA1 will note impact EA1 income through wake loss compensation agreement with SPR**



Technical specifications (I/II)

EA1 was designed and constructed across all its key technical components by a club of industry-leading names including SGRE, Boskalis and Ramboll

WTG details



Other wind farm infrastructure

Turbines	SIEMENS Gamesa RENEWABLE ENERGY	EA1 has 102 (x 7.0 MW) turbines procured from industry-leading turbine manufacturer **Siemens Gamesa Renewable Energy (SGRE)**
Foundation	RAMBØLL	The foundations were designed by **Ramboll** and grouped in two clusters, deep water and shallow, to simplify manufacturing works
Piles and Jackets	Lamprell, NWJV	• **Lamprell** was responsible for manufacture and inspections of 180 piles and 60 jackets • **NWJV** was responsible for the manufacture and inspections of 126 piles and 42 jackets
Cable connections	Boskalis	Full manufacturing, supply and installation package was awarded entirely to **Boskalis**, the most reputable and experienced party in this field

Technical specifications (II/II)

EA1 utilizes Siemens Gamesa turbines and foundations which have a proven track record from global application

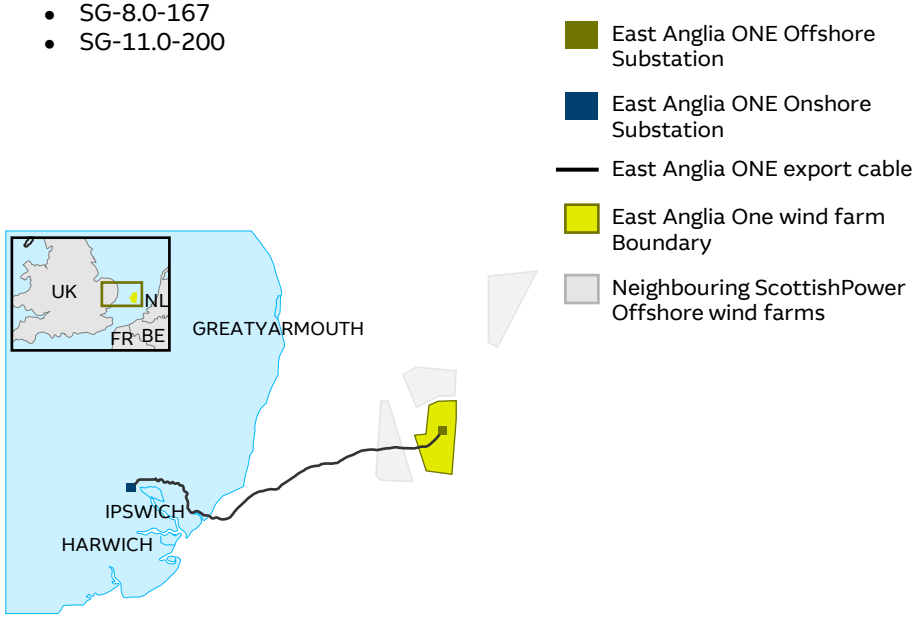
EA1 technical overview

Wind turbine generator	• SGRE SWT-7.0-154 WTG with rated capacity of 7.0MW • Maximum capacity 714MW
Foundations type	• Three-legged jacket foundations with pre-installed piles
Array cables	• 12 strings of array cables operating at 66kV
Grid connection & offshore substation (OFTO)	• One offshore Bramford substation which transforms the voltage up from the 66 kV array voltage to 220 kV for export • Connection to the National Grid Burstall feeder station through the Bramford substation
Export cables (OFTO)	• Two separately installed 220 kV export cables of 37km length and 85km for onshore and offshore cables respectively
Onshore substation (OFTO)	• One onshore substation to convert the voltage from 220 kV to 400 kV for connection to the National Grid Bramford substation
O&M base	• ABP's Hamilton Dock in the Port of Lowestoft
Logistics strategy	• Land based from the O&M hub where SPR provides crew transfer vessels ("**CTV**") supplemented by helicopter support for WTG troubleshooting

Source: EPC & O&M Contract

WTG

- **SGRE is one of the world's principal WTG manufacturers,** with a market leading track record in the offshore wind industry
  - Experience includes developing, manufacturing and maintaining various multi-MW classes of offshore WTGs.
- The **SWT-7.0-154** forms part of the D8 platform which also includes the following models:
  - SWT-6.0-154
  - SWT-8.0-154
  - SG-8.0-167
  - SG-11.0-200



Asset life

Predicated on current and future expected technological improvements, favorable site conditions and a strong maintenance strategy in place, EA1 is expected to be able to operate for 40 years

Overview of lifetime assessment

- An operational life to 40 years, beyond the 25-year design life is feasible from a technical perspective
- EA1's lifetime extension strategy has been reviewed by Wood, who considers there to be a low risk associated with an extended operational life in relation to the WTGs, onshore and offshore substation, array and export cables and WTG foundations
- Wind speed averages, gusts and turbulence are well within class conditions, which all drive fatigue damage, meaning the WTG will have a strong prospect of lasting longer than 25 years

Item	Site conditions	Class Conditions
Average wind speed	9.78 m/s	10.00 m/s
Turbulent intensity at 15 m/s	11.2%	14.0%
Wind shear exponent	0.10	0.20
Max 10-minute gust at 50-year recurrence	45.34 m/s	50.0 m/s
Max 3-second gust at 50-year recurrence	63.47 m/s	70.0 m/s

Long-term maintenance strategy

- The assessment confirms the ability to extend the operational life from its initial 25-year design life to 40 years assuming sufficient allowance is made for key repairs/replacements including:
  - Composite blade roots and blade edge reinforcements
  - Blade-hub bolted connection
  - Main shaft bolts
  - Gearboxes

- Extensive part replacement and overhaul capex in the business plan, in conjunction with comprehensive O&M strategy, underpins the extension of the asset list

Availability

Operational year	Availability level
Until 2035	98.19%
2035-2040	Reduced by 0.10% p.a
2040-2050	Reduced by 0.13% p.a
2050-2055	Reduced by 0.50% p.a
2055-2061	Increasingly reduced by 1%-3% p.a.

Life extension costs outside service agreement

Costs (100% basis)[1]	Per WTG (GBPm, nominal)	For project (GBPm, nominal)
WF Life Extension	0.08	9
WTG Major Overhaul	0.15	15
WTG Blade Maintenance	0.12	13
Major Component Replacement	4.94	504
Total	**5.29**	**540**

Source: 1. Financial Model, as validated by Wood

Key Project Agreements

EA1 has a strong contractual framework in place both for offtake as well as operational management

	Counterparty	
OMA	SCOTTISHPOWER	• Full-wrap service agreement including: management and implementation of all site activities required for the operations and maintenance including monitoring compliance with HSE management systems • 25-year term based on a no gain / no loss fee structure, based on time spent and pre-agreed day rates
SMA	SIEMENS Gamesa RENEWABLE ENERGY	• Covers the operations and maintenance of the WTGs post commissioning period, where SGRE is responsible for conducting all scheduled and unscheduled maintenance and providing spare parts under a fixed fee structure • 15-year term
MSA	SCOTTISHPOWER	• Fixed price agreement covering corporate and overhead services such as financial management & reporting, insurance, procurement, legal and corporate HSE services. • 25-year term
CFD	LOW CARBON CONTRACTS COMPANY POWERING NET ZERO	• CfD contracts with Low Carbon Contracts Company signed in 2015 • Current strike price of £159.24/MWh noting this is net of removal of BSUoS costs and true-up payment of c. £6m to be received
PPA	SCOTTISHPOWER	• 15-year contract providing route-to-market services for power generation • Fixed fee of £2.57/MWh to Scottish Power Energy Retail for bearing residual imbalance risk, indexed to CPI

Operational Offtake

Revenue and offtake

EA1 near term revenue streams are underpinned by standard contracts that govern the CfD, PPA, REGOs and balancing services

Revenue contract summary

	CfD	PPA	REGO
Key Term	*Current strike price of £159.24/MWh (real 2023)[1] for fixed term, indexed to CPI*	*Fixed fee of £2.57 / MWh to Scottish Power Energy Retail, indexed to CPI*	*Transfer of REGOs to ScottishPower Energy Retail*
Mechanics	✓ Long-term contract between EA1 and *Low Carbon Contracts Company* ✓ Fixed price contract expiring in May 2035, which creates highly visible and stable cash flow stream	✓ Fixed fee contract for Scottish Power Energy Retail to provide full route-to-market services for power generation ✓ Fee payable to compensate Scottish Power Energy Retail for taking residual imbalance risk	✓ 100% of EA1's REGOs are transferred to ScottishPower Energy Retail under the PPA, who are free to trade them ✓ 85% of revenue generated from the REGOs trade is compensated back to EA1 ✓ Price for 12 month look forward once established

Note: 1. As at April 2023, noting this is net of removal of BSUoS costs and true-up payment of c. £6m to be received

Existing financing

EA1 debt is based on a standard Project Finance structure with swaps and loans on-lent between the FinCo and HoldCo

Finance Overview

Objective of set-up

- Structure enables HoldCO to access CPI linked loan in FinCo, without MTM exposure and reduces credit exposure to downsides in inflation

Detailed overview

- HoldCo pays FinCo floating interest rate; FinCo pays HoldCo fixed interest rate
- HoldCo pays FinCo fixed amounts; FinCo pays HoldCo CPI linked amounts
- HoldCo pays CPI Hedging Counterparties CPI linked amounts; CPI Hedging Counterparties pay HoldCo fixed amounts
- HoldCo pays IR Hedging Counterparties fixed interest rate; IR Hedging Counterparties pay HoldCo floating interest rate

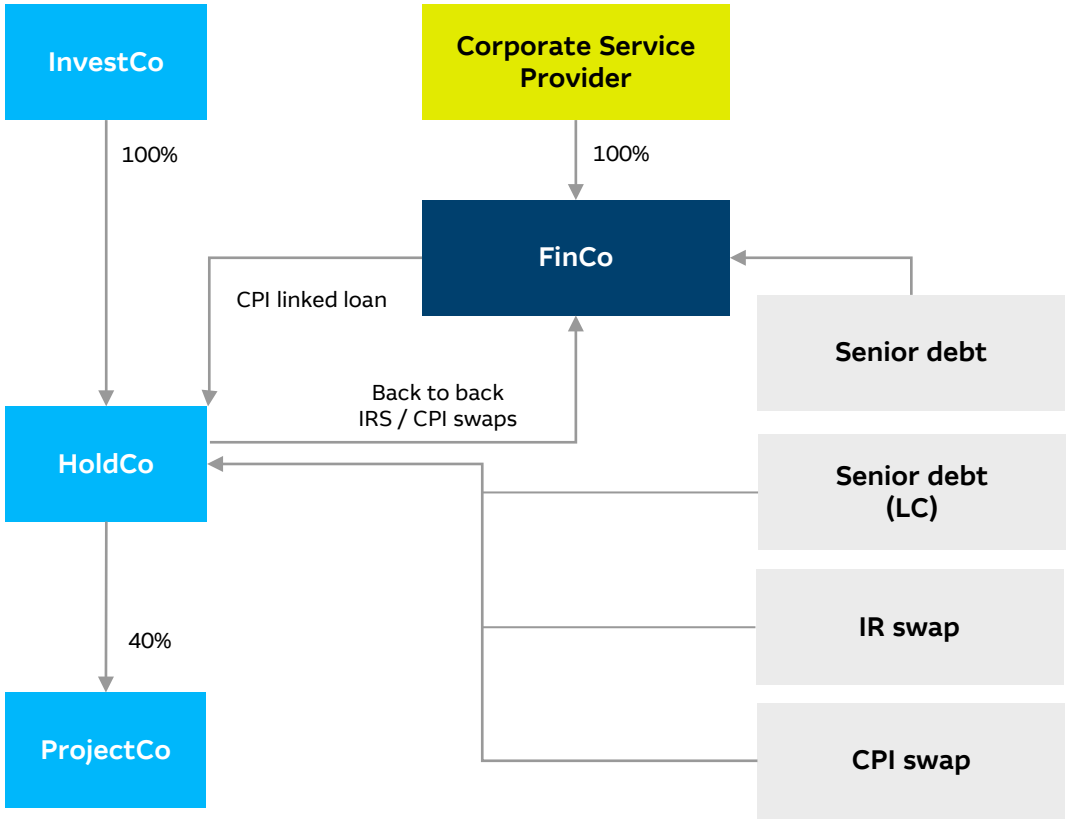
Security

- Lenders have full security over the FinCo, which in turn has Security over HoldCo assets
- Standard security enforcement is done through a two-tiers:
  - Enforced At the FinCo, then;
  - FinCo acting as creditor participating in HoldCo level decisions

Strong existing lenders and swap providers

Santander, ING, MUFG, SMBC, Goldman Sachs, ICBC, KDB, CaixaBank, The Norinchukin Bank, Lloyds Bank, Siemens, AIB, SEB, Commerzbank

Structure Diagram



Source: Facility Agreement

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4

O&M strategy

O&M set-up

EA1's O&M is fully managed by ScottishPower thereby benefitting from portfolio advantages and best in-class practices

ScottishPower as OMA provider

ScottishPower is a world-leading developer

- ScottishPower is part of the Iberdrola group, one of the world's largest utilities and the leading wind energy producer
- Currently operating West of Duddon Sands and EA1 in the UK, and key developer for the East Anglia HUB

Portfolio advantages / wind farm clusters

- East Anglia HUB (2.9 GW capacity) consisting of East Anglia ONE North, TWO and THREE, are all developed by ScottishPower
- Clustered approach for faster response to major component failures through better access to major spare parts, jack-up vessels and knowledge sharing between assets using similar technologies, to anticipate issues that might have arisen in other projects

Strong supplier relationships

- On the back of leading developer and key EA Hub developer ScottishPower has greater leverage with suppliers to obtain pricing and procurement benefits and enhanced knowledge sharing

Specialist knowledge

- Extensive in-house experience in all offshore wind farm aspects and specialist knowledge operating Siemens Gamesa's turbines

Sustainable technological advancements in the circular economy

- Continuous innovation by ScottishPower, such as a materials testing framework for decommissioned turbine blades to be transformed into public infrastructure

In-house O&M

Cost savings and smooth transition periods

- **Efficiencies**: ScottishPower can achieve cost efficiencies from a logistical standpoint as well as FTE (as already FTE in place under MSA). A concrete example is their near-term takeover of the BoP maintenance
- **Cost savings:** on the back of efficiencies, substantial cost savings can be achieved. In addition, no additional margin is to be paid to external subcontractors
- **Smooth transition post initial contract periods (instead of re-tendering)**: ScottishPower already oversees all subcontractor and has a long lead time to prepare handover and has presence through MSA at all end-off warranty inspections

BoP plan

- ScottishPower has proposed to do this in-house at an accelerated timing and can do so more efficiently
- They target to achieve significant cost savings through:
  - Better planning leveraging upon past experience
  - In-house BoP unscheduled maintenance will be c. 50% cheaper
  - SPR sourcing synergies

Source: project information, public websites

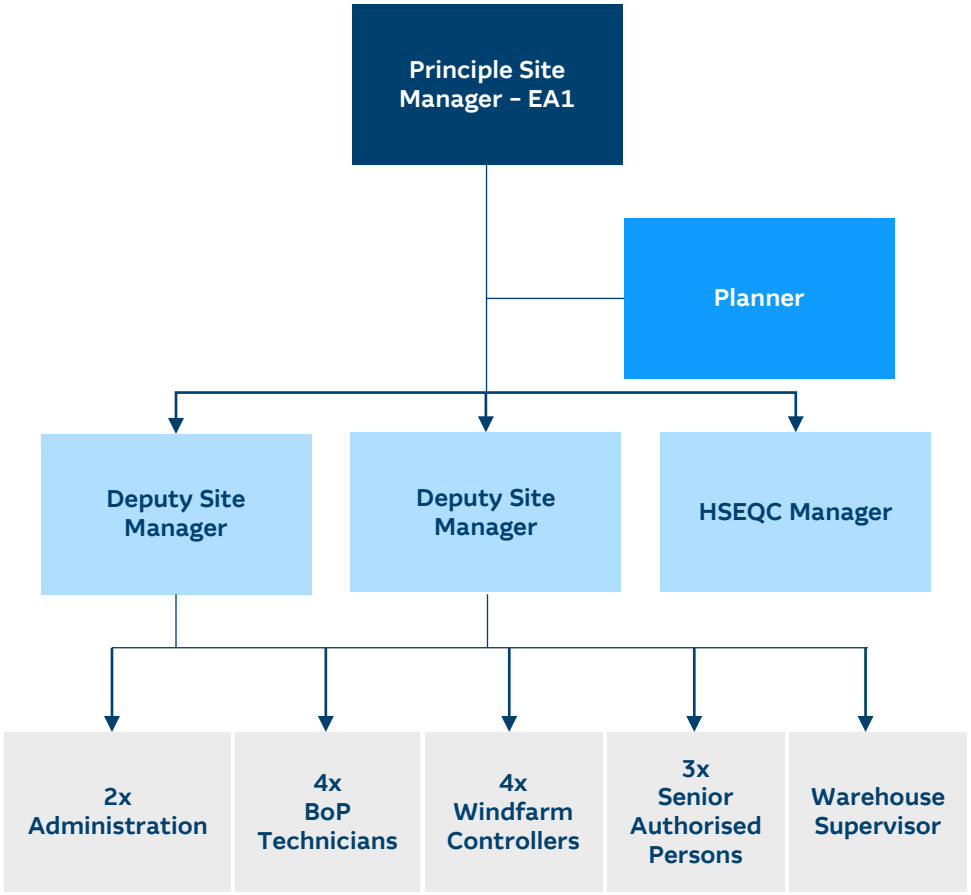
O&M strategy

Best-in class O&M strategy with no major issues to date, minor issues adequately resolved as a strong basis for future performance

Approach to O&M

O&M Programme Securing High Yield	• Annually contracted approach to inspections • Strong focus on preventative maintenance with routine inspections and monitoring and surveillance of the wind farm to predict and diagnose failures early, preventing more costly repairs
Strong Organisational Set-up and Access to Offshore Competence Centre	• Experienced team of technicians responsible for O&M • Access to Ibedrola back office supports BKR2 with specialist offshore competences • Transfer of knowledge between SPR and Siemens technicians from day one ensures continuity and in-depth familiarity with the technology post SMA
Well-Suited O&M Base	• Large laydown areas allowing sufficient space for storage • Located within close proximity to the site • EA centralised hub from which it and other operators conduct O&M will be in place, this allows SPR to secure numerous efficiencies that are expected
Robust Logistical Setup	• Site utilises standard CTVs • Helicopter use removed, with cost savings passed to owners • CTV based logistics strategy allows for a more flexible contracting strategy with vessel providers

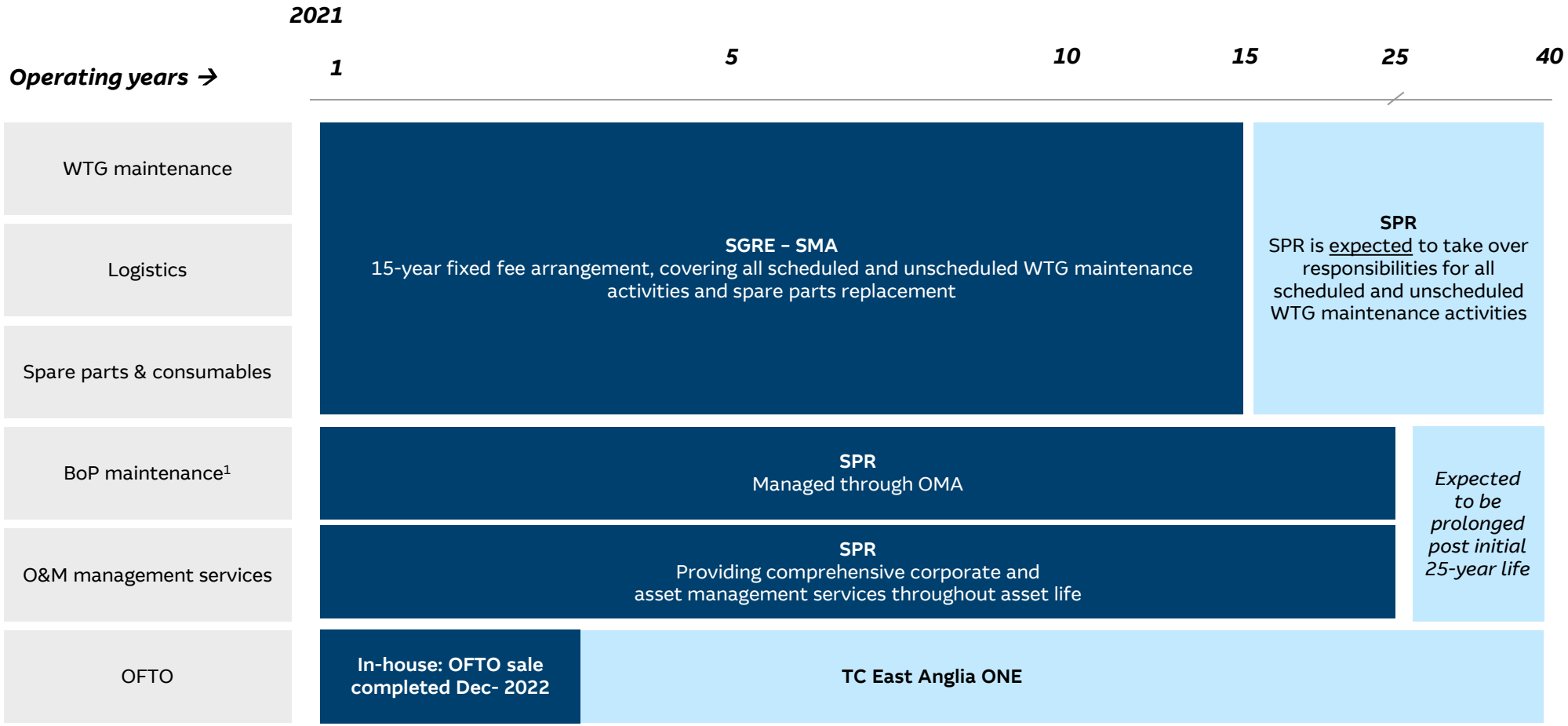
Organisational set-up



Source: project informaiton

Overview O&M agreements

The key contracts have been designed to adequately cover the life of the project, with the ability to recontract after the initial terms



Note: 1. BoP is subcontracted: BoP O&M is split between three work packages for above water maintenance, below water maintenance, and cable storage and repair and is contracted for an initial three-year term with James Fisher Marine Services Limited (JFMS) and Cwind Limited (CWind). The initial term for the contracts was 36 months Following this period the project decided to proceed with SPR taking those scopes of work in house, as was planned to take place in 2024

Scope contracted | Optional extension contracted | Scope to be contracted

Operations and Maintenance Agreement (OMA)

OMA in place with ScottishPower on a full-service basis with potential for further in-housing of currently sub-contracted services

OMA - ScottishPower

Scope	• Full-wrap service agreement with Scottish Power, service encompasses WTGs, BoP, spare parts, O&M base facility maintenance, performance monitoring, and ad-hoc support; support services encompassing HSE, interface and contract management and quality functions; and corporate services including financial and regulatory aspects • ScottishPower is obliged to provide monthly reporting
Scope exclusion	• None, contract is full-wrap
Fees	• The total annual fee is based on time spent and day rates for services provided and reimbursable costs. The OMA fee is on a “no-gain/loss” basis • The services budget is presented prior to the start of each calendar year for the next two years for approval, costs outside of the budget will need to be approved and will only be incurred by the project on that basis unless it is an emergency or fall within the 25% flexibility mechanism
Tenor	• Agreement was signed in 2019 and started at COD in September 2021 for a 25-year term
Liability	• £1.5m annual liability cap

Termination	• Termination rights for the employer and contractor includes:
	  ○ Bankruptcy, bribery and project policy breaches breaches
	  ○ Contractor’s failure to meet the obligations under the contract
	  ▪ If underperformance has occurred (being when the Project's yield-based park availability falls below 90% on average over a period of 12 consecutive months or there is an increase in operating expenses in any O&M Budget year in excess of £20m above the Operating Budget (as defined in the SHA) for such year; or
	  ▪ The Annual Liability Cap is reached in any two years, unless the cap has been reached on both occasions due to the same cause or the O&M Provider agrees to pay liability in excess of the cap in the second year

Other	• There is no specific incentive mechanism if performance is above budget (note incentivised through shareholding)

Source: Project information

Management Services and WTG Service & maintenance agreement

Although SPR has committed technical capacity overseeing Siemens SMA – the contract is in place with a fully covered warranty package in place

MSA - ScottishPower

Scope	• Overhead management services for development and ownership of the project
	• Services include:
	  • Management
	  • Financial
	  • Legal
	  • Regulatory
	  • Other

Fees	• The Project pays a fixed fee of £5m per year
Liability	• Underperformance will require re-performance of the service at own expense, in case of multiple years of underperformance the annual liability cap is £1.5m
Term	• 25 years following COD • Early termination when there are is a monthly error in excess of 35% in the forecast of the PPA for more than 4 months in a year which results in additional liability for the Project or when the annual liability cap has been reached in 2 years for different events

SMA - Siemens

Scope	• Siemens (SGRE) will conduct annual scheduled WTG maintenance including provision of all spare parts required • The service also include remote diagnostic services including remote monitoring, support and analysis of CMS alarms • SGRE provides operational reports on monthly basis
Fees	• The Project pays a £189k/WTG (indexed) fee for year 1-5 and £350k/WTG thereafter
Liability	• Caps in line with industry standards; maximum liability of 100% of the contract price
Warranties & Liquidated damages	• Yield based warranty of 95% • In case of failure to achieve warranted availability, Siemens shall pay liquidated damages on the basis of lost production and average revenue per MWh
Term	• 15 years following COD corresponding with warranty (at fixed fees). No termination for convenience clause, project will have to pay a termination fee • It is expected that post the 15-year term SPR will take the SMA scope in-house: end of term inspections are included in contract
Other	• SGRE will receive 50% of incremental revenue above the warranted level

Source: project information

O&M post OMA

Significant opportunities for future operations & maintenance optimisations enabling efficiencies and cost savings in line with industry trends

Key industry trends

1 O&M bases benefiting from economies of scale

- Strong growth in UK offshore wind sector; government mandated target to reach 50GW installed capacity by 2030 (currently 10GW operational)
- Build-out near existing assets, including EA1 , to leverage established infrastructure (O&M, power transmission, etc.)
- O&M bases to see substantial increased demand set to result in strong economies of scale benefits

2 Increasing competition for O&M providers

- O&M landscape has changed significantly in recent years with many new entrants
- Competitive pricing pressure has significantly reduced O&M costs to date, with trend expected to continue going forward as additional capacity comes online
- Service offering model moving from comprehensive O&M warrantied full cover provision to some self-perform with varieties on warranties

3 Technological improvements enabling efficiencies

- Various technological developments across entire O&M value chain in recent years with significant number of further improvements expected following automation and autonomous system improvements
- Labour intensive tasks to be replaced by autonomous systems, improving costs as well as enhancing site safety
- CTV and supply chain logistics another area of substantial improvements available

EA1 strategy

- It is expected that ScottishPower will take O&M in-house
- At the time that the O&M contract expires the EA Hub will be further progressed, all developed by Scottishpower. Substantial efficiencies and competitive cost savings are expected

Source: project information

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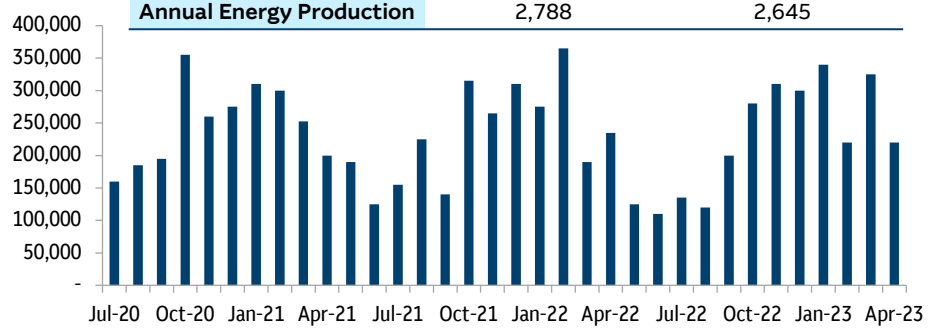
Operational track record

Historical performance

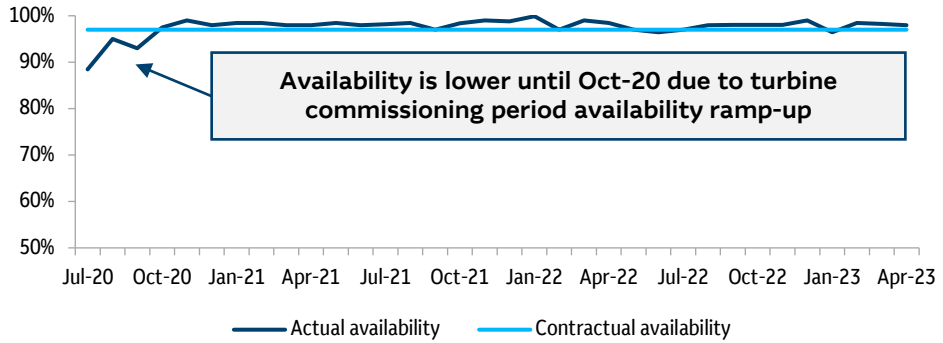
EA1 has performed well to date, with high levels of availability and the operations substantially de-risked through proven track record

Historical energy production (MWh per month)

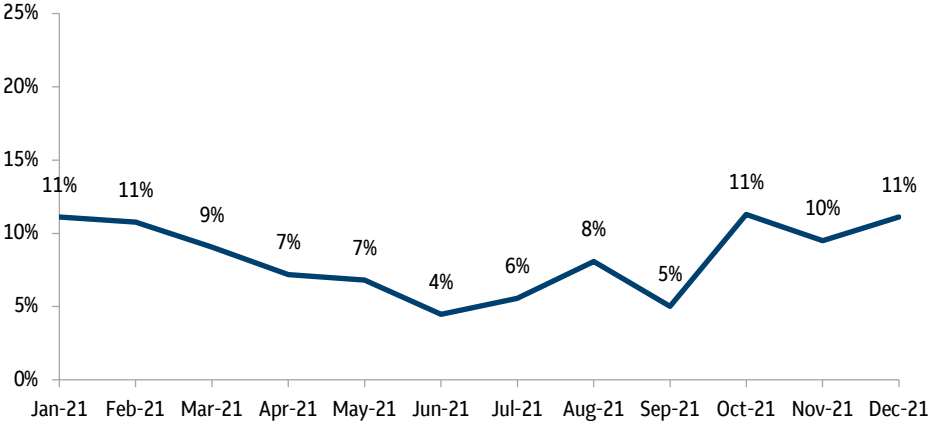
MWh p.a.	2021	2022
Annual Energy Production	2,788	2,645



Historical availability (%)



Historical monthly production profile



Current P50 EYA summary

Correction and losses	Gross yield – 3,041 GWh p.a.
WTG availability	97.9%
BoP availability	99.7%
Grid availability	99.5%
Electrical transmission efficiency	99.3%
Power curve derating – MEC	99.2%
Power curve derating – Other	99.5%
Future performance degradation	99.4%
Wake Adapt uplift	0.66%

Source: Quarterly reports

Technical performance thus far

Generation and availability to date has broadly been in line with budget, with any post construction issues being cleared out

Key metrics

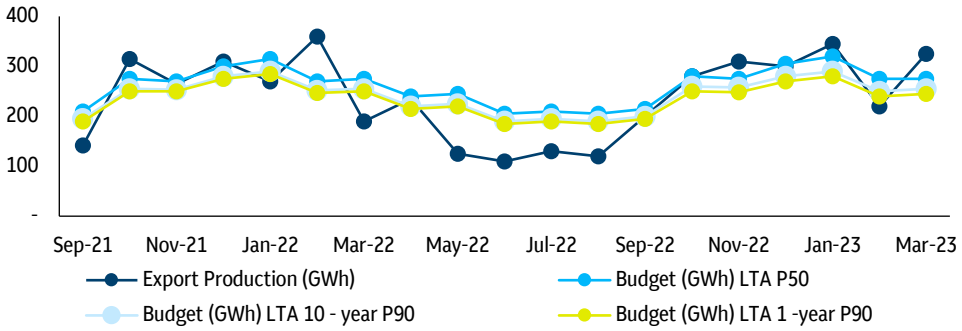
1 Generation

- Wood has confirmed that performance generally has been in line with budgeted values, excluding planned shut down periods
  - Deviations from original energy assessments are driven by different than expected wind conditions and not performance in the WTG themselves
- Wood in its capacity as TA has also noted that they see no concerns about the current production and availability

2 Availability

- Wood has confirmed that the project has performed well to various availability standards:
  - **WTG availability** has been above budget and SGRE's warranted level by 0.7% and 2.5% respectively
  - **BoP availability** below budget has been on or below budget, primarily due the shutdown of the OFSS for maintenance works

Historical project production vs. budget



Source: Technical Wood due diligence report and SPR reports

Operational Issues

Takeaway
Wood has not identified any major construction defects or operational issues that are major issues of concern. There are 3 open items per the latest LTA report, with clear pathway to closing out

	Description[1]	Path to closing out	Risk
Coating works for Harland and Wolff (H&W) Jackets	17 jackets were installed with pending coating works to avoid a delay in installation	• All critical works for remediation was completed in 2020 • Non-critical work expected to finish in Q2 2023	
Lamprell Fabricated Welding issues	Minor welding defect (visual and reduced thickness) during quality inspection of Lamprell jackets	• Independent Extensive analysis on the severity and long-term effects on asset life has been conducted and verified by Wood. • Report concluded that the issue is not severe to warrant any rectification work due to the low potential impact on the WTG	
Main Access Platform Crane Snagging	Some WTF MAP cranes are not in service, requiring resolution of water ingress and coating works	• Work conducted to date by Granada • Feb 2023 tender process to close out remaining work ASAP	

Operational energy yield assessment (EYA)

Wood has conducted a comprehensive long-term EYA assessment based on highly-correlated reference and production data recorded from nearly three years of operating history

Energy Yield Assessment (EYA)

- Various corrections are applied on the gross energy yield to determine the P50 (Central) long-term net yield
- All wake and environmental losses are inherent within the gross energy yield obtained
- **WTG Availability** is representative of all downtime events affecting WTGs
- EA1's **BoP and Grid Availability** are equivalent to just 24 hours of downtime in a year
- The wind farm can be curtailed due to MEC restrictions and sporadic WTG faults and maintenance, each separately accounted for in the **power curve derating factor**
- Various methodological enhancements were made to reduce uncertainty in the assessment, including a careful exclusion of anomalous data points and rigorous correlation criteria

Monthly energy yield distribution

Month	Energy (%)	Energy (GWh)
January	11.13%	321.5
February	9.78%	278.5
March	9.00%	261.7
April	7.06%	203.2
May	7.22%	207.7
June	5.97%	171.7
July	5.94%	170.9
August	6.15%	177.1
September	7.05%	202.9
October	9.71%	279.6
November	10.02%	288.3
December	10.98%	316.0

Long-term P50 EYA summary

Gross energy yield (GWh p.a.)	3,041
Correction and losses (%)	
WTG availability	97.9%
BoP availability	99.7%
Grid availability	99.5%
Electrical transmission efficiency between WTGs and PoC	99.3%
Power curve derating – MEC curtailment	99.2%
Power curve derating – Other	99.5%
Future performance degradation	99.4%
Overall conversion efficiency (%)	**94.7%**
P50 energy yield (GWh p.a.)	**2,879**
P50 capacity factor (%)	**46.0%**

Source: Wood EYA, Financial Model

Health and safety

Implementation of appropriate management systems during the construction phase, aligned with the industry best practice

Overview

- EA1 has a functional management department with representatives for each package, allowing package managers to have a direct and consistent point of contact for Health and Safety ("H&S") matters
- Comprises of **both onshore and offshore based personnel** who perform assurance activities on all contractors to measure H&S compliance and legal requirements
- EA1 implements an **authority to work process** which controls, manages and coordinates all activities across the project
  - The process is a system based online to allow employees access when working externally
  - Used to ensure that persons working within the principal contractor boundary are coordinated and that hazards arising from their own work and the works of others are managed
  - Also used to make sure that all contractors are aware of each other's works
  - Daily simultaneous operations call which discusses the activities being progressed that day between representatives from all key vessels and contractors
- In addition to internal governance checks, EA1 has also maintained **regular engagement with external HSE stakeholders and regulators**
  - Including the Health and Safety Executive, Marine Management Organisation, and Maritime and Coast Guard Agency

Latest annual HSE Statistics (2022)

HSE Parameter	Value
Lost Time Accident (LTA)	0
Restricted Work Incident (RWI)	2
Medical Treatment Incident (MTI)	0
First Aid Incidents (FAI)	5
Near Miss Incident	13
Damage / Loss	9
Non-Work Related	3
Health and Safety HAZOB Leading Indicators	191
Lost Time Injury Frequency Rate (YoY)	0 (per million hours) *Target: <7.47*
Total Recordable Injury Frequency Rate (YoY)	6.53 (per million hours) *Target: <11.66*

Source: Wood due diligence report

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Business plan

Basis of preparation

Business plan is underpinned by long-term contracts, along with detailed EYA, technical assessment and power price forecasts from leading market advisers

Overview

- In conjunction with its advisers and asset managers, GIG has prepared a detailed quarterly business plan
- Business plan for the asset is based on a detailed bottom-up approach, informed by the following key sources:
  - Existing CfD and PPA contracts covering price and tenors
  - Fixed price O&M agreements
  - Other contracted asset management and technical service agreements
  - Operational track record as well as offshore wind industry experience
  - Verification from third party on other forecasts consultants / specialists
- All revenue and costs are denominated in pounds and there is no other direct foreign currency exposure, as outlined in the contractual arrangements

Key inputs

Input	Comments
Project life	• 40-year operational life
Energy yield	• 25-year P50 operational yield assessment conducted by Wood used to forecast net wind farm output inclusive of availability, turbine degradation, loss effects, and electrical efficiency • Additional 0.66% yield from 2025 onwards through SGRE's wake adapt software and corresponding 50% revenue sharing mechanism assumed until 2032
Contracted revenue	• Contractual terms as included in each of the CfD and the PPAs (tenor, price & volume)
Merchant revenue	• Site specific power price as per Aurora applied to all non-contracted generation • REGO price forecast as per Cornwall Insight short-term, trending to £2.50/MWh long-term real 2023
O&M costs	• Fixed (£/WTG) and variable (£/MWh) cost assumptions as per 0&M agreement, where applicable • Long term strategy including O&M costs and contingency validated by Wood
Other opex	• Various items built on bottom-up basis including terms as per contracts or Wood input • BSUoS costs nil after Apr-23 in line with CfD price change • TNUoS wider as per Aurora forecasts, TNUoS local as per regulator
Life extension costs / decommissioning	• Bottom-up estimates for life extension actions, blade maintenance and major overhauls costs validated by Wood • £600k decommissioning cost (net of scrap value) validated by Wood
Macro assumptions	• CPI short-term forecasts as published by IHSM until 2027, after which 2.5% long-term • RPI short-term forecasts as published by IHSM until 2030, after which switching to CPI • Only when contractually-bound are items indexed at RPI, noting the switch to CPI post-2030 • Statutory tax rates as published by the UK government (19% in Q1 2023, then 25%)
Capital structure	• Existing debt structures as outlined on page 43 and 44

Macroeconomic (1/2)

IHS Markit CPI and RPI forecasts have been adopted up to 2027, with a long-term forecast of 2.5% adopted based on long term averages and BoE target

Approach

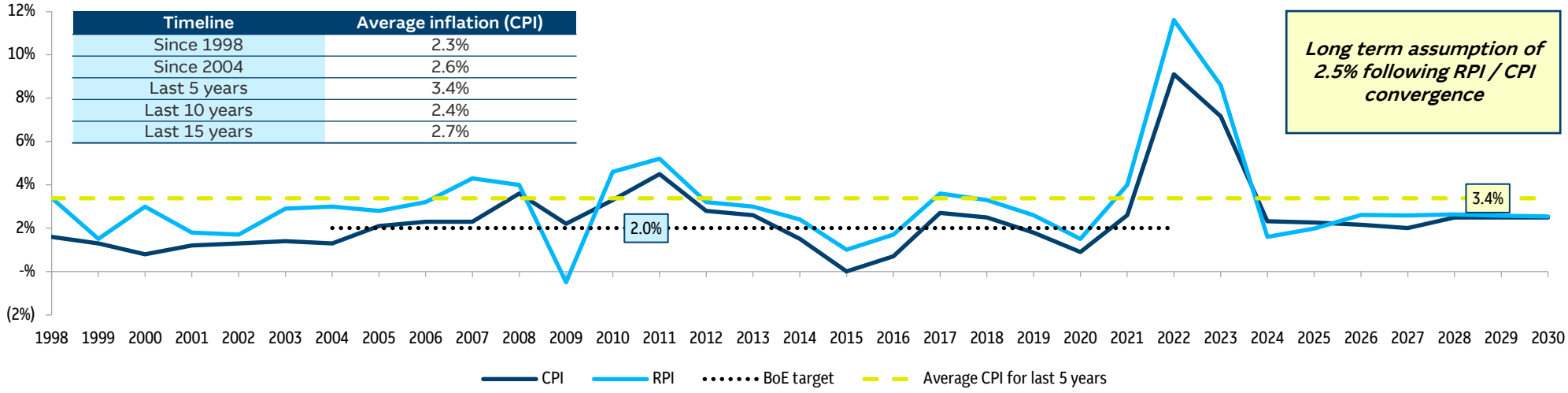
- Considering the various indexed, contracted cash flows, a prudent approach was taken to forecasting long-term CPI trends
- Latest data from a market-leading CPI forecast provider was used for the first five years of the model horizon, until 2027
- Long-term figure of 2.5%, based on long term average inflation rates and 50 bps buffer to BoE target
- The 50 bps buffer was chosen based on the trend of the wedge between actual inflation and the BoE target since 1998, with the last 5 years seen as anomalous
- Per recent announcements by the UK Government, RPI-indexation will be phased out post-2030. As such, a **switch to CPI has been applied following this deadline on all currently RPI-indexed items**

Indexation impacts

Key revenue and cost items	Indexation curve
CfD	CPI
Merchant revenue	CPI
REGO revenue	CPI
Insurance	CPI
O&M	CPI
MSA fee	CPI
TNUoS wider	CPI
TNUoS local	RPI
Decommissioning	CPI

Historical inflation (%)

Timeline	Average inflation (CPI)
Since 1998	2.3%
Since 2004	2.6%
Last 5 years	3.4%
Last 10 years	2.4%
Last 15 years	2.7%

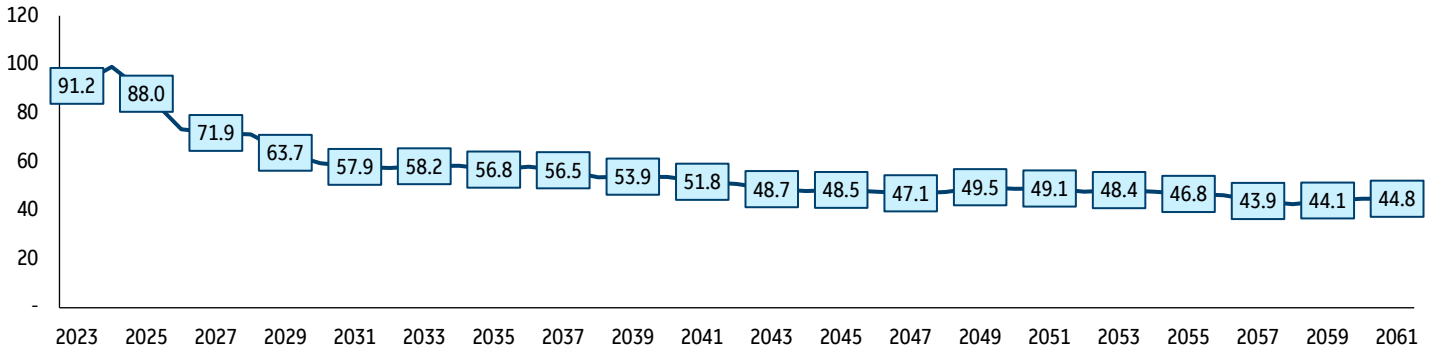


Source: Historical inflation rate obtained from Office for National Statistics (ONS) with forecast as per IHSM August 2023 update; 2% has been the Bank of England's target since December 2003

Macroeconomic (2/2)

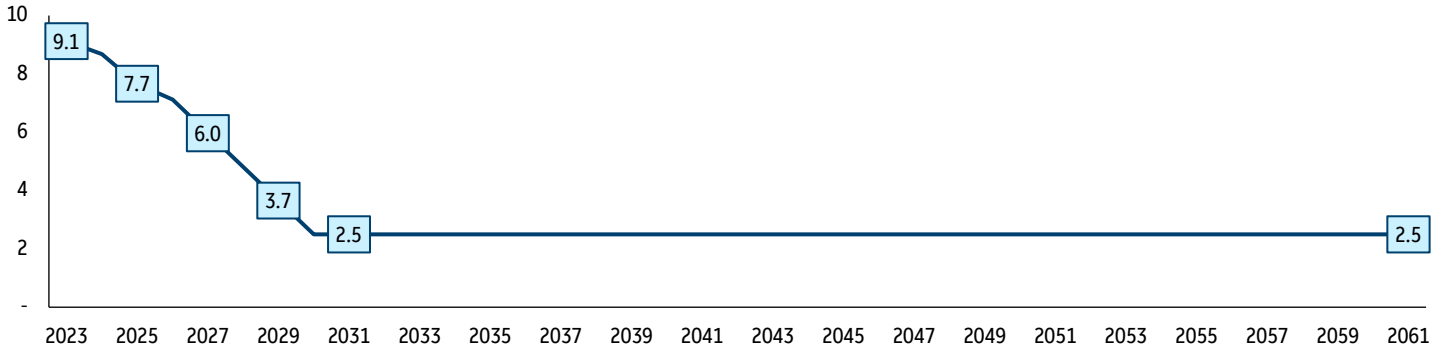
AURORA forecasts have been adopted for site-specific capture pricing and REGO revenue projections

OSW capture price (Central, real £/MWh)[1]



EA1 (site-specific) merchant price forecasts based on comprehensive power price forecast provided by Aurora, a market leading consultancy with a proven track record

Renewable Energy Guarantees of Origin (REGO) (real £/MWh)[2]



Market-leading forecast provider, Cornwall Insight, was used as the basis for the short-term forecasts until 2026, which aligns with the contract pricing methodology. This then trends to £2.50/MWh long-term 2030 onwards

Sources: 1. AURORA Q2 2023 East Anglia ONE site-specific Central OSW capture price, real as at 31-Dec-22 – chart shows yearly averages but dataset is quarterly; 2. Cornwall Insight Green Certificate Green Certificates Survey – July 2023 Results, assumed real as at 31-Dec-22

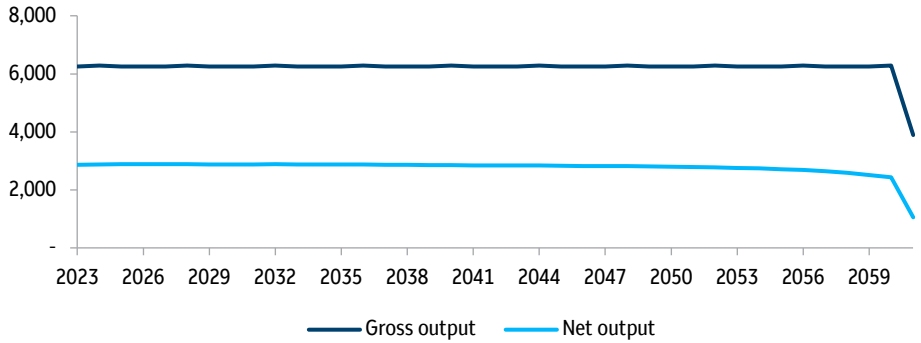
Energy yield assumptions

Energy yields are provided by Wood and based on >2 years of operational data and detailed turbine SCADA data

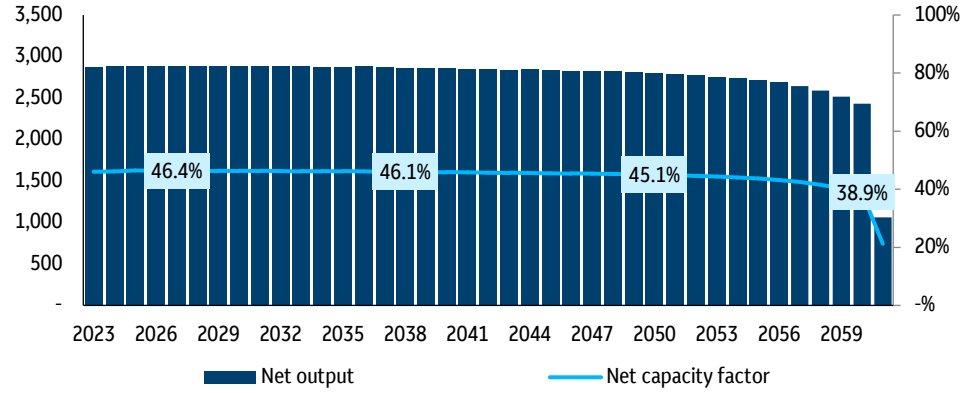
Breakdown of forecast generation

Generation	Description	Assumption
Gross generation	Maximum potential production by the wind farm	**3,041 GWh p.a**
x Availability rate	Availability of the asset's wind turbine generators	**WTG**: 0.979 **BoP**: 0.997 **Grid**: 0.995 **Electrical transmission efficiency**: 0.993
x Loss factors	Ratio of actual output to potential output including transmission losses	**MEC power curve derating**: 0.992 **Other power curve derating**: 0.995 **Future degradation**: 0.994
= Net generation	Net annual energy yield from the wind farm after losses and availability	**2,890 GWh p.a** Corresponding to c. **46%** gross capacity factor

Gross and net energy yield (MWh)



Net yield (MWh) and load factor (%)



Source: Wood EYA

Wake adapt

Adaptive software that allows to optimise downstream wake effects to increase production to no upfront cost to the project

Description of wake adapt

- Siemens Gamesa Wake Adapt software allows turbines to detect the direction of the wind reaching downstream turbines and adjust the tact to optimise flow and improve peak performance for the whole wind farm

✓ **Up to 0.66% increase in annual energy production**

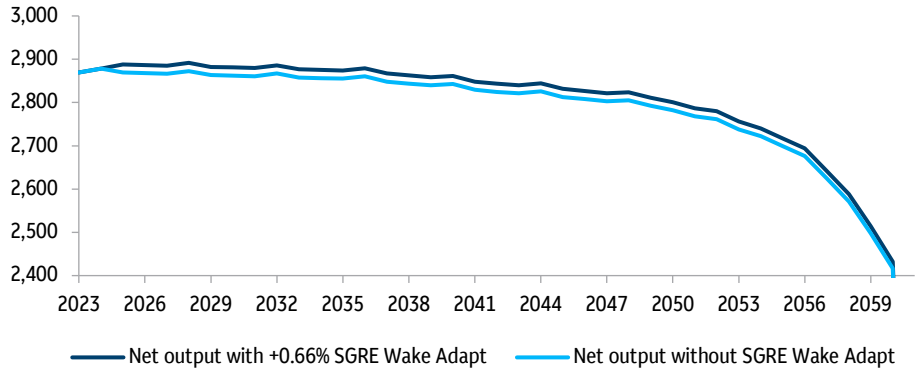
✓ **Software adaptable to tailor for given site conditions**

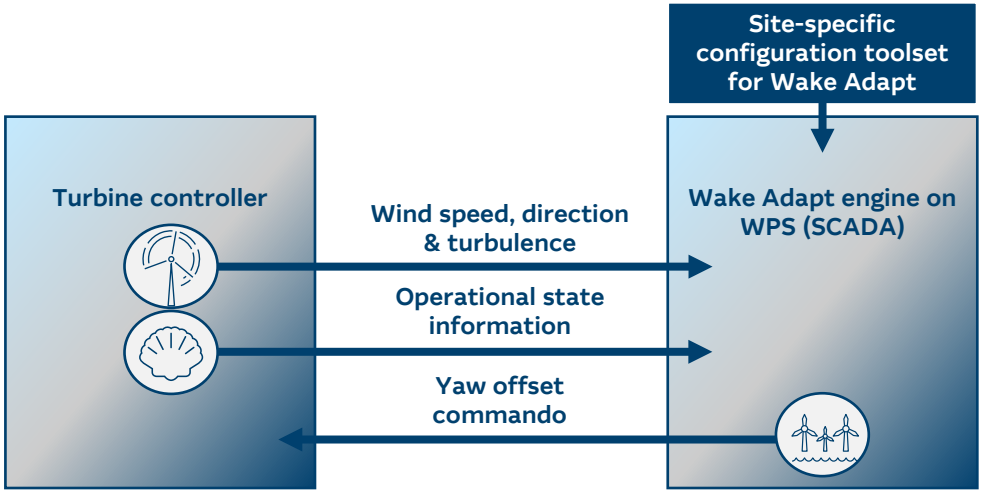
✓ **Potential to retrofit to existing Siemens Gamesa turbines**

Potential generation uplift (MWh)

- Wake Adapt is active when turbines are aligned in the wind direction and the wake of upstream turbines affects the downstream turbines
- Wake Adapt strategically commands offsets of the yaw position of turbines relative to the inflow wind direction
- Wake Adapt is only active at below-rated wind speeds and at low turbulence intensity. This is when we see the most wake effects,
- and when the yaw offsets have only limited effects on the wind turbine structural loads
- The wind turbine controller is equipped with monitoring and controls software that keeps the yaw offsets within a safe envelope
- The solution relies on existing hardware and sensors

Potential generation uplift (GWh p.a.)





Source: SGRE Wake Adapt offering and Wood EYA

Opex (I/II)

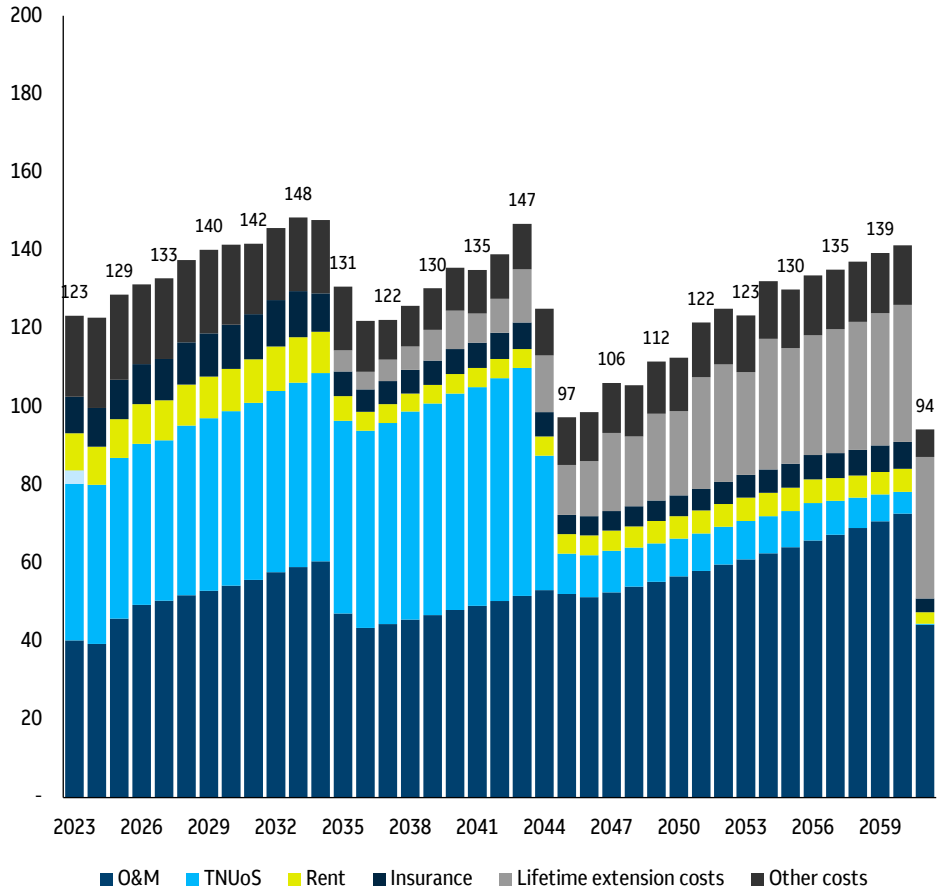
Assumptions

Opex assumptions based on comprehensive due diligence work from market advisors and supported by Wood

Key assumptions

Assumption	Value (£m/year)
TNUoS	
TNUoS local	40.1 (real 2023)
TNUoS wider	AURORA Q1 2023 (real 2023)
BSUoS costs	Nil post Apr-23
O&M costs	
WTG (per WTG)	Until 2025: 0.18 (real 2020) 2025-2030: 0.26 (real 2020) 2030-2035: 0.26 (real 2020) 2035-2056: 0.13 (real 2020)
BoP (per WTG)	Until 2024: 0.09 (real 2018) 2024-2045: 0.07 (real 2018) 2045-2059: 0.01 (real 2018)
Opex contingency (%)	Until 2031: 2.0% 2031-2035: 3.0% 2035-2056: 5.0%
MSA fee	5.00 (real 2020)
Other costs	
Insurance	7.00 (real 2020)
Decommissioning (per WTG)	0.60 (real 2023)

Opex (£m, nominal)



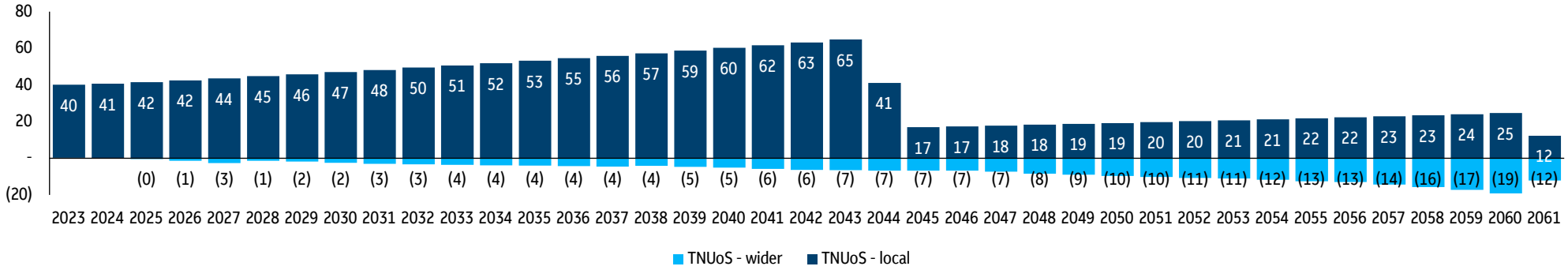
Source: Wood TVDD supported internal analysis.

Opex (II/II)

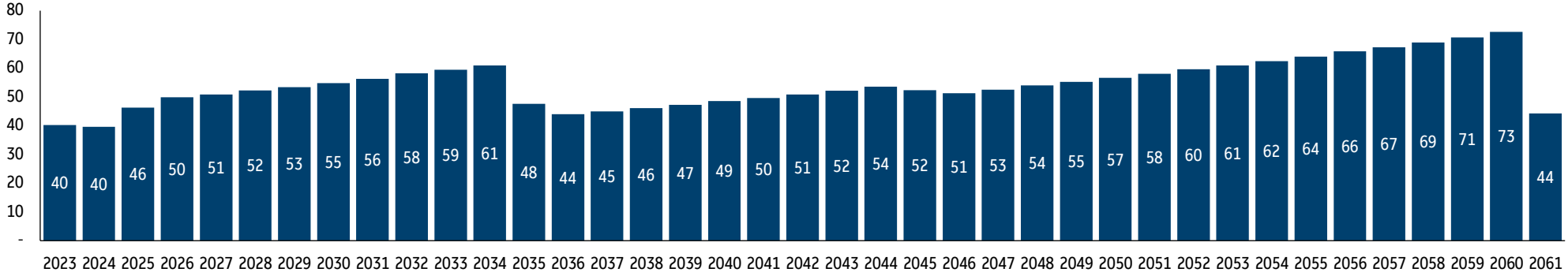
Optimisation

Opex assumptions based on comprehensive due diligence work from market advisors and supported by Wood

TNUoS costs – wider[1] and local[2] (£m, nominal)



O&M costs[3] (£m, nominal)

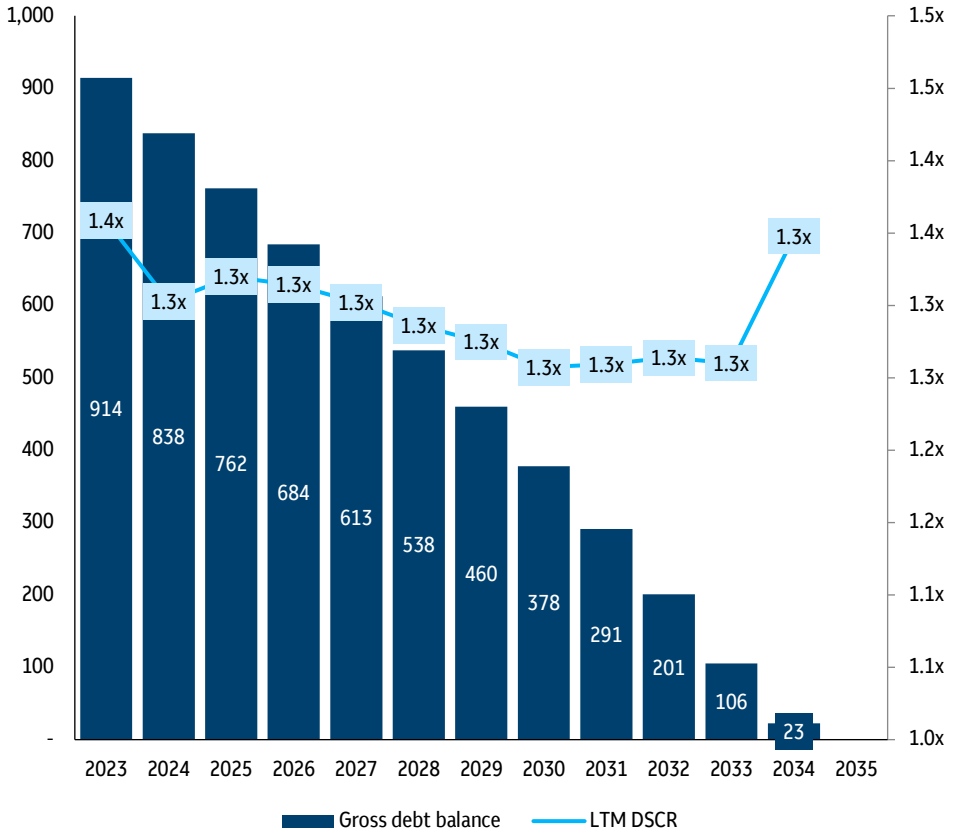


Notes: 1. TNUoS wider forecasts as per AURORA Q1 2023 (real as at 31-Dec-22); 2. TNUoS local costs as per regulator; 3. O&M costs as per Wood-validated inputs
Source: Financial Model

Capital structure optimisation

Capacity to recapitalise the asset post maturity of the current capital structure to better align the financing with the asset life provides for an attractive upside

Current debt repayment profile (£m, nominal - x)



Potential refinancing terms

Potential to realise material value by recapitalising the project post maturity of existing capital structure

Assumption	Value
DSCR sizing	1.50x P90 merchant DSCR
Drawdown date	01-Jul-35
Tenor	15+ years
Base rate	All-in cost of debt of 5.00%
Margins	
Upfront fee	1.50%
Refinancing fee	1.50%

Source: Financial Model

Hedging strategy: CPI and IR swaps

HoldCo entered into CPI and IR swaps in August 2019 in order to reduce its exposure to changes in interest rates and the inflation rate (CPI) that applies to the CfD instrument

Swap details

- **Interest rate swap:** 100% of Interest Rate exposure been managed through a vanilla interest rate swap, with the swaps deep In-The-Money for the Borrower
- **Inflation swap:** CPI risk mismatch between nominal debt service and escalating CfD revenue has been managed through a 100% CPI swap
  - The CPI swap was structured as a combination of an RPI swap and a "wedge" (which transforms RPI into CPI)
  - Effectively HoldCo faces a single, fixed rate of CPI for the notional amount of the swap

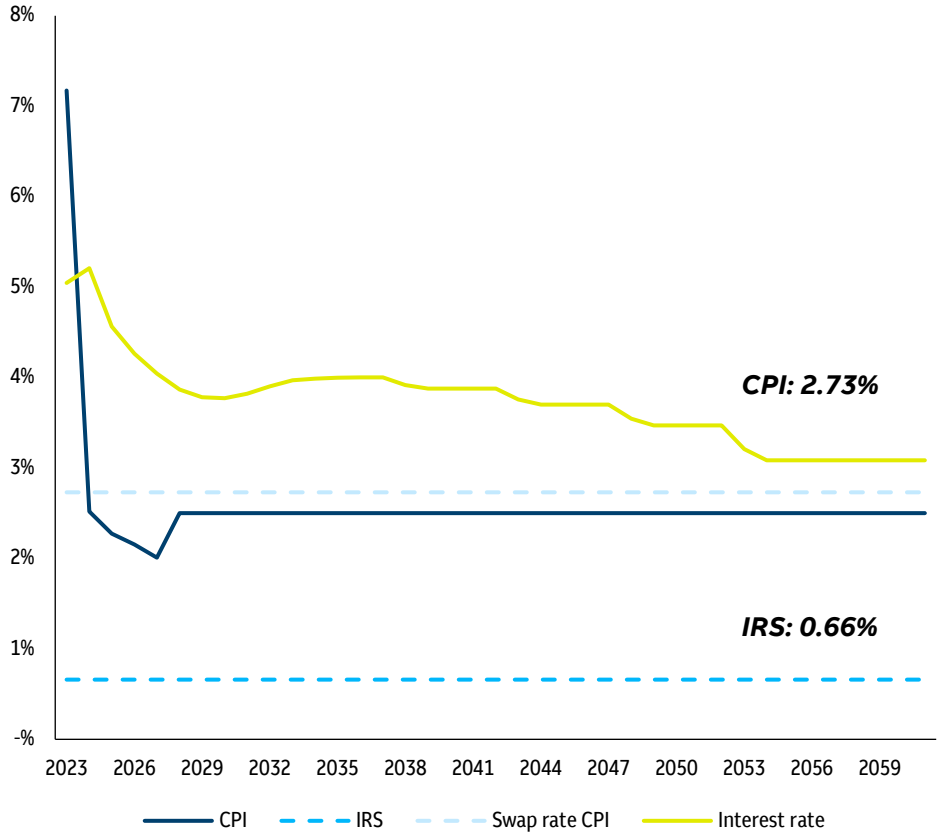
Key pricing terms

Product	Swap Rate	Credit and other charges	All-in-Rate
CPI Swap	2.73%	(0.14%)	2.58%
GF IRS	0.66%	0.11%	0.77%

Allocation of swaps

Bank	CPI swap	Generation IRS
Start date	15-Sep-20	30-Aug-19
End date	15-Mar-35	31-Mar-35

CPI forecast curve

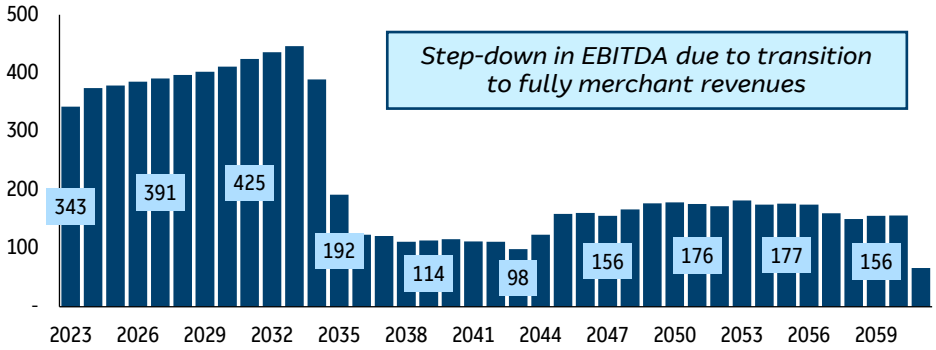


Source: ISDA confirmations

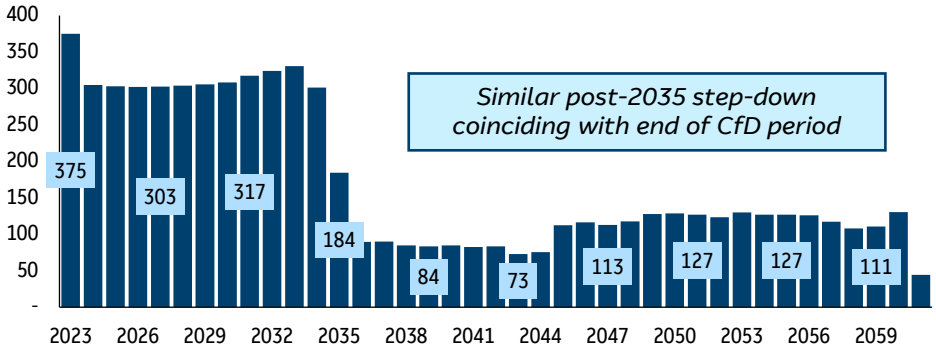
Key financial outputs (I/II)

High CfD strike price and positive merchant price outlook allows for stable cashflows and repayment of existing debt by 2035

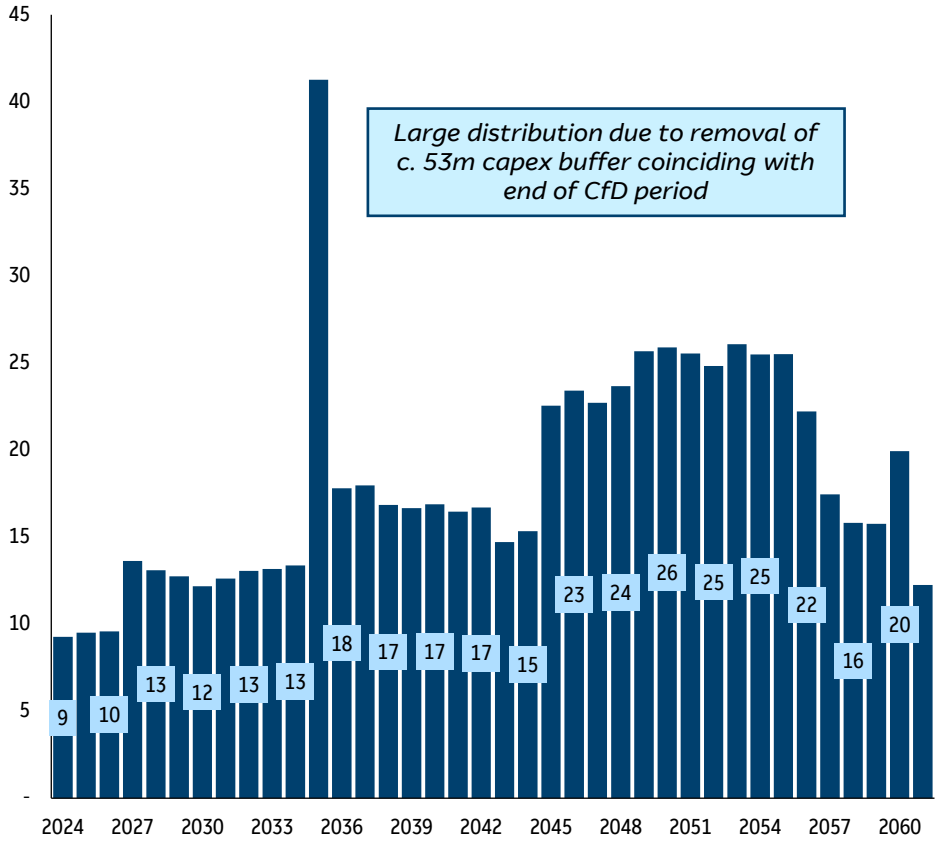
EBITDA (£m, nominal)



CFADS (£m, nominal)



Distributions (£m, nominal)



Key financial outputs (II/II)

Highly attractive forecast financials, with strong FCF generation underpinned by long term CfD at a high price

Highlights

1. Short-term revenue driven by current CfD strike price with increased sustained CPI linkage, leading to strong 100% contracted revenues
   - Revenue growth in the long term underpinned by CPI-indexed merchant power revenues, with power prices conservatively expected to stabilise
2. Opex based on contracts with leading O&M providers, some overall efficiency savings expected in the medium to longer term following contract expiry
   - As the offshore wind industry further matures and technological improvements allow for an enhanced maintenance strategy further savings expected to be achievable
3. Debt to be fully amortised within the end of the CfD period with potential for future refinancing at favourable terms for mature UK OSW
4. Strong FCF cash conversion rates, underpinning straight yields and shareholder return

Summary cash flow waterfall[1] (£m, nominal)

	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
1 Revenue	476	490	498	507	514	525	533	542
2 Opex	(134)	(115)	(119)	(122)	(123)	(128)	(130)	(131)
EBITDA	**343**	**375**	**379**	**386**	**391**	**397**	**403**	**411**
Tax	(27)	(59)	(66)	(73)	(78)	(82)	(86)	(90)
Δ NWC	69	(1)	1	(1)	(1)	(1)	(1)	(2)
Unlevered FCF (100%)	**384**	**315**	**313**	**312**	**313**	**314**	**316**	**319**
3 Debt repayments (40%)	(177)	(47)	(46)	(46)	(47)	(47)	(48)	(49)
Debt interest and fees (40%)	(11)	(5)	(6)	(5)	(1)	(1)	(1)	(1)
FCFE (40%)	**196**	**262**	**262**	**261**	**266**	**266**	**267**	**269**
Distributions for Mar-23 valuation (20%)	-	9	10	10	14	13	13	12
4 *FCF conversion*	112%	84%	83%	81%	80%	79%	79%	78%

Notes: 1 Cash flow summary presented represents stake for sale; FCF conversion = Unlevered FCF/EBITDA
Source: Financial Model

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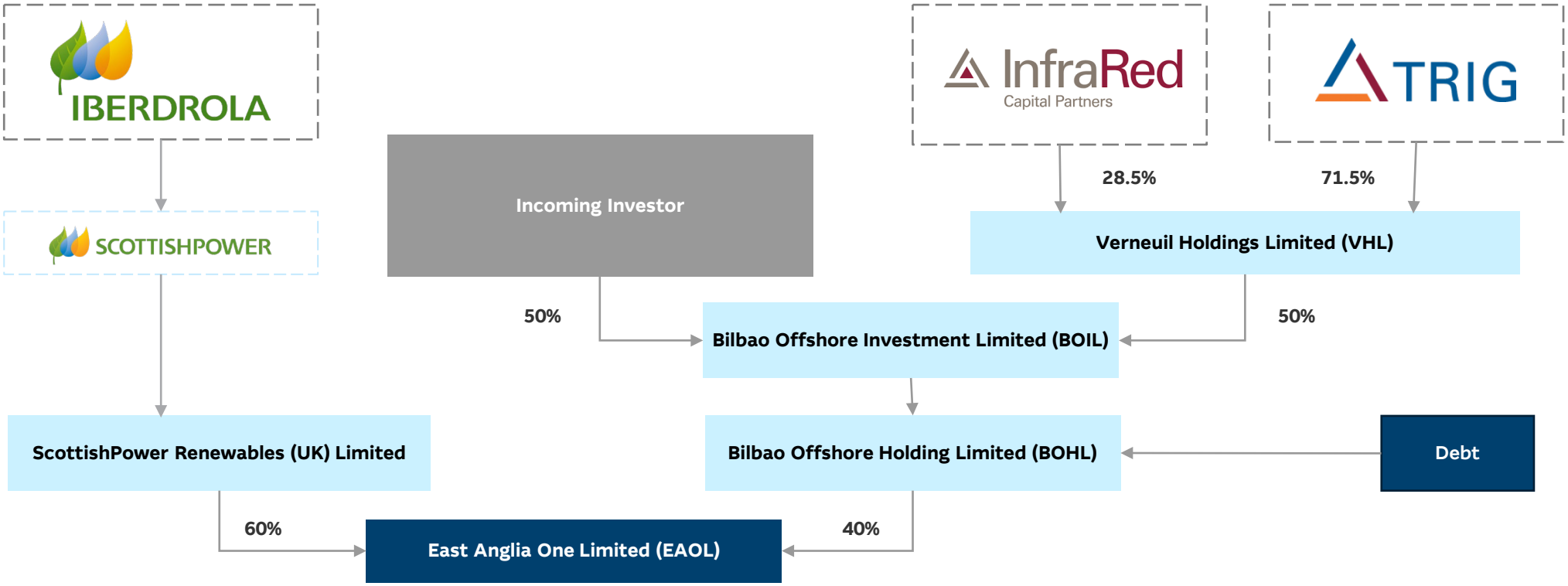
Transaction structure & governance

Governance (I/II)

Remaining 20% stake at the BOIL level to be sold, stake coupled with board representations

Transaction structure



- Incoming investor receives board representation at BOIL level
- Incoming investor can appoint one out of the five directors in Project Co

Source: project information

Governance (II/II)

The SHA between the ProjectCo, HoldCo and SPR sets out strong levels of protection and rights for the incoming investor

Key terms of ProjectCo SHA

Parties	• HoldCo, ProjectCo and ScottishPower Renewables (UK) Limited
Directors	• Each shareholder may appoint one director per 20% shareholding (i.e. 3 directors are appointed by SPR and 2 directors by HoldCo)
Quorum for board meetings	• At least one director appointed by each ProjectCo Shareholder entitled to appoint a director
Reserved Matter decisions	• The approval of HoldCo or a nominated director of HoldCo is required for Reserved Matter decisions, as the ProjectCo SHA requires that such decisions receive either (i) approval of shareholders holding more than 80% of ProjectCo's shares, or (ii) a resolution of the board approved by directors nominated by shareholders holding more than 80% • The Reserved Matters cover customary minority shareholder decisions, providing a veto over decisions which have a material impact on the Project's contractual or corporate structure. See the accompanying governance memorandum for further details.
Protected Reserved Matters	• Certain Protected Reserved Matters require the approval of shareholders entitled to vote on Reserved Matters, even when those shareholders are in default, which (among other things) is a necessary protection for lenders in a 'holdco' financing. See the accompanying governance memorandum for further details.
Deadlock	• Deadlock Matters (which includes Reserved Matter decisions that have been proposed but not passed) are referred to shareholders and thereafter to the Senior Representatives of each shareholder (each shareholder to have appointed one). If not resolved by Senior Representatives, the status quo is preserved
Related Party Matters	• The ProjectCo SHA includes customary Related Party Matter protections, including where ProjectCo is exercising material discretions under the services agreements with the Iberdrola Group (CMA, OMA, MSA and PPA). • See the accompanying governance memorandum for further details.
SPR Lock-in	• Given that SPR is providing essential services to the Project and in order to ensure the good operations of ProjectCo, SPR has a number of restrictions to sell shares • Prior to the 5th anniversary of the Commercial Operations Date, SPR may not make a disposal if such disposal would result in SPR and its affiliates holding less than 25% of the shares in the Company.
Distributions	• All free cash is distributed to shareholders • Distributions from ProjectCo payable on a quarterly basis

Source: project information

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A

APPENDIX

Market overview

UK macroeconomic overview

Macroeconomic environment set in the backdrop of the largest economy in Europe with a positive outlook

Summary

- GDP is estimated to be $3.47 trillion in 2023[1] and the 6th largest economy by GDP
- Population is estimated to be 67 million[2] as of the end of 2022
- The services sector—finance, retail & entertainment—accounts for more than three quarters of the U.K.'s GDP, while manufacturing and production account for less than 21%
- The US is the UK's top trading partner and invested £675bn into the UK in 2021[3]

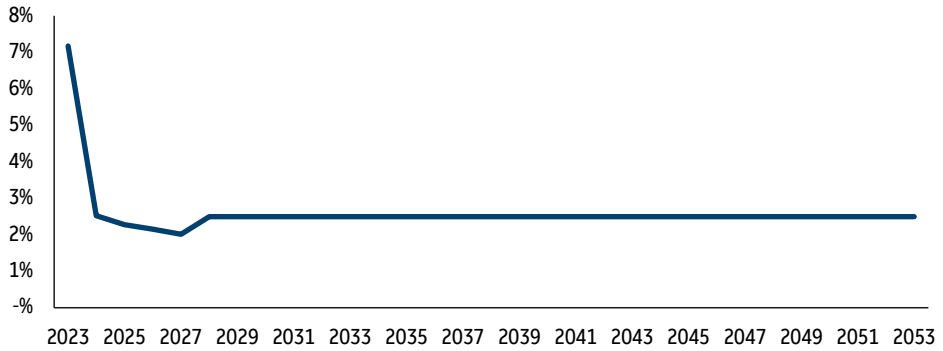
6th largest economy in the world by GDP[1]	**3rd most popular country[3]** for inward investment
HDI of 0.929 (vs. European avg. of 0.896)	**Unemployment of 3.8%[4]** (vs. European avg. of 5.9%)

Sovereign ratings

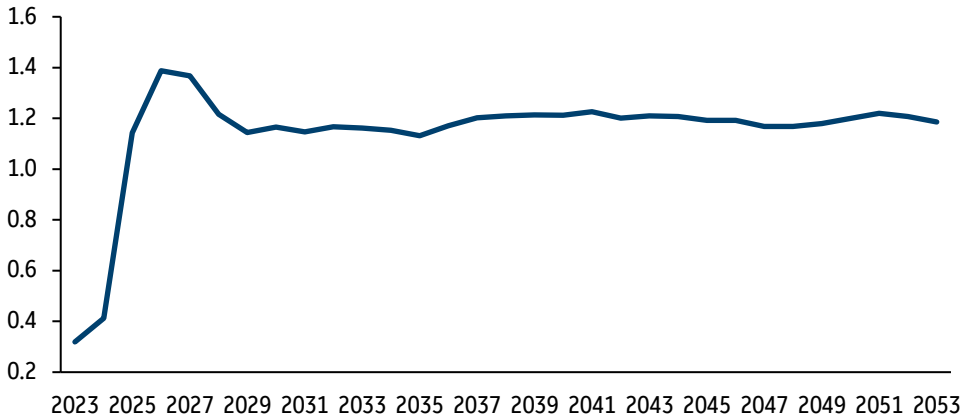
	S&P Global	Moody's	FitchRatings
Long-term rating	AA	Aa3	AA-
Outlook	Stable	Negative	Negative
Date	Apr-23	Apr-23	Jun-23

- The UK's investment grade ratings are supported by an advanced and diversified economy with a strong track record of stable growth, a sound policy framework and deep capital markets

CPI forecasts (%)[1]



Expected real GDP growth (% change)[2]



Notes. 1. World Economics 2. IHS Markit 3. UK Government Factsheet 4. Office for National Statistics

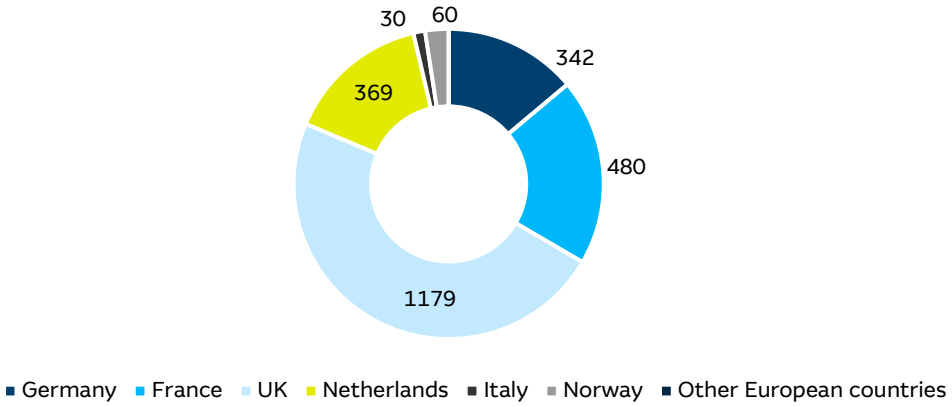
UK Offshore Wind Market

The Offshore wind sector has strong backing from the UK's government and forms a major component of the mandated clean energy targets

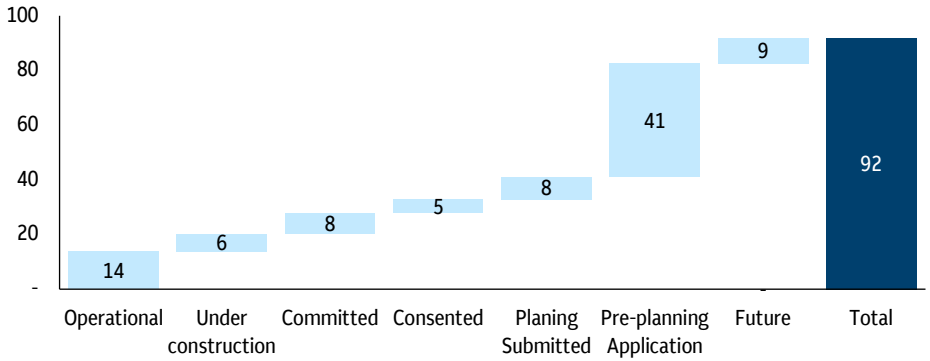
Overview

- Power markets in the UK are a privatised monopoly business regulated by the Office of Gas and Electricity Markets ("Ofgem")
- Electricity demand has grown substantially in the last century and electricity generation was predominantly coal sourced
- In recent years there has been a strong focus on decarbonising energy and the UK government has committed to net zero greenhouse gas emissions by 2050, embedding various initiatives into UK law
- Renewable energy, and particularly offshore wind, has been a key contributor to the decarbonisation of the UK economy, with installed offshore wind capacity growing at 25% since 2010
- Going forward, in order to reach targets legislated by the government, offshore wind will continue to see strong growth and support from the authorities

New OSW installations in Europe per country in 2022(MW)



UK known pipeline of OSW projects (GW)



Initiatives to stimulate OSW growth[2]

Capital Allowance Support: economy-wide capital allowance that benefit OSW projects

OREC (Offshore Renewable Energy Catapult) delivers products and services with industry in research, innovation, and supply chain growth

Funding: £31m government funding and £30m industry match funding in innovative floating OSW demonstration programme

Joule Programme: £5m to OREC and the National Composites Centre to incorporate advanced composites into next generation wind turbine components

Sources: The Crown Estate Offshore Wind Operational Report (Jun-2021).; Offshore Wind Net Zero Investment Roadmap (3) BNEF 2022.

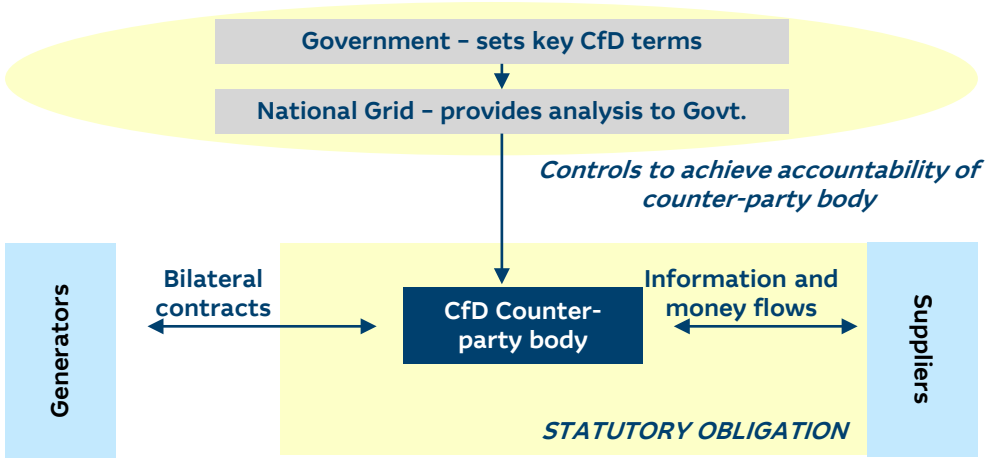
Contracts for Difference (CfD) mechanism

The UK CfD scheme is an established subsidy regime with a long history of providing investors with strong revenue certainty

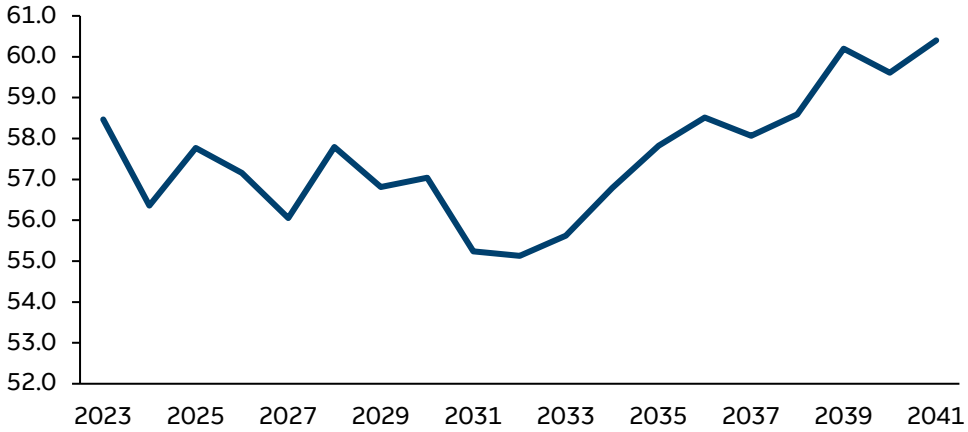
Commentary

- To support new low carbon electricity generation in the United Kingdom, both nuclear and renewable, Contracts for Difference ("CfD") were introduced by the Energy Act 2013, progressively replacing the previous Renewables Obligation scheme
- Contracts for Difference are a system of reverse auctions intended to give investors the confidence and certainty they need to invest in low carbon electricity generation. CfDs work by fixing the prices received by low carbon generators, reducing the risks they face, and ensuring that eligible technology receives a price for generated power that supports investment.
- CfDs can also potentially reduce costs by fixing the price consumers pay for low carbon electricity. This requires generators to pay money back when wholesale electricity prices are higher than the strike price and provides financial support when the wholesale electricity prices are lower.

CfD mechanism[1]



CfD price projections (£/MW)[2]



- Successful developers of renewable projects enter into a private law contract with the Low Carbon Contracts Company ("LCCC"), the private company owned by BEIS.
- The LCCC is counterparty to the contracts awarded in CfD allocation rounds (auctions) and its primary role is to issue the contracts, manage them during the construction and delivery phase and make CfD payments.
- The costs of the CfD scheme are funded by a statutory levy on all UK-based licensed electricity suppliers (known as the 'Supplier Obligation'), which is passed on to consumers.
- Renewable generators located in the UK that meet the eligibility requirements can apply for a CfD by submitting what is a form of 'sealed bid'.
- There have been 6 auctions, or allocation rounds, to date, which have seen a range of different renewable technologies competing directly against each other for a contract.

Source: 1. GOV.UK; 2. LCCC as at 2022

Key Market Stakeholders and Regulators (I/II)

The UK power market is regulated by OFGEM and energy policy is driven by BEIS

Department for Business, Energy & Industrial Strategy

- The UK's energy policy framework is set by the Department for Business, Energy and Industrial Strategy ("**BEIS**"), which is responsible for leading the UK Government's efforts in mitigating climate change, sourcing secure and low-cost energy for end consumers and supporting growth in the UK's energy infrastructure investments.
- The equivalent State department initially implemented the Renewable Obligation Certificate ("**ROC**") regime in 2002 to provide support for all renewable energy generation projects.
- In 2006, the programme was reformed to provide more support for less developed technologies such as offshore wind to encourage their further development.
- In light of the overarching UK Energy Market Reform ("**EMR**"), the ROC regime has been phased out and replaced by the Contract for Difference ("**CfD**") mechanism for all large-scale renewable electricity generation assets.

ofgem

- The European legislation calling for the liberalisation of the EU gas and electricity markets (the "**Third Package**") came into force in September 2009 and required the separation of electricity generation and transmission activities.
- To comply with the Third Package requirements, the UK's Office of Gas and Electricity Markets ("**OFGEM**") developed a new regulatory regime which dictates that the transmission assets of an offshore wind farm must be sold to an independent Offshore Transmission Owner ("**OFTO**") within 18 months of the offshore wind farm becoming fully commissioned.
- OFGEM administers the competitive tender process through which offshore transmission licences are granted to the OFTOs. The OFTO will pay the Transfer Value to the developer upon transfer of the assets to the OFTO.
- The Transfer Value is determined by OFGEM on the basis of the economic and efficient costs which ought to have been incurred by the developer in connection with development and construction of the transmission asset.

Sources: Department of BEIS Website; Ofgem Website

Key Market Stakeholders and Regulators

The UK Crown Estate owns and manages the UK seabed overseeing licensing of offshore wind farms and issuing seabed leases

LOW CARBON CONTRACTS COMPANY

- The Low Carbon Contracts Company ("**LCCC**") was established to be the counterpart to CfD, the incentive designed by Government to bring forward the investment needed to sustainably deliver the UK's goals for renewable and other low carbon electricity.
- Its mission is to build confidence in electricity market reform through effective commercial delivery and continuous improvement.
- LCCC's primary role is to manage CfD with low carbon generators throughout their lifetime, which involves management of the contracts as well as the Supplier Obligation Levy that funds CfD payments.
- Critical to these functions is power price forecasting and settlement activities. In all of its operations, LCCC is led by its guiding principle to "maintain investor confidence in the CfD scheme and minimise costs to consumers".
- LCCC also runs Capacity Market settlement operations on behalf of the ESC.

THE CROWN ESTATE

- The Crown Estate ("**TCE**") owns and manages the UK seabed out to the 12 nautical mile territorial limit and plays a major role in the development of the UK offshore wind energy industry.
- Under the Energy Act (2004) TCE have responsibility for renewable electricity generation within the UK Economic Exclusive Zone which extends to the limits of the UK continental shelf.
- TCE oversaw a series of licensing rounds during which developers competed for up to 50-year seabed leases.
- In a similar capacity, the Scottish Government has also been overseeing a development programme in Scottish Territorial Waters, providing potential for over 9 GW capacity across 15 sites for which a tender has been recently launched.
- In England, The Crown Estate has now awarded rights totalling 41 GW. In January 2023 only, it signed Agreements for Lease for 6 offshore wind projects (8 GW potential).

Sources: Low Carbon Contracts Company and The Crown Estate

UK renewables regulatory timeline

The UK's offshore wind market benefits from a binding government commitment to renewable energy and a stable regulatory framework

1. In 2007, the European Commission ("**EC**") published the Renewable Energy Roadmap, which proposed a legally binding target of 20% of the EU's energy consumption (heat, fuel and electricity) to be provided from renewable energy sources by 2020.
2. To meet this target, the EU Renewable Energy Directive (Directive 2009/28/EC) allocated individual targets for each EU Member State.
3. Under this Directive, the UK committed to source 15% of its final energy consumption from renewable sources by 2020.
4. Given that the UK had limited scope to increase its usage of renewable heat or fuel, the UK Government estimates that c.30% of the UK electricity would be sourced from renewable sources by 2020 to meet its commitment.
5. The UK Government had further committed to reducing greenhouse gases by 100% by 2050 (compared to the 1990 baseline levels) via the Climate Change Act that was passed in 2008.
6. The Climate Change Act also required the UK Government to set legally binding 'carbon budgets'.
7. In June 2019, the UK became the first G7 Economy to pass laws to achieve net zero greenhouse gas emissions by 2050. Thus, its initial 80% target has now been updated to bring all greenhouse emissions to net zero by 2050.
8. The UK initiated the OSW Net Zero Investment Roadmap, with the aim of establishing 50GW of offshore wind generation by 2030, to drive the transformation of OSW generation, making it an integral part of a low-cost, low-carbon, grid system and boost productivity and competitiveness of the UK supply chain.
9. This plan includes an industry investment of up to £160 million in the sector and the design of an Investment zones programme to empower local places and grow the economy that will benefit from tax exemptions. Capital allowances support have been announced in 2023 to encourage OSW investments.
10. These targets continue to drive development and encourage expanding the scale of offshore wind projects, since offshore wind is the one of the few technologies with the potential to deliver the scale required to reach these goals.

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APPENDIX

Co-Shareholders

Co-Shareholder overview

TRIG

TRIG is the UK's largest listed investor in the renewable sector displays both strong financial metrics and a committed strategy

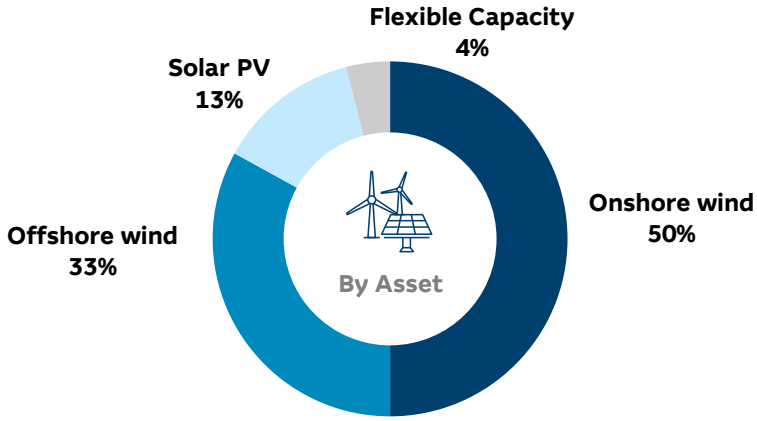
Overview

Company snapshot	• London-listed investment company aiming to generate sustainable returns and contribute towards a net zero carbon future • £3.7bn portfolio comprising of onshore and offshore wind farms as well as solar parks across Europe
Total assets	• €2,718m
Market cap	• €3.0bn
Credit rating	• A- (S&P)

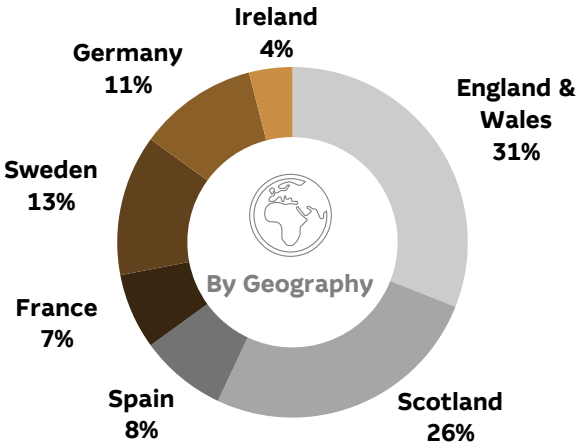
TRIG portfolio highlights

- *2GW of installed renewable energy and 541 MW in construction*
- *Revenue underpinned by high levels of contracting, ensuring financial stability and predictability*
- *Elevated power prices and high inflation protection solidifying cashflows*

Portfolio composition by value



TRIG



Source: Company filings & website

Co-Shareholder overview

ScottishPower / Iberdrola (I/II)

Iberdrola is one of the world's largest developer and owner of windfarms globally, with ScottishPower part of the group and focusing on offshore wind field

Overview

Company snapshot	• ScottishPower UK focuses on the generation, transmission and distribution of electricity, energy management and electricity and gas supply across the UK • Iberdrola is a leader in energy transition with a portfolio capacity of 90 GW and 40 GW of clean energy
Total assets	• **IBD:** €154,664m; **SP:** €22,116m
Market cap	• **IBD:** €3.0bn
Credit rating	• **IBD:** BBB+ (S&P); **SP:** BBB+ (S&P)

Power snapshot

c.£8,435m revenue

41 Wind farms

60 GW Installed Capacity

£930m Capital Investments

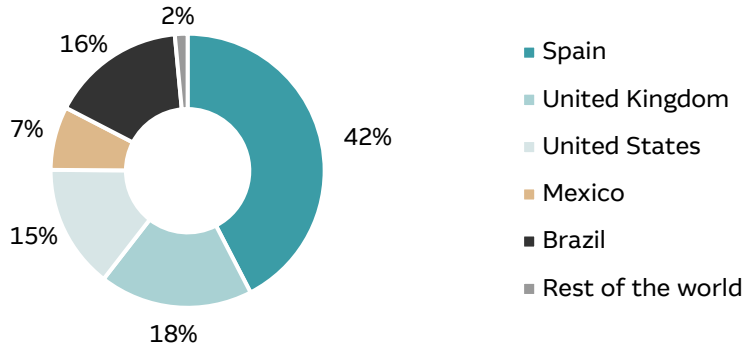
IBERDROLA

SCOTTISHPOWER

Key strengths

- Net zero in Scope 1,2 and 3 before 2040
- Recruitment drive: 1000 people in green infrastructure
- 5.9GW pipeline
- £6.7bn clean energy investment between 2023 & 2025

Assets' geography by revenue FY2022



Source: Company filings & website

Co-Shareholder overview

ScottishPower / Iberdrola (II/II)

ScottishPower is a leader in the offshore wind field with fully operating farms and farms that are in development

Offshore wind plan

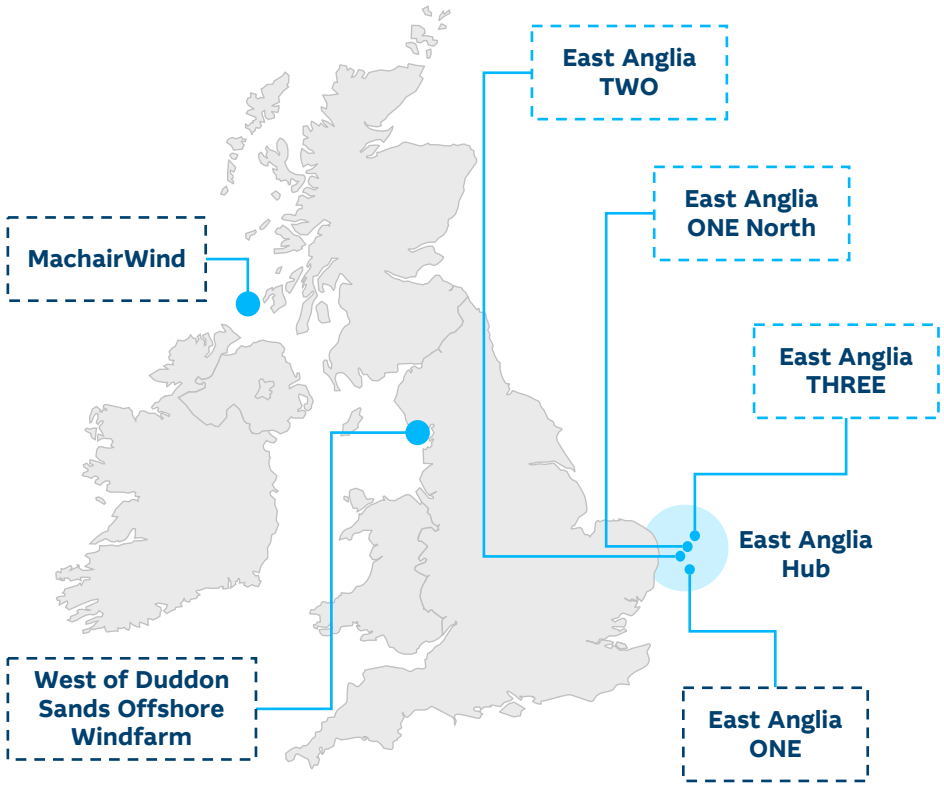
- Focuses on the delivery of projects in the UK market by operating West of Duddon Sands and East Anglia ONE projects and continue to develop East Anglia Hub
- The 389 MW West of Duddon Sands project in the East Irish Sea is a 50/50 joint arrangement with Orsted
- Proposing to construct its future offshore windfarms, East Anglia THREE, East Anglia TWO and East Anglia ONE North, as a new 'East Anglia Hub'
- The EA3 project secured three CfDs in Allocation Round 4 in July 2022 which makes a major contribution toward the UK Government's ambition of 50 GW of offshore wind by 2030. Consents were granted for EA1 North and EA2 on 31 March 2022

East Anglia Hub

Up to 263 turbines	Power up to 3.1GW and 2.7m homes powered	1.4GW EA3 could contribute majorly towards UK 50GW goal by 2030	Anglia ONE produces 714MW and power >630k homes

Offshore wind farm locations

Developed Developing



Source: Company filings & website

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APPENDIX

Glossary

Glossary

Term	Definition
AEP	Annual Energy Production
BEIS	Department for Business, Energy and Industrial Strategy
BoP	Balance of Plant
BSUoS	Balancing Use of System
CfD	Contract for Difference
CMA	Construction Management Agreement
COD	Commercial Operation Date
CPI	Consumer Price Index
DSCR	Debt Service Coverage Ratio
DSRF	Debt Service Reserve Facility
EA1	East Anglia 1
EC	European Commission
ESC	Electricity Settlements Company
FC	Financial Close
FY	Financial Year
GIG	Green Investment Group
IHS	IHS Markit (information provider)
IPT	Insurance Premium Tax
IRS	Interest Rate Swap
LC	Letter of Credit
LCCC	Low Carbon Contracts Company
MSA	Management Services Agreement
MtM	Mark-to-Market

Term	Definition
NPV	Net Present Value
O&M	Operations and Maintenance
OFGEM	Office of Gas and Electricity Markets
OFTO	Offshore Transmission Owner
OFTO TL	Offshore Transmission Owner Term Loan
OSA	Operational Services Agreement
OSW	Offshore Wind
P&L	Profit and Loss
PPA	Power Purchase Agreement
RCF	Revolving Credit Facility
RO	Renewable Obligation
RPI	Retail Price Index
SGRE	Siemens Gamesa Renewable Energy
SHA	Shareholder Agreement
SMA	Service and Maintenance Agreement
SPA	Sale and Purchase Agreement
SPR	ScottishPower Renewables UK
SPV	Special Purpose Vehicle
TCE	The Crown Estate
TNUoS	Transmission Network Use of System
WC	Working Capital
WTG	Wind Turbine Generators

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