

RNS Intention to Float

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ATRATO ONSITE ENERGY PLC

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A copy of any Prospectus will, following publication, subject to certain access restrictions, be available for inspection on the Company's website: www.atratoroof.com and at the Company's registered office and will be made available for viewing at the National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

25 October 2021

Atrato Onsite Energy plc

(LON: ROOF)

Intention to Float

Atrato Onsite Energy plc (the "**Company**"), a new closed-ended investment company established to invest in a diversified portfolio of onsite renewable energy assets, today announces its intention to launch an initial public offering ("**IPO**").

The Company is seeking to raise target gross issue proceeds of £150 million through the issuance of new ordinary shares in the Company by way of a Placing, Offer for Subscription and Intermediaries Offer and will apply for those shares to be admitted to the Official List of the Financial Conduct Authority and to trading on the premium segment of the London Stock Exchange's main market.

The Company is targeting an annualised dividend of 5 pence per share for the first and second financial years following the IPO and will seek to grow the dividend progressively thereafter. The Company will target an annual total return of 8 - 10 per cent. in the first financial year following the IPO and over the medium term. ¹

The Company expects to publish a prospectus on or around 1 November 2021 and to close the IPO by the end of November 2021. The Company will trade under the ticker "ROOF".

Alvarium Securities Limited ("**Alvarium Securities**") is acting as Global Co-Ordinator, Sole Bookrunner, and Intermediaries Offer Adviser to the Company.

KEY INFORMATION

The Company's investment objectives are to:

- deliver capital growth together with long-term, secure and progressive income for investors with limited exposure to wholesale power prices;
- contribute to the UK's net zero transition; and
- integrate ESG best practice with a focus on adding new renewable energy capacity and onsite clean energy solutions.

The Company will seek to achieve its investment objectives by primarily investing in behind-the-meter solar photovoltaic ("**solar PV**") generation systems and associated infrastructure, predominantly located on the roofs of commercial buildings.

These systems will be commercialised through long-term, indexed power purchase agreements with the occupiers of the industrial and commercial properties on which the assets are installed. The generation of green energy directly at the

point of use brings economic savings, avoids grid losses, provides traceability of supply, enables the creation of additional renewable energy capacity and reduces greenhouse gas emissions.

HIGHLIGHTS

- **Differentiated strategy dedicated to onsite energy:** The only investment company focussed on onsite green energy generation, providing new renewable energy capacity with 100 per cent. carbon traceability to industrial and commercial counterparties.
- **Low power price sensitivity:** Significantly lower exposure to wholesale power prices versus peers, providing investors with a secure and progressive dividend (annualised 5 pence per share in the first financial year following IPO) underpinned by long-term, fixed price power purchase agreements with indexed uplifts.
- **Capital growth:** Delivered through origination premiums (driven by creating new project opportunities) and through the application of conservative leverage to reduce the project-level cost of capital (targeting average leverage of <40 per cent. of gross asset value).
- **Extensive pipeline of potential acquisition opportunities:** Totalling over £300 million, of which £50 million is under exclusivity with Atrato Partners Limited ("Atrato"), with the IPO target net initial proceeds expected to be deployed and/or committed within 12 months from IPO.
- **Committed to being an ESG leader:** The portfolio is projected to save 50,000 tonnes of CO2 equivalent per annum. Expected to qualify for the London Stock Exchange's Green Economy Mark from IPO, recognising that the Company will derive 50% or more of its annual revenues from products and services that contribute to the global green economy.
- **Experienced board and investment adviser:** Board of three independent non-executive directors, chaired by Juliet Davenport OBE, founder of Good Energy plc. The Company is externally managed, with Atrato as investment adviser. Atrato's experienced, dedicated team has c. 50 years of combined renewable energy experience and has worked on over 300 solar rooftop installations. The team brings an extensive network of senior corporate relationships, driving privileged access to deal flow.

STRATEGY SUPPORTED BY A STRONG MACRO BACKDROP

- **Net zero emissions target by 2050:** The UK has committed to a national "net zero" emissions target, aiming to reduce greenhouse gas emissions by at least 100 per cent. of 1990 levels by 2050, with a recently proposed interim target of a 78 per cent. reduction by 2035. By 2050 all generation is projected to come from low carbon capacity technologies.
- **Electricity demand forecast to double:** The UK is forecast to need twice as much electricity in 2050 versus 2019, driven by the requirement to decarbonise primary energy consumption such as heating, which makes up more than a third of total UK greenhouse gas emissions, and transport, which accounted for 27 per cent. in 2019.
- **Solar is a key part of the solution:** The forecast growth in electricity demand and requirement to reduce greenhouse gas emissions means that new low or zero carbon sources of power generation are essential.
- **Corporate sustainability goals:** Corporates are under pressure to achieve sustainability goals and the use of zero carbon electricity is a fundamental contributor to their emissions reductions. 45 per cent. of the FTSE 100 have committed to net zero or carbon neutrality and many have targets ahead of the UK's national timeframes.
- **Traceability of supply:** Unlike other methods of renewable energy procurement, such as green-badged supply via public power grids, onsite generation delivers full traceability of the carbon footprint of electricity actually consumed, thereby avoiding concerns around "green-washing".

Juliet Davenport OBE, Chair of Atrato Onsite Energy plc, commented:

"The UK's binding net zero emissions target in 2050 and the resulting future demand for green energy means that additional generation from low carbon sources such as rooftop solar is growing. The Company will play a leading role in providing new green power capacity, delivering businesses a dedicated clean energy supply at a low fixed cost.

The Atrato team have a proven track record in renewable energy investments and building infrastructure, which is why I'm very excited to be part of this compelling project as Chair. The Company is expected to receive the London Stock Exchange's Green Economy Mark, providing a confidence that the fund will have a material contribution to the global green economy."

Gurpreet Gujral CFA, Managing Director, Atrato commented:

"Rooftop solar PV, and other onsite energy generation assets, have a number of unique and attractive features. These include allowing corporates to directly reduce their carbon footprint whilst reducing their energy bills. They can also provide investors with a stable income stream with limited exposure to the wholesale energy market.

We are excited to launch the first listed investment company with a dedicated onsite energy generation strategy. We look forward to deploying the net proceeds of the IPO into an identified pipeline of acquisition opportunities, totalling over £300 million, within 12 months from IPO. In the first financial year, the Company aims to deliver an annualised dividend of 5 pence per share, part of a target total return of 8-10 per cent."

ENQUIRIES

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ADDITIONAL INFORMATION

Investment Adviser

The key individuals responsible for executing the Company's investment strategy are:

- **Gurpreet Gujral CFA, Managing Director, Renewable Energy**

Gurpreet has more than 15 years of renewable energy experience, including seven years with the Macquarie Group where he worked in the principal investment team at the Green Investment Group (GIG) and in the equities business as the lead renewable energy analyst. At GIG Gurpreet worked across the full spectrum of renewable energy assets, including over 1GW of generation capacity within the solar PV, onshore wind, offshore wind and waste to energy sectors. Gurpreet has a MSc in Sustainable Urban Development from the University of Oxford.

- **Francisca Wiggins, Director, Renewable Energy**

Francisca has over 10 years of experience in the renewable energy sector. Francisca was instrumental in the financing and build of the world's largest tidal stream energy array, MeyGen, and has extensive transaction experience in development and acquisition of energy assets in her role as the Commercial Director for an AIM-listed renewable energy project developer. Francisca has a Master's degree in Mechanical Engineering with Renewable Energy from the University of Edinburgh.

- **Jon Ashford, Head of Engineering, Renewable Energy**

Jon has over 15 years of experience in the sector having spent 9 years as the Head of Engineering, Energy and Sustainability in the Sainsbury's property division, where he was responsible for carbon reduction planning and the application of renewable energy across the Sainsbury's portfolio. Before this, he spent seven years in the Tesco property division, latterly as the Head of Engineering and Energy. Most recently, Jon has served as the Director of Operations for a provider of electric vehicle rapid charging services.

- **Ben Green, Principal**

Ben is a principal of the Atrato group and responsible, with Steve Windsor, for leading the development and execution of the firm's long-term strategy.

Ben has over 20 years of experience structuring and executing real estate transactions, having completed more than £3.5 billion of sale and leaseback transactions with major occupiers including Barclays, the BBC and Tesco.

Ben qualified as a lawyer in 1997 and began his career at Wilde Sapte and Linklaters LLP. He left law in 2000 and has since spent his banking career at Barclays, Goldman Sachs (where he was Managing Director, European Head of Structure Finance), and most recently Lloyds Bank Commercial Banking where he was Managing Director, running a team providing corporate finance services to corporate, infrastructure and commercial real estate clients. Ben studied jurisprudence at The Queen's College, Oxford.

- **Steve Windsor, Principal**

Steve is a principal at Atrato and responsible, with Ben Green, for leading the development and execution of the firm's long-term strategy.

Steve has over 20 years' experience specialising in finance and risk management. Steve spent 16 years at Goldman Sachs, becoming a partner in 2008, and headed Goldman Sachs' European, Middle East and African Debt Capital Markets and Risk Management businesses from 2010 until 2016. Steve has helped and advised a number of FTSE 100 companies on how to finance their business and manage risk. Steve started his career in the Global Trading Division of JP Morgan Chase in 1998 and has a Master's in Engineering from the University of Southampton.

- **Lara Townsend, Chief Operating Officer and Managing Director for Origination**

Lara joined Atrato in 2018 and is responsible for the group's corporate development activities and oversees operations in her position as COO. She has more than 20 years' experience of infrastructure and asset finance.

During her time at Atrato she has led on the development and execution of the firm's private mandate activity and the associated acquisition processes. She also has responsibility for the establishment and integration of the group's ESG strategy, alongside the CFO, and manages the team's compliance and legal function. Prior to joining Atrato she was a director within Lloyds Bank's capital markets division, where she focused on the provision of funding for real estate and infrastructure projects. Lara studied Economics and Business Studies at the University of Edinburgh.

- **Natalie Markham, Chief Financial Officer**

Natalie is the Chief Financial Officer for the Atrato group and is responsible for the management of its finance function, including for the supermarkets investment fund. Natalie has over 20 years' experience in real estate finance and accounting, having held senior management and financial management positions in real estate investment companies.

Natalie spent 8 years as Chief Financial Officer at Macquarie Global Property Advisors Europe, where she was also a member of the MGPA European management team and a director of the MGPA European advisory business. Natalie was involved in the development of business strategy and financial planning, and responsible for all aspects of the financial management of the business.

Natalie qualified as a chartered accountant in 2000 and is a fellow of the Institute of Chartered Accountants of England and Wales.

Board of Directors

The Company has an independent Board comprising three independent non-executive directors as follows:

- **Juliet Davenport OBE, Chair**

Juliet was awarded an OBE in 2013 for services to renewables and has spent her entire career in the energy sector creating solutions to combat climate change.

In 1998, Juliet founded the AIM-listed company Good Energy plc, a 100% renewable energy utility specialising in decentralised small-scale renewables. In her role as CEO she oversaw its growth to a £130 million turnover business, including developing over 100MW of renewable assets. Juliet stepped down as CEO in 2021, moving to a non-executive board director role and chairing the Good Energy subsidiary, Zap-Map.

Juliet has a wealth of non-executive and advisory experience. She serves on the board of the Crown Estate and supports its integration of sustainability across the organisation together with the development of renewables on Crown property. She is also a council member of Innovate UK.

Juliet has had various appointments with academic organisations and think tanks focusing on sustainability and innovation, including the University of Wales, Grantham Institute at Imperial College and London School of Economics, and the Smith School of Enterprise and the Environment at the University of Oxford.

- **Marlene Wood, Chair of Audit Committee**

Marlene is a chartered accountant with extensive experience in investment trust governance. She has held senior board positions across a broad range of both private and public companies. Marlene is currently a non-

executive director and chair of the audit committee for RM Infrastructure Income PLC, Home REIT PLC and GCP Student Living PLC.

Marlene was formerly deputy chair and finance committee chair for the Scottish Funding Council for Further and Higher Education. She spent 20 years with the Miller Group, a major UK property business, predominantly as finance director for Miller Developments, the property development and investment arm, and latterly as group accounting and treasury director.

- **Faye Goss, Non-Executive Director**

Faye has extensive experience as a property lawyer and senior business adviser. She trained as a real estate solicitor and worked for both CMS and Brian Cave Leighton Paisner LLP.

Faye spent over 11 years at Tesco PLC where she led Tesco's group property legal function with responsibility across its international and domestic property portfolio. Faye's responsibilities included oversight of elements of Tesco's carbon reduction commitments such as the roll-out of solar panels across the estate and the associated offtake arrangements. Faye also led and implemented group-wide risk management and governance processes. Prior to leaving Tesco, Faye held the role of Group Corporate and Property Legal Director with accountability encompassing legal oversight of group finance, M&A and group procurement.

¹ The target returns are targets only based on certain assumptions which may or may not materialise and are not profit forecasts. There can be no assurance that these targets can or will be met or that any capital growth or distributions will be achieved

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