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PALISADE AGREES TO ACQUIRE 50% INTEREST IN MACARTHUR WIND FARM



Palisade Investment Partners (Palisade) is pleased to announce it has reached an agreement to acquire a 50% interest in Macarthur Wind Farm. The acquisition is being made on behalf of investors in Palisade's Renewable Energy Fund (PREF). First Sentier Investors will be a co-shareholder in the Project via its portfolio company, Atmos Renewables.

Macarthur Wind Farm (**Macarthur**, the **Project**) is located in south-western Victoria and is comprised of 140 x Vestas V112-3.0 MW wind turbines. The Project is capable of generating 420MW of energy, equivalent to providing power to over 181,000 homes per year.

Macarthur has been operating since 2013, with energy and green products generated by the Project contracted to AGL under a Power Purchase Agreement until 2038. AGL is one of Australia's leading energy retailers.

Palisade and First Sentier Investors have acquired their interest in Macarthur through their existing co-investment in the Granville Harbour Wind Farm (**GHWF**), where Palisade managed late-stage development and construction of the wind farm prior to its commissioning in early 2020. Operational management is now being undertaken by Palisade Integrated Management Services (**PIMS**), who will provide contractual and technical oversight of GHWF's interest in Macarthur through an expanded GHWF asset management agreement.

The investment in the Project will see the total generation capacity of Palisade's renewable portfolio surpass its initial 1GW target level, with the energy generated from the portfolio enough to power over 530,000 homes and abate over 2.0 million tonnes of CO₂ per year.

Roger Lloyd, CEO of Palisade said: "We are delighted to secure this high-quality renewable energy investment on behalf of our clients, while also reaching the initial 1GW target we set out to achieve at the commencement of the fund. Having reached this initial milestone, we continue to pursue high quality renewable energy investments and participate in the ongoing transition to clean energy."

Another feature of the acquisition is a portfolio financing structure utilising a common debt facility secured against both GHWF and Macarthur, providing optimised investment returns across the combined entity.

Simon Parbery, Executive Director at Palisade said "Macarthur is an attractive asset providing investors with exposure to fixed, long-term, contracted cashflows that are not exposed to volume or price risk. These features, in combination with Palisade's bespoke acquisition structure, provide PREF investors with increased fund level returns and improved downside protection across the combined portfolio."

PREF invests in both operational and late-stage development renewable energy assets in Australia. The fund aims to provide investors with diversified exposure to assets across geography, technology and revenue source. PREF's total return since inception to November 2021 was 11.5% p.a. including income returns of 7.3% p.a.

Senior debt financing was provided by a bank consortium comprising MUFG Bank Ltd as Mandated Lead Arranger, Underwriter and Bookrunner and Mizuho Bank Ltd, Industrial and Commercial Bank of China and DBS Bank Ltd appointed as Mandated Lead Arranger.

Transaction completion is expected to occur by February 2022.

Macquarie Capital acted as financial adviser, White and Case as legal advisor and Clayton Utz as tax advisor to Palisade and First Sentier in relation to the transaction.

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About Palisade Investment Partners

Palisade is a specialist, independent infrastructure manager that provides institutional and wholesale investors with access to Australian infrastructure projects through tailored portfolios and co-mingled funds. Palisade's multi-disciplinary and experienced team focuses on attractive mid-market assets that are essential to the efficient functioning of the communities and economies they serve.

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