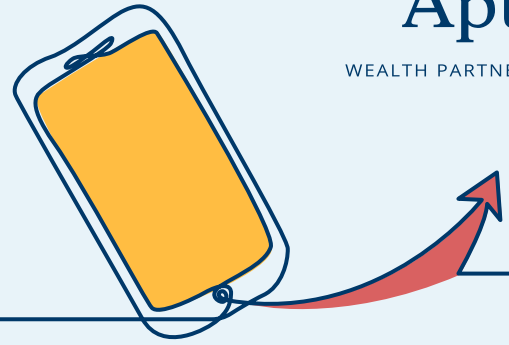


Q&A



Investing in the **age of AI**

We had a lot of fantastic questions during the webinar. We couldn't cover everything during the session, below are Nick Langley's answers to questions that were missed.

How can renewables ever support such volume of power?

Crazy to respond with a tweet, but here it is:



Shall we see Energy generators and data centre operators merge and move away from supplying domestic markets forcing de-carbonisation to govt/public generators?

Unlikely, many of the generators are regulated and any facility that connects to the grid becomes subject to elements of the regulation. The Behind the Meter (BTM) deals, where the datacentre plugs directly into the generating facility and therefore does not connect to the grid, I mentioned, are facing some pressure from regulators and the community. I think ultimately the Hyperscalers will be forced to

pay above market rates for power/grid connection and will subsidise households. Of course, they will pass on these costs by way of higher data charges, streaming costs and fees for access to their AI models...

How does the current rate cycle impact the cost of capital for your underlying portfolio companies, and how will it affect the asset's value and their funding of growth going forward?

The financing costs are generally passed through to customers under regulatory arrangements. As such these companies are highly sought-after clients of banks and bondholders!

We have not seen any impact for the regulated companies. The one area that took a hit last year was Renewable companies, where they had negotiated their revenue contracts (long-term power offtake agreements) in 2020 and 2021 but had not yet locked in financing. They will have a bit of a margin squeeze and some projects have been delayed, but we are seeing that cycle begin to turn, and the companies will likely do well in 2025 and beyond.

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