



Media Release

RAM Ratings affirms AA₃ rating of reNIKOLA Solar's ASEAN Green SRI Sukuk

RAM Ratings has affirmed the AA₃/Stable rating of reNIKOLA Solar Sdn Bhd's RM390 mil ASEAN Green SRI Sukuk Programme, reflecting the solar portfolio's stable operating performance and resilient cash flow coverage under RAM's sensitised assumptions.

The rating is underpinned by the healthy energy output and consolidated cashflow generation of three solar photovoltaic (PV) plants (the Plants) with a combined capacity of 63.912 MWac. The Plants are owned by the issuer's sister companies (the Project Companies) and benefit from long-term power purchase agreements with Tenaga Nasional Berhad (issues rated AAA/Stable by RAM), the sole offtaker, which limits revenue counterparty risk.

Project Company	Commercial Operation Date	Location	Plant Capacity (Mwac)
RE Arau Sdn Bhd	Mar-18	Perlis	3.996
RE Gebeng Sdn Bhd	Jan-20	Pahang	29.916
RE Pekan Sdn Bhd	Jun-21	Pahang	30.000

The Plants have consistently outperformed expectations, with consolidated NEO of 131,099 MWh in 2025 exceeding RAM's sensitised projection of 123,021 MWh (+6.6%) and the PPAs' minimum requirement of 70% of DAQ (+33.8%). Lower output from the Arau (-3%) and Gebeng (-5%) plants was more than offset by stronger generation from the Pekan plant, which contributed more than half of total NEO. Aggregate generation in the first five months of 2026 exceeded seasonally adjusted projections by 9.7%, aided by stronger irradiance, while the Plants' availability remained at 100% in 2025 and year-to-date 2026. Given their performance track record and full availability, we expect future output to stay broadly in line with P90 forecasts, although generation remains exposed to irradiance variability.

The project companies remained operationally profitable in FY Dec 2025. While staff costs at the issuer level increased, overall expenditure stayed within the permitted limit, supported by savings following the appointment of reNIKOLA Management Sdn Bhd as the in-house O&M provider.

RAM's sensitivity analysis incorporates lower NEO, accelerated plant degradation and higher operating and capital expenditure. Under these assumptions, the Plants are expected to generate average annual pre-financing cash flow of RM33.9 mil over the remaining tenure of the sukuk, with minimum and average post-distribution finance service coverage ratios (including cash balances) of 1.61 times and 1.91 times, respectively. These coverage levels remain commensurate with the rating, supported by insurance coverage, geographic diversification and the Plants' operating track record, although solar irradiance variability, regulatory developments and force majeure events remain inherent sector risks.

The issuer is wholly owned by reNIKOLA Holdings Sdn Bhd, which is in turn owned by reNIKOLA Sdn Bhd (55%) and B. Grimm Power Sdn Bhd (45%). Intercompany financing agreements between the issuer and the Project Companies support timely servicing of sukuk obligations.

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