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BBGI CLEAN ENERGY 100 USD INDEX AND STRATEGY

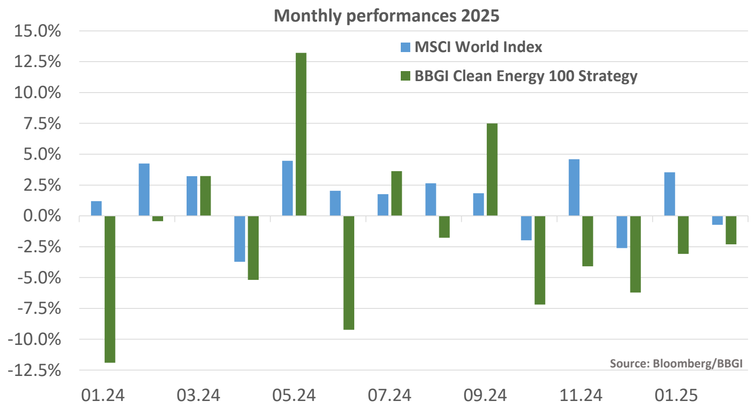
A BBGI Exclusivity since 1999

February 2025

Annualized performance of +8.65% since 1999

RE: renewed momentum from 2025?

	February	YTD
BBGI Clean Energy 100 strategy:	-2.30%	-5.31%
BBGI Solar Sector:	+1.16%	-4.45%
BBGI Wind Sector:	+4.89%	+0.17%
BBGI Biofuel Sector:	-12.15%	-15.29%
BBGI Energy efficiency Sector:	-4.73%	-5.89%



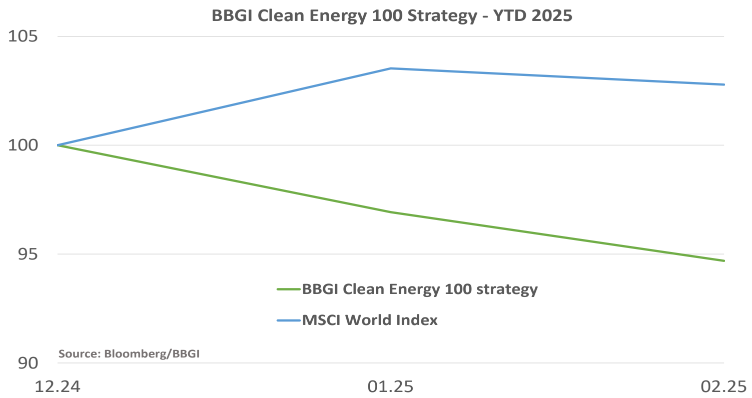
Investment climate commentary:

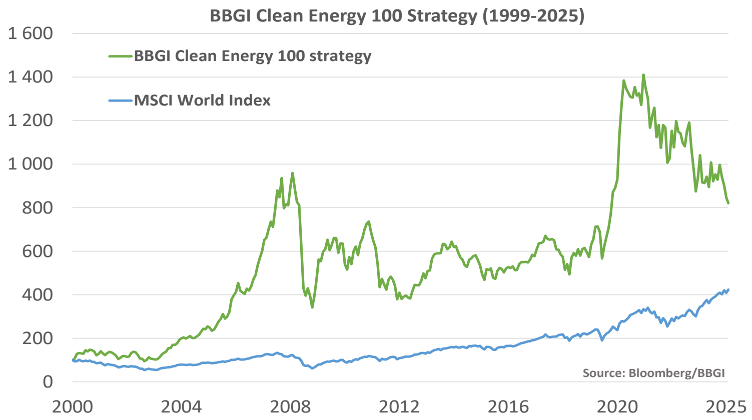
The energy consumption of data centers in the United States could increase fourfold by the early 2030s, or even tenfold in a more optimistic scenario, despite the efficiency gains brought about by new algorithms and semiconductors developed by Ant Group and DeepSeek. This sustained growth should benefit renewable energies, natural gas and battery storage, boosting sales by players such as First Solar and Enphase.

The United States is expected to remain the world's largest data center market, with growth estimated at 150% over the next few years. Rising electricity consumption could drive up prices and volumes for renewable energy suppliers, while the need to modernize electricity infrastructures will stimulate investment in networks.

Although technological advances may limit the rise in energy consumption, demand remains strong in the short term, driven by the rapid adoption of artificial intelligence tools. After a decline in 2024, the solar market could rebound in 2025-2026. Major technology companies such as Meta, Microsoft, Amazon and Alphabet are likely to continue to favor low-carbon energies.

If the promised efficiency gains materialize, data center consumption could reach 7% of total electricity demand in the United States by 2032, and up to 20% in a more optimistic scenario. Furthermore, investment in generative artificial intelligence could amount to 1,800 billion dollars over the same period.





The systematic diversified strategy of the BBGI Clean Energy 100 Index has produced an annualized return of +8.65% since 1999 against +6.28% for the MSCI World

Comments by sector:

Solar: +1.16%

First Solar's strong performance in 2024, supported by favorable policies and protectionist measures, boosted its Ebitda to around $2 billion. For 2025, the company remains a key value, with significant growth potential. If this support continues, Ebitda could exceed $3 billion this year, despite a global market share of less than 3%. This level of profitability would exceed that of the world's three leading solar module manufacturers (Jinko, Longi, Trina), who together hold around 50% of the market. The assumption of a rebound in earnings for the major Chinese manufacturers in 2025 could be optimistic, as our analysis suggests that the sharp correction in solar panel prices is set to continue. First Solar, although dominant in the US and protected by trade barriers, remains a niche player worldwide. By comparison, JinkoSolar holds around 19% of the market, Longi Green Energy 17%, JA Solar and Trina Solar 14% each, and Canadian Solar 7%. Most of these companies, whose production is concentrated in China and Southeast Asia, are expected to continue to experience pressure on their margins in 2025-2026, against a backdrop of overcapacity that has caused solar module prices to fall by over 60% in two years. The average price of monocrystalline solar panels has fallen below 9 cents per watt, compared with around 22 cents two years ago, due to massive oversupply. Worldwide module production capacity is now close to 1,400 gigawatts, while demand for 2025 is estimated at around 700 GW. First Solar escaped this price slump, however, with an average selling price of around 30 cents per watt in the third quarter. What's more, the company has secured all its production until 2026, with an order book showing a similar average price.

Biofuel: -12.15%

RIN (Renewable Identification Numbers) balances reached an inflection point after the February data, and the price impasse seems overdone. According to our calculations, 7.87 billion biodiesel-based RINs will be needed in 2025, excluding exports, compared with a two-month annualized supply of 5.21 billion and domestic capacity of 8.01 billion, assuming plants return to normalized use from March. The extended deadline for 2024 compliance, now set at at least June 1, delays final fuel volumes and withdrawals, although the impact on net 2024 carryover is expected to be moderate. Exemption revisions for small refineries add uncertainty, although EPA may reallocate volumes. Declining RIN inventory puts the focus on 2026 mandates. Any exit from a net deficit supports prices, even with moderate volume increases and the 45Z incentive, as U.S. RIN capacity is expected to increase by less than 350 million.

Wind: +4.89%

Wind turbine manufacturers Vestas and Nordex recorded a record number of orders, underpinned by a strong support policy in Europe and rising turbine prices, which could enable their sales to exceed consensus growth of 5-10%. However, if high costs cannot be passed on, new taxes on US imports and rising steel and raw material prices could disrupt supply chains and slow margin improvement. Wind turbine manufacturers are under pressure from sharply higher steel prices in the US (up nearly 50% year-to-date) following the imposition of 25% tariffs, forcing them to raise prices, a burden for project developers. The biggest cost challenges seem to concern US-based GE Vernova, while its European competitors enjoy an advantage thanks to access to lower-priced materials, although trade barriers continue to hamper their operations in the US market. Vestas, with almost 40% of its sales in 2024 coming from the Americas, seems particularly exposed to high tariffs. Rising metal prices in the US could accelerate shifts to domestic production to take advantage of incentives under the US Inflation Reduction Act (IRA). However, persistent trade tensions are keeping pressure on margins and making supply chains uncertain. While US manufacturers navigate political uncertainty, European wind giants Nordex and Vestas may be refocusing on the European market, boosted by Germany's new $100 billion clean energy fund. Both companies have booked a record number of orders for 2024, with consensus forecasts of sustained annual sales growth of 5-10%.