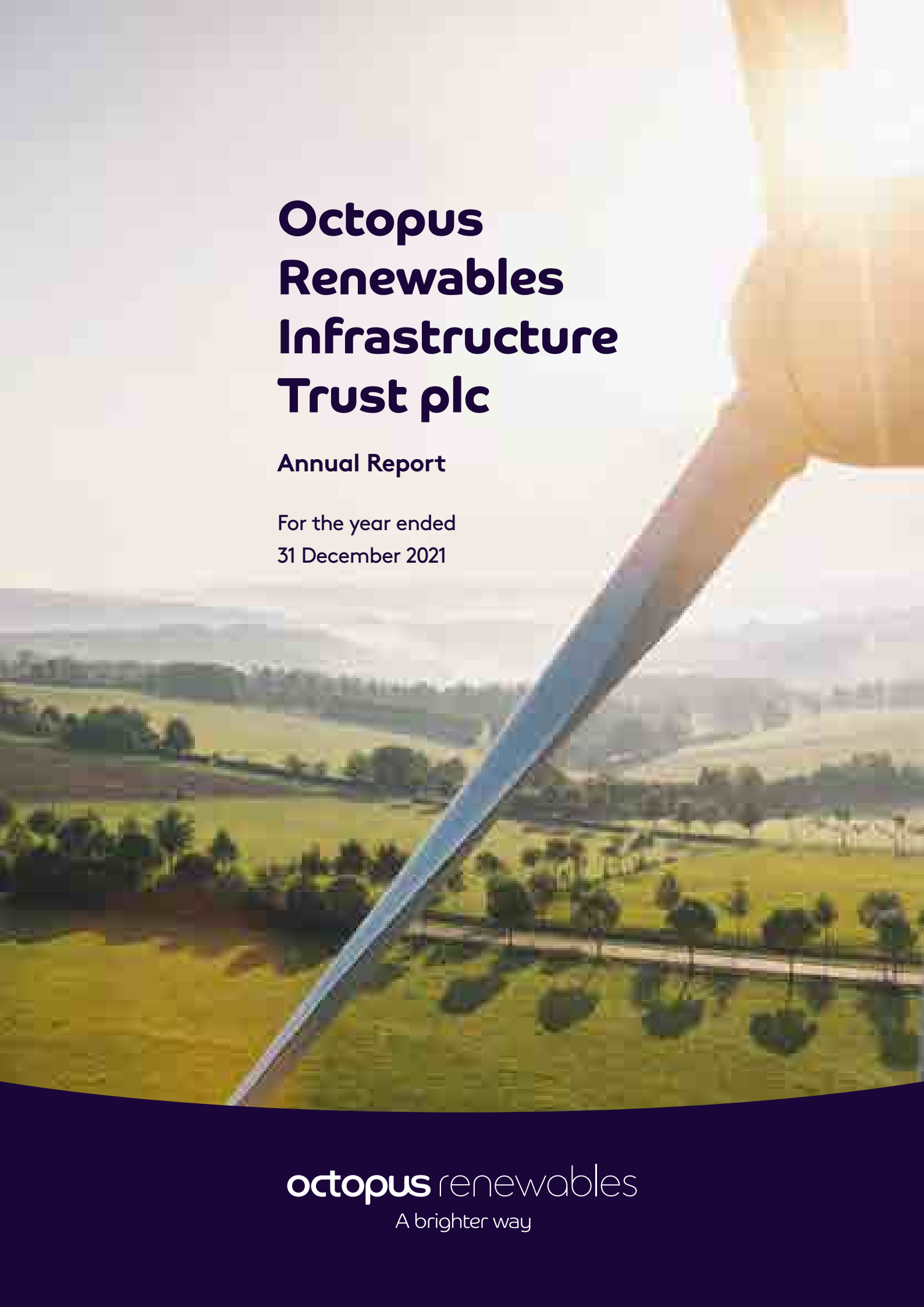




Octopus Renewables Infrastructure Trust plc

Annual Report

For the year ended
31 December 2021

octopus renewables
A brighter way

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About the Company

Octopus Renewables Infrastructure Trust plc (“ORIT” or the “Company”) is a closed-ended investment company incorporated in England and Wales.

The Company’s investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in the UK, Europe and Australia.

ORIT classifies itself as an impact fund with a core impact objective of accelerating the transition to net zero through its investments. ORIT’s ordinary shares were admitted to the Official List of the Financial Conduct Authority and to trading on the premium listing segment of the main market of the London Stock Exchange on 10 December 2019.

ORIT is managed by one of the largest renewable energy investors in Europe, Octopus Renewables Limited (the “Investment Manager”).



Highlights

As at 31 December 2021

+1.6%

Total shareholder return
in the year¹
2020: (+7.8%)

+9.3%

NAV total return
in the year¹²³
2020: (+2.5%)

5.0p

Dividend per ordinary
share for FY 2021
2020: (3.18p)

+17.7%

Total shareholder return
since IPO¹
2020: (+15.9%)

+12.1%

NAV total return
since IPO¹²³
2020: (+2.4%)

102.3p

NAV per ordinary share²
increased by 4.1% since
2020: (98.26p)

£578m

Net Asset Value ("NAV")²
2020: (£344m)

£738m

Gross Asset Value ("GAV")¹⁵
increased by 1.4% since
2020: (£441m)

£878m

Total value of all investments^{1 4}
2020: (£370m)

1,168GWh

Potential Renewable Electricity⁶
2020: (502GWh)

364k

Estimated tonnes of
carbon avoided⁶
2020: (79k)

337k

Equivalent homes powered by
clean energy⁶
2020: (114k)

Alternative Performance Measures ("APMs")

The financial information and performance data highlighted in footnote 1 on this page are APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on [page 190](#).

¹ These are alternative performance measures

² The Net Asset Value (NAV) as at 31 December 2021 is calculated on the basis of 564,927,536 ordinary shares in issue

³ Total returns in sterling, including dividend reinvested

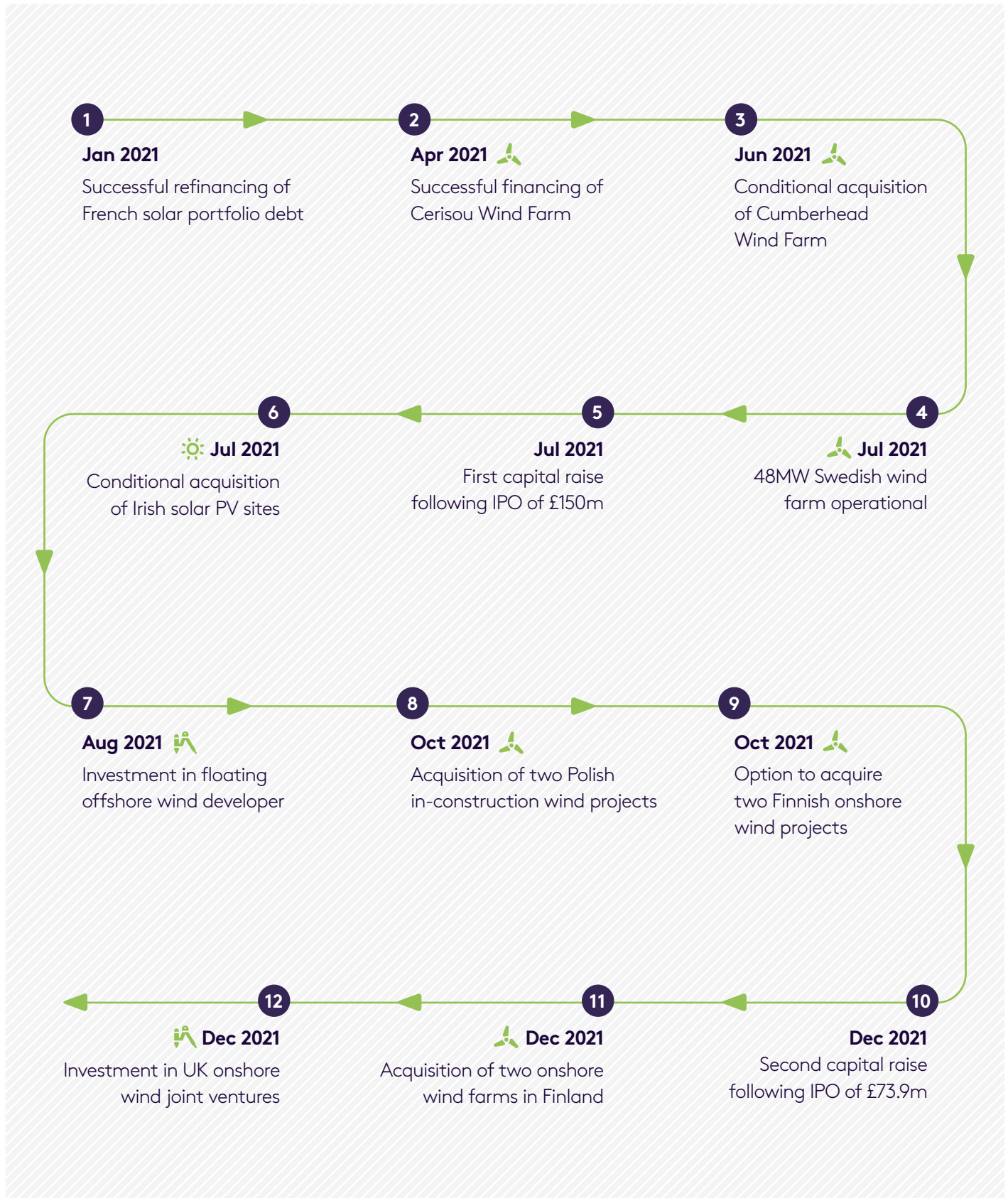
⁴ Total asset value including total debt and equity commitments

⁵ A measure of total asset value including debt held in unconsolidated subsidiaries, but excluding any outstanding equity or debt commitments

⁶ All metrics are calculated based on an estimated annual production of the whole portfolio once fully constructed and exclude conditional acquisitions



Key Milestones during 2021



Portfolio at a Glance

Technology	Country	Sites	Capacity (MW)	Average asset life remaining (years)	Status	Key information
Solar PV	UK	8	123	25.1	Operational	ROC Subsidised
Wind	Sweden	1	48	29.5	Operational	Operational as of 30 June
Wind	France	1	24	30.0	Construction, 8 Turbines	Expected to be operational in H2 2022
Solar PV	France	14	120	31.8	Operational	FiT Subsidised
Solar PV	Spain	4	175	35.0	Conditional acquisition	Expected to be operational in early 2024
Wind	UK	1	50	30.0	Construction, 12 Turbines	Expected to be operational in Q4 2022
Solar PV	Ireland	5	250	40.0	Conditional acquisition	Expected to be operational in 2022/23
Developer	Ireland	n/a	n/a	n/a	n/a	Developer (floating offshore wind)
Wind	Poland	2	59	29.5	Operational/Construction, 20 Turbines	One site operational Feb 2022 Second site expected in Q2 2022
Wind	Finland	2	71	30.0	Construction, 17 Turbines	Final stages of commissioning
Developer	UK	n/a	n/a	n/a	n/a	Developer (onshore wind)

Portfolio status

-  Solar
-  Wind
-  Developer

Total number of assets⁷
31

Total capacity⁷
494 MW

⁷ Excludes conditional acquisitions

Chairman's Statement



Philip Austin MBE

Chairman,
Octopus Renewables Infrastructure Trust plc

On behalf of the Board, I am pleased to present this annual report for Octopus Renewables Infrastructure Trust plc for the year ended 31 December 2021 (the "**Annual Report**").

2021 was a year which brought increasing focus on the need to accelerate decarbonisation as world leaders gathered for the COP26 assembly in Glasgow. It was also a period where energy prices became a critical social and political issue, with extreme rises in gas prices requiring emergency action from governments to protect consumers. Long term solutions to both these issues hinge on developing and building new renewable generation capacity at pace, alongside other technologies such as storage. This is exactly what the Company is doing, and the Board is excited about the opportunities ahead to deliver positive impact whilst offering attractive returns for investors.

The Company has grown rapidly during the year, raising an additional £224m of equity in two oversubscribed fundraisings. The Board is grateful for the support shown by existing investors and delighted to welcome a number of new shareholders.

Investment Activity

The funds raised have been invested into a diverse range of assets which reflect the full breadth of the Company's mandate, increasing the capacity of assets under construction or in operation to 494MW, with a further 425MW subject to conditional acquisitions.

In June we agreed to acquire Cumberhead Wind Farm in Scotland at the construction-ready stage. Completion of the acquisition took place in September and construction works have commenced with the plant expected to become operational late in 2022. In November, Kimberley-Clark Corporation agreed to enter into a ten-year fixed price PPA with the Cumberhead wind farm.

In July the Company agreed to acquire five solar farms in Ireland with a total capacity of up to 250MW. The acquisition will complete once the first four projects become operational, which is expected to be over the course of H1 2023.

In August we made our first investment at the development stage, following the updates made to our investment policy during the year. The acquisition of a 12% stake in Simply Blue Group provides the Company with the opportunity to participate in the growth of the floating offshore wind sector, which is expected to become a critical driver of the growth in renewable generation capacity globally as shallow-water sites are exhausted and the costs of floating foundations decline. The investment also gives the Company preferential rights to fund the construction of assets developed by Simply Blue Group.



In October the Company acquired two in-construction wind farms in Poland, the first of which became operational in February 2022, with the second due to commence operations later this year.

In December we acquired two wind farms in Finland, both of which are generating electricity and in the final stages of testing under their construction contracts.

The last investment of the year was the Company's second development investment, a joint venture with leading UK onshore wind developer Wind2 to fund the development of up to 570MW of new projects in Scotland and Wales.

Results

During the year NAV per share increased from 98.3p to 102.3p. In combination with the dividends paid during the year this gave rise to a NAV total return of 9.3%. Total shareholder return for the year was 1.6%.

The Company's operating income for the year was £40.4m, giving rise to a profit for the period of £34.8m. This was underpinned by EBITDA from the portfolio of operational assets totalling £29.9m, arising from gross revenues of £38.5m.

Dividend

The Board was pleased to declare total dividends of 5p per ordinary share in respect of the year, with the fourth and final interim dividend paid in March 2022. This was in line with the target set at IPO, and the total dividends paid in respect of the year of £23.8m were fully covered by cash generated in the portfolio of assets, after deducting holding company costs and debt service.

In line with the Company's progressive dividend policy, the Board has announced an increase in the target dividend to 5.24p for 2022, an increase of 4.8%⁸. This increase is in line with the increase to the Consumer Price Index (CPIH) inflation for the 12 months to 31 December 2021.

Portfolio performance

During the period the Company's assets generated 348GWh of electricity, an increase of over 23% compared with the prior year. This reflects the growth of the Company's operational portfolio following the construction of the Ljungbyholm wind farm, which was completed on time and on budget in June delivering construction gains of £2 million. The Cerisou, Cumberhead and Kuslin wind farms are all expected to complete construction during 2022, as well as the Saunamaa and Suolakangas wind farms which were in the final stages of commissioning at the year end. We finalised the commissioning for the Krezcin wind farm which became operational during February 2022.

⁸The dividend and return targets stated are targets only and not profit forecasts. There can be no assurance that these targets will be met, or that the Company will make any distributions at all, and they should not be taken as an indication of the Company's expected future results. The Company's actual returns will depend upon a number of factors, including but not limited to the Company's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets and should decide for themselves whether or not the target dividend and target net total shareholder return are reasonable or achievable. Investors should note that references to "dividends" and "distributions" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts



Outlook

Looking to 2022, there are fresh challenges for investors, with inflation rising and interest rates being increased in response. Whilst the portfolio benefits from significant inflation protection via index-linked revenues, the Board is mindful of the need to monitor discount rates to ensure risk premia remain appropriate.

The deplorable invasion of Ukraine by Russia also brings a great deal of uncertainty. Whilst the Company's projects have not been directly affected, at this time it is unclear how the conflict could spread. What is clear is that the desire to avoid purchases of Russian oil and gas has led governments across Europe and beyond to seek ways to accelerate the deployment of new renewable capacity.

With the need for new renewable generation therefore as urgent as ever, and the strong pipeline of investment opportunities identified by the Investment Manager, the Company is very well positioned to continue growing, providing genuine positive impact by bringing additional generation capacity into operation, whilst delivering attractive returns to investors.





Strategic Report

The Directors present the Strategic Report for the year ended 31 December 2021 on **pages 10 to 105** of the Annual Report.



Business Model, Objectives and KPIs

Business Model

Octopus Renewables Infrastructure Trust plc was incorporated on 11 October 2019 as a public company limited by shares. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010 and was listed on the premium segment of the main market of the London Stock Exchange on 10 December 2019. The Company holds and manages its investments through a parent holding company, ORIT Holdings II Limited and two holding company subsidiaries, ORIT Holdings Limited and ORIT UK Acquisitions Limited (together the “intermediate holding companies”), which in turn hold investments via a number of Special Purpose Vehicles (“SPVs”). The jurisdictions in which the SPVs are incorporated is typically determined by the location of the assets, and further portfolio-level holding companies may be used to facilitate debt financings.

As at 31 December 2021, the Company owns a portfolio of 31 Renewable Energy Assets (including two developer investments) totalling 290MW of operational capacity and 204MW under construction. Long term structural debt is in place for the French solar portfolio and, as at 31 December 2021, this comprised outstanding principal amounts of €124 million facility provided by Allied Irish Bank, Société Générale and La Banque Postale. Cerisou Wind Farm has a €43.2 million fully amortising facility, provided by Société Générale, for the funding of the construction and commissioning of the project. The Polish wind farms have facilities in place with EBRD and Bayern LB, which will be used to fund all remaining construction payments. Short term debt financing is available through a £150 million Revolving Credit Facility (“RCF”) provided by Sabadell, Santander, Intesa Sanpaolo, National Australia Bank and National Westminster Bank, which may be drawn by ORIT Holdings II Limited.

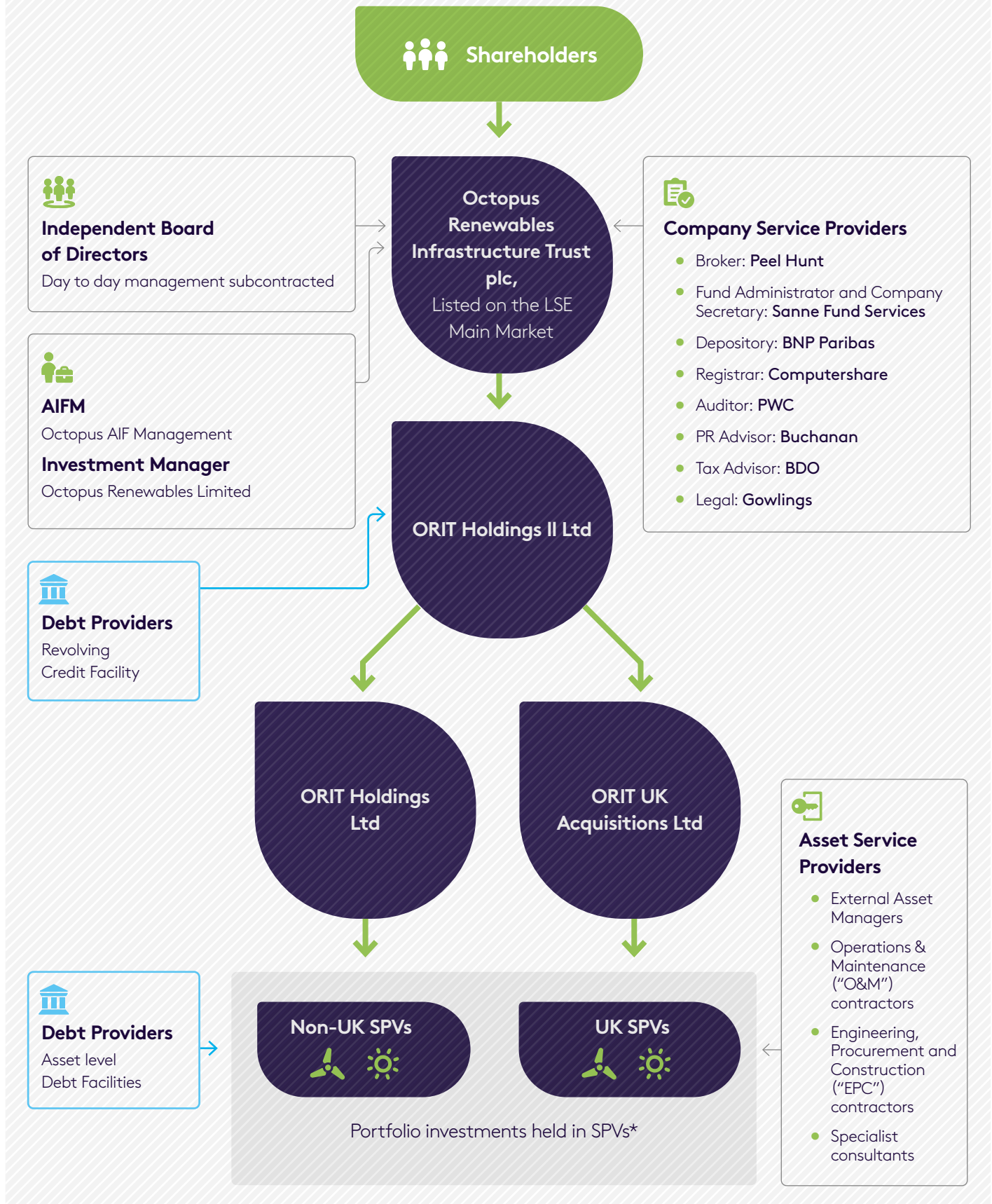
The Company has a 31 December financial year end and announces half-year results in September and full-year results in March. The Company pays dividends quarterly, targeting payments in early March, May, August and November each year.

The Company has an independent board of non-executive directors and has appointed Octopus AIF Management Limited (“OAIFM”) as its Alternative Investment Fund Manager (“AIFM”) to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to the Investment Manager, Octopus Renewables Limited (“ORL”) who have day to day portfolio management responsibilities. Further information on the Investment Manager is provided in the Investment Manager’s Report.

As an investment trust, the Company does not have any employees and is reliant on third party service providers for its operational requirements. Likewise, the SPVs (other than Simply Blue Group) do not have any employees and services are also provided through third party providers. Each service provider has an established track record and has in place suitable policies and procedures to ensure they maintain high standards of business conduct and corporate governance.



Figure 1: Company operating model



*Some investments in SPVs may be held indirectly through portfolio-level holding companies



Objectives and KPIs

The Company's objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in the UK, Europe and Australia.

Financial Objectives

Objective	KPI	Performance commentary	Monitoring activities
Sustainable level of income returns • Provide investors with an annualised dividend yield of 5% for FY21 • Generated from strong operational cashflows	5.0p dividend declared for the year, in line with target £29.9m EBITDA from operational assets	The dividend of 5.0p was fully covered by operational cashflows at the SPV level less costs at the plc and intermediate holding company level. The Company's dividend target is rising to 5.24 pence per Ordinary Share for FY22 (in line with CPIH) and is expected to be progressive thereafter.^{9 10} The operational assets' technical performance was below expectations over the year but they have significantly exceeded financial expectations for the year. The construction of Ljungbyholm Wind Farm was completed on time and within budget, despite potential logistical risks as a result of COVID-19.	The Board monitors dividend cover and ratios at each quarterly Board meeting against the targets and makes determinations on the dividends to be paid. The Investment Manager actively manages operational performance of assets on an ongoing basis with actions taken to resolve and mitigate operational issues. Financial performance of assets is reviewed monthly by the Investment Manager. Any material issues are highlighted to the Board without delay. Operational and financial performance is reviewed quarterly by the Board.

⁹ Investors should note that references to "dividends" and "distributions" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts

¹⁰ The dividend and return targets stated are targets only and not profit forecasts. There can be no assurance that these targets will be met, or that the Company will make any distributions at all, and they should not be taken as an indication of the Company's expected future results. The Company's actual returns will depend upon a number of factors, including but not limited to the Company's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets and should decide for themselves whether or not the target dividend and target net total shareholder return are reasonable or achievable

**Financial Objectives** (continued)

Objective	KPI	Performance commentary	Monitoring activities
Capital preservation with an element of growth - Provide investors with a net total shareholder return of 7% to 8% per annum over the medium to long-term - Generated through a diversified portfolio including construction and development assets - Cost control and prudent financial management	102.3p NAV per share 17.7% / 1.6% Total shareholder return since IPO / in the year 12.1% / 9.3% NAV total return since IPO / in the year 6¹¹ acquisitions delivering 179MW¹¹ of capacity including wind, solar, construction and operational assets, together with two developer investments, across 3 new countries in the year 1.15% Ongoing charges ratio 0.48% Transaction costs as percentage of committed acquisition spend	There was strong NAV growth of the portfolio, with value released from de-risked construction assets and with prompt deployment of capital raise proceeds. The acquisitions concluded in the year include a number of construction assets and developer investments, expected to deliver growth as they reach key milestones and are de-risked. The ongoing charges ratio for the year came in slightly higher than expectations in the latest KID of 1.02%. Transaction costs incurred on acquisitions in the year were in line with expectations in the latest KID of 0.5%.	The Board monitors both the NAV and share price performance and compares with other similar investment trusts. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over performance against various comparators is discussed. The Investment Manager evaluates and selects investment opportunities to deliver against the investment strategy and policy. Company level budgets are approved annually by the Board and actual spend is reviewed quarterly. Transaction budgets are approved by the Board and potential abort exposure is carefully monitored.



¹¹ Excludes conditional acquisition



Impact Objectives

Our core impact objective is to accelerate the transition to net zero through our investments, building and operating a diversified portfolio of Renewable Energy Assets to help facilitate the transition to a more sustainable future. Our investments are long term and therefore require a long-term view to be taken both in the initial investment decisions and in the subsequent asset management, adopting lasting and sustainable business practices.

Objective	KPI
 Performance: Build and operate a diversified portfolio of Renewable Energy Assets, mitigating the risk of losses through robust governance structures, rigorous due diligence, risk analysis and asset optimisation activities to deliver investment return resilience	£878m committed into renewables 1,168GWh of potential annual renewable energy generation, 603GWh of which will be additional generation from constructing assets ¹² 31 assets Financial return metrics are shown in the Financial Objectives table
 Planet: Consider environmental factors to mitigate risks associated with the construction and operation of assets, enhancing environmental potential where possible	364k equivalent tCO ₂ avoided ¹³ 5.23t CO₂e per MW estimated carbon intensity (direct and indirect) 6t CO₂e emissions offset (all direct emissions) 100% investments qualify as sustainable in line with EU Taxonomy ¹⁴ 92% generating sites on renewable import tariffs
 People: Evaluate social considerations to mitigate risks and promote a 'Just Transition' to clean energy	0 RIDDORs ¹⁵ 447 students benefiting from social initiatives

Further information on our Impact Strategy and performance against our Impact Objectives can be found in the Impact Report section of this strategic report from [page 20](#) and the Company's Impact Strategy published on our website here www.octopusrenewablesinfrastructure.com/investors/

¹² Metric calculated based on an estimated annual production of the construction portfolio once fully constructed

¹³ Metrics based on an estimated annual production of the whole portfolio once fully constructed. Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting

¹⁴ 100% of investments are significantly contributing to climate change mitigation. Further analysis is required to better understand whether the investments meet the "Do No Significant Harm" technical screening criteria that is still under review and applies from 1 Jan 2022

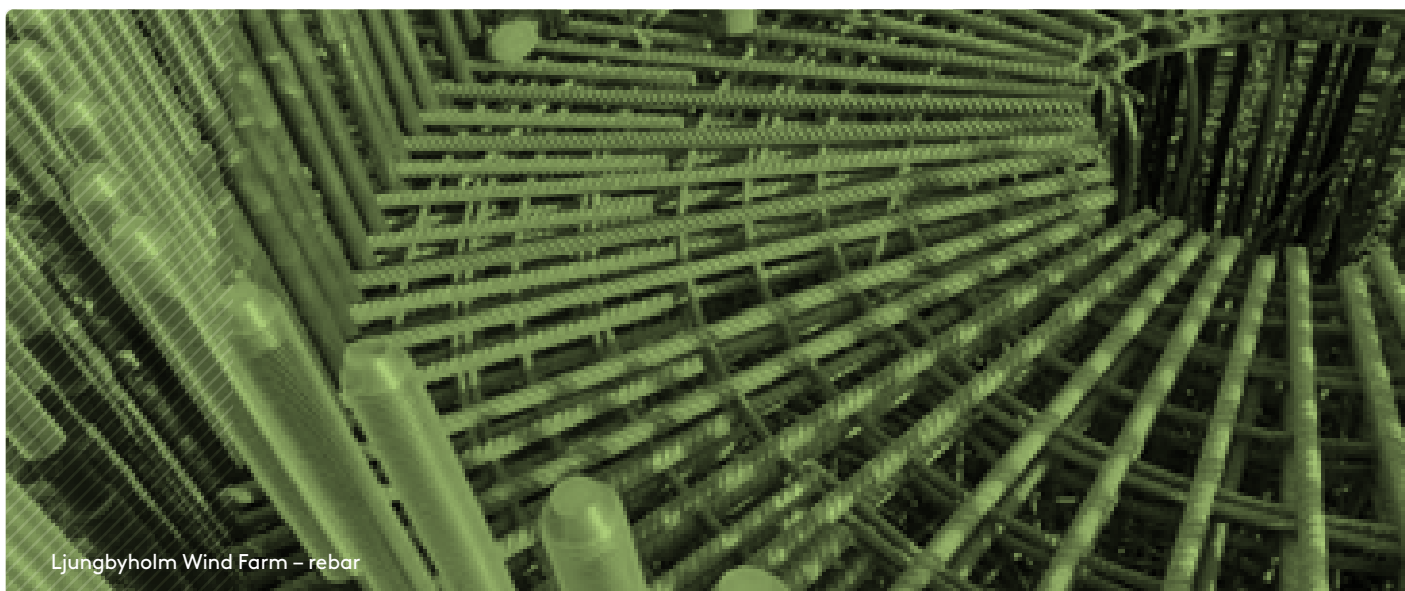
¹⁵ RIDDOR stands for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 and these are reportable incidents to the UK Health and Safety Executive.

Investment Strategy and Policy

Investment Strategy

The Company will seek to achieve its objectives in four ways:

- **Diversification:** The Company's Investment Policy includes a broad mandate to invest across different renewable technologies and in different geographies, reducing concentration of risk in particular power markets or weather conditions as well as allowing the Company to access investments from a large set of opportunities originated by the Investment Manager.
- **Inclusion of construction and development:** Investing into Renewable Energy Assets at the construction-ready stage allows the opportunity for greater capital growth through the successful management of construction risks and delivery of the asset into operations, as well as increasing the ability to influence social and environmental benefits. Investments into development stage Renewable Energy Assets are limited to 5% of GAV and allows the Company access to a wider range of Renewable Energy Asset investment opportunities.
- **Active construction and asset management:** The Company, via the Investment Manager, takes an active role in ensuring site safety; managing construction risks; seeking to enhance the value of the portfolio through maximising generation; optimising the price received for generation; dynamic risk management; and controlling costs as well as longer term value enhancements such as equipment upgrades or life extension.
- **Embedding impact into investments:** As an impact fund the Company ensures that social and environmental benefits are considered and maximised alongside financial returns, both at the time of initial investment and throughout the ongoing management of the portfolio.



Ljungbyholm Wind Farm – rebar



Investment Policy

The Company will seek to achieve its investment objective through investment in Renewable Energy Assets in Europe and Australia, comprising (i) predominantly assets which generate electricity from renewable energy sources, with a particular focus on onshore wind farms and photovoltaic solar ("solar PV") parks, and (ii) non-generation renewable energy related assets and businesses (together "Renewable Energy Assets").

The Company may invest in operational, in construction, construction-ready or development Renewable Energy Assets. In construction or construction-ready Renewable Energy Assets are assets that have in place the required grid access rights, land consents, planning and regulatory consents. Development Renewable Energy Assets comprise project that do not yet have in place the required grid access rights, land consents, planning and regulatory consents, as well as investments into development pipelines and developers ("Development Renewable Energy Assets").

The Company intends to invest both in a geographically and technologically diversified spread of Renewable Energy Assets and, over the long term, it is expected that investments: (i) located in the UK will represent less than 50 per cent. of the total value of all investments, (ii) in any single country other than the UK will represent no more than 40 per cent. of the total value of all investments, (iii) in onshore wind farms will not exceed 60 per cent. of the total value of all investments, and (iv) in solar PV parks will not exceed 60 per cent. of the total value of all investments. For the purposes of this paragraph, investments shall (i) be valued on an unlevered basis, (ii) include amounts committed but not yet incurred and (iii) include cash and cash equivalents to the extent not already included in the value of investments or amounts committed but not yet incurred.

The Company may acquire a mix of controlling and non-controlling interests in Renewable Energy Assets and may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity and debt investments. A controlling interest is one where the Company's equity interest in the Renewable Energy Asset is in excess of 50 per cent.

In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will secure its shareholder rights through contractual and other arrangements, to, inter alia, ensure that the Renewable Energy Asset is operated and managed in a manner that is consistent with the Company's investment policy.

Investments may be made into Development Renewable Energy Assets, which may be developers, portfolios and/or pipelines of Development Renewable Energy Assets, where the relevant investment: (i) includes limited exposure to Renewable Energy Assets outside Europe and Australia, which at the time of investment comprises both a minority of the assets in the relevant developer, portfolio or pipeline by number and value and is less than 1 per cent. of GAV, and/or (ii) may include indirect exposure to ancillary assets and/or businesses unrelated to renewable energy whose value is de minimis as at the time of investment. The Company may retain an interest in any such assets and/or businesses following achievement of construction-ready status.



Investment Restrictions

The Company aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of wind, solar and other technologies.

The Company will observe the following investment restrictions when making investments:

- the Company may invest up to 32.5 per cent. of GAV in one single asset, up to 27.5 per cent. of GAV in a second single asset, and the Company's investment in any other single asset shall not exceed 20 per cent. of GAV, in each case calculated immediately following each investment;
- the Company's portfolio will comprise no fewer than ten Renewable Energy Assets;
- no more than 20 per cent. of GAV, calculated immediately following each investment, will be invested in Renewable Energy Assets which are not onshore wind farms and solar PV parks;
- no more than 25 per cent. of GAV, calculated immediately following each investment, will be invested in assets in relation to which the Company does not have a controlling interest;
- no more than 5 per cent. of GAV, calculated immediately following each investment, will be invested in Development Renewable Energy Assets;
- the Company will not invest in other UK listed closed-ended investment companies;
- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole; and
- no investments will be made in fossil fuel assets.

Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment will not be considered as a breach of the investment restrictions.

In addition to the above investment restrictions, following the Company becoming fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of GAV) at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Renewable Energy Assets under contract to any single Offtaker will not exceed 40 per cent. of GAV.

The Company will hold its investments through one or more special purpose vehicles owned in whole or in part by the Company either directly or indirectly which will be used as the project company for the acquisition and holding of a Renewable Energy Asset (an "SPV") and the investment restrictions will be applied on a look-through basis.

For the purposes of the investment policy, "Gross Asset Value" means the aggregate of (i) the fair value of the Company's underlying investments (whether or not subsidiaries), valued on an unlevered basis, (ii) the Company's proportionate share of the cash balances and cash equivalents of assets and non-subsidiary companies in which the Company holds an interest and (iii) other relevant assets and liabilities of the Company (including cash) valued at fair value (other than third party borrowings) to the extent not included in (i) or (ii) above.



Borrowing Policy

The Company may make use of long-term limited recourse debt to facilitate the acquisition or construction of Renewable Energy Assets to provide leverage for those specific investments. The Company may also take on long-term structural debt provided that at the time of drawing down (or acquiring) any new long-term structural debt (including limited recourse debt), total long-term structural debt will not exceed 40 per cent. of GAV immediately following drawing down (or acquiring) such debt. For the avoidance of doubt, in calculating gearing, no account will be taken of any investment in Renewable Energy Assets that are made by the Company by way of a debt investment.

In addition, the Company may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition or construction of suitable opportunities as and when they become available. Such short-term debt will be subject to a separate gearing limit so as not to exceed 25 per cent. of GAV immediately following drawing down (or acquiring) any such short-term debt.

The Company may employ gearing at the level of an SPV, any intermediate subsidiary of the Company or the Company itself, and the limits on total long-term structural debt and short-term debt shall apply on a consolidated basis across the Company, the SPVs and any such intermediate holding entities (but will not count any intra-Group debt).

In circumstances where these aforementioned limits are exceeded as a result of gearing of one or more Renewable Energy Assets in which the Company has a non-controlling interest, the borrowing restrictions will not be deemed to be breached. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.



**Currency and Hedging Policy**

The Company has the ability to enter into hedging transactions at ORIT Holdings Limited for the purpose of efficient portfolio management. In particular, the Company may engage in currency, inflation, interest rates, electricity prices and commodity prices (including, but not limited to, steel and gas) hedging. Any such hedging transactions will not be undertaken for speculative purposes.

Cash Management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("Cash and Cash Equivalents").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in UK listed closed-ended investment companies do not apply to money market type funds.

Changes to and Compliance with the Investment Policy

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the AIFM shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.



Impact Report

As at 31 December 2021

£878m

Total value of all
investments - all
committed into
renewables

1,168GWh

Potential Renewable
Electricity

337k

Equivalent Homes
Powered by clean energy¹⁶

364k

Estimated tonnes
of carbon avoided¹⁷

1.8m

Equivalent new trees
required to avoid the
same carbon¹⁸

200k

Equivalent cars off
the road to avoid the
same carbon¹⁹

All metrics are calculated based on an estimated annual production of the whole portfolio once fully constructed.



¹⁶ Homes Powered is based on latest regional average household consumption in the region of production

¹⁷ Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting

¹⁸ Trees equivalent is based on UK Woodland and Peatland carbon statistics

¹⁹ Equivalent cars is calculated using a factor for displaced cars derived from the UK government GHG Conversion Factors for Company reporting



Accelerating to Net Zero with impact investing

The year 2021 was another burdened with uncertainty and devastating impacts as a result of the Covid-19 pandemic. However, one thing from this year is for certain; the pandemic has shown us exactly how crushing a global threat can be. The threat of climate change is no exception and despite the pandemic's recent hardships, climate change remains one of the most complicated and significant challenges that our society faces today.

The long and heated negotiations we witnessed at the COP26 conference in November 2021 evidenced the scale of this challenge. These talks, attended by leaders across the globe and over 39,000 other participants, spanned nearly two weeks. Whilst some countries came forward with ambitious 2030 emission-reduction plans, continual action and implementation by all must continue throughout the decade to ensure alignment to the net zero target. Failure to deliver on these expectations will see the world surpass the 1.5-degree threshold, and as Barbadian Prime Minister Mia Mottley stated at the COP26 conference, "two degrees is a death sentence".

It has long been recognised that a radical transformation of the energy sector is key in mitigating the threat of climate change. Our current fossil fuel-based power economy is guilty of being one of the largest emitters to date²⁰. This year we have seen momentum build behind renewable generation like never before. COP26 has made clear that both a rapid transition away from fossil fuel generation to a system driven by renewables is needed and that there is widespread support for delivering this.

To achieve a decarbonised system, a significant increase in the pace of investment into new renewable generation and related infrastructure is required. Clean, green electricity is the key to decarbonising not just the existing power system, but also transport, heating and other sectors such as agriculture and heavy industry²¹. Collectively, developments in these sectors lead to a substantial increase in power demand which the system, as it stands, cannot supply. Therefore, whilst we have observed a considerable amount of additional capital entering the sector, there remains a funding gap for new generation that needs to be closed if we are going to achieve our targets.

Foreseeing how this sector might progress, ORIT updated its Investment Policy to allow investment into developers and development stage assets. This new emphasis on earlier stage assets means that an investment into ORIT provides greater additionality than an investment into funds focused primarily on existing operational assets. ORIT is enabling the next wave of new renewable energy generation, as well as creating proprietary pipeline into which we can invest at the construction ready stage. Investment into ORIT currently funds 252MW of new renewable generation capacity at the construction-ready or in-construction stage. With the Spanish and Irish conditional acquisitions, that figure would rise to over 600MW. This is before even considering the significant impact that ORIT investments such as Simply Blue could have on the world.

²⁰<https://ukcop26.org/energy/>

²¹<https://www.iea.org/reports/net-zero-by-2050>



As laid out in ORIT's impact strategy and ORIT's new "Impact Film", ORIT also has a strong desire to incorporate social and educational benefits alongside its investments. As well as a range of on-site biodiversity initiatives, ORIT has created numerous impact partnerships that have delivered benefits beyond its asset boundaries.

With the momentum created by ORIT's numerous impact initiatives coupled with the company's foresight in amending the investment policy to enable investments in earlier-stage assets, we are confident that ORIT is playing a crucial role in accelerating the world to a net zero future.

Philip Austin MBE
Chairman



It is time we tackle our vulnerabilities and rapidly become more independent in our energy choices. Let's dash into renewable energy at lightning speed. Renewables are a cheap, clean, and potentially endless source of energy and instead of funding the fossil fuel industry elsewhere, they create jobs here. Putin's war in Ukraine demonstrates the urgency of accelerating our clean energy transition."

Frans Timmermans, Executive Vice-President for the European Green Deal





Impact Strategy

ORIT is an impact fund with a core impact objective to accelerate the transition to net zero through its investments, building and operating a diversified portfolio of Renewable Energy Assets.

ORIT enables individuals and institutions to invest directly into a portfolio of Renewable Energy Assets which generates a yield through renewable energy generation. The renewable energy generated supports the transition to net zero by replacing unsustainable energy sources with clean power. This intended outcome is the Company's core impact objective.

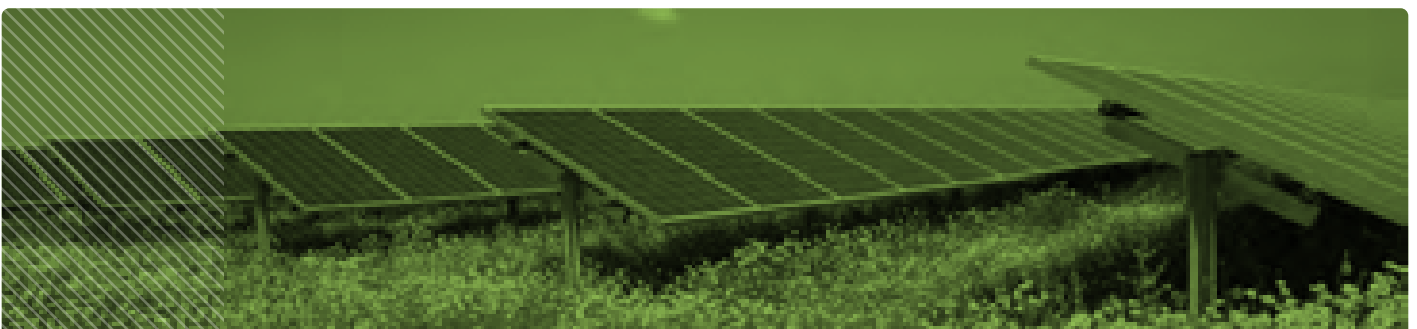
The ability to invest in Renewable Energy Assets is a powerful tool, which not only enables people to invest in line with their values, but also drives change; facilitating the transition to a more sustainable future. More information on this "Theory of Change" can be found in the Company's Impact Strategy.

The Impact Strategy also considers all of ORIT's activities through three lenses - **Performance**, **Planet** and **People** - to ensure that our activities integrate ESG risks and bring to life additional impact opportunities. The Impact Strategy defines ESG and Impact as:

- **ESG** — a vital risk management approach to identify and mitigate a range of potential issues to protect, and hopefully enhance, the long-term value of our investments
- **Impact** — what an investment does to the environment or society

The Company makes long-term investments that require a long-term view to be taken both in initial investment decisions and in subsequent asset management; adopting lasting and sustainable business practices. Beyond the core objective of accelerating the transition to net zero, ORIT seeks to generate additional impact through Performance, Planet and People impact initiatives.

More details and background information related to the Company's Impact Strategy including information on our four impact themes of Stakeholder engagement, Equality and Wellbeing, Innovation and Sustainable momentum can be found in the separately published [Impact Strategy](#).





Performance

Impact Objective: Build and operate a diversified portfolio of Renewable Energy Assets, mitigating the risk of losses through robust governance structures, rigorous due diligence, risk analysis and asset optimisation activities to deliver investment return resilience and the maximum amount of green electrons.


£878m

Total value of all
investments - all
committed into
renewables


1,168GWh

of potential annual
renewable energy
generation, 603GWh of
which has and will be
additional generation from
construction assets²²


31

Assets

Delivering the investment objective

The Board views the Impact Strategy as integral to the delivery of the core investment objective, and not as a cost to the Company. ESG processes and policies are a prudent risk management tool that improve the financial performance of the Company while reducing risks. The ultimate aim is to maximise the amount of green electrons produced by the portfolio.

Integration into the investment cycle

Every investment ORIT makes is assessed against our Performance, Planet and People framework through an ESG scoring matrix. This ensures that our investments adhere to ORIT's ESG Policy and minimum scoring threshold for investment approval, which all transactions met in the year.

Through this matrix, ESG risks are considered at every stage of investing in Renewable Energy Assets by the Investment Manager. It is used as a tool to drive ESG engagement and ensure that ESG risks are promptly identified, appropriately investigated, and carefully mitigated where necessary.

²² Metric calculated based on an estimated annual production of the construction portfolio once fully constructed



Materiality of risks included in the ESG matrix is determined using guidance from the Sustainability Accounting Standards Board (SASB) framework that identifies financially material ESG risks by asset class. The key risks for Renewable Energy Assets are: political & regulatory; conflicts; environmental damage (biodiversity, carbon, pollution); health & safety; unfair advantage; and community relations. At the post-completion stage, the Investment Manager carries out an onboarding process to ensure that its Asset Management team continue to oversee any residual ESG risks.

Anti-bribery and corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships wherever it operates.

Service Providers (including Directors of the Company):

1. Must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any business advantage on behalf of themselves or of the Company.
2. Must follow all the anti-bribery and corruption laws to which the Company and Company Directors/Service Providers are subject.
3. Are liable to disciplinary action, dismissal, legal proceedings and possibly imprisonment if they are involved in bribery and corruption. Appropriate action will be taken against those who fail to comply.

The Company has obtained a copy of the Investment Manager's, Company Secretary's, Administrator's and Broker's anti-bribery policies and procedures and is satisfied that these are adequate for the purposes of the Company. The Investment Manager seeks to ensure asset level service providers have appropriate policies in place and conduct due diligence as appropriate as part of completing the ESG matrix, for example anti-bribery, equal opportunities, modern slavery, and whistle blowing.

Further information in relation to Conflicts of Interest can be found on [page 126](#) within the Corporate Governance Statement.

Task Force on Climate-related Financial Disclosures

ORIT is a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures. More information can be found in the Risks and Risk Management section on [page 86](#).



Task Force on Nature-related Financial Disclosures

Nature and the ecosystem services it provides are essential inputs to businesses across the economy. Indeed, it has been found that more than half of global GDP depends on nature. Whilst this has fuelled society's ambition to protect the planet's natural habitats, business activity and financial services that support it continue to degrade nature. Financial institutions are currently unable to fully identify, measure and manage nature-related risk. However, 2021 has seen the launch of the Task Force for Nature-related Financial Disclosures (TNFD). The TNFD will develop a framework for corporates and financial institutions to assess, manage and report on their dependencies and impacts on nature over the next two years. The TNFD will be designed to bring a similar robustness to the appraisal of nature-related risks as the TCFD has done for climate and should help redirect global financial flows towards nature-positive outcomes.

ORIT will continue to follow the progress of the TNFD launch and look to implement TNFD guidelines as soon as they become available.



The business and financial world's race towards net zero emissions will only succeed if they simultaneously race equally fast towards nature-positive, with the importance of biodiversity front and centre."

Emily McKenzie, Technical Director of TNFD



Abbots Ripton Solar Farm



Performance initiatives

Delivering investment performance is fundamental to the Impact Strategy, supporting the transition to net zero and to being an impact fund. Asset optimisation initiatives, alongside robust ESG risk management, aim to improve financial resilience and overall performance of the Company.

Projects

Our Investment Manager works with key partners to mitigate production risks and maximise performance of ORIT's operational assets. Production losses are investigated through a root cause analysis, delivering appropriate actions that improve technical performance. This active management approach has mitigated potential performance risks for ORIT over this period.

Project	Outcome
Tax refunds secured on business rates: Facilitated a Contribution Economique Territoriale (CET) tax review dating back to 2016, resulting in a claim made to the tax authorities for a refund of overpaid taxes at Saint Antonin and Brignoles totalling €210k.	Confirmation from the tax authorities is pending; the refund of €210k is expected to be received during the course of 2022. Stakeholder Engagement
Successful engagement with local contractors: road replacement works at Mingay Farm.	1.6km of road was replaced at Mingay Farm to ensure lease compliance and safe access to site. Replacement was completed by a specialist contractor, located within 100km of the site, with works partially funded by another track user and asset vendor, under a specific SPA indemnity. The replacement was also completed in collaboration with Highways Agency as a section of the replacement is a public byway. Stakeholder Engagement
Enedis Refunds Secured: Handover with control, identification of additional costs in past accounts, determination, and claim management with the DNO.	All unjustified penalties applied by the DNO from 2018 refunded (> €30k). Equality & Wellbeing
Asset Manager and Contractor engagement: ESG workshops with RES to ensure continued compliance to ESG & Impact Strategy.	In November 2021, RES and Octopus held an ESG workshop to discuss in detail specific requirements and potential activities RES could implement and manage from an operational point of view. Outputs from the workshop included an improved reporting framework between RES and Octopus, an overview of current land management practices for each asset and options for additional impact initiatives that RES could carry out on request. Stakeholder Engagement



Projects (continued)

Project	Outcome
Transformer health monitoring: Ongoing project to prematurely identify signs of transformer distress through enhanced oil sample analysis.	Results used to inform overhaul, premature servicing, and spare parts strategy to preserve asset integrity.  Innovation
Inverter Spares platform: Investment Manager introduced on demand spare parts platform covering inverters installed at five of the eight UK solar sites. Program ensures components are delivered to site 10x quicker than market standard.	Since introduction in July 2021 these five sites have benefited from £56k of savings as the parts platform enabled swift component replacement, expediting return to service following component failure.  Innovation
Panel replacements at Brignoles & Chalmoux completed ahead of schedule: Delivery made possible through good project management, anticipating unexpected events, and tracking both the teams on site and their initiatives.	Panel replacements completed on time and ready to produce at maximum performance for the next years.  Stakeholder Engagement
Chalmoux contractor replaced to ensure improved performance: Monitored the performance of the O&M Provider, alerted, and reacted quickly to restore the situation.	Immediate positive change confirmed during the last inspection on site by the external asset manager inspection on site.  Stakeholder Engagement



Case Study:

Penhale Low Voltage Overhaul

During the period, the team executed an impressive low voltage overhaul project at Penhale Solar farm. This project demonstrates how the team contributed to three of the four key impact themes by returning a previously constrained site to 100% capacity using funds successfully retrieved from warranty claims and compensation.

Equality & Wellbeing – Export constrained to mitigate fire risk:

Under the owner's engineer recommendation, a capacity constraint was implemented at Penhale Solar farm in May 2020 to mitigate potential fire risk. These risks were a result of several low voltage components being exposed to abnormal temperatures during periods of high irradiance.

Sustainable Momentum – Low voltage re-design and overhaul executed. Restrictions lifted and site returned to 100% capacity:

A comprehensive overhaul of the low voltage aspects of the site, including replacement of control boards, circuit breakers, cables and cable connections was completed in September. The overhaul required aspects of complex design, ensuring compliant and safe generation for the remainder of the site's operations.

Stakeholder Management – Compensation secured for works cost and business interruption:

Successful warranty claim secured compensation for £215k of costs associated with the rebuild and £165k of lost production incurred due to the constraints

Impact tracker

**Who**

Penhale Solar Farm

**How much**

£380k compensation secured for works cost and business interruption

**What**

Risk mitigation
Low Voltage component redesign and improvement
Lifted restrictions

**Impact Theme**

Equality and Wellbeing
Sustainable Momentum
Stakeholder Engagement



UN SDG specific contributions

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



9 Industry, Innovation and Infrastructure

9.2 and 9.4 – Promote sustainable industrialization and upgrade/retrofit infrastructure to make them sustainable:

Investment into operational and construction assets have helped support jobs. Site upgrades and works have significantly reduced production losses, actively supporting the production of more green power and helping ORIT's assets perform more efficiently.

17 PARTNERSHIPS FOR THE GOALS



17 Partnership for the Goals

17.17 Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships:

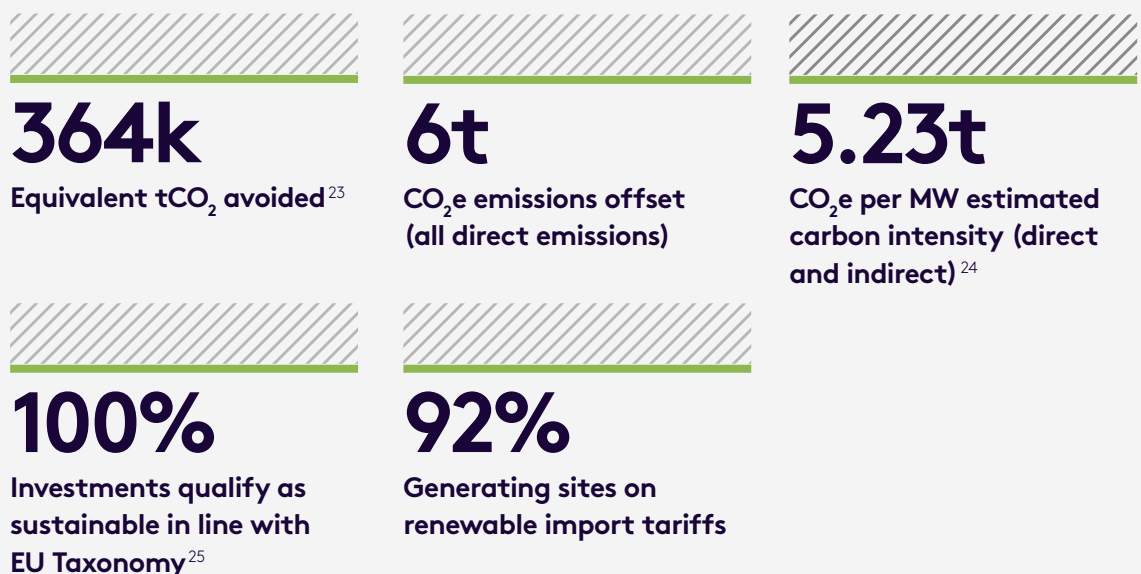
Shared knowledge with key counterparties to ensure continued compliance to the ESG policy and drive improvements to ESG land management practices.

www.un.org/sustainabledevelopment/



Planet

Impact Objective: Consider environmental factors to mitigate risks associated with the construction and operation of assets, enhancing environmental potential where possible.



Maximise our positive environmental impact



ORIT recognises the critical role that renewable energy plays in meeting net zero emissions targets, with an inherently positive impact on the environment.

Investing in Renewable Energy Assets enables investors to generate returns from this transition to a cleaner future and directly support climate change ambitions.

On admission to the London Stock Exchange (“LSE”), ORIT was awarded the LSE’s Green Economy Mark, recognising the Company as a significant contributor to the transition to a zero-carbon economy. The Green Economy Mark identifies London-listed companies and funds that generate between 50% and 100% of total annual revenues from products and services that contribute to the global green economy.

²³ Metrics based on an estimated annual production of the whole portfolio once fully constructed. Carbon avoided is calculated using the International Financial Institution’s approach for harmonised GHG accounting

²⁴ The carbon intensity metric is lower than last year’s due to three main reasons; (i) significantly lower scope 2 and 3 emissions, (ii) assets acquired throughout the year only reported on carbon emissions since date of asset’s acquisition and (iii) capacity of all assets was included in the denominator total, regardless of date of asset’s acquisition

²⁵ 100% of investments are significantly contributing to climate change mitigation. Further analysis is required to better understand whether the investments meet the “Do No Significant Harm” technical screening criteria



Whilst the Company's positive contribution has been recognised, ORIT commits to being transparent; measuring and reporting both positive and negative impacts on the planet. By reflecting on our potential negative impacts rather than ignoring them, the Company can create meaningful targets for improvement and maximise the positive impact of our investments. As part of this approach, ORIT will review and adopt relevant industry standards alongside initiatives to reduce its own carbon footprint.

Carbon measurement and reporting

Electricity generated by wind and solar resources prevents harmful emissions from other sources such as coal powered electricity. However, there are still emissions incurred in the manufacturing and transportation of the solar panels and wind turbines through the supply chain. Initial estimates of the carbon payback periods for the ORIT sites range from 1 – 3 years.

In 2021 the Investment Manager on behalf of the Company engaged with CS2 Chartered Surveyors to help calculate and validate the Greenhouse Gas ("GHG") emissions footprint for ORIT.

The Company has quantified and reported organisational GHG emissions²⁶ in alignment with the World Resources Institute's Greenhouse Gas Protocol 'Corporate Accounting and Reporting Standard' and 'Corporate Value Chain (Scope 3) Standard'. This approach consolidates the organisational boundary according to the operational control approach. As the Company itself has an annual energy usage of less than 40,000 kWh, it is deemed to be a 'low energy user' and therefore its energy and carbon information is not separately disclosed. The GHG sources that constituted the Company's operational boundary for the reporting year are:

- **Scope 1:** No relevant emissions sources
- **Scope 2:** Purchased electricity – market-based
- **Scope 3:** Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Waste and Fuel-and-Energy-Related Activities (FERA)

Given the nature of the company, ORIT's Scope 1 and 2 emissions are minimal, accounting only for 0.23% of the total emissions footprint:

Scope	Emissions (t CO ₂ e)	% of Total
1 – Direct Emissions (Fuel burned)	0	0
2 – Indirect Emissions (Purchased electricity – market-based) ²⁷	5.02	0.23

²⁶ Emissions from the Finnish wind portfolio were excluded from this year's carbon reporting exercise due to its date of acquisition



The Scope 3 Categories that were identified and calculated account for 99.77% of the total emissions footprint:

Scope 3 Category	Emissions (t CO ₂ e)	% of Total
Purchased Goods and Services – supply chain emissions (also including Capital Goods and Upstream Transportation & Distribution emissions)	1,426	64.34
Waste – emissions from the waste arising from ORIT's operations	747	33.69
Fuel-and-energy related activities (FERA) – emissions from the extraction and transmission losses of purchased electricity	38.6	1.74

ORIT's overall carbon intensity was calculated to be **5.23t CO₂e per MW²⁸**.

The following table separates ORIT's carbon emissions into UK and non-UK based emissions in line with the Streamlined Energy and Carbon Reporting framework (SECR).

	UK Emissions (t CO ₂ e)	2021 Non-UK Emissions (t CO ₂ e)	UK Emissions (t CO ₂ e)	2020 Non-UK Emissions (t CO ₂ e)
Scope 1	-	-	-	-
Scope 2				
market based	-	5.02	-	18.52
location based	192.19	62.4	219.99	68.06
energy consumption (mWh)	905.16	1,150.47	943.59	1,287.87
Scope 3	710.91	1,500.7	1,209.22	1,561.29

Whilst the Investment Manager engages with ORIT's suppliers to improve data reliability and consistency, there were still significant estimations made (25%). Last year, emissions were estimated using proxies from other sites where data was not available. Whilst this year's data did not use proxies, it was the case that asset managers often had to make reasonable estimations for multiple Scope 3 categories. For example, waste and transport had high levels of estimations. The Investment Manager will continue to develop and refine the methodology to capture these emissions working with external asset managers and O&M contractors and reduce the reliance on estimations. Furthermore, 45% of emissions were calculated using spend data. Spend data was used to calculate the associated emissions of several services purchased during the period. These services include marketing, legal, insurance and other professional services. ORIT recognises the calculation inaccuracy of carbon conversions based on spend

²⁸ Market-based electricity emissions were calculated and included in Scope 2. This is in line with best-practice guidance. Location-based only purchased electricity emissions were calculated to be 255t CO₂e. Total energy consumption for Scope 2 was calculated to be 2,056 MWh



data, thus the Investment Manager will continue to explore alternative methodologies for capturing carbon associated with these services. Improved data accuracy is likely to impact the share of categories in Scope 3. However, it is expected the split of proportions between Scope 1, 2 and 3 will remain largely similar.

Given Scope 3 represents the most significant source of emissions, it is important that ORIT has an understanding of which supply chain activities contribute most to its emissions so that the Investment Manager can collaborate with the suppliers to reduce them as much as possible.

Carbon reduction

As the ORIT portfolio grows, it is the Company's aim to reduce its emissions through stakeholder engagement and proactive management of its assets, especially for sites under construction.

The carbon intensity metric reported for this year (5.23t CO₂/MW) is much lower than the metric reported in 2020 (9.6t CO₂/MW). This significant reduction is attributed to three main reasons; (i) significantly lower scope 2 and 3 emissions this year compared to last year, (ii) assets acquired throughout the year only reported on carbon emissions since the date of the asset's acquisition by ORIT and (iii) the capacity of all assets was included in the denominator total, regardless of the date of the asset's acquisition. This year, the Company had significantly lower Scope 2 emissions in comparison to last year as a result of a full year of reduced emissions, where assets were transitioned onto renewable energy import tariffs. The Company also had a reduction in relative Scope 3 emissions as a result of using estimated data instead of spend data for fuel-use, waste and transport.

Carbon offsetting

ORIT has offset the key emissions incurred through its direct business activities. The Company's chosen route for offsetting is through the purchase of verified carbon units.

To date, we have purchased 6 carbon units. This is equivalent to offsetting ORIT's Scope 1 and Scope 2 emissions of 5.02 tonnes of carbon dioxide.

Sustainable Finance Disclosures Regime

Our ambition is to adopt regulatory requirements as soon as we are able - even if not yet obligated - in order to support transparency in sustainable investing. In June 2021 we published our first Sustainable Finance Disclosure Regime (SDFR) pre-contractual disclosures in line with the most recent draft regulatory technical standards template. This included the integration of SDFR and EU Taxonomy. A final report was issued in October 2021 and we will be updating our disclosures to reflect amendments. The first annual reporting period will be from 1 January 2022.

We have classified ORIT as an Article 9 Product.

The core sustainable investment objective of the Company is to accelerate the transition to net zero through its investments, building and operating a diversified portfolio of Renewable Energy Assets to help facilitate the transition to a more sustainable future. This directly contributes to climate change mitigation.

EU Taxonomy for Sustainable Finance

The EU Taxonomy is a classification system for sustainable activities designed to help investors identify "green" environmentally friendly activities. This is aimed to demonstrate investments that are sustainable, ones that make a substantial contribution to climate change mitigation or adaptation, while avoiding significant harm to other environmental objectives and complying with minimum safeguarding standards.



An initial analysis of ORIT's investments against the EU taxonomy classification suggests that 100% of assets contribute to climate change mitigation. The Investment Manager is undergoing work to confirm that ORIT's investments are also in line with the "Do No Significant Harm" technical screening criteria.

Planet initiatives

Maximising the Company's positive contribution to the environment is core to the Impact Strategy. Planet initiatives contribute to solutions to combat climate change. Projects undertaken in the period are outlined in the table below.

Project	Outcome
Engaged third party service providers, beekeepers and ecologists to implement a bee and biodiversity programme on ORIT's solar farms.	Innovative and sustainable biodiversity strategy in partnership with The Good Bee Company and Wychwood Bio diversity, including the installation of beehives and wildflower meadows has been completed.  Innovation
Seven of ORIT's solar sites in France participate in the sustainable development of their local region through the "HappySolaire" (HappySolar) initiative and/or sheep pastoralism.	The multifunctional use of solar farms to support bee colonies and sheep pastoralism provides co-benefits. The local farmers and beekeepers benefit from the use of a calm and secure space for their agricultural activities. The solar farm benefits from the arrangement through biodiversity enhancement and grass maintenance services.  Innovation  Sustainable Momentum
Asset management engagement to ensure continued improvements to ESG Land management practices.	Octopus engaged with Quintas to develop a new Glyphosate policy for the UK solar sites. This policy ensures restricted use of Glyphosate and only permits use under exceptional circumstances, helping to limit the herbicides adverse effects on biodiversity at these sites.  Innovation  Stakeholder Engagement
Formed a new partnership with SUGi, an organisation that "brings people closer to nature" by planting richly biodiverse pocket forests in urban areas.	ORIT has funded the planting of 2 pocket forests with SUGi. With help of local school children and some Octopus Renewables volunteers, a total of 2,000 native trees were planted in Dagenham, London and Rion Des Landes, France. See the following Case Study for more information.  Sustainable momentum  Innovation  Stakeholder Engagement



Case Study:

Renewing the relationship between Planet and People with SUGi

The Investment Manager has engaged with SUGi to plant pocket forests in urban areas in London, UK and in Rion Des Landes, France.

SUGi helps deliver ecological restoration projects around the world. SUGi “Forest Makers” follow a Japanese technique called the Miyawaki Method to create ultra-dense, biodiverse forests of native species.

SUGi also shares a strong community focus with ORIT and looks to involve organisations, schools and communities in their projects. By bringing nature closer to people, SUGi is helping to educate communities across the globe about the importance of biodiversity and its restoration. Biodiversity loss is a global environmental threat of a magnitude which matches that of climate change. Biodiversity loss compromises the natural infrastructure on which our modern world depends and can accelerate climate change, as well as our vulnerability to it, by undermining nature’s ability to regulate greenhouse gases and protect communities from extreme weather events. By bringing children to the core of these projects, this partnership helps to empower the next generation to take a more active stance on biodiversity loss and climate change mitigation.

During the year, ORIT has funded the Castle Green Forest II project and the Rion Des Landes College Project.

Castle Green
Forest II,
London



Castle Green Forest II — Dagenham, London

An urban forest to mitigate pollution and bring biodiversity.

The forest will act directly on its local environment. This area is heavily polluted and considered an urban biodiversity desert. The denseness of the Miyawaki method allows maximum potential CO₂ drawdown and pollution mitigation. The trees chosen are ones that have evolved to live and even thrive in urban environments.



Rion Des Landes College — Rion Des Landes, France

Cultivating greenery and tranquillity for children in a treeless environment.

This college in Rion des Landes has many outdoor spaces but a real lack of trees. The entrance courtyard is exposed to full sun, and during the summer months the students have very few places to shelter during their break time nor do they have access to any significant greenery.

Using the Miyawaki method, we have planted 29 native species with the children, their teachers and families. The aim was to share environmental values and the skills of creating a forest. The college students have also been trained to maintain and monitor the forest, so it will contribute not only to their wellbeing but also to their studies.

Rion Des
landes
College,
France



Impact tracking



Who?

1 Planet
Dagenham,
London
Rion Des Landes,
France



How much?

2 forests
200 children
2,000 native trees
600 square
meters



What?

Education
53 native species
planted using the
Miyawaki method
Pollution
mitigation
Biodiversity
enhancement



Impact Theme

Sustainable
momentum
Innovation
Stakeholder
Engagement



This collaboration opens a visible, community-centered window into ORIT's ongoing commitment to accelerate sustainable practices, projects and possibilities. As the hub for The Rewilding Generation, SUGi couldn't be more pleased to support these pioneers of the Green Revolution.

Elise Van Middeltem, Founder and Chief Impact Officer of SUGi



UN SDG specific contributions

7 AFFORDABLE AND CLEAN ENERGY



7 Affordable and clean energy

SDG 7.2 & 7a Increase renewable energy in the mix and stimulate investments into the renewable sector:

Provided renewable energy to the grid and provided renewable investment opportunities. Construction underway to add renewable energy capacity.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



12 Responsible Consumption & Production

SDG 2.4 & 12.4 Promote proportion of areas under sustainable agricultural practices and promote sustainable management and efficient use of natural resources:

Partnerships with local beekeepers and local shepherds to take advantage of the empty spaces of solar farms for their agricultural use.

13 CLIMATE ACTION



13 Climate Action

SDG 13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters:

Technical due diligence carried out on all new investments. Biodiversity and habitat management plans proposed for most sites as planning requirement. Physical climate change risks considered and mitigated (e.g., flood risk mitigation strategy) and transition risks forecasted (e.g., low power price scenarios).

15 LIFE ON LAND



15 Life on Land

SDG 15.1 & 15.5 Conserve ecosystems and threatened species and take action to reduce the loss of biodiversity and degradation of habitats:

Threatened and non-threatened species monitored through ecological surveys and biodiversity plans. Additional biodiversity initiatives implemented beyond planning requirement. New glyphosate policy implemented to reduce negative impacts on biodiversity. Biodiverse pocket forests planted in partnership with SUGi to restore native biodiversity in urban areas.



People

Impact Objective: Evaluate social considerations to mitigate risks and promote a 'Just Transition' to clean energy.



447

Students benefiting from social initiatives



5,450

Direct beneficiaries from the projects funded through the BizGive platform.



0

RIDDORs

Managing our impact on society

Investing in renewable energy has natural positive impacts on people (particularly for health reasons) and also for the wider society by benefiting the economy. As the UNFCCC Executive Secretary Patricia Espinosa remarked at the opening ceremony of COP26, *"The transition to a more sustainable future is about much more than environment, it is about peace, stability and the institutions we have built to promote the wellbeing of all."*

It is also vital the Company mitigates any possible negative impacts and risks to people as the Company invests, constructs and operates our portfolio of renewable assets. ORIT has clear policies and governance structures to achieve this. Some social factors that ORIT and our Investment Manager consider to be the most important during due diligence and ongoing monitoring of assets include:

- Health and safety
- Social licence
- Local employment
- Diversity and inclusion



Human Rights in the Supply Chain

Although ORIT has no employees, we are committed to respecting human rights in its broader relationships. ORIT engages closely with its Tier 1 suppliers to ensure that they have the required policies and procedures in place to mitigate the risk of modern slavery. This includes requiring suppliers to have a modern slavery statement or requiring them sign onto Octopus Renewable's Supplier Code of Conduct if they do not already have a code of conduct that is equally robust.

The Supplier Code of Conduct expects suppliers to be working to ensure modern slavery does not occur in their own supply chains. This helps to create visibility of ORIT's supply chain beyond the first tier. If we discover that one of our suppliers was accepting modern slavery in its business or supply chain, the Investment Manger would engage with the supplier to encourage the removal of such practices and, if necessary, terminate the business relationship with that supplier.

There is evidence to suggest that a large proportion of the current global polysilicon supply chain is at high-risk of forced labour violations. Polysilicon is a raw material used in the majority of solar panels. Given the lack of transparency over the global solar panel supply chain, it is currently difficult for the sector to confidently rule out the use of forced labour in the polysilicon used to make solar panels. New regulations and industry-wide protocols around traceability are currently being developed to combat this issue. In the meantime, increasing visibility of the supply chain, for example through extensive supplier due diligence and Supplier Code of Conducts, will help to add pressure. The Investment Manger will continue to monitor this evolving situation and is working closely with industry bodies such as the SEUK in their "Supply Chain Working Group" to accelerate solutions.





Health and Safety Approach

ORIT recognises its health and safety responsibilities, and keeping people safe remains its highest priority. ORIT has put arrangements in place with its Investment Manager to ensure that health and safety risks are managed effectively.

Our Investment Manager employs specialist HSE consultants to ensure that health and safety procedures into our model of investing and managing assets. This integration is achieved through:

- Technical compliance standards
- Diligence and benchmarking of contractors
- Audits and ongoing oversight
- Continuous improvement

Our Investment Manager actively tracks and monitors various accident and incident classifications from events where there is a statutory requirement to report to the UK Health & Safety Executive (RIDDORs) or other local government bodies. This includes incidents classified as accidents, near misses, dangerous occurrences, and general safety observations.

In the period of this report, no personal injuries, RIDDORs, or accidents occurred across any of the Company's sites. There were 25 incidents: 11 near misses, 12 incidents causing minor equipment damage only and 2 environmental incidents. All incidents have been satisfactorily closed out and where appropriate lessons learned. Each incident generated an incident report which was audited and closed by the appropriate director.

Promoting a "Just Transition"

Just Transition refers to the movement that encourages wider and fairer distribution of benefits as a result of the switch to clean energy. ORIT's partners and subcontractors commit to standards promoting equal opportunities, ensuring workplace best practice standards are upheld, and encouraging diversity and inclusion for all. The Investment Manager engages key counterparties to understand what schemes they already have in place, and also encourages the use of local labour on construction sites (roughly within 30km radii). By engaging counterparties and local stakeholders early on, ORIT is ensuring that social licence is generated for our investments.

ORIT has committed to demonstrating a tangible benefit to the local communities of each of its portfolios. This may be through sharing profits via community benefit schemes, creating educational opportunities for local schools via workshops and site visits, or providing funding for local charities that are fulfilling a need in the local area. As the portfolio continues to grow, ORIT's impact partnerships will help ORIT reach and create lasting impact for a broader range of beneficiaries. Applicability of community initiatives will be determined on a portfolio-by-portfolio basis.

Diversity and Inclusion

Equality and wellbeing are fundamental to ORIT's impact ambitions. This is reflected in our Company policies and in the way that the Company operates externally, through understanding the approach that our third party providers take to diversity and inclusion, and suggesting ways to improve this wherever possible.



The Company's Board is made up of a complementary mixture of social backgrounds with a gender composition of an equal 50/50 split between men and women, in line with the view that gender diversity at the Board level delivers better company performance. More information can be found in the [Corporate Governance Statement](#).

The Investment Manager shares ORIT's values and places diversity and inclusion at the heart of them, which is demonstrated through the initiatives implemented. The Investment Manager provides directors to the underlying subsidiary companies and ensures diversity is considered when appointing them.

Further detail can be found in the [Impact Strategy](#).

People initiatives

Alongside keeping people safe, ORIT considers our potential impact on people. People initiatives contribute to solutions to engage communities and promote a "Just Transition" to clean energy.

Projects

ORIT exhibits a variety of social considerations across its assets, utilising the experience and approach developed by our Investment Manager to maximise benefits.

Project	Outcome
ORIT has partnered with the Good Bee Company to develop and deliver a "Bee Friendly School" programme to two local schools near the Ermine Street Solar Farm.	Two schools received a "bee and biodiversity" workshop by the Good Bee Company where a total of 200 children were able to see bees in an observation hive, extract freshly made honey and learn more about the importance of pollination for the planet's biodiversity. The two pollinator gardens installed in the schools' playgrounds earlier in the period will help the children maintain these environmental values for the duration of their time at school. Equality and Wellbeing, Stakeholder Engagement Innovation
ORIT partnered with Earth Energy Education (previously Solar Power Education) to deliver two school visits to Penhale Solar farm.	On October 20th a total of 47 school children from both St Wenn School and Wadebridge School visited the Penhale Site. Quintas and RES were present and have both expressed an interest of continuing to support ORIT's partnership with Earth Energy Education with more school visits. Equality and Wellbeing, Stakeholder Engagement
ORIT has partnered with BizGive, a platform that connects organisations to external impact partners, such as charities and communities. The platform will facilitate further collaboration, engagement and impact, aligned to the UN's SDG framework and ORIT's impact objectives.	ORIT has committed a total of £20k to charities and community interest groups that have sent applications for funding on ORIT's BizGive Programme . See the following Case Study for more information. Innovation Equality and Wellbeing



Case Study:

The launch of ORIT's Impact Program on the BizGive Platform

ORIT has successfully launched its first round of funding in partnership with BizGive. BizGive platforms help connect organisations like ORIT to external impact partners, facilitating funding, engagement and impact in line with its impact goals.

The bespoke impact fund of £20k has attracted applications for funding from a wide range of charities and community interest groups across the whole of the UK. This partnership provides a tool for ORIT to engage with a wider group of beneficiaries than previously possible, accessing opportunities beyond ORIT's own assets. Whilst the platform acts as a gateway to many new possible initiatives, ORIT's impact programme is tailored to specifically attract projects in line with ORIT's impact goals and in this round's instance, focused on projects that promote the "Just Transition".

From the £20k committed during the period, a total of £16.1k has been distributed to four new initiatives. The initiatives supported each have unique objectives and beneficiary groups.

Women's Environmental Network's "Climate Sisters" Project:

Amplifying women's voices in grassroots workshops that aim to explore women's ideas, thoughts, concerns and solutions around the green recovery and for these to be shared with policy makers.

"Blythe Turbine Vawt" Project:

Installation of a hybrid wind and solar turbine into a local school for both clean energy and educational purposes.

The Upper Eden Renewable Energy Programme:

Facilitate five community-led viable renewable energy schemes being proposed in the region of Upper Eden, Cumbria.

Girls Into Coding's "Empowering Girls Through Tech for Good" Project:

Develop, produce and deliver a unique and hands-on robotics and IoT workshop for girls, focusing on renewable energy and climate change.



ORIT is enabling us to demonstrate how technology can efficiently and measurably support a human-led approach to climate and community cohesion.

Through our partnership and shared vision, ORIT is collaborating with us to transform how the renewable energy industry engages with and supports the communities that host its assets."





UN SDG specific contributions

4 QUALITY EDUCATION



4 Quality Education

4.1 and 4.7 Provide free, quality education leading to relevant and effective learning outcomes that can also promote sustainable development:

Partnership with the Good Bee Company and Earth Energy Education to provide free education programmes and site visits to local schools. Funding of multiple charities through BizGive to promote STEM learning and a deeper understanding of renewable energy.

8 DECENT WORK AND ECONOMIC GROWTH



8 Decent Work and Economic Growth

8.5 Provide full and productive employment and decent work for all:

Extensive Health and Safety measures ensures employees are not exposed to risk.

www.un.org/sustainabledevelopment/



Investment Manager's Report

Octopus Renewables, part of the Octopus Energy Group, is a specialist clean energy investment manager with a mission to accelerate the transition to a future powered by renewable energy.

Since 2010, Octopus Renewables has, on behalf of its clients, invested in a diverse portfolio of assets with a capacity of over 2.9GW and is now the largest commercial solar investor in Europe and a leading UK investor in onshore wind, with assets under management valued at c.£4.0 billion. Of those investments c.£2.0 billion has been invested in solar and wind assets at construction stage. Octopus Renewables has 80 employees in the UK across a range of specialisms including transactions, development, energy markets, portfolio management, asset management, ESG, finance and operations.

£4.0bn Octopus Renewables AUM as at 31 December 2021

The Investment Manager has established a robust investment and due diligence process to ensure that each of the investments acquired by ORIT complies with the Company's investment policy and Performance, Planet and People objectives. This includes an assessment against the Company's ESG Policy to ensure consideration is given to the wider stakeholder impacts and risks inherent in the Company's investments and decision making.

Whilst ORIT benefits from the breadth of the Investment Manager's whole team of 80 professionals and a range of external professional advisors, within the Investment Manager, Matt Setchell, Chris Gaydon and David Bird are the named Fund Managers for ORIT.



2021 has been another successful year for ORIT. We are grateful for the continued support of existing investors through the two oversubscribed fundraisings during the period, and pleased to welcome a number of new shareholders.

Matt Setchell

Co-head of Octopus Renewables

Matt is co-head of Octopus Renewables, a team that he started ten years ago and has built to 80 people with over £4.0 billion of energy assets under management.

During this time, Matt led Octopus' investment into Lightsource Renewable Energy (now Lightsource BP) and oversaw the growth of that business from start up to exit. He also led the team's expansion strategy from an initial focus on UK solar PV into onshore wind and other Renewable Energy Assets across the UK, Europe and Australia.

Matt is chairman of the Octopus Renewables Investment Committee and a member of the Investment Manager's Executive Committee.

Prior to joining the Octopus Group, Matt was an investment manager at Shore Capital and a manager at PwC. He has an MBA from Cambridge University and an Economics degree from Bristol University.



Following the six investments made in 2021, ORIT's portfolio reflects the diversification which was our ambition at IPO. I am particularly excited by our two first development stage investments, which we expect to deliver many hundreds of megawatts of new green generation capacity in the coming years.

Chris Gaydon

Investment Director

Chris joined Octopus Renewables as an investment director in 2015, is a long-standing member of the Octopus Renewables Investment Committee and a director of several of Octopus Renewables' wind and solar special purpose vehicles.

Chris originated and led one of the largest wind farm portfolio acquisitions in the UK valued at c.£320 million and led the transaction team that delivered over £1 billion of debt and equity transactions. Chris now focuses on the origination of acquisition opportunities and fundraising, as well as strategic investments in related sectors.

Prior to joining Octopus, Chris was a business development director at Falck Renewables where he had a range of roles, including in M&A and leading greenfield development in France and Poland. Chris holds a Bachelor of Commerce (Finance) degree and a Bachelor of Engineering (Chemical) degree from the University of Sydney.



David Bird

Investment Director



As the need to accelerate the roll-out of new generation capacity becomes ever more apparent, I am delighted that we have successfully delivered the Ljungbyholm Wind Farm into operations during the year and that construction on wind assets in Poland, France and Scotland is proceeding well.

David is an investment director who joined the Octopus Renewables team in 2014 and works full-time on fund management for ORIT. As well as working in the transaction team leading acquisitions and project finance debt raising in the UK, France and Ireland, David has previously led the team responsible for the management of Octopus Renewables' bioenergy investments and has represented Octopus Renewables on a number of industry panels convened by Ofgem, the GB energy regulator.

Prior to joining Octopus, David was a director at Walbrook Capital, a boutique investment manager with a particular focus on renewables. He is a chartered accountant having qualified at EY, and holds a Masters in Mathematics from Oxford University.





Investments


6

**Investments made
during the year**


£245m

**Total allocated capital
to investments (includes
future construction
commitments)**


£878m

**Total value of all
investments**

Company Announcements

During the year, the Company announced six new investments into 430MW of renewable energy capacity across 4 countries. There were also amendments to the Investment Policy to incorporate an investment into developers and development pipelines.

At the General Meeting on 4 February 2021, Shareholders approved material changes to the Company's investment policy. The proposed changes broadly fell into three categories: (i) to allow limited investment, of up to 5% of GAV, in Renewable Energy Assets that are under development, together with renewable energy developers and development pipelines, (ii) to reflect the progress of the Company since launch and (iii) to make further minor changes to clarify certain sections of the current investment policy. Full details of the changes can be found in the circular published on 11 January 2021.

In June 2021 an intermediate holding company, ORIT UK Acquisitions Limited, agreed to acquire 100% of the rights to construct the Cumberhead Wind Farm, a 50MW onshore wind farm located in Scotland. The acquisition was completed on 24 September 2021, when the project had achieved ready-to-build status. The total cost of the acquisition and construction costs is expected to be up to approximately £75 million. Construction commenced in October 2021 with the wind farm expected to be fully operational in Q4 2022.

ORIT UK Acquisitions Limited also entered into a Power Purchase Agreement (PPA) in November 2021 between Cumberhead Wind Farm and Kimberly Clark Limited, the UK parent company of leading household brands including Andrex, Kleenex and Huggies. Once operational, the Cumberhead Project is expected to provide nearly 80% of the electricity needed to manufacture Kimberly Clark's products in the UK. The new Cumberhead Wind Farm will generate approximately 160,000 megawatt hours of renewable energy annually for Kimberly-Clark to manufacture many personal care products for the UK market.

Also in June, the Company launched an equity issue, raising gross proceeds of £150 million, which closed post period end in July. The oversubscribed equity issue was supported by the Investment Manager identifying a number of Renewable Energy Assets with an aggregate pipeline value of £1.3 billion, of which approximately £256 million were under exclusivity to the Company at the date of launch.



Of these pipeline assets under exclusivity, 71MW were held in Octopus Managed Funds. In addition, the Investment Manager had also identified further renewable energy investments with an aggregate value of approximately £3 billion which would potentially be suitable for acquisition by the Company. With the Investment Manager's experience and the preparatory work undertaken at the time of the raise, suitable assets were identified, assessed and acquired such that the net proceeds of the issue were committed within 4 months of admission, which took place on 7 July 2021. Demand exceeded both the target issue size of £100 million and the maximum issue size of £150 million.

Following the capital raise an intermediate holding company, ORIT Holdings Limited, announced that it had agreed to acquire a portfolio of five solar PV sites in Ireland with an expected installed capacity of up to 250MW. Completion of the acquisition is conditional upon four of the sites becoming fully operational, which is expected to occur in H1 2023. All sites will benefit from a Contract for Difference providing fixed-price revenues until 2037. The fifth site will be acquired on or after Completion as a construction ready project. Total consideration for the acquisition is expected to be between approximately €138 million and €145 million (approximately £119 million to £125 million) partially funded by a fully amortising debt facility of up to €88 million (approximately £76 million).

In August 2021 ORIT Holdings Limited invested €7.5 million (£6.4 million) into Simply Blue Holdings Limited, the parent company of the Simply Blue Group ("**SBG**"). SBG is a developer of sustainable marine projects focused on floating offshore wind. This was aided by a non-material change to the Company's Investment Policy to expand the universe of investment opportunities available to the Company to include development.



Wilburton 2 Solar Farm



Following the Interim Results announcement, ORIT Holdings Limited acquired two in-construction onshore wind farms in Poland from the PNE Group, an experienced German developer of wind projects across Europe. The “Krzecin” and “Kuslin” wind farms, with a combined capacity of 58.8MW once completed, will benefit from a high percentage of fixed price revenues under the Polish CfD scheme, until 2038. Construction of the Krzecin Wind Farm in the north-west of Poland and the Kuslin Wind farm in western Poland commenced in Q4 2020, with Krzecin becoming operational in February 2022 and Kuslin due to come online in Q2 2022. Total investment amount including debt funding for both projects is expected to be PLN 568 million (c.£105 million). The projects are financed by the European Bank for Reconstruction and Development and BayernLB.

In October, the Company announced that ORIT Holdings Limited had entered into a call option agreement for the acquisition of two onshore wind farms in Finland. In connection with the option agreement the Company paid a deposit of £45 million, which was interest bearing and would be refundable should the acquisition not complete. ORIT Holdings Limited subsequently exercised the call option in December 2021 and completed the acquisition of the two onshore wind farms for a total consideration of €140 million (including the option deposit). The Saunamaa and Suolakangas wind farms have a combined installed capacity of 71.4MW and are generating electricity in the final stages of testing. The acquisition agreement passes the residual construction cost and timing risks associated with commissioning to the vendor.

Following the completion of construction of the 48MW Ljungbyholm Wind Farm in June 2021, ORIT Holdings Limited entered into a Power Purchase Agreement (the “PPA”) in November over the electricity to be generated at Ljungbyholm. The counterparty to the PPA is Owens Corning, a multi-billion dollar market capitalisation global manufacturer that is a Fortune 500 company and a member of the Dow Jones Sustainability World Index. The PPA provides Ljungbyholm with a 10-year floor price for 100% of its production each year and will provide the offtaker with green electricity for its operations in Sweden as part of its ambitions to switch to 100% renewable electricity by 2030.

In December, the Company launched an equity issue and successfully raised aggregate gross proceeds of approximately £73.9 million (net proceeds of approximately £72.4 million). Approximately £69.0 million was raised pursuant to the placing and a further £4.9 million was raised pursuant to the REX Retail Offer. Accordingly, the Company issued the maximum issue size of 70 million New Ordinary Shares at the issue price of 105.5 pence per New Ordinary Share. The fundraising was oversubscribed with demand exceeding the maximum of 70 million Ordinary Shares available for issue and therefore a scaling-back exercise for the placing and REX Retail Offer was carried out.



Following the capital raise, the Company announced that it had invested £2.5 million via its intermediate holding company ORIT Holdings Limited, and had agreed to provide up to a further £7.5 million in development funding for nine newly formed joint venture onshore wind farm development companies with Wind 2 Limited ("Wind 2"); a specialist UK onshore wind developer. The joint ventures will initially target the development over the next 5-10 years of up to nine onshore wind farms in Scotland and Wales with a potential combined capacity of approximately 570MW. The Company's investment, which is a co-investment alongside another fund managed by Octopus Renewables Limited, gives preferential rights to fund the construction of the projects reaching ready to build stage.



**Portfolio Breakdown** (as at 31 December 2021)

The Company's portfolio of assets and are not segmented by technology, phase or jurisdiction for the Company's reporting purposes.

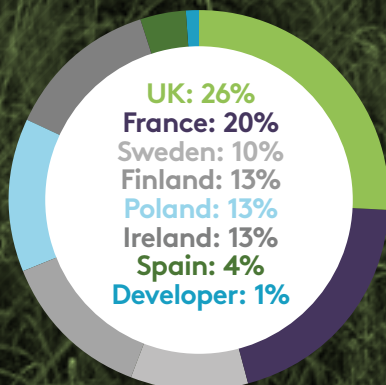
Site name	Technology	Country	Capacity (MW)	Phase	Start of operations	Remaining asset life
Penhale	Solar	UK	4	Operational	18/03/2013	31
Ottringham	Solar	UK	6	Operational	07/08/2014	33
Wiggin Hill	Solar	UK	11	Operational	10/03/2015	18
Chisbon	Solar	UK	12	Operational	05/03/2015	19
Westerfield	Solar	UK	13	Operational	25/03/2015	23
Wilburton 2	Solar	UK	19	Operational	29/03/2014	18
Abbots Ripton	Solar	UK	25	Operational	28/03/2014	32
Ermine Street	Solar	UK	32	Operational	29/07/2014	23
Ljungbyholm	Wind	Sweden	48	Operational	30/06/2021	30
Arsac 2	Solar	France	12	Operational	05/03/2015	20
Arsac 5	Solar	France	12	Operational	30/01/2015	20
Brignoles	Solar	France	5	Operational	26/06/2013	32
Chalmoux	Solar	France	10	Operational	01/08/2013	32
Charleval	Solar	France	6	Operational	26/03/2013	31
Cuges-les-Pins	Solar	France	7	Operational	17/04/2013	31
Fontienne	Solar	France	10	Operational	02/07/2015	34
IOVI 1	Solar	France	6	Operational	17/07/2014	33
IOVI 3	Solar	France	6	Operational	17/07/2014	33
Istres	Solar	France	8	Operational	18/06/2013	32
LaVerdiere	Solar	France	6	Operational	27/06/2013	32
Ollieres 1	Solar	France	12	Operational	19/03/2015	33
Ollieres 2	Solar	France	11	Operational	19/03/2015	33
Saint-Antonin-du-Var	Solar	France	8	Operational	28/11/2013	32
Cerisou	Wind	France	24	Construction		30
Spain 1	Solar	Spain	44	Conditional acquisition		35
Spain 2	Solar	Spain	44	Conditional acquisition		35
Spain 3	Solar	Spain	44	Conditional acquisition		35
Spain 4	Solar	Spain	44	Conditional acquisition		35
Cumberhead	Wind	UK	50	Construction		30
Ireland 1	Solar	Ireland	50	Conditional acquisition		40
Ireland 2	Solar	Ireland	50	Conditional acquisition		40
Ireland 3	Solar	Ireland	50	Conditional acquisition		40
Ireland 4	Solar	Ireland	50	Conditional acquisition		40
Ireland 5	Solar	Ireland	50	Conditional acquisition		40
Krzecin	Wind	Poland	19	Construction	08/02/2022	30
Kuslin	Wind	Poland	40	Construction		30
Saunamaa	Wind	Finland	34	Construction		30
Suolakangas	Wind	Finland	38	Construction		30



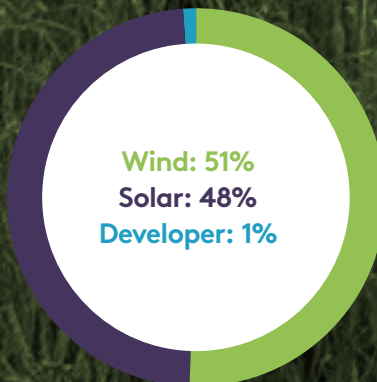
Portfolio Breakdown (as at 31 December 2021)

Portfolio composition broken down by total invested basis in accordance with the Company's investment policy (including the amounts committed to the conditional acquisitions of the Spanish and Irish solar PV assets).⁶

Country



Technology

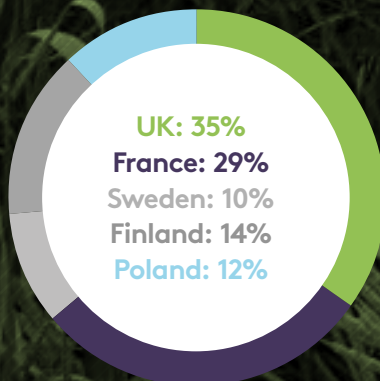


Asset phase

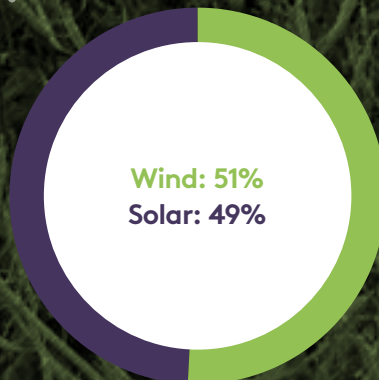


Portfolio composition broken down by MW of installed capacity on a current invested basis (and therefore exclude the Spanish and Irish solar PV assets).⁷

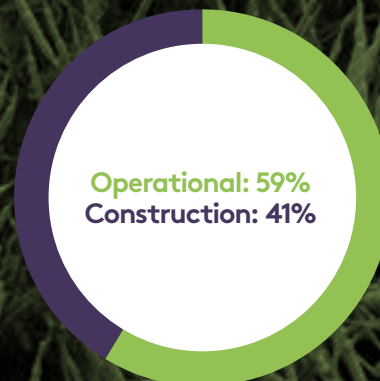
Country



Technology



Asset phase





Portfolio Performance

Technical and Financial Performance

In the financial year ending 31 December 2021, the Company's operational portfolio generated 348GWh (2020: 278GWh) of electricity which, although 3.4% below expectations, led to revenues of £38.5 million (2020: £30.8 million). This offset was caused by unexpected high power prices and compensation claimed from performance guarantee variances over the year resulting in an 8% increase to budget. Operational expenditure incurred over the year was lower than expectations, primarily as a result of rates refunds received across the UK and French portfolio, leading to total EBITDA generated across ORIT's operational portfolio of £29.9 million (2020: £22.6 million).



348GWh
Output -3% vs budget



£38.5m
Revenue +8% vs budget



£8.5m
Opex -7% vs budget



£29.9m
EBITDA +14% vs budget

UK Solar

Output for the UK operational solar portfolio was 110GWh for the year. The majority of the portfolio performed in line with expectations, however there was a 2.9% output shortfall versus budget despite irradiance being 1.0% above budget. The majority of the production variance was due to downtime, predominantly in Q1 2021, related to an overheating issue with a brand of inverters used at a number of sites. At the time of acquisition and as part of the investment plan, the Investment Manager planned modifications to improve the resilience of certain brands of inverters. Despite the operational challenges brought about by COVID-19, the Investment Manager has maintained the schedule of these works with these persistent efforts resulting in a significant reduction in the number of new and open faults. The effects of the now completed improvement works can be seen in the production losses in Q3 and Q4 due to these inverters, which have reduced by 60% versus the same period in the prior year. The portfolio outperformed budget by 10.0% in Q4 2021.

The UK operational solar portfolio generated revenues of £14.2 million (2020: £13.5 million) which, after including the impacts of compensation received, was in line with budget for the year (2020: 1.4% below budget). Operational expenditure for the year totalled £3.1 million (2020: 3.3 million), 1% favourable to budget (2020: 4.8% adverse to budget), primarily the result of rates refunds received in the year following a rates review carried out by an external consultant as engaged by the Investment Manager. EBITDA for the UK portfolio for the year ending 31 December 2021 was £11.1 million (2020: £10.1m), 1% up on budget for the year (2020: 5% below budget).



French Solar

During the year, the French operational solar portfolio produced 165GWh, which was 1.7% below budget. The most significant output reduction was at Chalmoux and Saint-Antonin-du-Var where production was 6.9% and 5.8% below budget, respectively. Both sites experienced temporary grid disconnections which have now been rectified leaving the portfolio outperforming budget by 11.5% in Q4 2021.

The French portfolio is fully subsidised, earning fixed-price revenues through the Feed-in-Tariff ("FiT") scheme. In the year ending 31 December 2021, the portfolio generated revenues of €18.7 million, (2020: €19.1 million) a 2% decrease to budget driven primarily by the lower production levels explained above (2020: 1% decrease to budget). Operational expenditure totalled €4.9 million (2020: €5.3 million), 11% favourable to budget (2020: 7% adverse to budget) largely as a result of property tax refunds following an ongoing historic property tax audit. The portfolio generated EBITDA of €13.8 million in the year (2020: €13.7 million), a 1% increase to budget (2020: 3% decrease to budget).

Ljungbyholm Wind Farm (Sweden)

During the year, Ljungbyholm Wind Farm became operational following a reliable, high-quality and cost-effective construction programme, which began in the first half of 2020. The Investment Manager used its strong relationships to help secure additional commissioning teams from turbine supplier Nordex, ensuring COVID-19 related isolations did not impact the construction timetable. Nordex's successful erection plan commenced in January 2021 and by early-April 2021, all twelve turbines had been installed and exported power to the local electricity network. During Q2 2021, the turbines passed reliability test runs and final inspections were completed, with the asset entering operations on 30 June 2021.

Since then, the Ljungbyholm wind farm produced 65GWh of electricity during the six months prior to the financial year end, which was 12.5% below budget. This was during a period of particularly low wind resource across the region with wind speeds 10.1% below expectation. The remaining production variance was due to downtime on a number of turbines whilst technical issues were resolved on-site. Any revenue losses caused by internal outages such as technical repairs are expected to be compensated by the vendor following the reporting period.

Ljungbyholm Wind Farm generated revenues of €6.3 million (2020: €nil) in the year ending December 2021, 108% above the budget set at the beginning of the year. Despite reduced production level, revenues were realised by high power prices, averaging at 81.10 £/MWh over the period of generation. Operational expenditure totalled €1.2 million (2020: €0.04 million), 78% above budget, largely due to increased variable costs associated with the increased revenue.

Cerisou Wind Farm (France)

On-site works for the construction of Cerisou Wind Farm in France commenced in August 2021. The site will consist of eight 3MW turbines, which have been ordered from Siemens Gamesa for delivery during Q1 2022. Civil works are ongoing with the construction of roads, foundations and grid connections progressing well ahead of turbine deliveries. The project is on schedule to achieve commercial operations during Q3 2022.



Cumberhead Wind Farm (UK)

Following the achievement of ready-to-build status during Q3 2021, the Company acquired Cumberhead Wind Farm. As at the date of this report, design works and site clearance are progressing well, with all key construction-related contracts agreed and contractors mobilised to start Balance of Plant works.

Krzecin and Kuslin Wind Farms (Poland)

Construction of the Krzecin Wind Farm in the north-west of Poland and the Kuslin Wind farm in western Poland commenced in Q4 2020, with Krzecin becoming operational in February 2022 and Kuslin due to come online in Q2 2022.

For Krzecin Wind Farm, construction has progressed well since acquisition in Q3 2021 with all turbines achieving energisation over the course of December 2021 and January 2022. Due to a technical issue with the remote monitoring and control system, the Commissioning and Substantial Completion was slightly delayed by a few weeks, but was achieved in February 2022.

Kuslin Wind Farm, which is at an earlier stage in the construction cycle, is also progressing well with civil and electrical works completed on schedule in 2021. Turbine deliveries commenced at the end of 2021 and continued into 2022, enabling full installation to commence in January in line with construction timelines.

Saunamaa and Suolakangas Wind Farms (Finland)

The Saunamaa and Suolakangas wind farms, which were acquired in December 2021, have a combined installed capacity of 71.4MW, and are in the final stages of commissioning.

The projects suffered significant delays related to a Vestas global blade defect that required a high number of replacements. Blade exchanges and testing were completed for Saunamaa and Suolakangas in Q3 2021 and Q4 2021, respectively. For both sites, some residual technical matters related to the turbine replacements and Balance of Plant contracts remain to be closed in Q1 2022. After which, the plants will be fully commercially operational. The acquisition agreement in place, passes the residual construction cost and timing risks associated with commissioning to the vendor.

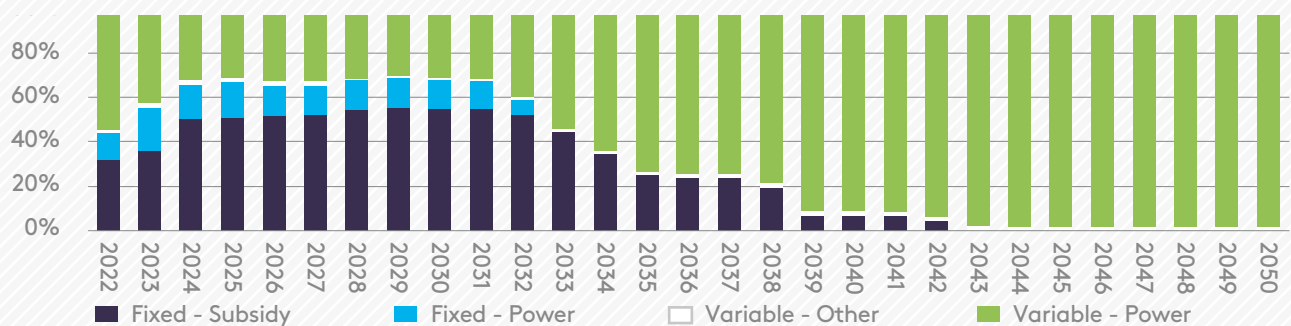
Since the locked box date, the Saunamaa and Suolakangas wind farms produced 103GWh for the benefit of ORIT. Since acquisition on 23 December 2021 the wind farms have produced over 4GWh of electricity. The Finnish portfolio generated revenues of €7.3 million and EBITDA of €6.2 million for the period from 1 July 2021 to 31 December 2021 (from the locked-box date of the transaction) for the benefit of ORIT and in line with investment case.



Revenues

Figure 2 illustrates the forecast revenue breakdown by type from 2022 through to 2050. Over the next 15 years, the portfolio benefits from substantial levels of fixed-price revenues extending into the 2040s predominantly arising from government-backed subsidies in the UK, France and Poland, in addition to corporate PPAs.

Figure 2: Fixed vs. Unfixed revenues (as at 31 December 2021)

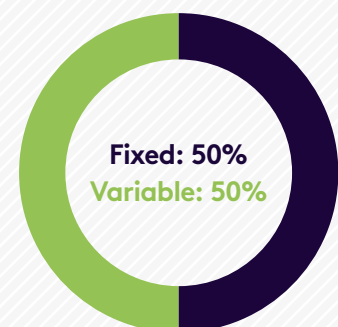


The Company's proportion of near-term variable power pricing has increased, driven by the sharp increases seen in global commodity prices. Whilst the acquisition of the two Finnish wind farms has further increased the Company's proportion of variable revenues, the sites benefit from a PPA which permits the Investment Manager to flexibly hedge wholesale power price exposure. The Kuslin and Krzecin Polish wind farms will see increased wholesale electricity price expectations in the near-term, while delivering revenue certainty over a 15-year period once the Polish subsidy commences in 2023.

As at 30 December 2021, 50% of ORIT's forecast revenues over the period to 31 December 2023 are fixed. Fixed-price revenues arise from either subsidies, such as ROCs or fixed power prices under PPAs with offtake counterparties.

During the year the Investment Manager has continued to proactively manage the portfolio's wholesale power price exposure, most notably securing long term corporate PPAs for two of its wind farms. Cumberhead Wind Farm has entered into a corporate PPA with Kimberly Clark, a multinational consumer products producer, while the Ljungbyholm wind farm has entered into a corporate PPA with Owens Corning, a global building and construction materials leader. In addition to this, fixed pricing has been extended for six of the eight UK solar sites.

Fixed vs. Unfixed revenues for period to 31 Dec 23





Octopus Reorganisation

On 2 July 2021 the Investment Manager completed a reorganisation by way of the acquisition of Octopus Renewables by Octopus Energy Group. Octopus Renewables Limited is now a wholly owned subsidiary of Octopus Energy Group Limited. Octopus Energy Group was launched in 2016 with a vision of using technology to make the green energy revolution affordable whilst transforming customer experiences, and has achieved rapid international growth, both through direct energy retail and its Kraken software licensing. Its domestic energy arm serves over 3 million customers with cheaper and greener power. As part of this, Octopus Electric Vehicles is helping to make clean transport cheaper and easier, and Octopus Energy Services is bringing smart products to thousands of homes.

Octopus Renewables and Octopus Energy joined forces to combine the technology and consumer-led approach of Octopus Energy Group with the energy, renewable assets and fund management expertise of Octopus Renewables. The vision is to positively change the entire energy life cycle; making every green electron count and delivering the best possible outcomes for our customers, investors, the environment, and wider society.

In September 2021, Octopus Energy Group was valued at close to \$5 billion after closing an investment with Generation Investment Management (GIM). GIM join international energy companies Tokyo Gas and Origin Energy as investors in Octopus Energy Group. With operations in the US, Germany, New Zealand, Australia, Japan, Spain and Italy, Octopus Energy Group's mission to drive the affordable green revolution is going global.

Octopus AIF Management Limited remains the alternative investment fund manager of the Company and portfolio management has now been delegated to Octopus Renewables Limited, as the Company's new investment manager, replacing Octopus Investments Limited. There has been no change to Octopus Renewables' leadership or people, and specifically, the Company's investment management team remains the same and service levels are uninterrupted by the transaction.





Market Outlook

Decarbonisation and the investment opportunity

The COP26 summit in Glasgow reinforced the need for rapid action to address climate change, and the importance of transitioning away from fossil fuels to renewable power generation as a key part of that. Accelerated action in this decade is recognised as being critical to limiting temperature increases, with a call to rapidly scale up the deployment of clean power generation.

Banks and asset managers with funds under management totalling \$130 trillion have joined the Glasgow Financial Alliance for Net Zero, pledging to meet the Paris climate agreement goals and to reach net zero carbon emissions by 2050. Meanwhile the UK Government is introducing rules which would require asset managers and listed corporates to publish net-zero transition plans from 2023.

This reinforced urgency and ambition has been reflected in a series of policy announcements over the year, including:

- **UK 6th Carbon Budget:** The UK set a legally binding target to reduce emissions by 78% by 2035 compared to 1990 levels. For the first time the carbon budget was expanded to include emissions from the aviation and shipping sectors.
- **EU Fit for 55:** In July, the European Commission adopted the 'Fit for 55' package, targeting a 55% reduction in carbon emissions from 1990 levels by 2030. Key measures include a strengthening of the EU Emissions Trading Scheme, and an amendment to the Renewable Energy Directive to increase the mandated contribution of renewables to energy usage from 32% to 40%. The increase to 40% corresponds to building 30GW per annum of new wind capacity between now and 2030, compared with current levels of 15GW per annum.
- **French Renewable Auctions:** In July the European Commission gave state aid approval for France's support scheme, designed to bring forward 34GW of new renewable generation capacity between 2021 and 2026 via 20-year contracts.
- In August, the UK Government launched its **Hydrogen Strategy**, targeting 5GW of low carbon hydrogen production by 2030. As well as opportunities for investment into hydrogen production itself, successful delivery of the Hydrogen Strategy will require significant incremental investment into core renewable electricity generation technologies of wind and solar.
- **UK CFD Allocation Round 4:** In September the UK Government announced details of the fourth allocation round under the Contracts for Difference scheme, including support for up to 5GW of onshore wind and solar to be delivered between 2023 and 2025, as well as uncapped capacity of offshore wind and a dedicated budget allowance for floating offshore wind. In February 2022 it was confirmed that auctions would be held annually rather than every two years.
- **UK Net Zero Strategy:** In October the UK Government published its Net Zero Strategy, including cross-sectoral policies to deliver the 2050 net zero and 2035 carbon reduction targets.



- **Irish RESS 2 auction:** In October the Irish government released details of its second CFD auctions, with an accelerated timetable compared with previous announcements, and an ambition to deliver an additional 3,500GWh of renewable generation by the end of 2024.
- **German government coalition treaty:** Following the general election, a coalition government was formed with the treaty including significant increases in ambition for decarbonisation. The treaty acknowledged the importance of the 1.5-degree global warming target and brings forward the desired date for closure of coal-fired power plants by 8 years to 2030, alongside an increase in the renewable generation percentage target to 80% of power supply by the same date.

To deliver on this ambition requires a significant increase in the pace of investment. The International Energy Agency's World Energy Outlook 2021 suggests that global investment in new clean energy and infrastructure needs to increase from \$1 trillion per annum to \$4 trillion per annum by 2030 to remain on track for net zero by 2050.

Electrification is key to wider de-carbonisation, as green hydrogen from electrolysis, the electrification of homes, and the rapid adoption of electric vehicles is expected to massively increase demand for renewable energy generation. The IEA WEO 2021 shows electricity's share of global energy consumption rising from 20% to 50% by 2050. This will lead to a significant increase in power demand, with the UK's Committee on Climate Change forecasting demand in the GB system rising from current levels of around 300TWh per annum to between 600 and 900TWh per annum by 2050.

Alongside this significant increase in demand levels, the transition to grids dominated by renewable generation will require an increase in the flexibility of demand. Using smart technology will allow consumers to adjust the time at which they use energy to align with periods of maximum renewable output. The ability, for example, for electric vehicles parked at homes overnight to automatically charge in periods of lowest price and/or carbon intensity is already being demonstrated. Significant components of new demand from heat pumps and hydrogen electrolysis should also be able to behave flexibly. This increased flexibility should reduce the impact of 'price cannibalisation' on renewable generators, e.g., by shifting demand in solar-dominated grids to the middle of the day.

Investment landscape

During the year, competition for assets in the Company's target geographies has remained strong. New capital has been flowing into the sector from a range of investors, including strategic players such as oil majors seeking to decarbonise their business models, as well as increased allocations to strategies with strong ESG credentials.



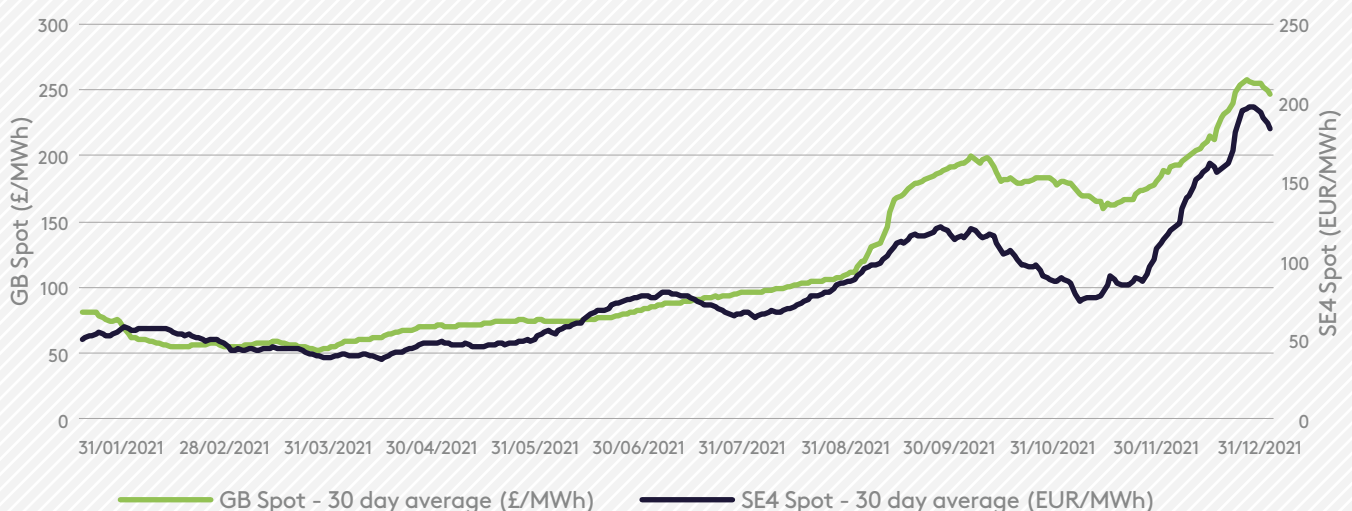
Asset valuations have seen upward pressure even after adjusting for higher power prices and inflation, with 35-year asset life assumption for wind assets increasingly prevalent in advisor-led sales processes, alongside repowering or retrofit of ancillary technologies such as storage or hydrogen electrolyzers. These pricing dynamics have been seen across the asset lifecycle, with very high pricing observed for seabed lease options in both the English, Welsh, and more recent Scottish auction processes. Despite increasing interest rate expectations and rising bond yields, we have not seen any sign of upward pressure on discount rates, although borrowing costs for new debt have increased slightly due to the higher base rates.

Notwithstanding the increasing competition and price pressure, the Investment Manager's strong networks have allowed the Company to acquire assets at attractive valuations relative to the market. The updates to the Investment Policy during the year, in particular to introduce a small allocation to developers and assets at the development stage, is designed to give the Company access to a proprietary pipeline of assets into which it can invest at the construction-ready stage.

Power prices

2021 witnessed a dramatic increase in power pricing across all European markets. Initial rises were driven by post-COVID demand recovery, increased carbon pricing and increased commodity prices. From September prices spiked sharply, due primarily to a corresponding increase in gas prices. Wholesale gas (National Balancing Point (NBP) and carbon prices are shown below, for reference.

Figure 3: Electricity Spot Price Developments (GB, SE4)



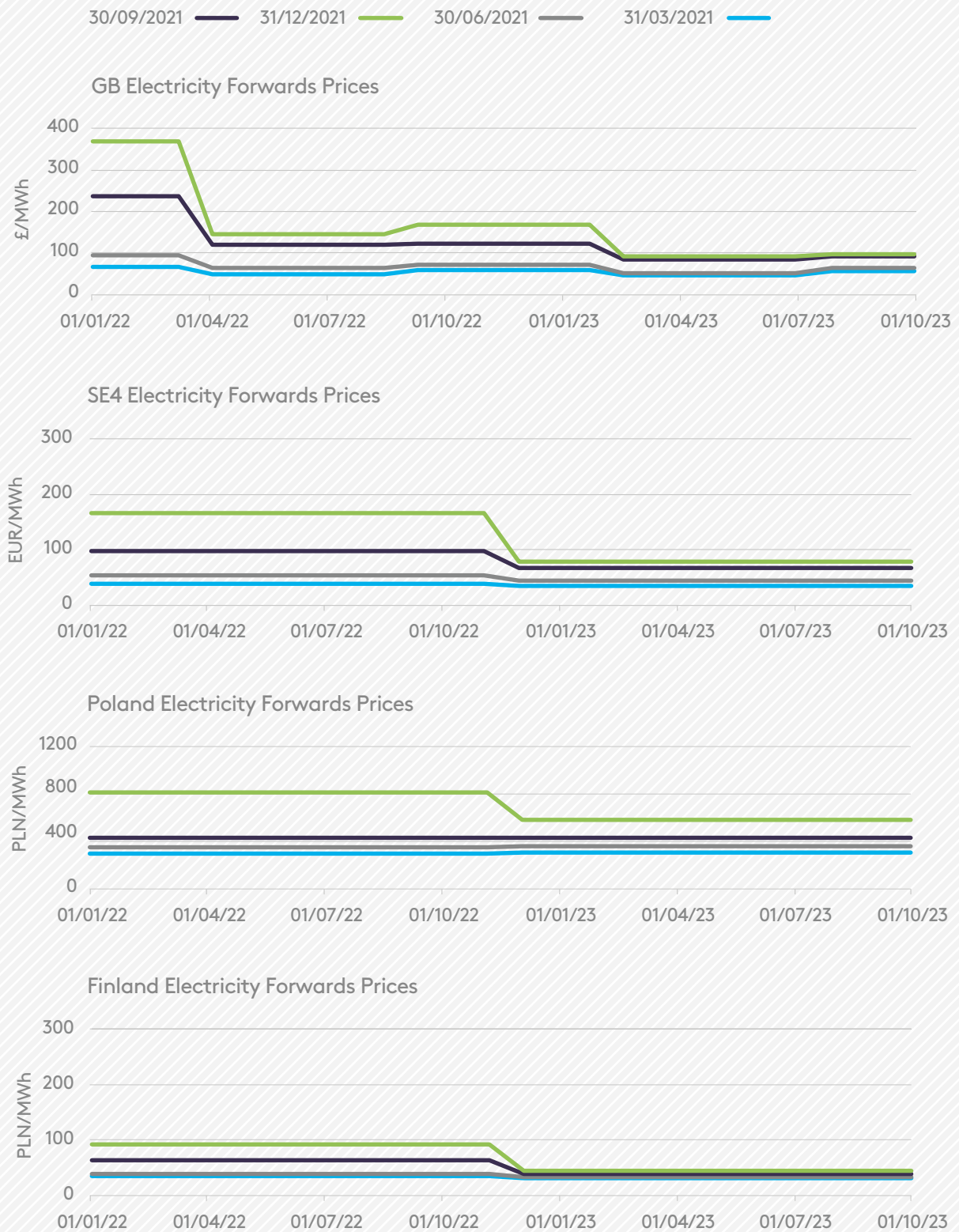
**Figure 4: Electricity Forwards Prices**

Figure 5:



The increase in gas prices has been driven by a number of factors. Strong post-covid Asian LNG demand has raised Asian hub prices, diverting LNG cargoes towards Asia and raising European hub prices as a result. To add to this, droughts in China and Brazil have resulted in reduced hydroelectric generation, increasing gas-for-power demand. Meanwhile, an extended winter period over 2020/21 had resulted in low European gas storage levels. This trend of low gas storage volumes has continued over the year, with unplanned outages and maintenance negatively impacting European gas production, and reduced deliveries from Russia amid ongoing geopolitical tensions. This led to storage levels dropping below 50% of capacity at the earliest point in winter ever recorded in January.

Since that time the relatively mild weather and increased LNG deliveries have reduced concerns on gas shortages. However forward markets imply continued tightness throughout 2022 and into the first quarter of 2023.

In certain markets, including the UK, the impact of high gas prices has been amplified by scarcity in other forms of generation, with relatively low wind generation throughout 2021, alongside reduced capacity of nuclear plant and interconnectors.



This gas-driven increase in power prices, whilst positive for the revenues received by generators without hedges in place, will cause significant financial distress for many end-consumers, and will disproportionately affect the most vulnerable.

Wider impacts of power price movements

It has been particularly pleasing to see widespread commentary, including from the UK Secretary of State for Business, Energy and Industrial Strategy Kwasi Kwarteng – who acknowledged that the enduring solution to the current gas crisis is to accelerate the transition away from gas dependence through building more renewables, more quickly.

There is increasing evidence that accelerating the pace of investment into renewable generation will lead to better economic outcomes overall. A paper published in September by Oxford University's Institute for New Economic Thinking highlighted potential savings on energy costs in the trillions of dollars by going 'big and fast' on renewable deployment, when compared with a slower transition or one with increased focus on nuclear generation.

In some other countries, official reactions have been less helpful for renewables. For example, Spanish authorities have introduced a temporary measure targeted at supposed windfall profits of low-cost generators, such that they pay back a portion of revenues received when the power price is high because gas prices are high.

The dominant influence of gas on power prices, even when existing renewable generation has been producing, has raised awareness of the need to reform power markets, with increasing discussion of more locational pricing. High pricing, combined with the increased focus on decarbonisation, is also relevant to the market for corporate PPAs. With PPA pricing trending upwards we have seen evidence of developers eschewing government backed CFDs in favour of corporate offtakes in markets such as the UK, Ireland and Poland.

Conflict in Ukraine

The invasion of Ukraine by Russia has shocked the world, and is causing terrible human suffering. The Investment Manager has reviewed all counterparties and asset service providers to assess exposure to the new sanctions introduced in response to the Russian invasion, and there is no such exposure.

ORIT does not have any investments in Ukraine, Russia or Belarus, nor does it have inventory or warehousing in those countries, nor supply chain, logistics or suppliers dependent on those countries. All of ORIT's physical assets are located in EU or NATO countries, therefore it is not anticipated that the conflict will have a direct impact on the Company's investments.

The war has impacted on gas and other fuel commodity prices including power prices, which have become increasingly volatile. At the time of writing, we have not seen any sign of M&A activity for renewable assets slowing, or of any shift in demand or discount rates for assets in countries where ORIT has investments.

Various announcements by the EU, the IEA and the UK government have supported renewable generation as a way to prevent European dependence on Russian gas, and more detailed measures to accelerate the rate at which new projects can be permitted are expected.



Financing

More favourable debt terms tend to be available for assets with government-backed fixed revenues in stable jurisdictions. Borrowing in euros, secured against assets whose revenue is euro denominated, also provides a natural hedge against foreign exchange movements. Therefore, the Investment Manager has prioritised securing long-term structural debt against the French assets.

In January 2021, the Investment Manager completed the refinancing of the French solar portfolio which now benefits from an extended term by over five years to 2038. The total facility size is €125.7 million and is provided by Allied Irish Bank, Société Générale and La Banque Postale. The debt was utilised to repay the pre-existing facilities, settle the interest rate swaps and fund a distribution to the Company. The margin on the new debt facility is 1.25% for the life of the loan, and the base interest rate has been fixed at minus 0.12% for 85% of the principal amount leading to an aggregate interest rate of 1.13%. As at 31 December 2021, €124.0 million is outstanding on the loan.

In May the Investment Manager completed the financing of Cerisou Wind Farm. This €43.2 million fully amortising facility, provided by Société Générale, will fund the construction and commissioning of the project. This debt facility has allowed the Company to invest the amounts previously committed to the project into other investment opportunities. Construction at Cerisou Wind Farm began on schedule in August 2021, with the project expected to be fully operational in H2 2022. The facility is amortising over 23 years from the commercial operations date of the project, with a flat 1.30% interest margin above EURIBOR over the duration of the loan.

Following the capital raise in July, the Company entered into a flexible debt facility of up to €88 million with Allied Irish Bank and La Banque Postale in connection with the conditional Irish solar acquisition. The 20-year facility will be drawn at commissioning to fund the transaction, with an interest margin above EURIBOR of 1.30% until year 5, 1.40% until year 10 and 1.65% thereafter.

At acquisition in October, the Polish wind farms already had project financing in place provided 50:50 by EBRD and Bayern LB. Each site cross collateralises the bank debt obligations of the other and the financing which will be used to fund all remaining construction payments. Under the facility, distributions are not permitted until the second bank repayment has been made, which will be completed on 30 June 2023.

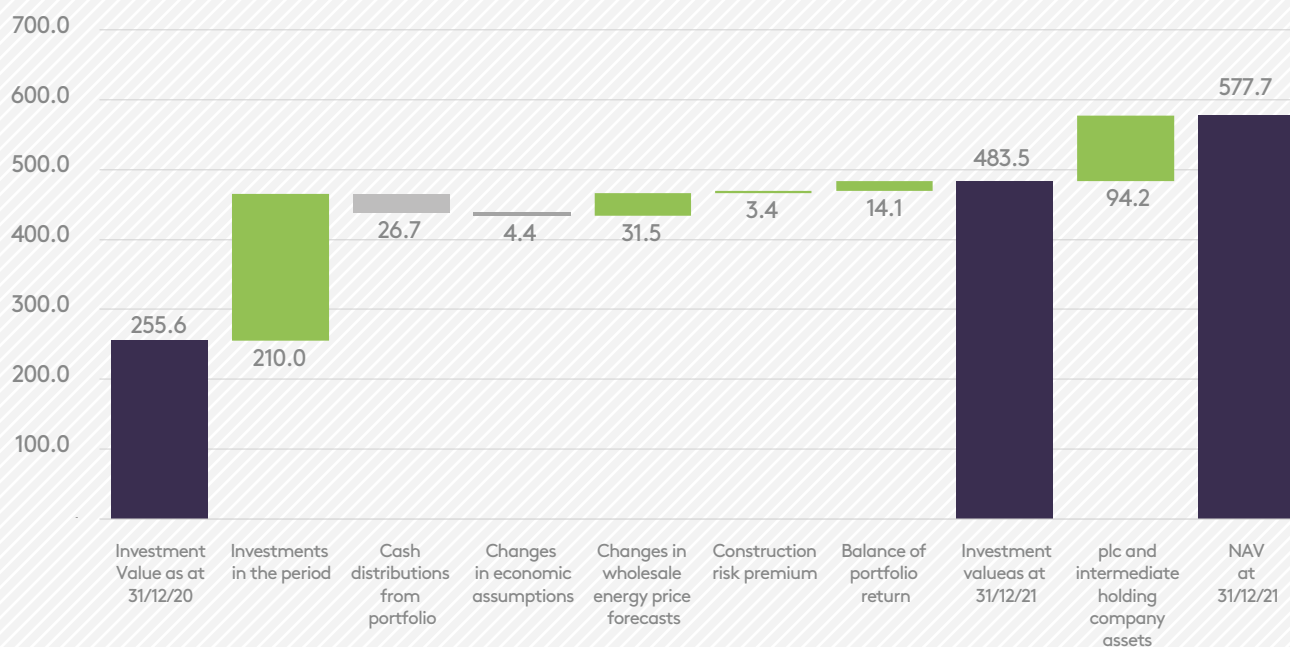


Portfolio Valuation

Regular valuations are undertaken for the Company's portfolio of assets. The process follows International Private Equity Valuation Guidelines using a discounted cashflow ("DCF") methodology. DCF is deemed the most appropriate methodology where a detailed projection of likely future cash flows is possible. Due to the asset class and available market data over the forecast horizon, a DCF valuation is typically the basis upon which renewable assets are traded in the market. Key macroeconomic and fiscal assumptions for the valuations are set out in [Note 9](#) to the financial statements.

The fair value of the Company's portfolio of assets as at 31 December 2021 was £483.5 million, reflecting acquisitions and capital injections during the year of £210.0 million alongside changes to economic, wholesale energy and asset specific assumptions and the return on the portfolio net of distributions. The total portfolio value as at 31 December 2021 is £577.7 million, or 102.3 pence per ordinary share, which incorporates both the Company's and its intermediate holding companies' other assets of £94.2 million.

Figure 5: ORIT Equity Value Bridge (£m)





Year ended 31 December 2021 (£m)

Investment value at 31 December 2020	255.6
Acquisitions in the year	210.0
Distributions paid out of the portfolio of assets	(26.7)
Changes in economic assumptions	(4.4)
Changes in wholesale energy price forecasts	31.5
Construction risk premium	3.4
Balance of portfolio return	14.1
Fair value of the portfolio of assets	483.5
Plc and intermediate holding company net assets	94.2
Audited net asset value	577.7

Investments in the year

During the year, the Company completed the acquisition of the Cumberhead Wind Farm. As at 31 December 2021, a total of £17.7 million has been paid towards the acquisition of the asset and ongoing construction costs. The total cost of the acquisition and construction costs is expected to rise up to approximately £75 million.

In August, the Company invested €7.5 million (£6.4 million) into a developer of sustainable marine projects focused on floating offshore wind, Simply Blue Holdings Limited, which is the parent company of the Simply Blue Group.

The Company also acquired two in-construction onshore wind farms in Poland, Krzecin and Kuslin Wind Farm, for a consideration of £47.7 million. The total investment amount including debt funding for both projects is expected to be PLN 568 million (c.£105 million). The projects are financed by the European Bank for Reconstruction and Development and BayernLB.

The Company exercised the call option in December 2021 and completed the acquisition of two onshore wind farms, Saunamaa and Suolakangas Wind Farm, for a consideration of £112.5 million.

In December, the Company invested £2.5 million and agreed to provide up to a further £7.5 million in development funding for nine newly formed joint venture onshore wind farm development companies with Wind 2 Limited ("Wind 2"), a specialist UK onshore wind developer.

Elsewhere in the portfolio, minor capital injections and ongoing construction payments were made in relation to the Ljungbyholm and Cerisou wind farms totalling £23.3 million.

Distributions paid out of the portfolio of assets

This relates to the amount of cash paid out of the portfolio of assets and received by the Company or its intermediate holding companies in the year ending 31 December 2021.



Economic assumptions

The main economic assumptions used in the portfolio valuation are inflation rates, interest rates, foreign exchange rates and tax rates.

The 31 December 2021 valuation reflects a net increase of £6.7 million due to changes in inflation assumptions based on recent independent economic forecasts and relevant government announcements. During the year, the UK long-term RPI inflation rates have been moved to 3.00% until April 2030 and 2.25% thereafter reflecting alignment with CPIH, resulting in a decrease of value of £0.5 million. This was offset by the net impact of short-term increases to RPI and CPI, resulting in a value increase of £7.0 million. Updates to the inflation rates for other jurisdictions resulted in a total valuation increase of £0.2 million during the year.

During the year, sterling appreciated against the euro by 7%, leading to a negative valuation impact of £10.5 million. Euro-denominated investments comprised 46% of the portfolio at the year end. The Investment Manager regularly reviews the level of euro exposure and utilises hedges, with the objective of minimising variability in shorter term cash flows. After the impact of currency hedges held at the ORIT Holdings Limited level are taken into account, the loss on foreign exchange reduces to £6.2 million. Any value of existing hedging instruments or net gain/loss from historic trades is recognised as intermediate holding company net assets.

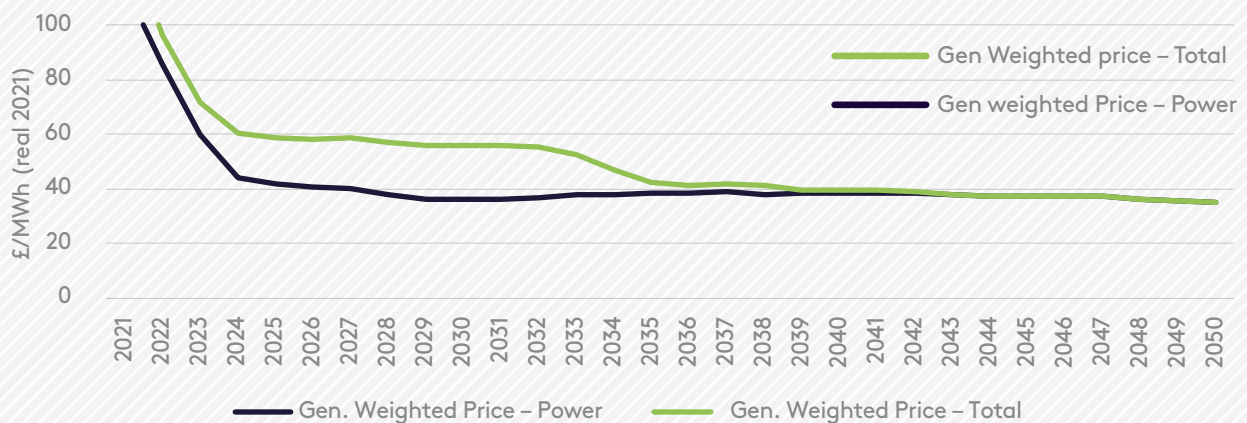
Per the enactment of the Finance Act 2021, the rate of UK corporation tax is set to increase from 19% to 25% with effect from April 2023. The calculation of the audited NAV as at 31 December 2021 is based on an assumption that this increased rate remains in place for three years, before trending down by 1% per year until reduced to the current level of 19% long-term, resulting in a negative value impact of £0.6 million. A flat UK corporation tax rate of 25% from April 2023 for the lifetime of the portfolio would reduce NAV by approximately £4.6 million or 0.8 pence per ordinary share.

Power prices

Unless fixed under PPAs or otherwise hedged, the power prices used in the valuations are based on market forward prices in the near-term, followed by an equal blend of up to three independent and widely used market consultants' technology-specific capture price forecasts for each asset.

2021 has been an extraordinary year in electricity markets. As a result of a number of key drivers (detailed in the Portfolio Performance section), electricity forwards markets across Europe have seen a continued rise across 2021, with the steepest increases occurring across Q4. This has fed into our internal wholesale electricity price expectations, which also take into account the large proportion of the portfolio that is hedged in the near-term.

In the longer term, while increased carbon price forecasts (reflecting increased European government decarbonisation ambition) have applied upwards pressure to the advisors' power price forecasts, increased subsidy-driven (e.g., GB offshore wind) and unsubsidised renewables buildout have applied downwards pressure to price forecasts in the longer term.

**Figure 6: Generation – Weighted Price**

Overall, this has led to a net £31.5 million increase in the value of the portfolio as at 31 December 2021. The portfolio's forecasted power only generation weighted prices ("Power only GWP") and the generation weighted prices including subsidies and additional benefits ("Total GWP") for the period from 2022 to 2050 are shown in Figure 6. The curves are blended across the markets in which the portfolio's generation assets are located, weighted by the portfolio generation mix and converted into £/MWh using the FX spot rate as at 31 December 2021. On average, the graph shows Power only GWP of £57.52/MWh in the period 2022-2025 and £37.62/MWh in the period 2026-2050.

Construction Risk Premium

During the year, a valuation increase of £3.4 million resulted from the de-risking of the construction assets. Of this, £2.4 million was related to Ljungbyholm Wind Farm, recognising the significant construction progress and ultimate operations being achieved on 30 June 2021. A further £1.1 million uplift was recognised due to the completion of civil works at the Kuslin wind farm in Poland.

As the remaining portfolio under construction becomes substantially de-risked through the completion of construction milestones, it is estimated that a further £8.3 million of value will be crystallised in future valuation cycles.



Balance of portfolio return

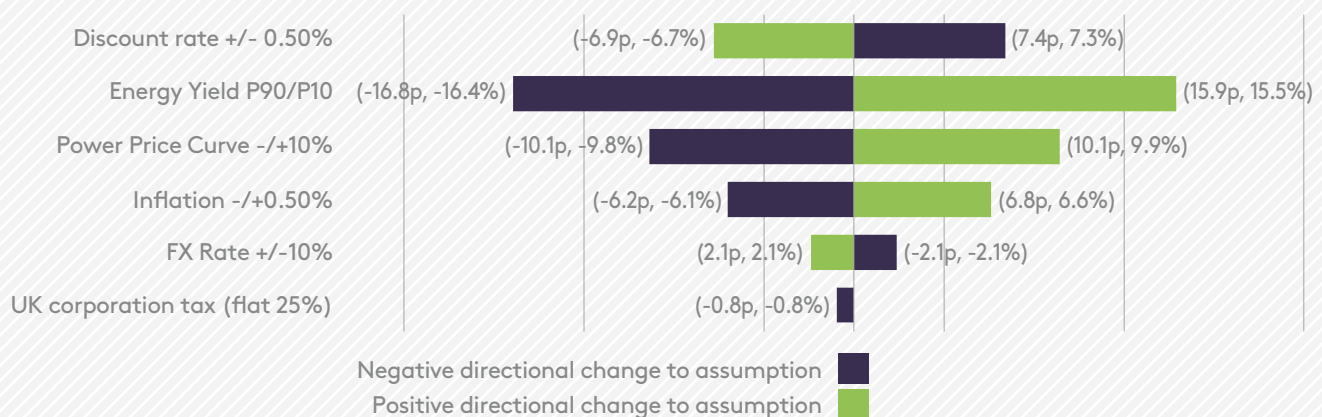
This refers to the balance of valuation movements in the year excluding the factors noted above and represents an uplift of £14.1 million.

Of this, £17.9 million reflects the net present value of future cashflows being brought forward from the valuation date used for the acquisitions to 31 December 2021. £3.5 million of valuation increase resulted from a c.0.4% reduction in UK solar discount rates to reflect valuations observed in transactions announced in the market and/or in which the Investment Manager participated and has reliable pricing information. The extension of asset lives to 40 years for solar assets where the relevant criteria have been met resulted in a further increase of £2.2 million. These valuation uplifts were partially offset by the reduction of FiT pricing for the French solar portfolio of £2.3 million, as well as the net impact of minor assumption updates of £7.2 million at the project company level.

Portfolio valuation sensitivities

The sensitivities are based on the existing portfolio of assets as at 31 December 2021 as well as cash flows of conditional acquisitions, and as such may not be representative of the sensitivities once the Company is fully invested and geared. For each of the sensitivities shown, it is assumed that potential changes occur independently with no effect on any other assumption. As such the sensitivities also do not capture any potential benefit of a portfolio effect through non-correlation of technologies or energy markets.

Figure 7: Sensitivities – impact on NAV as at 31 December 2021





Discount rate

A range of discount rates are applied in calculating the fair value of the investments, considering the location, technology and lifecycle stage of each asset as well as leverage and the split of fixed and variable revenues. The weighted average discount rate as at 31 December 2021 is 6.8% (31 December 2020: 6.9%).

Volumes

Each asset's valuation assumes a "P50" level of electricity output based on yield assessments prepared by technical advisors. The P50 output is the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long term - and a 50% probability of being underachieved. The P50 provides an expected level of generation over the long-term.

The P90 (90% probability of exceedance over a 10-year period) and P10 (10% probability of exceedance over a 10-year period) sensitivities reflect the future variability of wind speed and solar irradiation and the associated impact on output, along with the uncertainty associated with the long-term data sources used to calculate the P50 forecast. The sensitivities shown assume that the output of each asset in the portfolio is in line with the P10 or P90 output forecast respectively for each year of the asset life.

Power price curve

As described above, the power price forecasts for each asset are based on a number of inputs. The sensitivity assumes a 10% increase or decrease in power prices relative to the base case for each year of the asset life.

Inflation

The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

Foreign exchange

The Company seeks to manage its exposure to foreign exchange movements to ensure that (i) the sterling value of known future construction commitments is fixed; (ii) sufficient near-term distributions from non-sterling investments are hedged to maintain healthy dividend cover; (iii) the volatility of the Company's NAV with respect to foreign exchange movements is limited; and (iv) all settlements and potential mark-to-market payments on instruments used to hedge foreign exchange exposure are adequately covered by the Company's cash balances and undrawn credit facilities.

Of the portfolio as at 31 December 2021, 46% of the NAV is denominated in non-sterling currencies. After the impact of currency derivatives held at the ORIT Holdings Limited level are taken into account, over 100% of the forecast cash distributions for the next 5 years are hedged against movements in FX rates.



UK Corporation Tax

The calculation of the audited NAV as at 31 December 2021 is based on an assumption that this increased rate remains in place for three years, before trending down by 1% per year until reduced to the current level of 19% long-term. A flat UK corporation tax rate of 25% from April 2023 for the lifetime of the portfolio would reduce NAV by approximately £4.6 million or 0.8 pence per ordinary share.



Ljungbyholm Wind Farm



Financial Review

The financial statements of the Company for the year ended 31 December 2021 are set out on [pages 152 to 188](#). These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "intermediate holding companies", which comprise the Company's wholly owned subsidiary, ORIT Holdings II Limited and its indirectly held wholly owned subsidiaries ORIT UK Acquisitions Limited and ORIT Holdings Limited.

Basis of accounting

The Company applies IFRS 10 and Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28, which state that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value. The Company accounts for its interest in its wholly owned direct subsidiary, ORIT Holdings II Limited as an investment at fair value through profit or loss.

The primary impact of this application, in comparison to consolidating subsidiaries, is that the cash balances, the working capital balances and borrowings in the intermediate holding companies are presented as part of the Company's fair value of investments.

Results as at/for the year ended 31 December

	2021 £m	2020 £m
Net asset value	577.7	343.9
Fair value of Company's investments	485.4	258.7
Net assets per share	102.26p	98.26p
Investment income from portfolio	31.8	15.5
Gains/(losses) on fair value of investments	8.6	(3.2)
Profit for the year/period	34.8	8.3



Net assets

Net assets have increased from £343.9 million at 31 December 2020 to £577.7 million at 31 December 2021, principally driven by two successful capital raises totalling £224 million, changes in wholesale energy price forecasts, and the de-risking of construction assets.

The net assets comprise the fair value of the Company's investments of £485.4 million (2020: £258.7 million) and the Company's cash balance of £93.9 million (2020: £87.2 million), offset by £1.6 million (2020: £2.0 million) of Company net liabilities.

Included in the fair value of the Company's investments are assets of £1.9 million (2020: £3.1 million) held in the intermediate holding companies. These comprise cash of £1.3 million (2020: £3.1 million), the mark-to-market value of the FX hedges taken out to minimise the volatility of cashflows associated with non-UK portfolios of £2.3 million (2020: £0.6 million) and the amortised transaction costs associated with the revolving credit facility at ORIT Holdings II Limited of £1.4 million (2020: £2.4 million). This is offset by liabilities of £3.1 million (2020: £10 million), predominantly relating to accrued transaction costs not yet paid.

As at 31 December 2021, ORIT Holdings II Limited had not drawn on its revolving credit facility. The company has however secured Letters of Credit against the RCF and its direct subsidiaries have conditional acquisitions which will require utilisation should the acquisitions complete.

Results as at/for the year/period ended 31 December

	2021 £m	2020 £m
Fair value of portfolio of assets	483.5	255.6
Cash held in intermediate holding companies	1.3	1.1
Fair value of other net assets in intermediate holding companies	0.6	2.0
Fair value of Company's investments	485.4	258.7
Company's cash	93.9	87.2
Company's other liabilities	(1.6)	(2.0)
Net asset value as at 31 December	577.7	343.9
Number of shares	564.9	350.0
Net asset value per share (pence)	102.26	98.26



Income

In accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in October 2019 by the Association of Investment Companies ("AIC"), the statement of comprehensive income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the year. Items classified as capital in nature either relate directly to the Company's investment portfolio or are costs deemed attributable to the long-term capital growth of the Company (such as a portion of the Investment Manager's fee).

In the financial year ending 31 December 2021, the Company's operating income was £40.4 million (period from incorporation to 31 December 2020 ("FY20"): £12.3 million), including interest income of £12.7 million (FY20: £7.7 million), dividends received of £19.2 million (FY20: £7.8 million) and net gains on the movement of fair value of investments of £8.6 million (FY20: losses of £3.2 million). The operating expenses included in the statement of comprehensive income for the year were £5.6 million (FY20: £4.0 million). These comprise £4.1 million Investment Manager fees (FY20: £3.4 million) and £1.5 million operating expenses (FY20: £0.5 million). Costs in the previous period were offset by £0.5 million of deposit interest income. The details on how the Investment Manager's fees are charged are set out in [Note 13](#) to the financial statements.

Ongoing charges

The ongoing charges ratio ("OCR") is a measure of the regular and recurring annual costs of running the Company, expressed as a percentage of average net assets. It has been calculated and disclosed in accordance with the AIC methodology, as annualised ongoing charges (i.e., excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the year. For the year ended 31 December 2021, the ratio was 1.15% (FY20: 1.15%).

Dividends

During the year, interim dividends totalling £20.5 million were paid (1.06p per share paid in respect of the quarter to 31 December 2020 in March 2021 and 1.25p per share paid in respect of the first three quarters of 2021 in June 2021, August 2021 and November 2021 respectively).

Post year end, a further interim dividend of 1.25p per share was paid on 4 March 2022 in respect of the quarter ending 31 December 2021 to shareholders recorded on the register on 17 February 2022. Following the recent fund raise, the total number of ordinary shares in issue on that record date was 564,927,536 and the total dividend paid to shareholders amounted to £7.1 million. As such, dividends totalling £23.8 million have been paid in respect of the 12-month period under review. These dividends are fully covered from the operational cash flows of the underlying portfolios.

**Dividend cover - operational cash flows (portfolio level)**

Year/period ended 31 December

	2021 £m	2020 £m
Operational cash flows		
UK Solar	11.1	10.9
French Solar	11.9	12.1
Swedish Wind	4.4	-
Finnish Wind ²⁹	5.3	-
	32.7	23.0
Interest payable on external debt		
French Solar	(1.1)	(2.6)
Operational cash flow pre debt amortisation	31.6	20.4
Company and Intermediate holding company level expenses ³⁰	(5.3)	(5.0)
Net cash flow from operating activities pre debt amortisation	26.3	15.4
Dividends paid in respect of year/period	23.8	11.1
Portfolio level operational cash flow dividend cover pre debt amortisation	1.1x	1.39x
External debt amortisation		
French Solar	(2.1)	(7.3)
Net cash flow from operating activities	24.2	8.1
Dividends paid in respect of year/period	23.8	11.1
Portfolio level operational cash flow dividend cover	1.02x	0.73x

²⁹Includes all operational cash generated from 1 July 2021 (the locked-box date)³⁰Includes crystallised FX gains recognised in the Company and intermediate holding companies

**Dividend cover – P&L (Company level)**

	2021 £m	2020 £m
Profit for the year/period	34.8	8.3
<i>Adjustments for:</i>		
Unrealised (gains)/losses on fair value of investments	(8.6)	3.2
Realised profit for the year/period	26.2	11.5
Dividends paid in respect of year/period	23.8	11.1
Company level P&L dividend cover	1.1x	1.04x

Dividend cover – operational cash flows (Company level)

	2021 £m	2020 £m
Profit for the year/period	34.8	8.3
<i>Adjustments for:</i>		
Unrealised (gains)/losses on fair value of investments	(8.6)	3.2
Investment income	(31.8)	(15.5)
Changes in working capital	(0.3)	1.5
	(5.9)	(2.5)
Distributions received from investments	26.2	13.3
Net cash flow from operating activities	20.3	10.8
Dividends paid in respect of year/period	23.8	11.1
Company level operational cash flow dividend cover	0.85x	0.97x



Risk and Risk Management

Risk Appetite

The Board is ultimately responsible for defining the level and types of risk that the Company considers appropriate. In the context of the Company's strategy, risk appetite is aligned to the Investment Policy and this provides the framework for how capital will be deployed to meet the Company's investment objective. The limits set out in the Investment Policy represent the amount of risk that the Company is willing to take and the constraints determined by the Board that the Investment Manager must adhere to on behalf of the Company. This covers the principal risks the Company faces including, amongst other things, the level of exposure to power prices, financing risks and investment risks. Beyond this, risk limits and tolerances are monitored and set by the AIFM as part of the AIFM's risk management services. These are documented in the AIFM's Risk Management Policy for the Company covering credit, liquidity, counterparty, operational and market risks. Adherence to these risk limits is reported regularly to the Board through the quarterly AIFM risk management report.

Principal risks and uncertainties

The Company has carried out a robust assessment of its principal and emerging risks and the procedures in place to identify any emerging risks are described below.

Procedures to identify principal or emerging risks:

It is not possible to eliminate all risks faced by the Company, in fact well managed risks are key to generating long-term shareholder returns. The purpose of the risk management framework and policies adopted by the Company is to identify risks and enable the Board to respond to risks with mitigating actions to reduce the potential impacts should the risk materialise.

The Board regularly reviews the Company's risk matrix, with a focus on ensuring appropriate controls are in place to mitigate each risk. The experience and knowledge of the Board is important, as is advice received from the Company's service providers.

The following is a description of the procedures for identifying principal risks that each service provider highlights to the Board on a regular basis.

- 1. Alternative Investment Fund Manager:** The Company has appointed Octopus AIF Management Limited to be the Alternative Investment Fund Manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. As part of this the AIFM has put in place a Risk Management Policy which includes stress testing procedures and risk limits. As part of this risk management function, the AIFM maintains a register of identified risks including emerging risks likely to impact the Company. This is updated quarterly following discussions with the Investment Manager and highlighted to the Board.



- 2. Investment Manager:** Portfolio Management has been delegated by the AIFM to the Investment Manager. There is a comprehensive due diligence process in place to ensure that potential investments are screened against the Company's objectives, and that financial and economic analysis is conducted alongside a full risk analysis. Any potential transaction must be granted approval in principle ("**AIP**") by the Octopus Renewables Investment Committee ("**ORIC**") and the due diligence budget signed off by the Board. Once due diligence and negotiations of final terms are substantially complete, the final proposal including the risk analysis will be presented to ORIC for a decision on whether the Company should proceed with investment, subject to a final approval from the Board. The Investment Manager also provides a report to the Board at least quarterly on asset level risks, industry trends, insight to future challenges in the renewable sector including the regulatory, political and economic changes likely to impact the renewables sector.
- 3. Broker:** The Broker provides regular updates to the Board on Company performance and advice specific to the Company's sector, competitors and the investment company market whilst working with the Board and Investment Manager to communicate with shareholders.
- 4. Company secretary and auditors:** Briefs the Board on forthcoming legislation/regulatory change that might impact on the Company. The auditors also have specific briefings at least annually.

Procedure for oversight

The Audit and Risk Committee undertakes a review at least twice a year of the Company's risk matrix and a formal review of the risk procedures and controls in place at the AIFM and other key service providers to ensure that emerging (as well as known) risks are adequately identified and – so far as practicable – mitigated.

Principal risks

The Board considers the following to be the principal risks and financial risks faced by the Company along with the potential impact of these risks and the steps taken to mitigate them.



Economic, political and climate risks – income and value of the Company's investments may be affected by future changes in the economic and political environment, alongside risks associated with climate change.

Risk	Potential Impact	Mitigation
Inflation and interest rates	The revenue and expenditure of the Company's investments are frequently partially index-linked and therefore any discrepancy with the Company's inflation expectations could impact positively or negatively on the Company's cashflows. Changes in interest rates may affect the valuation of the investment portfolio by impacting the valuation discount rate and could also impact returns on cash deposits.	Inflation and interest rate assumptions are reviewed and monitored regularly by the AIFM and the Investment Manager in the valuation process. It is expected that a natural hedge may occur where higher interest rates are also accompanied by higher inflation rates due to subsidies being inflation linked. The Company can utilise interest rate swaps or fixed rate financing to mitigate interest rate risks.
Foreign currency	The Company's functional currency is Sterling, but some of the Group's investments are based in countries whose local currency is not Sterling. Therefore, changes in foreign currency exchange rates may affect the value of the investments due to adverse changes in currencies.	The principal mitigation is through the Company's hedging policy which seeks to minimise the volatility of cash flows in non-GBP currencies. The Investment Manager monitors foreign exchange exposures using short and long-term cash flow forecasts. The Company's portfolio concentrations and currency holdings are monitored regularly by the Board, the AIFM and the Investment Manager. All FX hedges are held within the intermediate holding companies.
Government policy changes	The Company's investments in Renewable Energy Assets are remunerated by both government support schemes and private PPAs – the terms of these may be impacted by government changes of policy or even terminated in certain circumstances. This would adversely impact the value of the Company's investments.	The Company aims to hold a diversified portfolio of Renewable Energy Assets and so it is unlikely that all assets will be impacted equally by a change in legislation. There is also strong public demand for support of the renewables market to hit "net zero" carbon emission targets.
UK/European Trade Deal	A trade deal was signed between the UK and the EU ahead of the deadline. Whilst this provides some level of certainty, financial services were not an area where a detailed "deal" was achieved. As a result, there may be a prolonged period of market uncertainty as the exact details continue to be understood and negotiated between the parties, which could result in adverse conditions for the Company, in particular volatility in macroeconomic indicators such as inflation and interest rates, foreign exchange and changes in regulations. There is also ongoing risk of supply chain disruption whilst new arrangements are embedded.	The mitigation measures for the principal macroeconomic risks are those described above in relation to: • Inflation and interest rates • Foreign currency • Government policy changes The Investment Manager works with suppliers to mitigate supply chain risks including ensuring a level of spares is maintained from diversified manufacturers.



Risk	Potential Impact	Mitigation
Risks associated with climate change	Climate related risks relate to transition risks and physical risks. The prominent transition risk relates to oversupply of renewables over time, which may cause downward pressure on long-term power price forecasts setting lower capture prices, including the risks associated with periods of negative power prices and power price volatility. This could ultimately lead to a shortfall in anticipated revenues to the Company. The prominent physical risks relate to long-term changes to weather patterns, which could cause a material adverse change to an asset's energy yield from that expected at the time of investment. Physical risks associated with acute and chronic temperature change could lead to flooding, storms, and high winds. This could damage equipment and force operational downtime resulting in reduced revenue capability and profitability of the portfolio of assets.	The Investment Manager is actively engaging with third party advisors on how climate related risks are being modelled in long-term power price forecasts. There are likely to be opportunities associated with the transition to a low carbon future including growth in the market, government interventions and technology advancements that could counterbalance the transition risks of climate change on the Company. The Board and the Investment Manager periodically assess the Company's portfolio of assets for potential transition risks within the jurisdictions that it currently operates. The Investment Manager works with third party asset managers to ensure an appropriate level of equipment spares to minimise downtime associated with damaged equipment. There is growing demand for consistent, comparable, reliable, and clear climate related financial disclosure from many participants in financial markets. The Board, AIFM and Investment Manager have included TCFD as part of the Company's Impact Strategy.

Company: operational risks – risk that target returns and Company objectives are not met over the longer term.

Risk	Potential Impact	Mitigation
Deployment	A deterioration of the investment pipeline may impact the ability to commit and deploy capital into suitable opportunities in the expected time frame. Competition in the infrastructure market remains strong which could limit the ability of the Company to acquire assets in line with target returns, or incur abort costs where transactions are unsuccessful. Both deployment risks could ultimately impact shareholder returns.	The Company has an experienced Investment Manager with good presence and strong relationships in the renewables market. The investment mandate is diversified giving a broad landscape of opportunities. The Board and Investment Manager oversee the investment pipeline and abort exposure and frequently monitor its progress in relation to Company targets.



Risk	Potential Impact	Mitigation
Reliance on third party service providers	The Board has contractually delegated to third party service providers day to day management of the Company. A deterioration in the performance of any of the key service providers including the Investment Manager, AIFM and Administrator could have an impact on the Company's performance and there is a risk that the Company may not be able to find appropriate replacements should the engagement with the service providers be terminated.	Each contract was entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. All of the above services are subject to ongoing oversight by the Board and AIFM and the performance of the key service providers is reviewed on a regular basis. The Board, through the Management Engagement Committee monitors key personnel risks as part of its oversight of the Investment Manager and the Company's key service providers report periodically to the Board on their control procedures.
Valuations	Valuation of the portfolio of assets is based on financial projections and estimations of future results. Actual results may vary significantly from the projections, which may reduce the profitability of the Company leading to reduced returns to Shareholders.	The Investment Manager has significant experience in the valuation of renewable assets and conducts a quarterly valuations process. The AIFM has a valuations committee separate to the Investment Manager to provide valuations consistency on macro assumptions and to provide oversight and challenge to the valuations. The Board and AIFM review the valuations provided quarterly and they are audited annually.
ESG policy	Material ESG risks may arise such as health and safety, unfair advantage, bribery, corruption and environmental damage. If the Company fails to adhere to its public commitments as stated in its ESG Policy and Impact Strategy, this could result in shareholder dissatisfaction and adversely affect the reputation of the Company.	ESG is embedded in the investment cycle with a formal ESG matrix including a minimum target ESG score required for approval of any new investments. Ongoing operational and construction ESG risk management is reviewed periodically by the Investment Manager, who work closely with service providers on ESG and impact standards reporting.
Conflicts of interest	The appointment of the AIFM is on a non-exclusive basis and each of the AIFM and Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. This has the potential to give rise to conflicts of interest.	The AIFM and Investment Manager have clear conflicts of interest and allocation policies in place. Transactions where there may be potential conflicts of interest are overseen by the Investment Manager's conflicts committee, an independent fairness opinion on valuation is commissioned, and as with all transactions, the Board has final approval rights. The Board, AIFM and Investment Manager are responsible for establishing and regularly reviewing procedures to identify, manage, monitor and disclose conflicts of interests relating to the activities of the Company. These procedures are more fully described in the Company's prospectus dated 10 June 2021.



Risk	Potential Impact	Mitigation
Cyber security	Attempts may be made to access the IT systems and data used by the Investment Manager, Administrator and other service providers through a cyber attack or malicious breaches of confidentiality that could impact the Company reputation or result in financial loss.	Cyber security policies and procedures implemented by key service providers are reported to the Board and AIFM periodically to ensure conformity. The Investment Manager has a robust 3 lines of defence risk model in place in place to implement, check and audit technology controls. Thorough third party due diligence is carried out on all suppliers engaged to service the Company. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans.

Portfolio of assets: operational and financial risks - risk that the portfolio underperforms and, as a result, the target returns and Company objectives are not met over the longer term.

Risk	Potential Impact	Mitigation
Power prices	The income and value of the Company's investments may be adversely impacted by changes in the prevailing market prices of electricity and prices achievable for off-taker contracts. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to the Company.	The Investment Manager has a specific Energy Markets Team that monitors energy price forecasts and puts in place mitigating strategies. This could be through the use of short term PPA contracts to fix the electricity prices where possible, or to hedge the exposure of fluctuating electricity prices through derivative instruments. Model assumptions are based on quarterly reports from a number of independent established market consultants to inform on the electricity prices over the longer term.
Construction	Construction project risks associated with the risk of inaccurate assessment of a construction opportunity, delays or disruptions which are outside the Company's control, changes in market conditions, and the inability of contractors to perform their contractual commitments could impact Company performance.	The Investment Manager monitors construction carefully and reports frequently to the Board and AIFM. The Investment Manager undertakes extensive due diligence on construction opportunities and has in place clear approval processes for any material construction cost overruns and contingency spend.



Risk	Potential Impact	Mitigation
Development	Development project risks associated with delays, increases in costs or ultimate failure to deliver the expected assets to construction-ready status	The Company's maximum exposure to development is limited to 5% of GAV. The Investment Manager monitors progress of development projects carefully and ensures all costs are managed appropriately. A clear approval processes is in place for any material project cost overruns and contingency spend. Cost and progress analysis of development projects is reported frequently to the Board and AIFM. The Investment Manager also monitors exposure to any one developer to ensure this is kept within reasonable limits.
Asset-specific risks	Circumstances may arise that adversely affect the performance of the relevant Renewable Energy Asset. These include health and safety, grid connection, material damage or degradation, equipment failures and environmental risks.	The Company's experienced Investment Manager oversees and manages asset and site level issues. Third party O&M contractors are engaged to carry out regular preventative maintenance and a level of spares is maintained from diversified manufacturers. The Investment Manager uses established relationships with relevant DNO's and works closely with them to maintain grid connection. A SH&E consultant is employed by the Investment Manager to oversee and advise on the HSE system for renewable assets. The Company has in place insurance to cover certain losses and damage.

Compliance and regulatory risks - failure to comply with relevant regulatory changes, tax rules and obligations may result in reputational damage to the Company or have a negative financial impact.

Risk	Potential Impact	Mitigation
Non-compliance with FCA, Listing Rules, AIFMD, MAR and investment trust eligibility conditions	Failure to comply with any relevant regulatory rules including Section 1158 of the Corporation Tax Act, the rules of the FCA, including the Listing Rules and the Prospectus Rules, Companies Act 2006, MAR, AIFMD, Accounting Standards, GDPR and any other relevant regulations could result in financial penalties, loss of investment trust status, legal proceedings against the Company and/or its Directors or reputational damage.	The Board monitors compliance and regulatory information provided by the Company Secretary, the AIFM and Investment Manager on a quarterly basis and the assessment of regulatory risks forms part of the Board's risk management framework. All parties are appropriately qualified professionals and ensure that they keep informed with any developments or updates to the legislation.



COVID-19 - Events arising as a result of COVID-19 may impact the target returns of the Company and the ability of the Company to meet its objectives over the longer term.

Risk	Potential Impact	Mitigation
COVID-19 pandemic	The COVID-19 pandemic could impact the Company as follows: • Disruption of supply chains could adversely impact the Company's construction projects and ability to source spares for operational assets. • Restrictions on travel may limit the ability to conduct due diligence site visits for transaction targets thus impacting the Company's deployment targets.	The Investment Manager continues to work with third party service providers to put in place mitigation plans to minimise the impacts of COVID-19 to the Company.

The Board are of the opinion that these are the principal risks, but mindful of their obligations under the changes made to the AIC Code of Corporate Governance issued in February 2019, the Board has also reviewed emerging risks which may impact the forthcoming six-month period.

Emerging risks - Recent events in Ukraine and the impact of new sanctions placed on Russia and affiliated countries may impact the target returns of the Company.

Risk	Potential Impact	Mitigation
Geopolitical risks	The Company engages third party contractors to oversee the day to day operations of the assets. If any of these contractors are impacted by the events in Russia and Ukraine, or by the current sanctions imposed on Russia, this may impact the performance of the assets, and ultimately the target returns of the Company. • Assets located in nearby jurisdictions may be impacted by the conflict. • The conflict may lead to increased volatility of power prices and hence valuations. Heightened power prices may lead to an increased risk of political intervention to regulate prices or impose windfall taxes. • The conflict may lead to an increased risk of cyber attacks.	The Investment Manager undertakes extensive due diligence on all counterparties prior to conducting business with them and will fully comply with all sanctions. As part of this review, all counterparty due diligence has been reviewed and confirmed that the Group's current counterparties are not materially impacted by recent events or by the new sanctions. The Investment Manager will remain agile to the changing geopolitical environment and will continue to evolve and reassess appropriate mitigation strategies. Mitigations for power prices are described above, as are mitigations for cyber security. In light of this increased risk, the Investment Manager is currently undertaking a review of its own cyber security procedures, as well as that of the Company's counterparties.

Further financial risks are detailed in [Note 16](#) of the financial statements.

This emerging risk was identified following the invasion of Ukraine in February 2022 and has no impact on the financial statements for the year ending 31 December 2021.



Task Force on Climate-related Financial Disclosures ('TCFD')

The TCFD, established in December 2015 by the Financial Stability Board, was tasked with reviewing how the financial sector could take account of climate related issues. In 2017, the TCFD published its recommendations for consistent climate-related financial risk disclosures across four core areas with eleven recommendations for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The TCFD recommended that all organisations provide climate related disclosures in their annual report and accounts, providing a framework to help companies assess the risks and opportunities associated with climate change.

Following this, the Financial Conduct Authority ("FCA") issued a rule, effective for periods beginning on or after January 2021, for UK premium listed companies to start to report against TCFD, with other companies to follow over time. Whilst the implementation of this rule does not require ORIT to begin making disclosures yet as it is an Investment Trust and therefore excluded, ORIT supports the aims and objectives of TCFD and has decided to voluntarily report in line with TCFD as representing best practice. The Company is acutely aware of the risks of climate change and through its investment mandate, believes it is well placed to contribute to solutions and harness the opportunities that arise from transitioning to net zero. However, no company is isolated from the risks and the disclosures below outline the risks ORIT faces relating to climate change.

Statement of Compliance

The Company is pleased to confirm that it has included in its TCFD Report climate-related financial disclosures consistent with the four recommendations and the eleven recommended disclosures set out in the June 2017 report entitled Recommendations of the Task Force on Climate-related Financial Disclosures.

In October 2021, the TCFD released additional guidance implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2021 TCFD Annex), which supersedes the 2017 Annex of the same name (2017 TCFD Annex) and includes additional guidance for Asset Owners and Asset Managers. We have considered the 2021 TCFD Annex and applied the relevant recommendations to our TCFD Disclosures. The Company will seek to enhance the quantitative modeling of climate risk scenarios to be incorporated into future TCFD Disclosures.



Governance

Oversight and management of climate related risks and opportunities is integrated within the Governance framework of the Company, illustrated in the diagram below.

Board	ORIT Board of Directors Responsible for overall strategic direction of the Company and final investment decisions		
	Board Audit and Risk Committee Reviews and monitors the Company's approach to managing the financial and operational risks including those associated with climate change		
Management	AIFM Board Responsible for overall Risk Management, including climate risk	Octopus Renewables Investment committee Responsible for assessing climate-related risks associated with investment options	Octopus Renewables Asset Board Responsible for assessing, monitoring and managing climate-related risks associated with ongoing asset management
	Octopus Renewables Lead Managers Chris Gaydon, David Bird and Matt Setchell. Responsible for day to day implementation of the Investment Strategy, risk analysis and advising the Board on strategic opportunities and risks to the Company		
	Octopus Renewables ESG Team Led by the Octopus Renewables Fund Management and Operations Director, responsible for developing the ESG and Impact Strategy, considering climate related risk management		

a. Describe the Board's oversight of climate-related risks and opportunities.

The Company considers climate-related risks and opportunities as an integrated element of the Company's strategy. The nature of the Company's business model is to invest in Renewable Energy Assets, with a core sustainability objective of accelerating the transition to net zero through its investments. Investing in renewable energy enables the transition to clean energy to reduce climate change, and makes a direct contribution to the prevention of a 4-degree scenario.

At least annually, the Board participates in a strategy day which formally considers risks and opportunities to the Company, including those that are climate related. The Board recognises that the Company is not insulated from climate-related risks, but uses this meeting to consider in detail the emerging issues and opportunities in the energy sector and how this represents risks and opportunities to the Company's Investment Strategy. The Board remains agile to respond to emerging issues and opportunities. In particular, the Company benefits from the significant climate related expertise of Board member James Cameron and this, alongside the Investment Manager and broader industry expertise through the Octopus Energy Group, informs and educates the Board so that decisions can be made on the short, medium and longer term strategy of the Company. For example, Octopus Energy Hydrogen was invited to present to the Board on opportunities and risks associated with this emerging technology. The



Board also reviews and approves the Company's ESG and Impact Strategy annually which includes climate-related KPIs, metrics and targets which are reported on in both the Interim and Annual Report.

The Board meets quarterly, and the Audit and Risk Committee ("ARC") meets at least twice a year to discuss risks, including those relating to climate change. The Board has formally recognised climate change as an emerging risk and instructed the AIFM and Investment Manager to integrate this within the existing risk management framework and transaction due diligence. As such, consideration of the transitional and physical consequences of climate change is included in these discussions and subject to formal approval by the Board for each investment decision, for example, reviewing the natural hazards in the region where an asset is located as highlighted by the ThinkHazard tool. The Investment Managers quarterly report to the Board includes analysis of emerging market risks and opportunities linked to the transition to clean energy alongside an update on the implementation of the ESG and Impact Strategy. Investment strategy decisions and material risks are discussed with the Board.

The Board also receives market updates regularly from its Broker, enabling it to remain informed about developments in the market and how peer group companies who also invest in renewable energy are responding to the emerging risks and opportunities related to climate.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

The Company's Investment Strategy is aligned to accelerate the transition towards a net zero future. Given the nature of the business, this is considered on a daily basis, not just at formal governance committees or through the formal ESG and Impact Strategy, which was developed by the Investment Manager and approved by the Board.

Climate change considerations apply at the acquisition stage of investments (throughout the deal origination and due diligence processes) and at the portfolio management phase (asset management activities, monitoring and reporting). Day-to-day management of ORIT's portfolio is delegated to its Investment Manager, external asset managers and O&M contractors.

Given the existing close relationship between renewable energy infrastructure and climate, the Investment Manager, through its energy markets professionals, already monitors climate-related government policy and physical changes in the climate to inform the Investment Strategy and the materiality of risks faced to ORIT's portfolio of investments.

Every investment is inherently assessed for climate-related risks (physical and transition risks) and this is evaluated and presented in the investment committee paper to both the Investment Manager's Investment Committee ("ORIC") and ultimately to the Board for final transaction approval.



Case Study Example of evaluating a prospective investment

Risk Identified: The ThinkHazard! tool identified the region where the prospective assets were located as having wildfire risk.

Mitigations proposed as part of the investment case:

1. Perimeter firebreaks to be added to the site.
2. Ensuring the O&M contract included the requirement to clear vegetation remains from site as soon as possible.
3. Ensuring the O&M contract had a specific fire action protocol to increase the wildfire monitoring during the higher risk June to September period.

After making an investment (where assets could be in development, construction or operation) the Octopus Renewables Asset Board is responsible for ensuring that each investment adheres to the ESG and Impact strategy. Should any material risks (including climate-related risks) be identified by the Octopus Renewables Asset Board, a mitigation strategy would be agreed and the Investment Manager would be responsible to oversee the implementation of the strategy by our third-party asset managers. Asset management plans are created to meet/exceed ESG requirements, and the Investment Manager commits to regularly reviewing and monitoring our external service providers.

Strategy

a. Describe the climate related risks and opportunities the organisation has identified over the short, medium and long-term

The transition to a lower carbon future is ingrained within the Company's Investment Strategy. As such, ORIT is well positioned to take advantage of the investment opportunities that arise from this transition – over the short, medium and long-term. The current average remaining asset life in the portfolio is 28 years and therefore a long-term view is required on the risks and opportunities. However, the pace of change is accelerating, and it is difficult to predict how much change will occur in what time period. This has led the Company to define short-term as the next 12 months, medium-term as the next 5 years and long-term beyond that. The appropriateness of the time horizons will be evaluated each year by the Board.

The speed and efficiency of the transition will have a notable effect on the performance of the Company. If global temperature change is to be limited to below a 2-degree increase from pre-industrial levels by 2100, it is expected there will need to be significant intervention from governments, regulators and the market. Given ORIT's investment mandate, there is a direct correlation between transition to a low carbon future and the size of the investment opportunity over the long-term.

If temperatures increase beyond 2 degrees, the physical effects of climate change will be more severe, creating additional risks for the infrastructure that ORIT acquires.

ORIT has explored qualitative scenario planning to determine which climate related risks could have a material financial impact on the Company. Based on sensitivity analysis shown in Note 15 to the financial statements, climate-related risks that could impact energy prices or production have the potential to have the most material impact on ORIT.



	1.5/2 degree scenario	4 degree scenario
Short-term (< 1 year)	This requires an acceleration of the pace of change and bigger commitments to action.	This is in line with BAU, if pace of change remains as it is today in line with current policies.
	We do not anticipate any significant changes occurring in the short-term and the Company's investment mandate and risk management framework is appropriate for the climate-related risks and opportunities faced. There is little difference in the risks and opportunities in the short-term between scenarios. The main risk in the short-term is an increasing volume of capital looking to deploy into renewables and competition for assets in ORIT's key geographies remained strong. The Investment Manager's strong networks and experience has allowed ORIT to continue to acquire assets at attractive valuations relative to the market. The Company has responded by introducing a small allocation to developers and assets at the development stage to give ORIT access to a proprietary pipeline of assets into which it can invest at the construction-ready stage to mitigate competitive asset price risks and protect investor returns.	
Medium-term (1 – 5 years)	Opportunities We expect significant intervention from governments, regulators and an acceleration of private capital commitments in averting climate change. Under this scenario, we believe the size of the investment opportunity is greater as investment in renewable energy will ultimately help to achieve transition to this pathway. We expect more geographical markets and possibly technologies to be attractive investment opportunities as governments look to support investments which could present opportunities for expanding the investment mandate and take further advantage of the benefits of diversification. Government policies aimed at the transition to net zero may present opportunities for ORIT by making it more likely/easier to: ● Acquire asset life extensions on existing sites. ● Acquire and invest in co-located battery storage. ORIT has an opportunity to take advantage of the products and services that many businesses may start to offer that give preferential rates to ESG or sustainability-linked investments and businesses (for example ESG-linked insurance and ESG-linked credit facilities).	Opportunities We expect slower intervention from governments, regulators and the market than in the 1.5/2-degree scenario. We expect private capital to continue to be strong in the scenario, and for there to be a sizeable investment opportunity as there is today. However, there could be slower development of technologies and less markets that are favourable giving less additional opportunity for investment mandate expansion.



	1.5/2 degree scenario	4 degree scenario
Medium-term (1 – 5 years) (continued)	Risks Where investments become dependent on government interventions, this could represent increased regulatory or financial risks for ORIT. Exposure to physical risks need to be monitored across the portfolio and assessed for each investment opportunity, but we expect on balance these will not materially increase in the medium-term.	Risks We expect there to be little difference in the medium-term for physical risks between the scenarios.
Long-term (> 5 years)	Opportunities This pathway will offer additional investment opportunities to emerging technologies and emerging markets expanding the investment opportunity for ORIT. As new technologies arise and become investable (for example battery and green hydrogen technologies), this may provide ORIT with an opportunity to broaden its investment mandate to take advantage of these emerging investment opportunities as the technologies mature.	Opportunities These are the same in the 1.5/2-degree scenario, but we expect the scale of the opportunity to be smaller.



	1.5/2 degree scenario	4 degree scenario
	Risks Transition risks can arise from unexpected changes to government policies. A faster than forecast transition to a global renewable energy supply would increase the penetration of zero marginal cost electricity. This additional 'price cannibalisation' could result in generating assets selling their power for less than forecast at investment. In the longer-term, as fixed-revenue and subsidy regimes elapse, assets will be subject to power price market risks. As renewable energy represents an increased proportion of electricity generation, there is a risk that there will be increased fluctuations in power prices due to the intermittent nature of generation from solar and wind assets. Alongside existing power-price hedging and fixed PPAs, we expect this risk to be mitigated through the introduction of more grid-supporting infrastructure like co-located storage facilities. Investments into newer technologies could underperform compared to investment cases. Exposure to physical risks need to be monitored across the portfolio and assessed for each investment opportunity, but in this pathway be less acute in the long-term.	Risks Transition risks can arise from unexpected changes to government policies. In this scenario, power price related risks explained in the 1.5/2-degree scenario are still valid. In addition, governments may be making less interventions than the market anticipated so renewables are marginally less attractive for investors or may have back tracked on previous interventions. Physical climate risks in this scenario are likely to result from long-term changes to weather patterns. The Investment Manager reduces the potential impact of risks through diversification of the portfolio, and on an asset by asset level, mitigates against climate risks such as flooding, through diligence of the design of assets, spares programmes and insurance cover.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

From our analysis, transition risks and opportunities have the largest impact in a 1.5/2-degree scenario, whilst physical risks and opportunities become more significant in a 4-degree scenario on the basis physical risks will be more limited in the 1.5/2-degree scenario.

Impact	1.5/2- degree scenario	4-degree scenario	Commentary
Strategic	Positive	Neutral	Government policies across Europe have shown that renewable energy is key in decarbonising the energy sector in the short and medium-term. Some examples are the UK 6th Carbon Budget, Hydrogen Strategies, the EU Fit for 55 package, the REPowerEU initiative and the various net zero strategies that emerged from COP26 talks. Delivery on these ambitions requires a significant increase in the pace of investment into renewable energy, all of which leads to a growth in ORIT's investment opportunity, which we expect to be larger in a 1.5/2-degree pathway. The Company is well placed to be agile and respond to emerging investment opportunities and access to increased levels of capital.



Impact	1.5/2- degree scenario	4-degree scenario	Commentary
Portfolio Investments	Neutral	Negative	It is recognised there are increased physical risks in a 4 degree rather than a 1.5/2-degree scenario in the long-term which could cause material variations in an asset's energy yield from what was expected at the time of investment and increased costs of repairs and maintenance. Yield impacts are modelled through portfolio valuation models and P10/P90 impacts evaluated. The Investment Manager mitigates the impact of physical climate risks on the portfolio by diversifying the investments' phase, technology, and geography. This diversification is expected to provide the portfolio returns added protection and durability to physical climate risks compared to that of a more restricted and unvaried portfolio.
Financial	Positive	Neutral	Shareholders could drive additional benefit from an accelerated shift to sustainable investments through lower costs, growth of the Company, a progressive dividend policy and through raising additional capital at a premium. The impact of power price risk is modelled within the proprietary models developed for portfolio monitoring and valuing renewable assets with sensitivities for a +/- 10% evaluated quarterly. The risk is managed by monitoring of wholesale energy price and reacting appropriately, for example by implementing price hedges and portfolio diversification. Financial projections are based on models with a large number of underlying assumptions, in particular, power price forecasts and yield estimates. Whilst ORIT utilises several external advisors to produce and validate these assumptions, ORIT's financial forecasts and budgets are still subject to climate-related risks associated with the accuracy of these assumptions.

Positive – Climate-related risks and opportunities likely to have a positive impact on the Company

Neutral – Climate-related risks and opportunities unlikely to have a material impact on the Company

Negative – Climate-related risks and opportunities could have a negative impact on the Company

c. Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario

Climate change covers various risks, which to a large extent are not new risks for ORIT. These risks can be grouped as follows:



- Physical, deriving from possible material impacts on ORIT's assets as a result of the future evolution of climate variables (changes in temperatures, sea levels, precipitation, irradiance, wind speed and an increase in extreme weather events both in terms of frequency and intensity).
- Transition, associated with all the risks that may appear in the world's decarbonisation process, such as regulatory changes, market, technological and reputational risks and changes in demand.

ORIT has explored qualitative scenario planning. This focuses on transition risks in a 1.5/2-degree scenario, and physical risks and opportunities in a 4-degree scenario on the basis physical risks will be more limited in the 1.5/2-degree scenario.

High transition risk scenario (1.5/2-degrees scenario)

Under a high transition risk scenario we assume that policy measures are put in place to accelerate the transition and decarbonisation of the energy sector.

Under this scenario a couple of factors have been considered:

- A faster than forecast transition to a global renewable energy supply, leading to 'price cannibalisation'.
- An increase in demand for electricity as different sectors (such as transport, agriculture and heating) become electrified, mitigating effects of "price cannibalisation".
- An increase in the flexibility of the grid as supporting infrastructure is introduced, mitigating the risk of "price cannibalisation".

The Investment Manager utilises a blend of up to three independent and widely used market consultants when forecasting long-term cash flows and valuations of Renewable Energy Assets. In our view, these forecasts are closest to the 4-degree scenario as based on current policies rather than an acceleration of the transition to clean energy, but are becoming more aligned to a 2-degree scenario as governments' net zero policies are considered. The Investment Manager is continuing to work with power price forecasters to provide alternative scenario price curves as these are not yet available. This is required to enable more quantitative scenario modelling.

High physical risk scenario (4 degrees scenario)

Under a high physical risk scenario we assume an increase in frequency of extreme weather events that could threaten the successful operation of assets within the portfolio.

Under this scenario a couple of factors have been considered:

- An increase in insurance cost and maintenance and replacement works
- A decrease in spare parts availability due to weather events affecting supply chains
- Unexpected changes to asset performance due to longer-term weather changes in irradiance and wind speed as a result of climate change

The financial impact of these risks can be estimated through the disclosure of power price sensitivity and energy yield (P10/P90) sensitivities contained in [Note 15](#).

Climate-related risks and opportunities on balance provide more opportunities to the Company than risks and is likely to benefit from a 1.5/2-degree scenario more than the current 4-degree scenario pathway. The investment mandate and philosophy is driven by action to avert climate change and harness opportunities for investors. The political and societal tailwinds should



support ORIT's continued success and we welcome additional regulations to drive action to prevent climate change. The Board believes the Company is well positioned to respond to these either through its core mandate or through adjusting its Investment Strategy over time to best achieve the pathway to net-zero and continue to deliver investment returns.

Risk

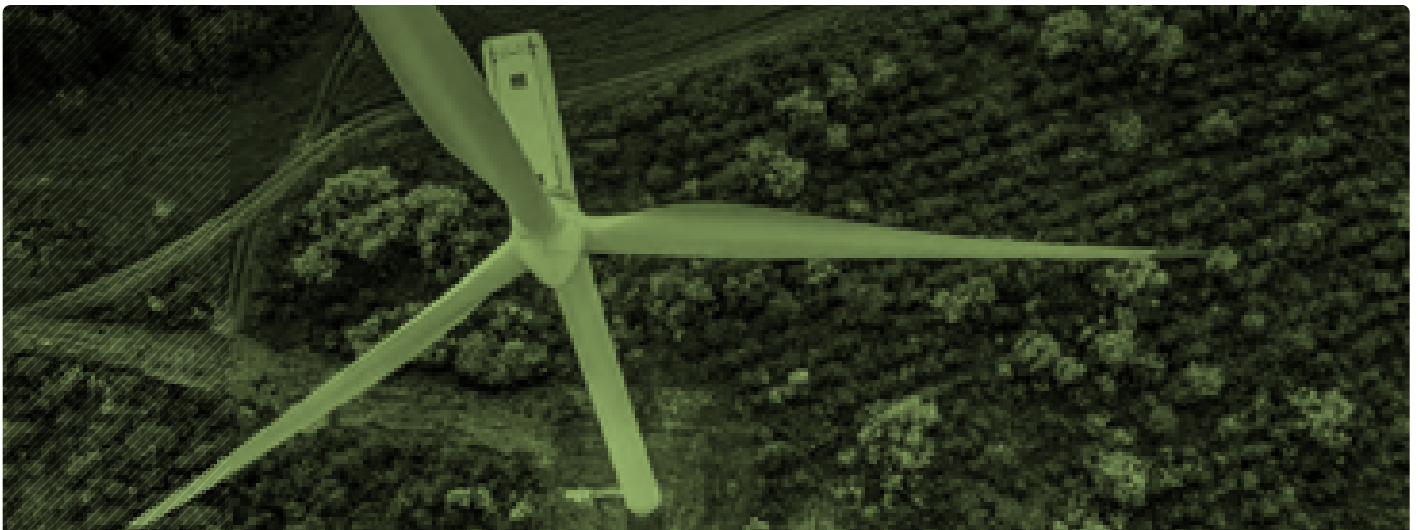
a. Describe the organisation's processes for identifying and assessing climate-related risk

Climate-related risks are considered at two levels. At the Company level in relation to transition risks that could impact the overall success of the Company and at the asset level, where specific physical or market related transition risks are more likely to have a bigger impact.

At a Company level, the Investment Manager has undertaken a risk assessment in relation to climate-related risks and the outcomes of this are presented in the disclosures above. On an ongoing basis, changes to the risk profile of the Company which are most likely to be sensitive to climate change are:

- Existing and changing government policy and regulations
- Technology changes
- Power market changes

Each of these are discussed in the Investment Manager's quarterly update to the Board. Each of these risks is evaluated for inherent and mitigated impact and probability in the Company's risk register demonstrating relative materiality to the Company. In addition, sensitivities to significant changes in power prices or production of assets are presented quarterly to the Board through valuation papers that model the long-term valuation of assets based on updated assumptions based on the latest information.





It must be recognised that financial projections are based on models with a large number of underlying assumptions, in particular, power price forecasts and yield estimates. Whilst ORIT utilises several external advisors to produce and validate these assumptions, financial forecasts and budgets are still subject to risks associated with the accuracy of these assumptions. The Investment Manager will continue to explore methods to improve how they quantify the impact of physical risks and opportunities on the portfolio while also integrating transition risks and opportunities within the long-term forecasting of the valuation process.

At a portfolio level, transition and physical risks/opportunities are considered throughout the acquisition process. The Investment Manager has incorporated questions into the ESG matrix to prompt due diligence on assets and introduced a tool to highlight potential physical risks that may warrant additional technical due diligence during the acquisition process. Diversification is critical to mitigate risks associated with freak weather events.

Once acquired, the Investment Manager engages directly with portfolio companies in the day-to-day operations of the Renewable Energy Assets. Operational and ESG data, including power consumption, is collected from each of the Company's underlying assets and the Investment Manager has a robust escalation route through to the Octopus Renewables Asset Board for all risks, including those that are climate related.

b. Describe the organisation's processes for managing climate-related risks

Ultimately the Company has positioned itself to benefit from a transition to clean energy, but there are also number of risk mitigation strategies that the Investment Manager can utilise to mitigate climate-related risks to the Company.

- Hedging and fixing pricing, maintaining diversification of revenue sources between merchant, fixed offtake, corporate and government sources of income
- Diversify the portfolio across technologies, geographies and development stage
- Seek strategic opportunities from emerging markets and technologies
- Invest in developers to provide proprietary pipeline of assets to avoid competitive transaction processes
- Put in place appropriate levels of insurance for assets
- Source appropriate levels of equipment spares to minimise downtime associated with damaged equipment
- Move to renewable energy electricity import tariffs
- Active management and engagement with asset managers and O&M contractors on climate-related issues, risks and opportunities
- Work with policy makers and regulators to educate and influence policy and frameworks to accelerate the transition to a clean energy future and actively engage with stakeholders and communities to mitigate resistance to Renewable Energy Assets

Overall, as previously noted, the Octopus Renewables Asset Board is responsible for day-to-day risk management of portfolio assets. Should any material risks (including climate-related risks) in the portfolio be identified by the Octopus Renewables Asset Board, a mitigation strategy would be agreed amongst the Board and the Investment Manager would be responsible to oversee the implementation of the strategy by our third-party asset managers.



c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

As per the Board's request, the AIFM and Investment Manager integrate climate risk within the existing risk management framework and transaction due diligence.

On behalf of the Company, the Investment Manager maintains a risk register which is formally reviewed quarterly by the AIFM and the Board. Risks within the register are assessed for inherent and mitigated impact and likelihood. Climate risk is evaluated as part of our existing risk management processes.

The Board reviews the Investment Manager and the AIFM annually, including the Investment Manager's adherence to their responsible investment policy that considers climate change resilience. Every investment is assessed for climate-related risks and this is presented in the Investment Manager's investment committee paper and to the Board for final transaction approval. The Board reviews the Investment Manager and the AIFM annually, including their adherence to ORIT's sustainability objectives, ESG policy and the portfolio's ESG matrix scores (which take into account climate risk assessment).

Further information is included in the Governance section of these disclosures.





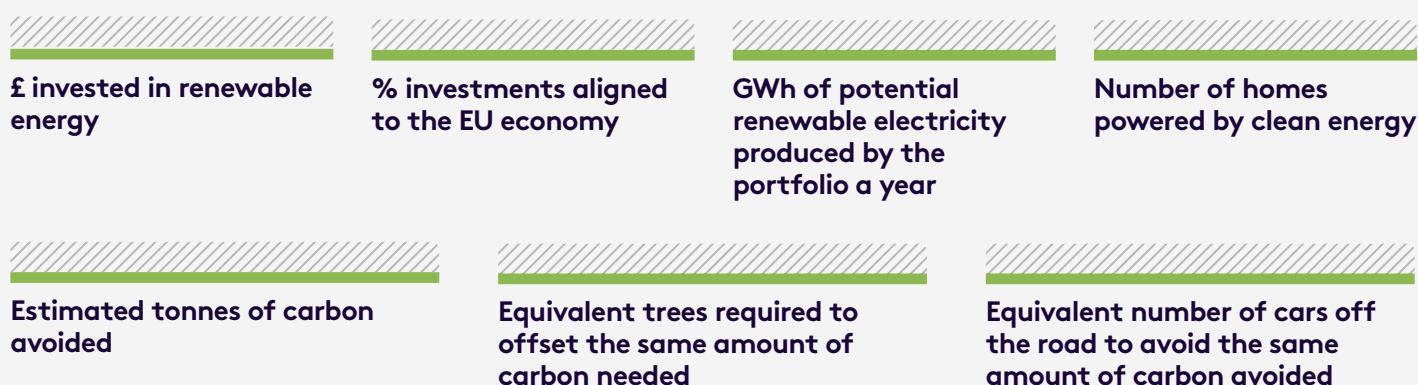
Metrics

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities

Metrics used to assess transition risks and opportunities:

The Company's investment strategy is 100% aligned to a 1.5/2-degree scenario and 100% of revenues are generated from sustainable sources.

Therefore, the metrics the Company has presented below measure ORIT's part as a key contributor to mitigating the effects of climate change. These metrics measure the scale of the climate-related opportunities ORIT has taken advantage of. The KPIs that track this contribution are listed below and included in the Impact Report section of this report on page 20 and are:



ORIT's GHG emissions and its investments weighted average carbon intensity is also reported (see next section for full disclosure).

The transition risk on power prices is assessed by monitoring:

- Wholesale energy price sensitivities, [page 178](#)
- % of revenues with fixed power prices, [page 57](#)
- Current portfolio diversification, [page 53](#)

Metrics used to assess physical risks and opportunities:

At an asset level, physical risks are considered throughout the acquisition process. The Investment Manager has incorporated questions into the ESG matrix to prompt due diligence on assets and introduced a tool to highlight potential physical risks that may warrant additional technical due diligence during the acquisition process. If the matrix or due diligence highlights climate risk as high and no mitigation strategies have been put in place, then this will affect the output score of the ESG matrix. The score of each investment is presented to the Investment Committee and ultimately to the Board for transaction approval. The Investment



Manager records each final score and presents them to the Board at each quarterly meeting.

At a fund level, acute physical risks are assessed by monitoring:

- Current portfolio diversification, [page 53](#)

At fund level, chronic physical risks and opportunities to yield are assessed by monitoring:

- P10/P90 figures on portfolio valuation models, [page 178](#)

The Company is currently assessing the proportion of assets exposed to 1:100 and 1:200 climate-related hazards.

The Company has quantified and reported organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol 'Corporate Accounting and Reporting Standard' and 'Corporate Value Chain (Scope 3) Standard'. This approach consolidates the organisational boundary according to the operational control approach. Emissions from the Finnish wind portfolio were excluded from this year's carbon reporting exercise due to its date of acquisition. The GHG sources that constituted the Company's operational boundary for the reporting year are:

- Scope 1: No relevant emissions sources
- Scope 2: Purchased electricity – market-based
- Scope 3: Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Waste and Fuel-and-Energy-Related Activities (FERA)

b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks

The Company has outlined its organisational boundary on page 32. Given the nature of the Company, ORIT's Scope 1 and 2 emissions are minimal, accounting only for 0.2% of the total emissions footprint and totalling at 5.02t CO₂e.

There are no relevant Scope 1 emissions as none of ORIT's investment companies' had direct emissions relating to fuel burned.

Scope 2 emissions (5.02t CO₂e) relate to ORIT's investment companies purchased electricity. These emissions are based on market-based emissions and as such consider the fact that the majority of the sites in ORIT's portfolio are on renewable energy import tariffs that have a much lower emission factor to other energy sources. In 2020, the Company disclosed 9.6t CO₂/MW. The Company had significantly lower Scope 2 emissions this year compared to last year as a result of a full year of reduced emissions where we transitioned assets onto renewable energy import tariffs.

The Scope 3 categories that were identified and calculated account for 99.8% of the total emissions footprint, totalling at 2,211.6t CO₂e. The Company has chosen to adopt the operational control approach to report GHG emissions. This results in ORIT's own emissions as well as all of all of ORIT's subsidiaries being included in scope. The Finnish wind assets were excluded from the exercise given the date of acquisition. The GHG sources that constituted the Company's operational boundary for the reporting year and the distribution of the Scope 3 emissions are laid out in the below table.



Scope 3 category	Emissions (tCO ₂ e)	% of Total
Purchased Goods and Services – supply chain emissions (also including Capital Goods and Upstream transportation & Distribution emissions)	1426.2	64.3
Waste – emissions from the waste arising from ORIT's operations	746.8	33.7
Fuel-and-energy related activities (FERA) – emissions from the extraction and transmission losses of purchased electricity	38.6	1.7

CS2 Chartered Surveyors helped to calculate and validate the emissions footprint for ORIT, aligning the methodologies to the World Resources Institute's Greenhouse Gas Protocol 'Corporate Accounting and Reporting Standard' and 'Corporate Value Chain (Scope 3) Standard'.

Whilst the Investment Manager engages with ORIT's suppliers to improve data reliability and consistency, there were still significant estimations made (25.1%). Last year, emissions were estimated using proxies from other sites where data was not available. Whilst this year's data did not use proxies, it was the case that asset managers often had to make reasonable estimations for multiple Scope 3 categories. For example, waste and transport had high levels of estimations. The Investment Manager will continue to develop and refine the methodology to capture these emissions working with external asset managers and O&M contractors and reduce the reliance on estimations. Improved data accuracy is likely to impact the share of categories in Scope 3. However, it is expected the split of proportions between Scope 1,2 and 3 will remain largely similar.

Given Scope 3 emissions represent the most significant source of emissions, it is important that ORIT has an understanding of which activities in its supply chain contribute most to its emissions so that the Investment Manager can collaborate with the suppliers to reduce these emissions as much as possible.

The Weighted Average Carbon Intensity of these investments has been calculated in tCO₂e/£m to be negligible (0t CO₂e/£m using market-based Scope 2 emissions and <0.001 tCO₂e/£m using location-based emissions). This is because only Scope 1 and 2 emissions are considered in this calculation and most of ORIT's emissions are in Scope 3.

ORIT has also measured its carbon intensity using carbon per MW. This has been calculated to be 5.2t CO₂e/MW. The carbon intensity metric reported for this year is lower than the metric reported in 2020 (9.6t CO₂e/MW). This reduction is attributed to three main reasons;

- significantly lower Scope 2 and 3 emissions this year compared to last year
- assets acquired throughout the year only reported on carbon emissions since the date of the asset's acquisition by ORIT
- the capacity of all assets was included in the denominator total, regardless of the date of the asset's acquisition.

The Company also had a reduction in relative Scope 3 emissions as a result of using estimated data instead of spend data for fuel-use, waste and transport.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Given that ORIT's investment strategy is in line with climate change mitigation and accelerating the transition towards 1.5-degree pathway, the main target used by the company is to deliver ultimate investment success. Investment success will bring further opportunities for investing in renewable energy and enable the Company to benefit from climate-related opportunities. These financial objectives are presented on pages 12 and 13 whilst targets associated with portfolio diversification and energy price risk are outlined in the Investment Policy presented in pages 16 to 19.

ORIT also has some qualitative targets surrounding carbon and sustainability reporting specifically, which include:

Target	2020	2021
Reducing the % estimations used in carbon footprint exercise to increase reliability of carbon data	23.9%	25.1%
Moving all generating sites on renewable energy import tariffs	100%	92%
Offset all direct emissions (relevant Scope 1 and Scope 2 emissions)	Complete- 20 carbon units purchased	Complete- 6 carbon units purchased
100% of investments aligned to the EU Taxonomy	100%	100%

Due to the level of estimation and difficulties in measuring Scope 3 carbon, ORIT will not set quantitative targets on reducing the carbon intensity until a reliable baseline for ORIT can be established.

The timing of moving assets acquired in the period onto renewable energy will depend on existing contractual structures for newly acquired assets and therefore this metric is likely to fluctuate on a year-by-year basis.

The Board will continue to identify metrics that quantify climate-related risks and opportunities and will continuously evaluate and respond as the industry standards evolve, particularly in relation to scenario analysis.

These Climate-Related Financial Disclosures have been made in line with TCFD recommendations and has been approved by the Board of Directors and signed on their behalf by:

Philip Austin MBE

Chairman,
Octopus Renewables Infrastructure Trust plc,
25 March 2022



Stakeholder Engagement

The Board is aware of the need to foster the Company's business relationships with suppliers, customers and other key stakeholders through its stakeholder management activities as described below. The Board believes that positive relationships with each of the Company's stakeholders are important to support the Company's long-term success.

Stakeholder	How ORIT has communicated and engaged
Shareholders	The Board looks to attract long-term investors in the Company and in doing so, it has sought out regular opportunities to communicate with Shareholders through: • Annual and Interim reports • Dedicated ORIT website • Quarterly factsheets • Investor roadshows and presentations • Dialogue with shareholders • Regular market announcements • The forthcoming Annual General Meeting to be held on 17 June 2022
AIFM and Investment Manager	The most significant service provider for the Company's long-term success is the AIFM who has engaged the Investment Manager for the purpose of providing investment management services to the Company. The Board regularly monitors the Company's investment performance in relation to its objectives, investment policy and strategy. The Board receives and reviews regular reports and presentations from both the AIFM and Investment Manager and seeks to maintain regular contact to maintain a constructive working relationship. The Board receives regular reports from the Investment Manager and maintains ongoing dialogue between scheduled meetings. Representatives of the Investment Manager attend Board meetings. The Investment Manager's remuneration is based on the NAV of the Company which aligns their interests with those of shareholders. A description of the Investment Manager's role, along with that of the AIFM, can be found on page 109 of the Director's report.
Company Service Providers	To build and maintain strong working relationships, the Company's key service providers are invited to attend quarterly Board meetings to present their respective reports. This enables the Board to exercise effective oversight of the Company's activities. The Board also has in place a Management Engagement Committee that meets annually to review service provider performance. Further information on the Management Engagement Committee can be found in the Corporate Governance Statement on page 120 The Company's external auditor is invited to attend at least one Audit and Risk Committee meeting per year. The Chair of the Audit and Risk Committee maintains regular contact with the auditor, Investment Manager and Administrator to ensure that the Audit process is undertaken effectively. The Board has also spent time engaging with the Company's key service providers outside of scheduled Board meetings to develop its working relationship with those service providers and ensure the smooth operational function of the Company.



Stakeholder	How ORIT has communicated and engaged
Asset Service Providers	The Investment Manager has an experienced asset management team who actively manage asset level service providers including third party asset managers, Operations and Maintenance ("O&M") contractors, Construction Managers, Owners Engineers, suppliers, HSE contractors and Landowners. Communications with service providers are managed across a variety of platforms to ensure focus on day-to-day operational performance of the assets. The Investment Manager undertakes quarterly meetings with external asset managers to review performance against service provisions, weekly calls with all operators and formal annual contract reviews. The Investment Manager actively engages asset service providers to seek innovative solutions to reduce the downtime of our assets. An example of this is outlined in our Performance case study on page 29. Health and Safety is a business-critical function and our Investment Manager positively influences the safely performance of our service providers by monitoring accidents, incidents and unsafe conditions at site. Our Investment Manager actively manages the investments in construction assets through a risk prevention oversight model and by maintaining strong relationships with the Owners Engineering teams. There is daily communication with the Owners Engineering teams during the critical stages of construction.
Debt Providers	The Company's wholly owned subsidiary, ORIT Holdings II Limited, has a Revolving Credit Facility ("RCF") provided by a group of five lenders: Banco de Sabadell, Intesa Sanpaolo, National Australia Bank, NatWest and Santander. Regular communications with each lender alongside the provision of data for formal semi-annual reporting and covenant testing requirements is undertaken by the Investment Manager. The Investment Manager ensures that asset level debt providers are provided with data and information in line with debt agreements and undertakes all covenant testing requirements.

Further information on how we interact and communicate with local communities, subcontractors, end-customers and employees of our subcontractors can be found on [page 40](#) of the Impact Report and our approach to anti-bribery and corruption on [page 25](#). Further information on how we manage Conflicts of Interest can be found on [page 126](#) within Corporate Governance.



Human Rights

Although ORIT has no employees, the Company is committed to respecting human rights in its broader relationships and respects the UN Guiding Principles on Business and Human Rights. This is reflected in our wider policies and in how the Company conducts business with its stakeholders.

Our Investment Manager undertakes due diligence on service providers and as part of this suppliers are required to complete an ESG questionnaire to ensure alignment with Company values. This contains specific questions in relation to Human Rights which are reviewed before appointment alongside their policies, for example anti-bribery and corruption policies.

Section 172(1) Statement

The Directors discharge their duties under Section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole. As a closed-ended investment company, the ORIT has no employees. However, the Directors assess the impact of the Company's activities on other stakeholders (in particular local communities, sub-contractors, and end customers), recognising that its investments in Renewable Energy Assets make a positive contribution to the transition to a cleaner future. Please see the table below for a reference to where this information can be found:

Section 172 (1) Statement Area	Reference
The likely consequences of any decision in the long-term	See Objectives section on pages 10 to 14 and Stakeholder Engagement section on page 102 .
The interests of the Company's employees	As a closed-ended investment company, the Company has no employees. The People Section of the Impact Report on pages 39 to 44 refers to how the Company assesses its impact of the employees of its sub-contractors.
The need to foster the Company's business relationships with suppliers, customers and others	See Stakeholder Engagement section on page 102 and People section of the Impact Report on pages 39 to 44 .
The impact of the Company's operations of the community and environment	See Planet and People section of the Impact Report on pages 31 to 38 and pages 39 to 44 respectively.
The desirability of the Company maintaining a reputation for high standards of business conduct	See Stakeholder Engagement section on page 102 .
The need to act fairly as between members of the Company	See Stakeholder Engagement section on page 102 and Corporate Governance Statement on pages 118 to 127 .

Updates relating to Section 172 (a)-(f) are provided during the Board's quarterly meetings through an update from the Investment Manager and the Broker. The Company's relationships with suppliers, customers, contractors and key investment decisions are covered as part of the Investment Managers report, whilst items relating to shareholders and Company reputation are contained within the Broker's report. The Company's risk review framework also facilitates the identification of items relevant to the Section 172 (1) statement.

Decisions made by the Board take into account the interests of all the Company's key stakeholders and reflect the Board's belief that the long-term sustainable success of the Company is linked directly to its key stakeholders.



Non-Financial Information Statement

The table below references where the following non-financial information is disclosed within this strategic report.

Non-financial information area	Reference
Environmental matters (including the impact of the Company's business on the environment)	See Planet section of the Impact Report on pages 31 to 38 .
The Company's employees	As a closed-ended investment company, the Company has no employees. The People section of the Impact Report on page 40 refers to how the Company assesses its impact of the employees of its sub-contractors.
Community issues	See People section of the Impact Report on pages 39 to 44 .
Social matters	See People section of the Impact Report on pages 39 to 44 .
Respect for human rights	See Stakeholder Engagement section on page 102 .
Anti-corruption and anti-bribery matters	See Anti-bribery and corruption statement on page 25 .

This strategic report has been approved by the Board of Directors and signed on their behalf by:

Philip Austin MBE

Chairman,
Octopus Renewables Infrastructure Trust plc,
25 March 2022



Governance



Directors' Report

The Directors present their report and financial statements for the period ended 31 December 2021.

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Philip Austin MBE (Chairman)

James Cameron

Elaina Elzinga

Audrey McNair

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on [pages 10 to 105](#).

Corporate Governance

The Corporate Governance Statement on [pages 118 to 127](#) forms part of this report.

Risk and Risk Management

The Risk and Risk Management on [pages 78 to 101](#) forms part of this report.

Legal and Taxation Status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received initial approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 December 2021.

Market Information

The Company's Ordinary Shares are listed on the premium segment of the main market of the London Stock Exchange. The unaudited NAV and NAV per Ordinary Share of the Company is published quarterly through a regulatory information service.



Retail distribution of Investment Company shares via financial advisers and other third party promoters

As a result of the Financial Conduct Authority ("FCA") rules determining which investment products can be promoted to retail investors, certain investment products are classified as "non-mainstream pooled investment products" and face restrictions on their promotion to retail investors.

The Company has concluded that the distribution of its shares, being shares in an investment trust, is not restricted as a result of the FCA rules described above.

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by financial advisers to retail investors and intends to continue to do so for the foreseeable future.

Articles of Association

Amendments to the Company's Articles of Association require a Special resolution to be passed by Shareholders.

Management

The Board

The Board is entirely comprised of independent non-executive directors who are responsible to Shareholders for the overall management of the Company. The Board has adopted a Schedule of Matters Reserved for the Board which sets out the division of responsibilities between the Board and its various committees. Further details can be found in the Corporate Governance Statement on [pages 118 to 127](#). Through the Committees and the use of external independent advisers, the Board manages risk and governance of the Company.

Directors' indemnities

Subject to the provisions of the Companies Act 2006, the Company has agreed to indemnify each Director against all liabilities which any Director may suffer or incur arising out of or in connection with any claim made, or proceedings taken against him/her, or any application made by him/her, on the grounds of his/her negligence, default, breach of duty or breach of trust in relation to the Company or any associated company. This policy remained in force during the financial year and also at the date of approval of the financial statements.

Appointment and Replacement of Board

The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association which require that all Directors shall be subject to election at the first AGM after appointment and re-election annually thereafter. Further details of the Board's process for the appointment and replacement of Board members can be found on [page 130](#).



Alternative Investment Fund Manager

The Company is classified as an Alternative Investment Fund under The Alternative Investment Fund Managers' Directive ("AIFMD"), with Octopus AIF Management Limited as its AIFM. The AIFM is responsible for portfolio management of the Company, including the following services:

- Risk management – Portfolio management is delegated to the Investment Manager;
- Approval of quarterly portfolio valuations through the AIFM Valuations Committee;
- Review financial reporting prepared by the Administrator;
- Ensuring compliance with AIFMD regulations and reporting;
- Ensuring compliance with FATCA reporting requirements; and
- Monitoring and ensuring compliance with Investment Restrictions and policies as set out in the Company's prospectus.

The AIFM is entitled to a management fee of 0.95% per annum of the Net Asset Value of the Company up to £500 million and 0.85% per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee or asset level fees are payable to the AIFM under the Management Agreement.

The AIFM is responsible for the payment of the Investment Manager's fees.

The Management Agreement is for an initial term of five years from the date of First Admission and thereafter subject to termination on not less than 12 months' written notice by either party. The Management Agreement can be terminated at any time in the event of the insolvency of the Company or the AIFM, in the event that the AIFM ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Management Agreement) or if certain key members of the Octopus Renewables team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

The Company has given an indemnity in favour of the AIFM (subject to customary exceptions) in respect of the AIFM's potential losses in carrying on its responsibilities under the Management Agreement.

The Management Agreement is governed by the laws of England and Wales.

Investment Manager

The AIFM has delegated portfolio management services to Octopus Renewables Limited as Investment Manager to provide Investment Management services to the AIFM in respect of the Company pursuant to the Management Agreement. As part of these delegated portfolio management services, the Investment Manager has responsibility for managing cash not yet invested by the Company or otherwise applied in respect of the Company's operating expenses with the aim of preserving capital value.

**Company Secretary and Administrator**

Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) provide company secretarial and administration services to the Company.

Depository

BNP Paribas Securities Services has been appointed as the Company's depository.

Alternative Investment Fund Portfolio Managers' Directive ("AIFMD")

In accordance with the AIFMD, the AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year. The investment funds sourcebook of the FCA (the "**Sourcebook**") details the requirements of the annual report. All the information required by those rules are included in this Annual Report or will be made available on the Company's website.

Appointment of Service Providers

The Board has committed to undertake an annual review of its service providers which will be undertaken by the Management Engagement Committee, to ensure that their continued appointment is in the best long-term interests of the Company's shareholders. The outcome of the review of the Company's service providers can be found on [page 120](#).

Capital Structure, Voting rights and Restrictions

During the year ended 31 December 2021, the Company issued the following Ordinary Shares:

Event	Date of Issue	Ordinary Shares issued	Price per Ordinary Share (GBP)
Placing, Open Offer, Offer for Subscription and Intermediaries Offer on 10 June 2021	9 July 2021	144,927,536	1.035
Placing Shares and REX Retail Offer on 19 November 2021	7 December 2021	70,000,000	1.055

At the year end the Company's issued share capital comprised 564,927,536 Ordinary Shares.



Voting rights

Each Ordinary Share held, entitles the holder to one vote. All Ordinary Shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006.

Restrictions

There are no restrictions on the transfer of Ordinary Shares, nor are there any limitations or special rights associated with regard to control attached to the Ordinary Shares. There are no agreements between holders regarding their transfer known to the Company, no restrictions on the distribution of dividends and the repayment of capital, and no agreements to which the Company is a party that might affect its control following a successful takeover bid.

Dividend Policy and Target Returns

The Company intends to pay dividends on a quarterly basis with dividends typically declared in respect of the quarterly periods ending March, June, September and December and paid in May, August, November and March respectively. The Company intends to pay all dividends as interim dividends.

Distributions made by the Company may take either the form of dividend income, or of "qualifying interest income" which may be designated as interest distributions for UK tax purposes. Prospective investors should note that the UK tax treatment of the Company's distributions may vary for a shareholder in the Company depending on the classification of such distributions. **Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.**

The Company has a progressive dividend policy and is targeting an annualised dividend of 5.24 pence per Ordinary Share in respect of the financial year ending 31 December 2022, representing a 4.8% increase from the 5.00 pence per Ordinary Share dividend distributed declared for in the financial year to December 2021 in line with the increase to the Consumer Price Index (CPIH) for the year to December 2021. Thereafter, the Company intends to adopt a progressive dividend policy.

The Company is targeting a net total shareholder return of 7% to 8% per annum over the medium to long-term. Further information on the Company's financial objectives can be found on [pages 12 and 13](#).



Results and Dividend

The Company's revenue profit after tax for the year amounted to £28.2 million (2020: £12.4 million). The Company made a capital profit after tax of £6.6 million (2020: loss of £4.1 million). Therefore, the total profit after tax for the Company was £34.8 million (2020: £8.3 million).

The Company has paid the following interim dividends in respect of the year under review:

Period (3 months to)	Dividend per Ordinary Share (pence)	Payment Date	Record Date	Ex-Dividend Date
31 December 2020	1.06	5 March 2021	19 February 2021	18 February 2021
31 March 2021	1.25	7 June 2021	21 May 2021	20 May 2021
30 June 2021	1.25	27 August 2021	13 August 2021	12 August 2021
30 September 2021	1.25	26 November 2021	12 November 2021	11 November 2021

On 7 February 2022 the Company declared an interim dividend of 1.25p per Ordinary Share in respect of the three months to 31 December 2021, a total of £7.062 million. The ex-dividend date was 17 February 2022, the record date was 18 February 2022 and the dividend was paid on 4 March 2022.



**Substantial Shareholders**

As at 31 December 2021, the Directors have been formally notified of the following interests in the Company's Ordinary Shares, comprising 3% or more of the issued share capital of the Company:

Shareholder Name	Holding*	% Holding	Date of notification
Schroders plc	58,946,885	10.43%	9 December 2021
Sarasin & Partners LLP	44,023,197	7.79%	9 July 2021
Rathbone Investment Management Ltd Rathbone Investment Management International Ltd Rathbone Unit Trust Management Ltd	41,703,191	7.38%	12 July 2021
Baillie Gifford & Co	26,319,250	4.66%	14 October 2021
Quilter Plc	25,869,586	4.58%	9 July 2021
EFG Private Bank Ltd	22,184,028	3.93%	14 July 2021
Newton Investment Management Ltd	17,288,560	3.06%	9 March 2021

* Based on number of Ordinary Shares in issue of 564,927,536 at the Company's year-end.

Since the year-end, the Company was notified of the following holdings:

Shareholder	Holding*	% Holding	Date of notification
Sarasin & Partners LLP	56,506,927	10.00%	23 March 2022

* Based on number of Ordinary Shares in issue of 564,927,536 as at the date of notification.



Shareholder Engagement

The Board is mindful of the importance of engaging with the Company's shareholders to gauge their views on topics affecting the Company. See [page 102](#) for further information on how the Company engages with its shareholders.

The Company will be holding a physical Annual General Meeting, at which members of the Board and Investment Manager will be available to answer shareholder questions.

Shareholders are encouraged to vote their holdings using the enclosed Form of Proxy or electronically using the instructions contained in the notes to the Notice of AGM and notes to the Form of Proxy. The Company's Annual General Meeting will be held on 17 June 2022. Proxy voting figures will be made available shortly after the AGM on the Company's website (www.octopusrenewablesinfrastructure.com) where shareholders can also find the Company's quarterly factsheets, dividend information and other relevant information.

Appointment of Auditor

The Company's auditors, PricewaterhouseCoopers LLP, having expressed their willingness to continue in office as auditors, will be put forward for re-appointment at the Company's Annual General Meeting and the Board will seek authority to determine their remuneration for the forthcoming year.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager which are based on prudent market data and believe, based on those forecasts, the assessment of the Company's subsidiary's banking facilities and the assessment of the principal risks described in this report, including those related to COVID-19, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion that the Company has adequate financial resources, the Directors were mindful that the Company had unrestricted cash of £94 million as at 31 December 2021 (2020: £87 million) and its intermediate holding company had an undrawn revolving credit facility ("RCF") (available for investment in new or existing projects and working capital) of £150 million (2020: £150 million). The Company's net assets at 31 December 2021 were £578 million (2020: £344 million) and total expenses for the year ended 31 December 2021 were £5.6 million (2020: £4.0 million), which represented approximately 1.3% (2020: 1.2%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.



The Directors have fully considered each of the Company's investments and do not foresee any immediate material risk to the Company's investment portfolio and income from underlying SPVs. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however the Company currently has more than sufficient liquidity available to meet any future obligations.

The market and operational risks and financial impact as a result of the COVID-19 pandemic, were discussed by the Board and no longer deemed to have a significant impact on the Company and its operations.

Viability statement

In accordance with the UK Corporate Governance Code and the Listing Rules, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision.

In reviewing the Company's viability, the Directors have assessed the viability of the Company for the period to 31 December 2026 (the 'Period'). The Board believes that the Period, being approximately five years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy, which are modelled over five years and the principal risks outlined above. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the Period to 31 December 2026.

In their assessment of the prospects of the Company, the Directors have considered each of the principal risks and uncertainties set out above and the solvency of the Company. The Directors have considered the Company's income and expenditure projections.

The Directors do not expect there to be any material increase in the annual ongoing charges of the Company over the Period and as the Company grows the annual ongoing charges ratio is expected to decrease. The Company's income from investments provide substantial cover to the Company's operating expenses, and any other costs likely to be faced by the Company over the Period of the assessment.

Based on this review, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to December 2026.



Auditor information

Each of the Directors at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as director to make himself/herself aware of any relevant information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Annual General Meeting

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting ("AGM") to be held on 17 June 2022.

Issuance of Ordinary Shares and dis-application of pre-emption rights

Resolutions 10 and 11 provide authority to issue Ordinary Shares.

The Directors intend to use the net proceeds of any issuance to invest in Renewable Energy Assets, in accordance with the Company's investment objective and Investment Policy and for working capital purposes.

At the forthcoming Annual General Meeting, the Board is seeking authority to allot up to a maximum of 56,492,753 Ordinary Shares (representing approximately 10% of the Ordinary Shares in issue at the date of this document) and to dis-apply pre-emption rights when allotting those Ordinary Shares. The authority granted under Resolutions 10 and 11 will expire at the conclusion of the Annual General Meeting to be held in 2022. The full text of these resolutions are set out in the Notice of Meeting on [page 197](#).

The authority granted by Shareholders to issue Ordinary Shares will provide flexibility to grow the Company and further expand the Company's assets. Ordinary Shares issued under this authority will only be issued at a premium to the NAV (cum income) after taking into account the costs of issue. Ordinary Share issues are at the discretion of the Board.

Authority to purchase own shares

At the AGM of the Company held on 8 April 2021, the Directors were granted authority to make market purchases of up to 14.99 % of the Ordinary Shares in issue, equating to a maximum of 52,456,000 Ordinary Shares. During the year ended 31 December 2021, the Company did not utilise its authority to purchase its own shares as the Company's Ordinary Shares have consistently traded at a premium to their NAV.

The current authority to make market purchases expires at the conclusion of the 2022 AGM of the Company. The Directors recommend that a new authority to purchase up to 84,682,637 Ordinary Shares (subject to the condition that not more than 14.99% of the Ordinary Shares in issue, excluding treasury Shares, at the date of the AGM are purchased) be granted and a resolution to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury.

The Companies Act 2006 permits companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This provides the Company with the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum-income) NAV per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders. At the year end the Company did not hold any shares in treasury.

Unless otherwise authorised by Shareholders, Ordinary Shares will not be issued at less than NAV and Ordinary Shares held in treasury will not be sold at less than NAV.

Authority to declare all dividends as interim dividends

At the AGM of the Company held on 8 April 2021, the Directors were granted authority to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval. The Directors intend to ask Shareholders to renew this authority and to declare and pay all dividends declared during the financial year as interim dividends.

Regulatory Disclosures – Information to be disclosed in accordance with Listing Rule 9.8.4

The Listing Rules requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that only LR 9.8.4(7) (issue of shares) is applicable during the year under review.

By order of the Board

**Brian Smith**

For and on behalf of Sanne Fund Services (UK) Limited
Company Secretary
25 March 2022

Corporate Governance Statement

This Corporate Governance statement forms part of the Directors' Report.



The Board of the Company has considered the Principles and Provisions of the AIC Code of Corporate Governance (the "**AIC Code**"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "**UK Code**"), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to Shareholders. The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk) and the UK Corporate Governance Code can be found on the Financial Reporting Council's website (www.frc.org.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Compliance with the AIC Code

Throughout the year ended 31 December 2021, the Company complied with the recommendations of the AIC Code except, as explained below, where the Company does not believe it appropriate to comply.

The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive Directors' remuneration and the need for an internal audit function. For reasons set out in the AIC Code, the Board considers these provisions are not relevant to the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board

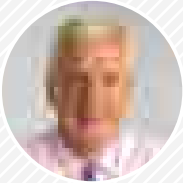
Composition

At the date of this report, the Board consists of four non-executive Directors, including the Chair. The Board comprises two female and two male Directors. The Board believes that the balance of skills, gender, experience, and knowledge of the current Board provide a sound base for the appropriate management of the Company. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business.

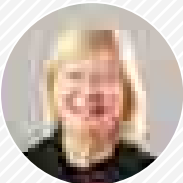
All of the Directors are independent of the Investment Manager and other key service providers are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Directors have a broad range of relevant experience to meet the Company's requirements and their biographies are shown on the following page 119.

The Board has not appointed a senior independent director ("**SID**"). Given the size and composition of the Board it is not felt necessary to separate the roles of Chair and SID.

**Philip Austin MBE Non-executive Chair. Chair of the Nomination Committee**

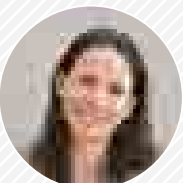
Spent most of career in banking with HSBC in London and, latterly, in Jersey as Deputy CEO of the Bank's Offshore business. Founding CEO of Jersey Finance Ltd, the body that represents and promotes the Island's finance industry, both at home, and internationally. Non-executive director of portfolio containing both private and publicly owned businesses. Chairman of Jersey Electricity plc. Fellow of the Chartered Institute of Bankers and a Fellow of the Chartered Management Institute. Awarded an honorary doctorate in business from the University of Plymouth (October 2015) and an MBE in the Queen's New Year's honours list (January 2016).

**Audrey McNair Non-executive Director and Chair of the Audit and Risk Committee**

Non-executive director of Jupiter Emerging and Frontier Income Trust plc and the British Friendly Society. Executive career across buy and sell side in City of London, gaining extensive knowledge of regulatory, governance and investment management processes and products. Worked at Aberdeen Asset Management plc from May 2008 to March 2016, starting as Head of Internal Audit (EMEA) and becoming Global Head of Business Risk and responsible for the group's risk management framework and internal capital adequacy assessment.

**James Cameron Non-executive Director and Chair of the Management Engagement Committee**

An award-winning authority in the global climate change movement and a qualified Barrister with 30+ years' experience, James serves on a number of boards and advisory committees across business, finance, legal, academic and government organisations. James is an Executive Fellow at Yale University, associated with the Yale Centre of Environmental Law and Policy, is an Honorary Senior Research Fellow at the Grantham Institute on Climate Change and Environment, Imperial College, London and holds advisory positions at the Smith School of Enterprise and the Environment. James co-founded and chaired the investment bank Climate Change Capital in 2003 and is a friend of COP26.

**Elaina Elzinga Non-executive Director and Chair of the Remuneration Committee**

Currently a Principal in Investments at the Wellcome Trust, a global charity committed to improving human health and funded from a diverse, unconstrained portfolio of over £36 billion. Previously an investment banker and investment manager at Goldman Sachs. Lead of Absolute Return, where she is responsible for Wellcome's partnerships with managers that have low equity market correlations, including multi-strategy and credit hedge funds. Covers the natural resources sector, with a strong interest in the energy transition and led the development of Wellcome's net zero strategy for its investment portfolio. Trustee for the Wellcome Pension Plan. CFA Charterholder and read History at the University of Cambridge.



The Articles of Association provide that each of the Directors shall retire at each annual general meeting in accordance with Provision 23 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 17 June 2022.

Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Director will receive an induction and relevant training is available to Directors on an ongoing basis.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Board committees

The Board has formed a number of committees, each of which has adopted formal terms of reference, which are reviewed at least annually, and copies of these are available on the Company's website or on request from the Company Secretary. The Board decides upon the membership and chair of its committees.

Audit and Risk Committee

The Audit and Risk Committee is chaired by Audrey McNair and consists of all of the Directors. A report on [page 134](#) provides details of the role, composition and meetings of the Audit and Risk Committee together with a description of the work of the Audit and Risk Committee in discharging its responsibilities.

Management Engagement Committee

The Management Engagement Committee is chaired by James Cameron and consists of all of the Directors. The Management Engagement Committee meets at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the AIFM and Investment Manager, as well as other service providers and it will annually review those appointments and the terms of engagement.

The Management Engagement Committee carries out an annual review of the Company's key service providers and advisers based on a number of objective and subjective criteria, including a review of the terms and conditions of their appointment with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's Shareholders.

During the year, the Management Engagement Committee formally reviewed the performance of the AIFM, Investment Manager and other key service providers. No material weaknesses were identified, and the Management Engagement Committee was satisfied with the services and advice received.



Nomination Committee

The Nomination Committee is chaired by Philip Austin and consists of all of the Directors. The Nomination Committee meets at least once a year or more often if required. Its principal duties will be to regularly review the structure, size, composition (including the skills, knowledge, experience and diversity) of the Board as a whole and make recommendations to the Board with regard to any changes, prepare a policy on the tenure of the chair and the Board and keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates. The Nomination Committee will also be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. Any appointments to the Board are made in a formal and transparent matter.

The current non-executive Directors, who were appointed before the Company's IPO, were appointed on the basis of their skills, experience, and extensive knowledge of investment companies, investment management and/or the renewable energy sector. All appointments were made without using an external search consultancy or open advertising.

During the year, the Nomination Committee undertook an internal review of the performance of the Board, its committees and the Board Chair. No significant issues were reported as a result of this review.

Remuneration Committee

The Remuneration Committee is chaired by Elaina Elzinga and consists of all of the Directors. The Remuneration Committee meets at least once a year or more often if required. The Remuneration Committee's main functions include agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy, reviewing and considering ad hoc payment to the Directors in relation to duties undertaken over and above normal business and appointing independent professional remuneration advice.

During the year, the Remuneration Committee reviewed the remuneration policy of the Directors and concluded that no further changes or amendments were required to the policy as a result of their review.

Meeting attendance

The full Board meets at least four times per year and there is regular contact between the Board, the Investment Manager, the Administrator and the Company Secretary. Meeting agendas and supporting papers are distributed in advance of all meetings to allow sufficient time for review and to permit detailed discussion at the meetings. The following table lists Directors' attendance at Board and committee meetings during the year.



	Philip Austin MBE	James Cameron	Elaina Elzinga	Audrey McNair	Total Possible
Quarterly Board	4	4	4	4	4
Ad hoc Board	17	16	16	17	17
Audit and Risk Committee	4	4	4	4	4
Management Engagement Committee	2	2	2	2	2
Nomination Committee	2	2	2	2	2
Remuneration Committee	1	1	1	1	1

Decision Making

The Board is responsible for the overall stewardship of the Company's affairs and has adopted a schedule of matters specifically reserved for decision by the Board. Strategic issues and all operational matters of a material nature are considered at its meetings, including reviewing the Company's performance by reference to the Company's key performance indicators. Each quarterly Board meeting covers every area where the Board has reserved decision-making power, in addition to receiving reports from key service providers on portfolio performance, asset valuations and enhancements, operational matters, ESG matters, risk management and regulatory and industry developments.

The Board delegates certain activities to the Investment Manager, but actively and continuously supervises the Investment Manager in the performance of its functions and reserves the right of final approval on decisions in relation to investment acquisitions. The Board retains the right to override any advice given by the Investment Manager if acting on that advice would cause the Company not to be acting in the best interests of its investors. The Board also has the right to request additional information or updates from the Investment Manager in respect of all delegated matters.

The Board is able to access independent advice, at the Company's expense when it deems it necessary to do so.



Division of Responsibilities

The following sets out the division of responsibilities between the Chair, Board and the Committee Chair.

Role of the Chair includes:

- Leadership of the Board;
- Ensuring the Board is provided with sufficient information in order to ensure it is able to discharge its duties;
- Ensuring each Board members views are considered and appropriate action taken;
- Ensuring that each Committee has the support required to fulfil its duties;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of directors;
- Supporting the investment manager and other service providers;
- Seeking regular engagement with major Shareholders in order to understand their views on governance and performance against the company's investment objective and investment policy;
- Ensuring that the Board as a whole has a clear understanding of the views of Shareholders;
- Ensuring regular engagement with each service provider; and
- Keeping up to date with key developments.

Role of Committee Chair includes:

- Ensuring appropriate papers are considered at the meeting;
- Ensuring committee members views and opinions are appropriately considered;
- Seeking engagement with Shareholders on significant matters related to their areas of responsibility;
- Maintaining relationships with advisers; and
- Considering appointing independent professional advice where deemed appropriate.

Role of the Board includes:

- Reviewing the Board pack ahead of the meeting;
- Providing appropriate opinion, advice and guidance to the Chair and fellow Board members;
- Supporting the Board, Chair and service providers in fulfilling their role; and
- Providing appropriate support at the Annual General Meeting.

**Board Diversity**

The Board recognises the benefits of diversity and supports the recommendations of the Davies Report. When appointing Board members, its priority will always be based on merit, but will be influenced by the strong desire to maintain Board diversity. Diversity is important in bringing an appropriate range of skills and experience to the Board. The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. As at 31 December 2021 the Company had four Directors with an equal number of each gender.

Board Tenure

The Directors recognise that independence is not a function of service or age and that experience is an important attribute within the Board. The Directors are mindful that they will reach their ninth anniversary simultaneously in April 2028. In order to ensure continuity, the Board will adopt a succession plan that allows for gradual changes to its composition. In accordance with the Articles and the AIC Code, all Directors stand for re-election annually.

Board Evaluation

A formal annual Board evaluation process has been performed by the Nomination Committee regarding the performance of the Board, its committees and individual Directors.

Internal Control

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports from the relevant key service providers. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. By these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.



Financial aspects of internal control

The Directors are responsible for the internal financial control systems of the Company and for reviewing its effectiveness. The aim of the internal financial control system is to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded.

Although the Board has contractually delegated services that the Company requires to external third parties, they remain fully informed of the internal control framework established by each relevant service provider. Any changes or amendments to the internal control frameworks of the third-party providers, along with commentary on the effectiveness of financial controls are discussed at the Audit and Risk Committee.

The Statement of Directors' Responsibilities in respect of the financial statements is on [page 139](#) and a statement of Going Concern is on [page 114](#).

The Report of the Independent Auditors is on [page 141](#).

Other aspects of internal control

The Board holds at least four regular meetings each year, plus additional meetings as required. Between these meetings there is regular contact with the Investment Manager and the Company Secretary and Administrator.

The Administrator, Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited), reports separately in writing to the Board concerning risks and internal control matters within its purview, including internal financial control procedures and company secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

The contacts with the Investment Manager and the Administrator enable the Board to monitor the Company's progress towards its objectives and encompass an analysis of the risks involved. The effectiveness of the Company's risk management and internal controls systems is monitored regularly and a formal review, utilising a detailed risk assessment programme, takes place at least annually. This includes a review of the internal controls reports of the Administrator and the Registrar.

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed are set out in the Strategic Report on [page 78](#).



Conflicts of Interest

The Directors will be responsible for establishing and regularly reviewing procedures to identify, manage, monitor and disclose conflicts of interests relating to the activities of the Company. The Board, AIFM and the Investment Manager and their respective directors, officers, service providers, employees and agents and the Directors are committed to taking measures to identify and prevent or appropriately manage actual or potential conflicts of interest, including perceived conflicts of interest.

The AIFM and the Investment Manager have a conflict of interest policy in place and arrangements have been established by the AIFM and Investment Manager which are designed to achieve these objectives, including:

- conflicts management processes and conflicts committee designed to identify and then prevent or manage actual, potential or perceived conflicts of interest;
- an investments allocations policy;
- maintenance of insider lists and a register of outside business interests and personal account dealing rules;
- controls over the handling and flow of confidential and inside information;
- general disclosure of the possibility of material interests to clients at an early stage of the relationship; and
- where appropriate and proportionate, organisationally and hierarchically keeping certain functions, such as compliance, separate from client facing teams.

The appointment of the Investment Manager by the AIFM is on a non-exclusive basis. It is expected that the Company will enter into transactions with other Octopus Managed Funds as a counterparty when acquiring, co-investing, or, if the opportunity arises, disposing of certain Renewable Energy Assets. The AIFM and the Investment Manager address specific actual or potential conflicts through one or more of the following options:

- application of the above-mentioned measures and precautions;
- declining to act;
- disclosing the conflict or material interests to the client(s) or other affected parties at the beginning of the relationship and obtaining its/their consent to the AIFM and/or Investment Manager acting for it/them.

All decisions as to the appropriate management of any conflict of interest are based on two principles, namely:

- to secure fair treatment of all parties involved; and
- to mitigate any legal, regulatory or reputational risk to the AIFM and/or Investment Manager.



Transactions with affiliates of the AIFM and members of the Investment Manager's group and affiliates of the AIFM

Approaching the expiry of a number of PPAs in the Company's operational GB solar portfolio, the Investment Manager ran a competitive tender process to identify the preferred counterparty and the most competitive counterparty was Octopus Energy. As Octopus Energy is an affiliate of the AIFM and part of the Investment Manager's group, the Board sought external advice and evaluated the proposals, determining that the proposed PPAs were in the ordinary course of business and on normal market terms, and so proceeded to contract with Octopus Energy. The expected annual output of the sites contracted with Octopus Energy is 36GWh, compared with the portfolio's total expected output of 1,168GWh. In accordance with the Disclosure Guidance and Transparency Rules, the Board was responsible for the decision to award the PPAs to Octopus Energy, having reviewed the tender responses.

Related party transactions

During the year the Directors identified a potential procedural issue in respect of the payment of the first interim dividend covering the period from the Company's IPO on 10 December 2019 to 30 June 2020 paid on 21 August 2020 (the "First Interim Dividend") which may have resulted in the First Interim Dividend having been made otherwise than in accordance with the Companies Act 2006. As a result, the Company may have had claims against past and present Shareholders who were recipients of the First Interim Dividend and against the Directors. Out of an abundance of caution, the Directors concluded that the First Interim Dividend was not made in accordance with applicable law, and the Company held a general meeting on 4 June 2021, at which a resolution (the "Resolution") was passed authorising various rectifying actions to put all potentially affected parties, so far as possible, back in the position in which they were always intended to be had the dividend been properly made. These actions included entry by the Company into the shareholders' deed of release and the Directors' deed of release. The entry by the Company into the Directors' deed of release constituted a "smaller related party transaction" (as defined in the Listing Rules) as each of the Directors is a beneficiary of the deed. As of 31 December 2021, there are no restrictions.

Shareholder Relations

The Directors have determined that the AGM will be run as a combined physical and electronic meeting. Shareholders and their proxies will not be permitted to attend the meeting in person. Instead, Shareholders can participate in the AGM virtually via video conference, where they will be able to vote and ask questions. Details of how to attend by video conference can be found in the notes to the Notice of AGM.

Shareholders are encouraged to vote their holdings using the enclosed Form of Proxy or electronically using the instructions contained in the notes to the Notice of AGM and notes to the Form of Proxy. The Notice of AGM sets out the business of the AGM and any item not of a routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue. The Company's Broker and Investment Manager, together with the Chair, seeks regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy.



Directors' Remuneration Report

The Remuneration Committee is responsible for reviewing the remuneration payable to the Directors taking into account the relevant circumstances of the Company, the time commitment and relevant experience and skills of the Board, and the average fees paid to the Board of the Company's competitors. The Remuneration Committee is chaired by Elaina Elzinga and consists of Philip Austin, James Cameron and Audrey McNair.

The Remuneration Report for the year to 31 December 2021 which has been prepared in accordance with sections 420-422 of the Companies Act 2006. The law requires the Company's auditor to audit certain sections of the Remuneration Report; where this is the case the relevant section has been indicated as such.

During the year, the Remuneration Committee undertook a review of Directors' fees and recommended an increase in Directors' fees, with effect from 1 January 2022, having carefully considered a range of factors, including prevailing inflation rates. The Remuneration Committee took into account that the workload and time required from the Board has increased considerably from that expected prior to IPO, driven by the increased size of the Company, the two substantial capital raises post IPO and the diversification of the portfolio by geography, technology and stage of development, along with peer group comparators in the renewable infrastructure sector, as well as the significant additional work undertaken by the Board during the year. Accordingly, the Board Chair's annual remuneration was increased to £60,000, the Risk and Audit Committee Chair's annual remuneration was increased to £46,000 and non-executive Director's annual remuneration was increased to £40,000. The revised remuneration levels across all Board roles remain at the lower end of the range of for a company of ORIT's scale and complexity.

During the year there were no increases in Directors fees from 2020.

Where changes to Board remuneration are recommended by the Remuneration Committee, no Director may vote on changes to their own remuneration.

AGM approval of the Remuneration Policy and Remuneration Implementation Report

In accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the "**Regulations**"), the Board is required to put forward for shareholder approval at its first AGM, and on a triennial basis thereafter, a Remuneration Policy. The Remuneration Policy of the Company was approved by Shareholders via an Ordinary resolution at the first AGM held on 8 April 2021 and will apply until they are next submitted for shareholder approval, expected to be at the Company's AGM to be held in 2024. In the event of any proposed material variation to the Remuneration Policy or should the Remuneration Policy or the Remuneration Implementation



Report fail at the forthcoming AGM, shareholder approval will be sought for a proposed revised Remuneration Policy prior to its implementation.

The Remuneration Implementation Report requires approval via an ordinary resolution on an annual basis. This resolution is put to Shareholders on an advisory, non-binding, basis which means that, if the resolution were to fail to attract sufficient votes in favour, the Board would continue to be entitled to be remunerated and would not be required to amend their contractual relationship with the Company.

However, if the Remuneration Implementation Report were to be voted down by Shareholders, the Board would be required to resubmit the Remuneration Policy to Shareholders at the AGM following the AGM at which the Remuneration Implementation Report failed.

Remuneration Consideration

The Board's remuneration was agreed within the letters of appointment signed by each Director, upon appointment on 11 November 2019. In considering the remuneration of the Board and each key role, the Board and its advisers considered the Board pay of the Company's peers, the expected time commitment of each Board member, the experience and skills of each Board member and the market expectation of the remuneration paid to the Company's Board. The Board also considered whether it was appropriate to set performance measures and it was agreed that it was not, in accordance with market practice.

Remuneration Consultants

Remuneration Consultants were not engaged by the Company during the year under review and in respect of the Remuneration Report.

Loss of Office

There are no agreements in place to compensate the Board for loss of office.

Component	Director	Purpose of reward	Operation
Annual fee	Chair of the Board	For services as Chair of a Plc	Determined by the Remuneration Committee
Annual fee	Other Directors	For services as non-executive Directors of a Plc	Determined by the Remuneration Committee
Additional fee	Chair of the Audit and Risk Committee	For additional responsibility and time commitment	Determined by the Remuneration Committee
Expenses	All Directors	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate documentation



Current and future policy

In accordance with the Company's Articles of Association, Board fees in aggregate cannot exceed £300,000 per annum, unless Shareholders approve via an Ordinary resolution at a General Meeting such other sum. There are no performance-related elements to Directors' fees and the Company does not operate any type of incentive, share scheme, award or hold options to acquire shares in the Company.

Remuneration Policy

All of the Directors are non-executive directors. The Company has no other employees and therefore there is no statement of consideration of employee conditions presented. The components of the remuneration package for non-executive directors, which are contained in the Remuneration Policy are as detailed below:

Directors' Service Contracts

The Directors do not have service contracts with the Company but have letters which outline the terms of their appointment. The Directors' appointments can be terminated, at the discretion of either party, upon three month's written notice.

The Articles of Association provide that each of the Directors shall retire at each Annual General Meeting in accordance with Provision 23 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 17 June 2022.

Fees payable on recruitment

The Board will not pay any incentive fees to any person to encourage them to become a Director of the Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors. No such external agency was engaged during the year under review.

Effective date

The Remuneration Policy is effective from the date of approval by Shareholders, that being 8 April 2021.

Remuneration Implementation Report (Audited)

The table on the next page provides a single figure for the total remuneration of each Director for the year to 31 December 2021.



	Fees to 31 December 2021	Expenses reimbursed to 31 December 2021	Total	Fees to 31 December 2020*	Expenses reimbursed to 31 December 2020	Total
Philip Austin MBE	45,000	2,700	47,700	51,400	2,600	54,000
Audrey McNair	36,000	–	36,000	41,100	–	41,100
James Cameron	30,000	–	30,000	34,200	–	34,200
Elaina Elzinga	30,000	–	30,000	34,200	400	34,600
Total	141,000	2,700	143,700	160,900	3,000	163,900

* From date of appointment

Until 31 December 2021, each of the Directors, save for Elaina Elzinga (who is a U.S. Person), agreed that any fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares transferred at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed. With effect from 1 January 2022, it was agreed that all Directors would have the option to be paid in cash. Audrey McNair and James Cameron elected to revert to being paid in cash with effect from 1 January 2022, however Philip Austin's quarterly purchase arrangements are unchanged.

Directors receive fixed fees and do not receive bonuses or other performance related remuneration, share options, pension contributions or other benefits apart from the reimbursement of allowable expenses.

No fees or payments were made to any other directors who served during the year.

Fees

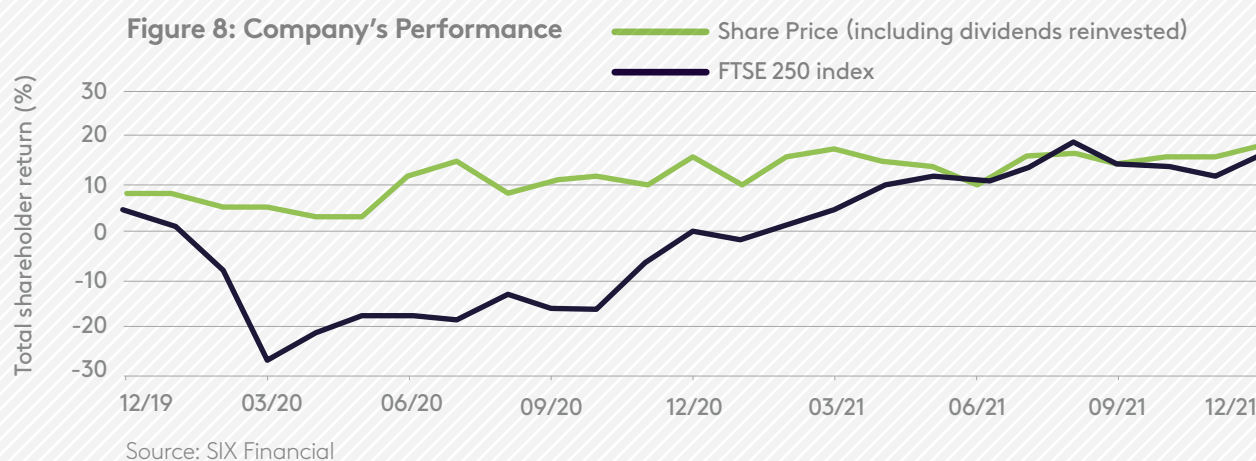
Board remuneration from incorporation to date is outlined in the next table. With effect from 1 January 2022, Board remuneration has been increased. See [page 128](#) for further details.

Position	Directors' fees 2021 per annum (GBP)	Directors' fees 2022 per annum (GBP)	Percentage increase
Director	30,000	40,000	33%
Board Chair	45,000	60,000	33%
Audit and Risk Committee Chair	36,000	46,000	28%



Performance

In setting the Directors' remuneration, consideration is given to the size and performance of the Company. The graph below highlights the performance of the Company's NAV and share price (total return) since IPO against the FTSE 250 index (assuming £100 was invested at the point the Company was listed). The Company does not have a specific benchmark but has deemed FTSE 250 index to be the most appropriate comparator for its performance.



Relative importance of spend on pay

The following table sets out the total level of Directors' remuneration compared to the distributions to Shareholders by way of dividends and share buybacks, and the operating expenses and Investment Manager's fees incurred by the Company.

The disclosure of the information in the table below is required under The Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 with the exception of performance fees and operating expenses which have been included to show the total expenses of the Company.

	Year to 31 December 2021 (£'000)	Period from incorporation on 11 October 2019 to 31 December 2020 (£'000)
Investment Income	31,829	15,480
Spend on Directors' fees	141	161
Company's operating expenses and Investment manager's fees	5,460	4,327
Dividends paid and payable to Shareholders	20,459	7,420

**Directors' holdings (Audited)**

At 31 December 2021 and at the date of this report the Directors had the following holdings in the Company. There is no requirement for Directors to hold shares in the Company. All holdings were beneficially owned.

As at the latest practicable date before the publication of this document, there have been no changes to the Directors' shareholdings. The Directors have no other share interests or share options in the Company and no share schemes are available.

Director	Number of Ordinary Shares As at 31 December 2021	Number of Ordinary Shares As at 31 December 2020
Philip Austin MBE	108,867*	43,229
James Cameron	65,306	26,301
Elaina Elzinga	-	-
Audrey McNair	51,383	26,733

*with effect from 23 November 2021, Mr. Austin's shares have been held jointly with Mrs. J Austin, a person closely associated (PCA) of Mr. Austin.

Shareholders views

The Company has not sought individual shareholder views on its remuneration policy. The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis takes account of those views in determining the remuneration policy.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Policy and Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2021:

- (a) the major decisions on Directors' remuneration;
- (b) any substantial changes relating to Directors' remuneration made during the period; and
- (c) the context in which the changes occurred and decisions have been taken.

Elaina Elzinga

Chair of the Remuneration Committee
25 March 2022



Report of the Audit & Risk Committee

Role of the Audit and Risk Committee

The AIC Code recommends that the Board should establish an Audit and Risk Committee comprising at least three, or in the case of smaller companies, two independent non-executive Directors. The Board is required to satisfy itself that the Audit and Risk Committee has recent and relevant financial experience and has competence relevant to the sector in which the Company operates.

The Company's Audit and Risk Committee consists of all of the Directors and is chaired by Audrey McNair. The Audit and Risk Committee will meet at least twice a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the AIFM and the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The Audit and Risk Committee has formal written terms of reference and copies of these are available on the Company's website or on request from the Company Secretary. All members of the Audit and Risk Committee have recent and relevant financial experience and competence relevant to the sector in which the Company operates.

Membership

The Chair of the Audit and Risk Committee, Audrey McNair, is a fellow of the Chartered Institute of Bankers. She also serves, or has served, as chair of the audit and risk committees at the companies where she is a non-executive director (including another listed company). Previously Audrey worked in senior positions in financial services, including leading a global risk team at one of the UK's largest asset managers. The Board is satisfied that Audrey has recent and relevant financial experience as required under the UK Corporate Governance Code. The other members of the Audit and Risk Committee are Philip Austin MBE, James Cameron and Elaina Elzinga, all of whom have extensive experience of investment companies, investment management and/or the renewable energy sector. The qualifications of the Audit and Risk Committee members are outlined on [page 119](#) of the Corporate Governance Statement.

Internal Audit

The Audit & Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers.

Meetings

There were four meetings of the Audit and Risk Committee during the year ended 31 December 2021 at which all Committee members were in attendance. Further Audit & Risk Committee meetings were held in March 2021 at which all Committee members were in attendance.



Financial statements and significant accounting matters

The Audit & Risk Committee reviewed the financial statements and considered the following significant accounting matters in relation to the Company's financial statements for the period ended 31 December 2021.

Valuation of investments

The valuation of the Company's assets is the most material matter in the production of the financial statements. The Audit and Risk Committee reviewed the procedures in place for ensuring the accurate valuation of investments. The Investment Manager undertakes valuations of the Renewable Energy Assets acquired by the Company as at the end of each calendar quarter. The valuations are approved by the AIFM's valuation committee before being provided to the Administrator. The Board may ask for an external valuation to be carried out from time to time at its discretion.

The Administrator calculates the Net Asset Value and the Net Asset Value per Ordinary Share at the end of each quarter and submits to the Board for its approval, accompanied with a paper from the Investment Manager detailing key assumptions and used and detailed explanations for valuation movements in the quarter.

All calculations are at fair value. The valuation principles used to calculate the fair value of Renewable Energy Assets follow International Private Equity and Venture Capital Valuation Guidelines. Fair value for operational Renewable Energy Assets is typically derived from a discounted cash flow ("DCF") methodology and the results benchmarked against appropriate multiples and key performance indicators ("KPIs"), where available for the relevant sector/industry. For Renewable Energy Assets that are not yet operational at the time of valuation, the price of recent investment may be used as an appropriate estimate of fair value initially, but it is likely that a DCF will provide a better estimate of fair value as the asset moves closer to operation.

In a DCF analysis, the fair market value of the Renewable Energy Asset represents the present value of the Renewable Energy Asset's expected future cash flows, based on appropriate assumptions for revenues and costs and suitable cost of capital assumptions. The AIFM uses its judgement in arriving at appropriate discount rates. This is based on its knowledge of the market, taking into account market intelligence gained from bidding activities, discussions with financial advisers, consultants, accountants and lawyers and publicly available information.

A range of sources are reviewed in determining the underlying assumptions used in calculating the fair market valuation of each Renewable Energy Asset, including but not limited to:

- macroeconomic projections adopted by the market as disclosed in publicly available resources;
- macroeconomic forecasts provided by expert third party economic advisers;
- discount rates publicly disclosed by the Company's global peers;



- discount rates applicable to comparable infrastructure asset classes, which may be procured from public sources or independent third-party expert advisers;
- discount rates publicly disclosed for comparable market transactions of similar assets; and
- capital asset pricing model outputs and implied risk premia over relevant risk-free rates.

Where available, assumptions are based on observable market and technical data. For other assumptions, the AIFM may engage independent technical experts such as electricity price consultants to provide long-term forecasts for use in its valuations. Any value expressed other than in Sterling (the functional reporting currency of the Company) (whether of an investment or cash) is converted into Sterling at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances.

Investments into developers and development-stage projects are held at cost until a material change occurs in relation to the investment. Material changes could include, inter alia, a liquidation event, where value is crystallised through a sale, project failure, further investment rounds, achievement of or failure to achieve significant project milestones that would attribute value, significant regulatory or policy changes or any other factor that the Investment Manager deems to be material to the valuation.

Recognition of income

Income may not be accrued in the correct period and/or incorrectly allocated to revenue or capital. The Audit & Risk Committee reviewed the Administrator's procedures for recognition of income and reviewed the treatment of income receivable in the year under review.

Tax status

The Company may suffer tax on gains on the realisation of investments if investment trust status is not maintained. The Audit and Risk Committee reviewed the compliance of the Company during the period with the eligibility conditions in order for investment trust status to be maintained.

Going concern

The Audit and Risk Committee reviewed the Company's financial resources and concluded that it is appropriate for the Company's financial statements to be prepared on a going concern basis as described in the Directors' Report on [page 114](#).

Calculation of the AIFM's fees

The Audit and Risk Committee reviewed the AIFM's fees and concluded that these AIFM's fees have been correctly calculated.



Conclusion with respect to the Annual Report

The Audit and Risk Committee has concluded that the Annual Report for the year to 31 December 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Audit and Risk Committee has reported its conclusions to the Board of Directors. The Audit and Risk Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the Annual Report.

Audit Arrangements

PricewaterhouseCoopers LLP ("PwC") was selected as the Company's auditor at the time of the Company's launch following a competitive process and review of the auditor's credentials. The current audit partner, Jonathan Greenaway, has held the role since that date. The auditor was formally appointed on 1 November 2019. The appointment of the auditor is reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by Shareholders. In accordance with the Financial Reporting Council's ("FRC") guidance, the audit will be put out to tender within ten years of the initial appointment. Additionally, the audit partner must be rotated every five years and is next eligible for rotation in 2025.

The audit plan was presented to the Audit and Risk Committee at its November 2021 meeting, ahead of the commencement of the Company's year-end audit. The audit plan sets out the audit process, materiality scope and significant risks.

Internal control and risk

The Board together with the AIFM and other service providers carefully considered the Company's matrix of risks and uncertainties and appropriate mitigating actions prior to the Company's IPO. The Chair of the Audit and Risk Committee, together with the AIFM regularly review the matrix of risks prior to presenting them for consideration by the Company's Audit and Risk Committee. The Audit and Risk Committee carefully consider the risk matrix and the Company's principal risks can be found on [pages 78 to 85](#).

Although the Board has contractually delegated services that the Company requires to external third parties, they remain fully informed of the internal control framework established by each relevant service provider. Any changes or amendments to the internal control frameworks of third-party providers, along with assurances on the effectiveness of the internal controls are discussed at the Audit and Risk Committee.

The Audit and Risk Committee regularly consider the internal controls reports of its AIFM, Investment Manager, Registrar and Depositary. The Audit and Risk Committee reviewed these reports and concluded that there were no significant control weaknesses or other issues that needed to be brought to the Board's attention.

**Auditor's Independence**

The Audit and Risk Committee are satisfied that there are no issues in respect of the independence of the auditor.

Effectiveness of external audit

The Audit and Risk Committee is responsible for reviewing the effectiveness of the external audit process. The Audit and Risk Committee received a presentation of the audit plan from the external auditors prior to the commencement of the audit and a presentation of the results of the audit following completion of the main audit testing. Additionally, the Audit and Risk Committee received feedback from the Company Secretary, Administrator and AIFM regarding the effectiveness of the external audit process. Following the above review, the Audit and Risk Committee has agreed that the re-appointment of the auditors should be recommended to the Board and the Shareholders of the Company.

The Audit and Risk Committee considered the matters set out in PwC's 2020 Transparency Report dealing with audit quality monitoring and remediation. It considered the results of internal and external engagement reviews and the steps taken by PwC to address findings. Within PwC, audit quality is monitored at a global level and at an engagement level, with all engagement partners being reviewed at least once in a three year cycle.

In reviewing PwC's 2020 Transparency Report, the Audit and Risk Committee noted the firm's commitment to quality and risk management. The Audit and Risk Committee also discussed with PwC the results of the FRC Audit Quality Inspection of the UK firm. The Chair of the Audit and Risk Committee also had regular dialogue with the audit partner throughout the audit.

Provision of non-audit services

The Audit and Risk Committee has put a policy in place on the supply of any non-audit services provided by the external auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if such services are compatible with the "white list" of permissible services under the Revised Ethical Standards 2019 of the FRC and that such services are at a reasonable and competitive cost and do not constitute a conflict of interest or potential conflict of interest which would prevent the auditor from remaining objective and independent.

Audrey McNair

Audit & Risk Committee Chair
25 March 2022



Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Directors' confirmations

Each of the Directors, whose names and functions are listed in Corporate Governance section confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Philip Austin MBE

Chair

25 March 2022



Independent auditors' report to the members of Octopus Renewables Infrastructure Trust Plc

Report on the audit of the financial statements

Opinion

In our opinion, Octopus Renewables Infrastructure Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.



Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key audit matters

- Valuation of investments held at fair value through profit or loss.

Materiality

- Overall materiality: £5,776,890 (2020: £3,439,268) based on 1% of net assets.
- Performance materiality: £4,332,668 (2020: £2,579,451).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Consideration of the impact of COVID-19 and Recognition of investment income, which were key audit matters last year, are no longer included because of COVID-19 not having had a significant impact on the ability of the Company's key service providers to function and provide services, on portfolio investments held by the Company's intermediate holding companies or on the Company's ability to meet its objectives and for the audit, we used established practices throughout 2021 for interacting and undertaking our audit testing virtually. Recognition of investment income is no longer included, as this being our second year of auditing the Company, we do not consider there to be any significant estimation or judgement involved in the recognition of investment income. Otherwise, the key audit matters below are consistent with last year.



Key audit matter	How our audit addressed the key audit matter
<i>Valuation of investments held at fair value through profit or loss</i> Refer to page 135 (Report of the Audit and Risk Committee), page 158 (Accounting Policies) and page 169 (Notes to the Financial Statements). The Company holds its investments at fair value through profit and loss. The investments represent a material balance in the financial statements and the valuations of the investments held by the parent holding company require the application of estimations, assumptions and judgement. Changes to the estimates, assumptions and/or the judgements made can result, either for an individual investment or in aggregate, in a material change to the valuation of investments. There is also a risk that the COVID-19 pandemic could adversely impact the valuation of the investments. For the recent investment in the Finnish wind asset, management consider the acquisition cost to be the fair value due to the transaction's proximity to year end. Investments in development assets held through joint venture arrangements by ORIT JV Holdings Limited and ORIT JV Holdings 2 Limited have also been held at cost due to the nature of these investments.	We have assessed whether the valuation methodology adopted for the underlying investments within the parent holding company was appropriate and in line with accounting guidelines. On a targeted basis, over the fair value of the investments, we: - Compared the investment valuations to recently completed transactions; Independently assessed, supported by our internal experts, the appropriateness of the key assumptions applied in the valuations (such as the discount rate); - Considered whether the assumptions applied were reasonable based on our market knowledge and expertise; - Tested the mathematical accuracy of the valuation models; - Performed substantive procedures on a sample basis to corroborate inputs to the valuation model, such as cash flow projections, to contracts and other supporting documents; - Evaluated the impact of COVID-19 on the underlying investments held by the parent holding company, considering their consistency with other available information and our understanding of the underlying investments' operations. For the investment in the Finnish Wind asset in and the development assets held through joint venture arrangements by ORIT JV Holdings Limited and ORIT JV Holdings 2 Limited, we concur with management's assessment and have agreed the investment value to the underlying contract and payments made. No material issues were identified.



How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company invests in renewable energy infrastructure investments. As the Company is an Investment Trust it is required to measure its subsidiaries at fair value rather than consolidate on a line-by line basis, the Company has been treated as having only one component. The Company has appointed Octopus AIF Management Limited to be the alternative investment fund manager of the Company (the "AIFM") to manage its asset. The AIFM has delegated portfolio management services to Octopus Investments Limited, the Company's investment manager (the "Investment Manager"). The financial statements are prepared for the Company by and using information from Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) (the 'Administrator').

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	£5,776,890 (2020: £3,439,268).
How we determined it	1% of net assets
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the Company, and this is also a generally accepted auditing benchmark used for Investment Trusts.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £4,332,668 (2020: £2,579,451) for the Company financial statements.



In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £288,845 (2020: £171,963) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting, including the impact of external risks including geopolitical, Covid-19 and climate change risks;
- Understanding and evaluating the Directors' going concern assessment, including a stress case scenario, by obtaining evidence to support the key assumptions and the forecasts, including the severity of the stress scenarios that were used;
- Reviewing the Directors' assessment of the Company's financial position as well as their review of the operational resilience of the Company, forecasted future covenants compliance in respect of debt and facilities held by the Company's intermediate holding companies and portfolio level investments and oversight of key third party service providers; and
- Reading and evaluating the adequacy of the disclosures made in the financial statements, including other information.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.



Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.



Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in October 2019 by the Association of Investment Companies ("AIC"), section 1158 of the Corporation tax act 2010 and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce operating expenses, increase investments at fair value through profit or loss and bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Board of Directors, Alternative Investment Fund Manager, Investment Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;



- Challenging of assumptions and judgements made by the Board of Directors and the Investment Manager in their significant accounting estimates, in particular in relation to the valuation of investments held at fair value through profit or loss (see related key audit matters section);
- Identifying and testing of selected journal entries;
- Reviewing relevant meeting minutes, including those of the Board of Directors and Audit and Risk Committee;
- Testing the Company's compliance with s1158 of the Corporation Tax Act 2010 in the current year; and
- Reviewing of financial statement disclosures including agreeing, where applicable, to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 11 November 2019 to audit the financial statements for the period ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the period ended 31 December 2020 to the year ended 31 December 2021.

Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

25 March 2022



Financial Statements





Statement of Comprehensive Income

For the period from incorporation
on 11 October 2019 to
31 December 2020

	Notes	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	4	31,829	-	31,829	15,480	-	15,480
Movement in fair value of investments	9	-	8,561	8,561	-	(3,171)	(3,171)
Total net income		31,829	8,561	40,390	15,480	(3,171)	12,309
Investment management fees	5	(3,108)	(1,036)	(4,144)	(2,585)	(862)	(3,447)
Other expenses	5	(851)	(584)	(1,435)	(720)	(321)	(1,041)
Deposit interest income		5	-	5	486	-	486
Net foreign exchange (losses)/gains		-	(27)	(27)	-	40	40
Profit/(loss) before taxation		27,875	6,914	34,789	12,661	(4,314)	8,347
Taxation	6	312	(312)	-	(218)	218	-
Profit/(loss) and total comprehensive income/(loss) for the year/period		28,187	6,602	34,789	12,443	(4,096)	8,347
Earnings/(loss) per Ordinary share (pence) – basic and diluted	8	6.65p	1.55p	8.20p	4.10p	(1.35p)	2.75p

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. All expenses are presented as revenue items except 25% of the investment management fee, which is charged as a capital item within the Statement of Comprehensive Income. Costs incurred on aborted transactions are charged as capital items within the Statement of Comprehensive Income.

The Total column of the above Statement of comprehensive income is the profit and loss account of the Company fully attributable to the Shareholders of the Company.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these financial statements.



Statement of Financial Position

	Notes	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Non-current assets			
Investments at fair value through profit or loss	9	485,417	258,680
Current assets			
Trade and other receivables	10	450	127
Cash and Cash Equivalents	3(g)	93,946	87,185
		94,396	87,312
Current liabilities: amounts falling due within one year			
Trade and other payables	11	(2,124)	(2,065)
		(2,124)	(2,065)
Net current assets		92,272	85,247
Net assets		577,689	343,927
Capital and reserves			
Share capital	12	5,649	3,500
Share premium account	12	217,283	-
Special reserve	13	339,500	339,500
Capital reserve		2,506	(4,096)
Revenue reserve		12,751	5,023
Equity attributable to owners of the Company		577,689	343,927
Net assets per ordinary share (pence)	14	102.26p	98.26p

The financial statements on pages 152 to 188 were approved by the Board of Directors and authorised for issue on 25 March 2022 and were signed on its behalf by

Philip Austin MBE
Chairman

The accompanying notes are an integral part of these financial statements.
Incorporated in England and Wales with registered number 12257608



Statement of Changes in Equity

Year ended 31 December 2021

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Revenue reserve £'000	Capital reserve £'000	Total £'000
Opening equity as at 1 January 2021		3,500	-	339,500	5,023	(4,096)	343,927
Profit and total comprehensive income for the year		-	-	-	28,187	6,602	34,789
Shares issued in year	12	2,149	221,763	-	-	-	223,912
Share issue costs		-	(4,480)	-	-	-	(4,480)
Dividends paid	7	-	-	-	(20,459)	-	(20,459)
Closing equity as at 31 December 2021		5,649	217,283	339,500	12,751	2,506	577,689

For the period from incorporation on 11 October 2019 to 31 December 2020

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Revenue reserve £'000	Capital reserve £'000	Total £'000
Opening equity as at 11 October 2019		-	-	-	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the period		-	-	-	12,443	(4,096)	8,347
Shares issued in period	12	3,500	346,500	-	-	-	350,000
Share issue costs		-	(7,000)	-	-	-	(7,000)
Transfer to the special reserve		-	(339,500)	339,500	-	-	-
Dividends paid	7	-	-	-	(7,420)	-	(7,420)
Closing equity as at 31 December 2020		3,500	-	339,500	5,023	(4,096)	343,927

The Company's distributable reserve consists of the special reserve, capital reserve attributable to realised gains and revenue reserve.

The accompanying notes are an integral part of these financial statements.

The issued capital and reserves are fully attributable to the Shareholders of the Company.



Statement of Cash Flows

		Year ended 31 December 2021 £'000	For the period from incorporation on 11 October 2019 to 31 December 2020 £'000
	Notes		
Operating activities cash flows			
Profit before taxation		34,789	8,347
Adjustments for:			
Movement in fair value of investments	9	(8,561)	3,171
Investment income from investments	4	(31,829)	(15,480)
Operating cash flow before movements in working capital		(5,601)	(3,962)
Changes in working capital:			
Increase in trade and other receivables		(323)	(127)
Increase in trade payables		59	2,065
Distributions from investments	9	26,169	13,341
Net cash flow from operating activities		20,304	11,317
Investing activities cash flows			
Costs associated with acquiring the portfolio of assets	9	(212,516)	(259,712)
Net cash flow used in investing activities		(212,516)	(259,712)
Financing activities cash flows			
Dividends paid to Ordinary Shareholders	7	(20,459)	(7,420)
Proceeds from issue of share capital during the year/period		223,912	350,000
Costs in relation to issue of shares		(4,480)	(7,000)
Net cash flow from financing activities		198,973	335,580
Net increase in Cash and Cash Equivalents		6,761	87,185
Cash and Cash Equivalents at start of year/period		87,185	-
Cash and Cash Equivalents at end of year/period		93,946	87,185

The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements

For the year ended 31 December 2021

1. General information

Octopus Renewables Infrastructure Trust plc ("ORIT" or the "Company") is a Public Company Limited by Ordinary Shares incorporated and domiciled in United Kingdom on 11 October 2019 with registered number 12257608. The Company is a closed-ended investment company with an indefinite life. The Company commenced its operations on 10 December 2019 when the Company's Ordinary Shares were admitted to trading on the premium segment of the main market of the London Stock Exchange. The Directors intend, at all times, to conduct the affairs of the Company as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office and principal place of business of the Company is 6th Floor, 125 London Wall, London, EC2Y 5AS.

The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in the UK, Europe and Australia.

The audited financial statements of the Company (the "financial statements") are for the year ended 31 December 2021 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value following the amendment to IFRS 10 as disclosed in Note 2. The comparatives shown in these financial statements refer to the period from incorporation on 11 October 2019 to 31 December 2020.

The Company has appointed Octopus AIF Management Limited to be the alternative investment fund manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to Octopus Renewables Limited, the Company's investment manager (the "Investment Manager").

Sanne Fund Services (UK) Limited (the "Administrator") provides administrative and company secretarial services to the Company under the terms of the Administration Agreement between the Company and the Administrator. During the year, Sanne Group plc acquired the PraxisIFM Funds Business and subsequently the name of the Company's Administrator and Company Secretary changed from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the applicable legal requirements of the Companies Act 2006. On 31 December 2020, IFRSs as adopted by the European Union at that date were brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted international accounting standards in its financial statements on 1 January 2021. There was no impact or change in accounting policies from the transition.

The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in April 2021 by the Association of Investment Companies ("AIC").



The financial statements are prepared on the historical cost basis, except for the revaluation of investments measured at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The financial statements are presented in Sterling, which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated. They have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out below.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager which are based on prudent market data and believe, based on those forecasts, the assessment of the Company's subsidiary's banking facilities and the assessment of the principal risks described in this report, including those related to Covid-19, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion that the Company has adequate financial resources, the Directors were mindful that the Company had unrestricted cash of £94 million as at 31 December 2021 (31 December 2020: £87 million) and its intermediate holding company had an undrawn revolving credit facility ("RCF") (available for investment in new or existing projects and working capital) of £150 million (31 December 2020: £150 million). The Company's net assets at 31 December 2021 were £578 million (31 December 2020: £344 million) and total expenses for the year ended 31 December 2021 were £5.6 million (period ended 31 December 2020: £4.5 million), which represented approximately 1.3% (31 December 2020: 1.2%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The Company receives revenue in the form of dividends and interest from its portfolio of assets. These revenues are derived from the sale of electricity through power purchase agreements in place with large and reputable providers of electricity to the market. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however the Directors do not foresee any immediate material risk to the Company's investment portfolio and income from underlying assets. The Directors are also satisfied and are comfortable that the Company would continue to remain viable under downside scenarios, including decreasing government regulated tariffs and a decline in long term power price forecasts.

In instances where underlying investments have external debt finance, the covenants associated with these facilities have been tested and are not expected to be breached, even in downside scenarios.

The major cash outflows of the Company are the payment of dividends and commitments payable for construction projects and contingent acquisitions. The Directors are confident that the Company has sufficient cash balances, headroom in the RCF held by an intermediate holding company, and access to equity markets in order to fund the commitments detailed in note 19 to the financial statements, should they become payable. economic environment and can continue operations for a period of at least 12 months from the date of these financial statements.

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of these financial statements.



Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates, judgements and assumptions for the year are set out as follows:

Key estimation and uncertainty: Fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets. Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends) and shareholder loans (interest and repayments). The discounted cashflow models use observable data, to the extent practicable. However, the key inputs require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed quarterly and updated, where appropriate, to reflect changes in the market and in the project risk characteristics.

Unless fixed under PPAs or otherwise hedged, the power prices used in the valuations are based on market forward prices in the near term, followed by an equal blend of up to three independent and widely used market consultants' technology-specific capture price forecasts for each asset. Power prices are updated quarterly in line with the release of updated forecasts. There is an inherent uncertainty in future wholesale electricity price projection.

Electricity output is based on specifically commissioned yield assessments prepared by technical advisors. Each asset's valuation assumes a "P50" level of electricity output, which is the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long term - and a 50% probability of being underachieved. The P50 provides an expected level of generation over the long term.

Short to medium term inflation assumptions used in the valuations are based on third party forecasts. In the longer term, an assumption is made that inflation will increase at a long-term rate.

The estimates and assumptions that are used in the calculation of the fair value of investments is disclosed in Note 9. Further considerations on currency risks, interest rate risks, power price risks, credit risks, and liquidity risks are detailed in Note 16.

Key judgement: Equity and debt investment in ORIT Holdings II Limited

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of assets is managed, and performance is evaluated on a fair value basis.

The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the



Company's debt securities are solely principal and interest, however, these securities are not held for the purpose of collecting contractual cash flows. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The evaluation of the performance of the Company's investments is done for the entire portfolio on a fair value basis, as is the reporting to the key management personnel and to the investors. In this case, all equity, derivatives and debt investments form part of the same portfolio for which the performance is evaluated on a fair value basis together and reported to the key management personnel in its entirety.

Key judgement: Basis of non-consolidation

The Company has adopted the amendments to IFRS 10 which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value (in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement).

Under the definition of an investment entity, the Company should satisfy all three of the following tests:

- i. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- ii. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- iii. Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meet the definition of an investment entity set out in IFRS 10 the Directors note that:

- i. the Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise not have access individually to investing in renewable energy infrastructure investments due to high barriers to entry and capital requirements;
- ii. the Company intends to hold its investments for the remainder of their useful lives for the purpose of capital appreciation and investment income. The portfolio of assets are expected to generate renewable energy output for 30 to 40 years from their relevant commercial operation date and the Directors believe the Company is able to generate returns to the investors during that period; and
- iii. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10. The Directors are satisfied that investment entity accounting treatment appropriately reflects the Company's activities as an investment trust.

The Directors have also satisfied themselves that the Company's wholly owned direct subsidiary, ORIT Holdings II Limited, meets the characteristics of an investment entity. ORIT Holdings II Limited has one investor, ORIT plc, however, in substance ORIT Holdings II Limited is investing the funds of the investors of ORIT plc on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.



Being investment entities, ORIT and its wholly owned direct subsidiary, ORIT Holdings II Limited are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

The Directors believe the treatment outlined above provides the most relevant information to investors.

New standards, interpretations and amendments

The Interest Rate Benchmark Reform (Phase II) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 were effective for annual periods beginning on or after 1 January 2021, and provide a number of reliefs, all which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments have had no impact on the financial statements of the Company.

A number of new standards, amendments to standards are effective for the annual periods beginning after 1 January 2022. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company. The Company intends to adopt the standards and interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these standards and interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the financial statements and additional disclosures.

New standards and amendments issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023.



3. Significant accounting policies

a) Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments: Recognition and Measurement.

Financial assets

As an investment entity, the Company is required to measure its investments its wholly owned direct subsidiaries at FVTPL. The Company's policy is to fair value both the equity and debt investment in its subsidiary together. Subsequent to initial recognition, the Company measures its investments on a combined basis at fair value in accordance with IFRS 9 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement.

Trade receivables, loans and other receivables that are non-derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortised cost. These assets are measured at amortised cost using the effective interest method, less allowance for expected credit losses. The Company has assessed IFRS 9's expected credit loss model and does not consider any material impact on these financial statements.

They are included in current assets, except where maturities are greater than 12 months after the year end date in which case they are classified as non-current assets.

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred within the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets at FVTPL' category are presented in the Statement of Comprehensive Income within investment income in the period in which they arise.

Income from financial assets at FVTPL is recognised in the Statement of Comprehensive Income within investment income when the Company's right to receive payments is established.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

The Company's financial liabilities include trade and other payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.



Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Direct issue costs are charged against the value of ordinary share premium.

b) Taxation

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains. The Company has successfully applied and has been granted approval as an Investment Trust by HMRC.

Irrecoverable withholding tax is recognised on any overseas income on an accrual basis using the applicable rate of taxation for the country of origin.

The underlying intermediate holding companies and project companies in which the Company invests provide for and pay taxation at the appropriate rates in the countries in which they operate. This is taken into account when assessing the value of the subsidiaries.

c) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets to generate investment returns whilst preserving capital. The financial information used by the Board to manage the Company presents the business as a single segment.

d) Investment income

Investment income comprises interest income and dividend income received from the Company's subsidiaries. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income when the Company's entitlement to receive payment is established.

e) Expenses

All expenses are accounted for on an accrual basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses are presented as revenue items except as follows:

Investment Management fees

As per the Company's investment objective, it is expected that income returns will make up the majority of ORIT's long-term return. Therefore, based on the estimated split of future returns (which cannot be guaranteed), 25% of the investment management fee is charged as a capital item within the Statement of Comprehensive Income.

**Abort costs**

Costs incurred on aborted transactions are charged as capital items within the Statement of Comprehensive Income.

f) Foreign currency**Functional currency and presentation currency**

The financial statements are presented in Pounds Sterling which is the Company's functional and presentation currency. The Board of Directors considers Sterling the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Sterling is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

Transactions and balances

Transactions denominated in foreign currencies are translated into Sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Capital account of the Statement of Comprehensive Income.

g) Cash and Cash Equivalents

Cash and Cash Equivalents includes deposits held with banks and other short-term deposits with original maturities of three months or less. It is a highly liquid investment and readily convertible to a known amount of cash, and carries an insignificant risk of changes in value.

h) Dividends payable

Final dividends payable to equity Shareholders are recognised in the financial statements when they have been approved by Shareholders and become a liability of the Company. Interim dividends payable are recognised in the period in which they are paid.

4. Investment income

For the period from incorporation
on 11 October 2019 to
31 December 2020

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividend income from investments	19,169	-	19,169	7,800	-	7,800
Interest income from investments	12,660	-	12,660	7,680	-	7,680
Total investment income	31,829	-	31,829	15,480	-	15,480

5. Operating expenses

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	3,108	1,036	4,144	2,585	862	3,447
Directors' fees	141	-	141	161	-	161
Company's auditor fees:						
– in respect of audit services	86	-	86	33	-	33
– in respect of audit-related assurance services	-	-	-	21	-	21
Other operating expenses	624	584	1,208	505	321	826
Total operating expenses	3,959	1,620	5,579	3,305	1,183	4,488

Further details on the AIFM's agreement have been provided in [Note 17](#).

In addition to the fees disclosed above, £88,000 (2020: £75,000) is payable to the Company's auditors in respect of audit services provided to unconsolidated subsidiaries and therefore is not included within the Company's expenses above.

The Company has no employees. Full detail on Directors' fees is provided in [Note 17](#). The Directors' fees exclude employer's national insurance contributions which are included as appropriate in other operating expenses. There were no other emoluments.



6. Taxation

(a) Analysis of charge/(credit) in the year/period

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	312	(312)	-	218	(218)	-
Tax charge/(credit) for the year/ period	312	(312)	-	218	(218)	-

(b) Factors affecting total tax charge/(credit) for the year/period:

The effective UK corporation tax rate applicable to the Company for the year is 19% (for the period from incorporation on 11 October 2019 to 31 December 2020: 19%). The tax charge/(credit) differs from the charge/(credit) resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before taxation	27,875	6,914	34,789	12,661	(4,314)	8,347
Corporation tax at 19%	5,296	1,314	6,610	2,406	(820)	1,586
Effects of:						
Expenses not deductible for tax purposes	-	(1,626)	(1,626)	5	602	607
Income not taxable	(3,642)	-	(3,642)	(1,482)	-	(1,482)
Dividends designated as interest distributions	(1,342)	-	(1,342)	(682)	-	(682)
Group relief not paid for	-	-	-	(29)	-	(29)
Total tax charge/(credit) for the year/period	312	(312)	-	218	(218)	-



The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. This allows certain capital profits of the Company to be exempt from UK tax. Additionally, the Company may designate dividends wholly or partly as interest distributions for UK tax purposes. Interest distributions are treated as tax deductions against taxable income of the Company so that investors do not suffer double taxation on their returns.

The financial statements do not directly include the tax charges for any of the Company's intermediate holding companies or subsidiaries as these are held at fair value. Each of these companies are subject to taxes in the countries in which they operate.

The Company has an unrecognised deferred tax asset of £882 (2020: £nil) based on the excess unutilised operating expenses of £3,528 (2020: £nil) at the prospective UK corporation tax rate of 25%. The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from 1st April 2023. A deferred tax asset has not been recognised in respect of these operating expenses and will be recoverable only to the extent that the Company has sufficient future taxable revenue.

7. Dividends

The dividends reflected in the financial statements for the year are as follows:

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2021		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q4 2020 Dividend – paid 5 March 2021	1.06	3,710	3,710	-	-	-
Q1 2021 Dividend – paid 7 June 2021	1.25	4,375	4,375	-	-	-
Q2 2021 Dividend – paid 27 August 2021 (2020: 21 August 2020)	1.25	6,187	6,187	1.06	3,710	3,710
Q3 2021 Dividend – paid 26 November 2021 (2020: 27 November 2020)	1.25	6,187	6,187	1.06	3,710	3,710
Total	4.81	20,459	20,459	2.12	7,420	7,420



The dividend relating to the year/period, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2021		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q1 2021 Dividend – paid 7 June 2021	1.25	4,375	4,375	-	-	-
Q2 2021 Dividend – paid 27 August 2021 (2020: 21 August 2020)	1.25	6,187	6,187	1.06	3,710	3,710
Q3 2021 Dividend – paid 26 November 2021 (2020: 27 November 2020)	1.25	6,187	6,187	1.06	3,710	3,710
Q4 2021 Dividend – paid 4 March 2022 (2021: 5 March 2021)	1.25	7,062	7,062	1.06	3,710	3,710
Total	5.00	23,811	23,811	3.18	11,130	11,130

On 7 February 2022 the Company declared an interim dividend of 1.25p per Ordinary Share in respect of the three months to 31 December 2021, a total of £7.1 million. The ex-dividend date was 17 February 2022, the record date was 18 February 2022, and the dividend was paid on 4 March 2022.



8. Earnings/(loss) per Ordinary Share

Earnings/(loss) per Ordinary Share is calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year/period as follows:

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) attributable to the equity holders of the Company (£'000)	28,187	6,602	34,789	12,443	(4,096)	8,347
Weighted average number of Ordinary Shares in issue (000)	424,089	424,089	424,089	303,125	303,125	303,125
Earnings/(loss) per Ordinary share (pence) – basic and diluted	6.65p	1.55p	8.20p	4.10p	(1.35p)	2.75p

There is no difference between the weighted average Ordinary or diluted number of Shares.

9. Investments at fair value through profit or loss

As set out in [Note 2](#), the Company accounts for its interest in its wholly owned direct subsidiary as an investment at fair value through profit or loss.

a) Summary of valuation

	Year ended 31 December 2021 £'000	For the period from incorporation on 11 October 2019 to 31 December 2020 £'000
Opening balance	258,680	-
Portfolio of assets acquired	207,487	254,891
Additional investment in intermediate holding companies	5,029	4,821
Distributions received from investments	(26,169)	(13,341)
Investment income	31,829	15,480
Movement in fair value of investments	8,561	(3,171)
Total investments at the end of the year/period	485,417	258,680

The portfolio of assets acquired in the year are detailed within the Investment Manager's Report on page 67.

The additional investment in the intermediate holding companies include acquisition costs associated with the purchase of the portfolio of assets totalling £2.2 million (2020: £2.3 million), which have been expensed to the profit and loss account in these companies; commitment fees of £1.1 million (2020: £nil) associated with the RCF in ORIT Holdings II Limited, which has been expensed under finance costs in its profit and loss account; transaction costs associated with the RCF of £0.1 million (2020: £2.5 million) which are capitalised in ORIT Holdings II Limited and amortised over the term of the loan; and an additional investment of £1.6 million (2020: £nil) following the completion of asset life extensions on the UK Solar portfolio.

Of the total distributions received from investments, £7.9 million (2020: £6.0 million) relates to income originated from the Company's UK investments and £18.3 million (2020: £1.8 million) relates to income originated from its European investments.

**b) Reconciliation of movement in fair value of the Company's investments**

The table below shows the movement in the fair value of the Company's investments. These assets are held through intermediate holding companies.

	Year ended 31 December 2021 £'000	For the period from incorporation on 11 October 2019 to 31 December 2020 £'000
Opening balance	258,680	-
Portfolio of assets acquired	209,965	254,891
Distributions received	(26,668)	(13,614)
Movement in fair value	41,554	14,324
Fair value of portfolio of assets at the end of the year/period	483,531	255,601
Cash held in intermediate holding companies	1,293	1,112
Fair value of other net assets in intermediate holding companies	593	1,967
Fair value of Company's investments at the end of the year/period	485,417	258,680

c) Investment gains/(losses) in the year/period

	Year ended 31 December 2021 £'000	For the period from incorporation on 11 October 2019 to 31 December 2020 £'000
Movement in fair value of investments	8,561	(3,171)
Gains/(losses) on investments	8,561	(3,171)



Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 December 2021.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. All investments are in Renewable Energy Assets and are valued using a discounted cash flow methodology. The Company's holding of an investment represents its interest in both the equity and debt instruments of the investment. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date. The weighted average costs of capital applied to the portfolio of assets ranges from 3.6% to 8.61%.

The following assumptions were used in the discounted cash flow valuations:

	As at 31 December 2021	As at 31 December 2020
UK – long-term inflation rate	3.00% to April 2030; 2.25% thereafter	2.75%
UK – corporation tax rate	19.00% to April 2023; 25.00% for next three years; and then reducing by 1.00% annually until 19.00%	19.00%
Sweden – long-term inflation rate	2.00%	2.00%
Sweden – corporation tax rate	20.60%	20.00%
France – long-term inflation rate	2.00%	2.00%
France – corporation tax rate	25.00%	25.00%
Poland – long-term inflation rate	2.50%	N/a
Poland – corporation tax rate	19.00%	N/a
Finland – long-term inflation rate	2.00%	N/a
Finland – corporation tax rate	20.00%	N/a
Euro/sterling exchange rate	1.1907	1.1118
Zloty/sterling exchange rate	5.4702	N/a
Energy yield assumptions	P50 case	P50 case

As at 31 December 2021, the fair value of the Saunamaa and Suolakangas wind farms in Finland is equal to cost given the close proximity of this acquisition to the year end.

The fair value of the investments in development assets held through joint venture arrangements by ORIT JV Holdings Limited and ORIT JV Holdings 2 Limited is also deemed to be equal to cost due to the nature of these investments.

**Other key assumptions include:****Power Price Forecasts**

The power price forecasts used in the valuations are based on market forward prices in the near-term, followed by an equal blend of up to three independent and widely used market expert consultants' relevant technology-specific capture price forecasts for each asset.

Asset Lives

The length of the period of operations assumed in the valuation is determined on an asset-by-asset basis taking into account the lease agreements, permits or planning permissions in place as well as any extension rights, renewal regimes or wider policy considerations, together with the technical characteristics of the asset.

Fair value of intermediate holding companies

The other net assets in the intermediate holding companies substantially comprise working capital balances, therefore the Directors consider the fair value to be equal to the book values.

The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs. The valuation sensitivity of each assumption is shown in [Note 15](#).

Please see details of the valuation process outlined on [page 66](#).

10. Trade and other receivables

	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Accrued interest receivable	1	1
Other receivables	449	126
Total	450	127

11. Trade and other payables

	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Accrued expenses	2,124	2,065
Total	2,124	2,065



12. Share capital

	Year ended 31 December 2021			For the period from incorporation on 11 October 2019 to 31 December 2020		
Allotted, issued and fully paid:	Number of shares	Share capital (£)	Share Premium (£)	Number of shares	Share capital (£)	Share Premium (£)
Opening balance	350,000,000	3,500,000	-	-	-	-
Allotted upon incorporation						
Ordinary Shares of 1p each ('Ordinary Shares')	-	-	-	1	-	-
Management Shares paid up to one quarter of their nominal value ('Management Shares')	-	-	-	50,000	12,500	-
Allotted/redeemed following admission to LSE						
Ordinary Shares issued	-	-	-	349,999,999	3,500,000	346,499,999
Management Shares redeemed	-	-	-	(50,000)	(12,500)	-
Share issue raised pursuant to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer	144,927,536	1,449,275	148,550,725	-	-	-
Share issue raised pursuant to the Placing and the REX Retail Offer	70,000,000	700,000	73,212,584	-	-	-
Share issue costs	-	-	(4,480,000)	-	-	(7,000,000)
Transfer to special reserve	-	-	-	-	-	(339,499,999)
Closing balance	564,927,536	5,649,275	217,283,309	350,000,000	3,500,000	-

On 9 July 2021 the Company issued 144,927,536 shares at an issue price 103.5 pence, raising gross proceeds of approximately £150 million pursuant to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer.

On 7 December 2021 the Company issued 70,000,000 shares at an issue price 105.5 pence, raising gross proceeds of approximately £73.9 million pursuant to the Placing and REX Retail Offer.

13. Special reserve

As indicated in the Company's prospectus dated 19 November 2019, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement on 18 February 2020 to cancel the amount standing to the credit of the share premium account of the Company.

As stated by the Institute of Chartered Accountants in England and Wales ("ICAEW") and the Institute of Chartered Accountants in Scotland ("ICAS") in the technical release TECH 02/17BL, The Companies (Reduction of Share Capital) Order 2008 SI 2008/1915 ("the Order") specifies the cases in which a reserve arising from a reduction in a company's capital (i.e., share capital, share premium account, capital redemption reserve or redenomination reserve) is to be treated as a realised profit as a matter of law. The Order also disappplies the general prohibition in section 654 on the distribution of a reserve arising from a reduction of capital. The Order provides that if a limited company having a share capital reduces its capital and the reduction is confirmed by order of court, the reserve arising from the reduction is treated as a realised profit unless the court orders otherwise.

The amount of the share premium account cancelled and credited to the Company's Special reserve is £339,500,000, which can be utilised to fund distributions by way of dividends to the Company's shareholders.

14. Net asset per Ordinary Share (pence)

	As at 31 December 2021	As at 31 December 2020
Total shareholders' equity (£'000)	577,689	343,927
Number of Ordinary Shares in issue ('000)	564,928	350,000
Net asset value per Ordinary Share (pence)	102.26p	98.26p



15. Financial instruments by category

The table below sets out the classifications of the carrying amounts of the Company's financial assets and financial liabilities into categories of financial instruments. There are no non recurring fair value measurements.

	As at 31 December 2021			Total £'000
	Financial assets at amortised cost £'000	Financial assets at fair value through profit or loss £'000	Financial liabilities at amortised cost £'000	
Non-current assets				
Equity Investments at fair value through profit or loss	-	64,214	-	64,214
Loan investments at fair value through profit or loss	-	421,203	-	421,203
Current assets				
Trade and other receivables	450	-	-	450
Cash and Cash Equivalents	93,946	-	-	93,946
Total assets	94,396	485,417	-	579,813
Current liabilities				
Trade and other payables	-	-	(2,124)	(2,124)
Total liabilities	-	-	(2,124)	(2,124)
Net assets	94,396	485,417	(2,124)	577,689



As at 31 December 2020				
	Financial assets at amortised cost £'000	Financial assets at fair value through profit or loss £'000	Financial liabilities at amortised cost £'000	Total £'000
Non-current assets				
Equity Investments at fair value through profit or loss	-	55,653	-	55,653
Loan investments at fair value through profit or loss	-	203,027	-	203,027
Current assets				
Trade and other receivables	127	-	-	127
Cash and Cash Equivalents	87,185	-	-	87,185
Total assets	87,312	258,680	-	345,992
Current liabilities				
Trade and other payables	-	-	(2,065)	(2,065)
Total liabilities	-	-	(2,065)	(2,065)
Net assets	87,312	258,680	(2,065)	343,927

In the table above, the fair value of the financial instruments that are measured at amortised cost do not materially differ from their carrying values.

The presentation of the tables above have been amended to better reflect the requirements of IFRS 7.



IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities	Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)	Level 3: fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs)
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As at 31 December 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Investments at fair value through profit or loss	-	-	485,417	485,417
Total financial assets	-	-	485,417	485,417

As at 31 December 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Investments at fair value through profit or loss	-	-	258,680	258,680
Total financial assets	-	-	258,680	258,680

There were no Level 1 or Level 2 assets or liabilities during the year. There were no transfers between Level 1 and 2, Level 1 and 3 or Level 2 and 3 during the year.

Included within investments at fair value through profit or loss is an amount of £1.7 million (2020: £1.8 million) relating to a derivative option (associated with a conditional acquisition) recognised in an intermediate holding company.



Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss (all classified as Level 3) is given in [Note 9](#).

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Refer to [Note 9](#) for details on the valuation methodology.

Valuation Sensitivities

Discount rate

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

An increase of 0.5% in the discount rate would cause a decrease in total portfolio value of 6.9p per Ordinary Share and a decrease of 0.5% in the discount rate would cause an increase in total portfolio value of 7.4p per Ordinary Share.

Inflation rate

The sensitivity of the investments to movement in inflation rates is as follows:

A decrease of 0.5% in inflation rates would cause a decrease in total portfolio value of 6.2p per Ordinary Share and an increase of 0.5% in inflation rates would cause an increase in total portfolio value of 6.8p per Ordinary Share.

Power price

Wind and solar assets are subject to movements in power prices. The sensitivities of the investments to movement in power prices are as follows:

A decrease of 10% in power price would cause a decrease in the total portfolio value of 10.1p per Ordinary Share and an increase of 10% in power price would cause an increase in the total portfolio value of 10.1p per Ordinary Share.

Generation

Wind and solar assets are subject to power generation risks. The sensitivities of the investments to movement in level of power output are as follows:

The fair value of the investments is based on a "P50" level of power output being the expected level of generation over the long-term. An assumed "P90" level of power output (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) would cause a decrease in the total portfolio value of 16.8p per Ordinary Share and an assumed "P10" level of power output (i.e. a level of generation that is above the "P50", with a 10% probability of being achieved) would cause an increase in the total portfolio value of 15.9p per Ordinary Share.

Foreign exchange

The sensitivity of the investments to movement in FX rates is as follows:

A decrease of 10% in FX rates would cause a decrease in total portfolio value of 2.1p per Ordinary Share and an increase of 10% in inflation rates would cause an increase in total portfolio value of 2.1p per Ordinary Share.

Of the portfolio as at 31 December 2021, 46% of the NAV is denominated in non-sterling currencies.



UK Corporation tax

Per the enactment of the Finance Act 2021, the rate of UK corporation tax is set to increase from 19% to 25% with effect from April 2023. The calculation of the audited NAV as at 31 December 2021 is based on an assumption that this increased rate remains in place for three years, before trending down by 1% per year until reduced to the current level of 19% long-term, resulting in a negative value impact of £0.6 million. A flat UK corporation tax rate of 25% from April 2023 for the lifetime of the portfolio would reduce NAV by approximately £4.6 million or 0.8 pence per ordinary share.

16. Financial risk management

The Company's activities expose it to a variety of financial risks; including foreign currency risk, interest rate risk, power price risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the AIFM. Each risk and its management are summarised below.

(i) Currency risk

Foreign currency risk is defined as the risk that the fair values of future cashflows will fluctuate because of changes in foreign exchange rates. The Company seeks to minimise the volatility of cash flows in non-GBP currencies over the short to medium-term through its foreign exchange hedging policy; which requires a minimum of 50% of all forecasted distributions denominated in foreign currencies to be hedged over 5 years in order to give the Company some certainty over the future cashflows and reduce its exposure to foreign exchange risk. The Company also has the ability to hedge a portion of value thereafter so as to limit volatility of the Company's NAV to foreign exchange risk. All derivatives and FX hedges are held within the intermediate holding companies.

The portfolio of assets in which the Company invests all conduct their business and pay interest, dividends and principal in sterling, with the exception of the euro-denominated investments which at 31 December 2021 comprised 53% (2020: 44%) of the portfolio by value on an invested basis and 54% (2020: 54%) of the portfolio by value on a committed basis; and zloty-denominated investments which at 31 December 2021 comprised 11% (2020: 0%) of the portfolio by value on an invested basis and 9% (2020: 0%) of the portfolio by value on a committed basis. The valuation sensitivity to FX rates is shown in [Note 15](#).

(ii) Interest rate risk

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on cash and loan investments into project companies, which yield interest at a fixed rate. The portfolio's cashflows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments.

The Group may use borrowings to finance the acquisition of investments and the forecasts are used to monitor the impact of changes in borrowing rates against cash flow returns from investments as increases in borrowing rates will reduce net interest margins. The Group's policy is to ensure that interest rates are sufficiently hedged to protect the Group's net interest margins from significant fluctuations when entering into borrowings. This includes engaging in interest rate swaps or other interest rate derivative contracts.



The Company's interest and non-interest bearing assets and liabilities are summarised below:

As at 31 December 2021

	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Assets			
Cash and Cash Equivalents	64,963	28,983	93,946
Trade and other receivables	-	450	450
Investments at fair value through profit or loss	421,203	64,214	485,417
Total assets	486,166	93,647	579,813
Liabilities			
Trade and other payables	-	(2,124)	(2,124)
Total liabilities	-	(2,124)	(2,124)

As at 31 December 2020

	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Assets			
Cash and Cash Equivalents	78,268	8,917	87,185
Trade and other receivables	-	127	127
Investments at fair value through profit or loss	203,026	55,654	258,680
Total assets	281,294	64,698	345,992
Liabilities			
Trade and other payables	-	(2,065)	(2,065)
Total liabilities	-	(2,065)	(2,065)



(iii) Power Price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices. The Investment Manager continually monitors energy price forecast and aims to put in place mitigating strategies, such as hedging arrangements or fixed PPA contracts to reduce the exposure of the Company to this risk.

Further information on the impact of power prices over the year is provided in the Portfolio Valuation section of the Investment Manager's report of [page 66](#).

(iv) Credit risks

Credit risk is the risk that a counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis. The Company's largest credit risk exposure to a project at 31 December 2021 was to Nordex SE who are supplying wind turbines on the Cumberhead project representing 6% of the total portfolio by value (2020: OX2 Construction AB on the Ljungbyholm project: 16%).

The Company's investments enter into Power Price Agreements ("PPA") with a range of providers through which electricity is sold. The largest PPA provider to the portfolio at 31 December 2021 was NPower who provided PPAs to projects in respect of 18% of the portfolio by value (2020: EDF 21%).

Credit risk also arises from Cash and Cash Equivalents, derivative financial instruments and deposits with banks and financial institutions. The Company and its subsidiaries mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The Company has assessed IFRS 9's expected credit loss model and does not consider any material impact on these financial statements. No balances are past due or impaired.

The Company's commitment in respect of its conditional acquisition is accounted for as a derivative option in an intermediate holding company.

(v) Liquidity risks

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due. The AIFM and the Board continuously monitor forecast and actual cashflows from operating, financing, and investing activities to consider payment of dividends, repayment of trade and other payables or funding further investing activities. The Group ensures it maintains adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's investments are generally in private companies, in which there is no listed market and therefore such investment would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.



Financial assets and liabilities by maturity at the year/period end are shown below:

31 December 2021				
	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Assets				
Investments at fair value through profit or loss	-	-	485,417	485,417
Trade and other receivables	450	-	-	450
Cash and Cash Equivalents	93,946	-	-	93,946
Liabilities				
Trade and other payables	(2,124)	-	-	(2,124)
	92,272	-	485,417	577,689
31 December 2020				
	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Assets				
Investments at fair value through profit or loss	-	-	258,680	258,680
Trade and other receivables	127	-	-	127
Cash and Cash Equivalents	87,185	-	-	87,185
Liabilities				
Trade and other payables	(2,065)	-	-	(2,065)
	85,247	-	258,680	343,927



Capital management

The Company's capital management objective is to ensure that the Company will be able to continue as a going concern while maximising the return to equity Shareholders. The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in the UK, Europe and Australia.

The Company considers its capital to comprise ordinary share capital, special reserve and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company's total share capital and reserves shown in the Statement of Financial Position are £577,689,000 (2020: £ 343,927,000).

The Company has implemented an efficient financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity only (refer to the statement of changes in equity).

The Company's direct subsidiary, ORIT Holdings II Limited, has a £150 million revolving credit facility with Banco de Sabadell, Intesa Sanpaolo, National Australia Bank, NatWest and Santander. The facility was £nil drawn at 31 December 2021 (2020: £nil).

The Board, with the assistance of the Investment Manager, monitors and reviews the Company's capital on an ongoing basis. Key points to note are:

- Share capital represents the 1p nominal value of the issued share capital.
- The share premium account arose from the net proceeds of issuing new shares.
- The capital reserve reflects any increases and decreases in the fair value of investments which have been recognised in the capital column of the Statement of Comprehensive Income.

17. Related party transactions

During the year, interest totalling £12,660,000 (2020:£ 7,680,000) was earned, in respect of the long-term interest-bearing loan between the Company and its subsidiaries. At the year end, no interest earned was outstanding.

AIFM and Investment Manager

The Company has appointed Octopus AIF Management Limited to be the Alternative Investment Fund Manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to Octopus Renewables Limited, the Company's Investment Manager.

The AIFM is entitled to a management fee of 0.95% per annum of Net Asset Value of the Company up to £500 million and 0.85% per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee or asset level fees are payable to the AIFM under the Management Agreement.

During the year, the Investment management fee charged to the Company by the AIFM was £4,144,000 (2020: £3 447,000), of which £1,364,000 (2020:£1,638,000) remained payable at the year end date.



Directors

The Company is governed by a Board of Directors (the “Board”), all of whom are independent and non-executive. During the year, the Board received fees for their services of £141,000 (2020: £160,900) and were paid £2,700 (2020: £3,000) in expenses. As at the year end, there were no outstanding fees payable to the Board.

Each of the Directors, save for Elaina Elzinga (who is a U.S. Person), has agreed that any fees payable to them shall, save where the Company and the Directors agree otherwise, be satisfied in Ordinary Shares transferred at market value. Any Ordinary Shares transferred to the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed, which prohibits them to sell, grant options over or otherwise dispose of any interest in any Ordinary Shares transferred to them in satisfaction of their entitlement to directors’ fees (save in certain circumstances, including:

- (i) in acceptance of a general offer made for the entire issued share capital of the Company; or
- (ii) pursuant to an intervening court order; or
- (iii) following termination of their appointment as a non-executive Director of the Company) prior to the date which is 12 months after the date of transfer of the relevant Ordinary Shares.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares as at date of this report	Ordinary Shares as at 31 December 2021	Ordinary Shares as at 31 December 2020
Philip Austin MBE	108,867	108,867*	43,229
James Cameron	65,306	65,306	26,301
Elaina Elzinga	-	-	-
Audrey McNair	51,383	51,383	26,733

* with effect from 23 November 2021, Mr. Austin’s shares have been held jointly with Mrs. J Austin, a PCA of Mr. Austin

In March 2021, the Directors identified a potential procedural issue in respect of the payment of the First Interim Dividend in 2020. Out of an abundance of caution and in order to ensure that the Company cannot make any claims in respect of the First Interim Dividend against the Directors or those shareholders who received the First Interim Dividend, the Directors concluded that the First Interim Dividend was not made in accordance with applicable law. Accordingly, the Company held a general meeting on 4 June 2021, at which a resolution (the “Resolution”) was passed authorising various rectifying actions to put all potentially affected parties, so far as possible, back in the position in which they were always intended to be had the dividend been properly made. These actions included entry by the Company into the shareholders’ deed of release and the Directors’ deed of release. The entry by the Company into the Directors’ Deed of Release constituted a “smaller related party transaction” (as defined in the Listing Rules) as each of the Directors is a beneficiary of the deed.



The total aggregate amount of the First Interim Dividend, which was paid to Shareholders on 21 August 2020, was £3,710,000.

18. Subsidiaries

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), no subsidiaries have been consolidated in these financial statements. The Company's subsidiaries are listed below:

Name	Category	Place of business	Registered Office	Ownership interest
ORIT Holdings Limited	Intermediate Holdings	UK	A	100%
ORIT Holdings II Limited	Intermediate Holdings	UK	A	100%
ORIT UK Acquisitions Limited	Intermediate Holdings	UK	A	100%
Abbots Ripton Solar Energy Limited	Project company	UK	A	100%
Chisbon Solar Farm Limited	Project company	UK	A	100%
Jura Solar Limited	Project company	UK	A	100%
Mingay Farm Limited	Project company	UK	A	100%
NGE Limited	Project company	UK	A	100%
Sun Green Energy Limited	Project company	UK	A	100%
Westerfield Solar Limited	Project company	UK	A	100%
Wincelle Solar Limited	Project company	UK	A	100%
Heather Wind AB	Project company	Sweden	B	100%
Solstice 1A GmbH	Portfolio-level Holdings	Germany	C	100%
SolaireCharleval SAS	Project company	France	D	100%
SolaireIstres SAS	Project company	France	D	100%
SolaireCuges-Les-Pins SAS	Project company	France	D	100%
SolaireChalmoux SAS	Project company	France	D	100%
SolaireLaVerdiere SAS	Project company	France	D	100%
SolaireBrignoles SAS	Project company	France	D	100%
SolaireSaint-Antonin-du-Var SAS	Project company	France	D	100%
Centrale Photovoltaïque de IOVI 1 SAS	Project company	France	D	100%
Centrale Photovoltaïque de IOVI 3 SAS	Project company	France	D	100%



Name	Category	Place of business	Registered Office	Ownership interest
Arsac 2 SAS	Project company	France	D	100%
Arsac 5 SAS	Project company	France	D	100%
SolaireFontienne SAS	Project company	France	D	100%
SolaireOllieres SAS	Project company	France	D	100%
Eylsia SAS	Portfolio-level Holdings	France	E	100%
CEPE Cerisou	Project company	France	F	100%
Cumberhead Wind Energy Limited	Project company	UK	A	100%
ORIT Irish Holdings 2 Limited	Portfolio-level Holdings	UK	A	100%
ORIT Irish Holdings Limited	Portfolio-level Holdings	UK	A	100%
Copernicus Windpark Sp. Z.o.o	Project company	Poland	G	100%
Forthewind Sp. Z.o.o	Project company	Poland	G	100%
Nordic Power Development Limited	Portfolio-level Holdings	UK	A	100%
Saunamaa Wind Farm Oy	Project company	Finland	H	100%
Vöyrinkangas Wind Farm Oy	Project company	Finland	H	100%
ORI JV Holdings Limited	Portfolio-level Holdings	UK	A	50%
ORI JV Holdings 2 Limited	Portfolio-level Holdings	UK	A	50%
Simply Blue Energy Holdings Limited	Portfolio-level Holdings	Ireland	I	12.5%
South Kilbraur Wind Farm Limited	Project company	UK	J	25%
Windburn Wind Farm Limited	Project company	UK	J	25%
Wind 2 Project 2 Limited	Project company	UK	J	25%
Wind 2 Project 5 Limited	Project company	UK	J	25%
Wind 2 Project 3 Limited	Project company	UK	J	25%
Kirkton Wind Farm Limited	Project company	UK	J	25%
Bwlch Gwyn Wind Farm Limited	Project company	UK	J	25%
Wind 2 Project 6 Limited	Project company	UK	J	25%
Wind 2 Project 4 Limited	Project company	UK	J	25%



* Registered offices:

- A – 6th Floor, 33 Holborn, London, EC1N 2HT, England
- B – Lilla Nygatan 1, 111 28 Stockholm, Sweden
- C – Maximilianstraße, 3580539 München, Germany
- D – 52 Rue de la Victoire 75009, Paris, France
- E – 4 Rue de Marivaux, 75002 Paris, France
- F – Z.I de Courtine, 330 rue du Mourelet, 84000. Avignon, France
- G – Wojska Polskiego 24-26, 75-712 Koszalin,
- H – Teknobulevardi 3-5, 01530 Vantaa, Finland
- I – Woodbine Hill, Kinsalebeg, Youghal, Co. Cork, Ireland
- J – Wind 2 Office, 2 Walker Street, Edinburgh, Scotland, EH3 7LB

As shown on page 11, ORIT Holdings II Limited is the only direct subsidiary of the Company. All other subsidiaries are held indirectly.

19. Guarantees and other commitments

The Company guarantees the foreign exchange hedges entered into by its intermediate holding companies to enable it to minimise its exposure to changes in underlying foreign exchange rates.

As at 31 December 2021 the Company's subsidiaries had future investment obligations totalling £141.7 million (2020: £89.5 million) relating to its wind farms currently undergoing construction and its conditional acquisitions in Spain and Ireland. The intermediate holding companies have provided guarantees in respect of these commitments.

20. Contingent acquisition

On 30 September 2020 an intermediate holding company, ORIT Holdings Limited, entered into a Share Purchase Agreement ("SPA") for the acquisition of a 100% interest in a portfolio of solar PV assets located in southern Spain. The purchase price, estimated at c. £30 million as at 31 December 2021, will be based on the MW of the portfolio and will only become payable once the assets become ready to build, which is expected to be in January 2023. With the exception of the initial payment, no other assets or liabilities have been recognised in respect of this transaction as at 31 December 2020 as planning approval has not yet been granted and this will determine the MW of the portfolio and acquisition price payable.

If the conditions of the sale are not satisfied, the initial payment of £1.8 million is fully refundable and backed by a Bank Guarantee.

On 26 July 2021 an intermediate holding company, ORIT Holdings Limited, entered into a Share Purchase Agreement ("SPA") for the acquisition of a 100% interest in a portfolio of five solar PV assets in Ireland. Completion of the acquisition is conditional upon four of the sites becoming fully operational, which is expected to occur in H2 2022. Total consideration for the acquisition is expected to be between approximately €138 million and €145 million (approximately £119 million to £125 million) which will, apart from any deferred consideration in respect of the fifth site, be payable on completion. The Company has secured a fully amortising debt facility of up to €88 million (approximately £76 million) from Allied Irish Bank plc and La Banque Postale to part finance the acquisition of the operational sites.



21. Post year end events

On 7 February 2022 the Company declared an interim dividend in respect of the year ended 31 December 2021 of 1.25p per Ordinary Share for £7.1 million based on a record date of 18 February 2022 and ex-dividend date of 17 February 2022 and the number of Ordinary Shares in issue being 564,927,536. This dividend was paid on 4 March 2022.

There are no other events after the balance sheet date which are required to be disclosed.



Other Information





Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures, “APMs”, which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The Directors assess the Company’s performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies. The APMs presented in this report are shown below:

Gross asset value (GAV)

The Company’s gross assets comprise the net asset values of the Company’s Ordinary Shares and the debt held in unconsolidated subsidiaries

			As at 31 December 2021	As at 31 December 2020
		Page	£million	£million
NAV	a	153	577.7	343.9
Debt	b	n/a	160.5	97.1
Total GAV	a + b		738.2	441.0

Total value of all investments

A measure of committed asset value including total debt and equity commitments

			As at 31 December 2021	As at 31 December 2020
		Page	£million	£million
GAV	a	190	738.2	441
Commitment on existing portfolio	b	n/a	38.2	-
Commitments on conditional acquisitions	c	n/a	206.6	30.1
Total value of all assets plus commitments	(a+b+c) = d		983.0	471.1
Less Company and holding company assets	e	n/a	(94.2)	(88.3)
Less asset level cash	f	n/a	(11.2)	(13.2)
Total value of all investments	d-e-f		877.6	369.6



Total return since IPO

A measure of performance since IPO that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

31 December 2021		Page	Share price	NAV
Issue price at IPO (10 December 2019) – pence	a	n/a	100.00	98.00
Closing share price at 31 December 2021 – pence	b	n/a	110.80	102.26
Benefits of reinvesting dividends – pence ³¹	d	n/a	0.06	0.62
Dividends paid since IPO – pence	c	n/a	6.93	6.93
Total return	(b+c+d)÷a)-1		17.7%	12.1%

31 December 2020		Page	Share price	NAV
Issue price at IPO (10 December 2019) – pence	a	n/a	100.00	98.00
Closing share price at 31 December 2020 – pence	b	n/a	113.80	98.26
Benefits of reinvesting dividends – pence ³¹	d	n/a	0.02	0.02
Dividends paid since IPO – pence	c	166	2.12	2.12
Total return	(b+c+d)÷a)-1		15.9%	2.4%



Total return for the year/period

A measure of performance for the year that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

31 December 2021		Page	Share price	NAV
Opening share price at 1 January 2021 – pence	a	n/a	113.80	98.26
Closing share price at 31 December 2021 – pence	b	n/a	110.80	102.26
Benefits of reinvesting dividends – pence ³¹	d	n/a	0.05	0.37
Dividends in the year/period – pence	c	166	4.81	4.81
Total return (with dividends reinvested)	$((b+c+d)\div a)-1$		1.6%	9.3%

Note: the total return since IPO is equal to the total return for the year/period for the period ending 31 December 2020.

Premium to NAV

The amount, expressed as a percentage, by which the share price is more than the NAV per Ordinary Share.

		Page	As at 31 December 2021	As at 31 December 2020
NAV per Ordinary Share – pence	a	153	102.26	98.26
Share price – pence	b	n/a	110.80	113.80
Premium	$(b\div a)-1$		8.4%	15.8%

Ongoing charges ratio

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company per Ordinary Share. This has been calculated and disclosed in accordance with the AIC methodology

		Page	Year ended 31 December 2021	Period ended 31 December 2020
			£'000	£'000
Average NAV	a	n/a	437,480	342,264
Annualised expenses ³²	b	n/a	5,022	3,931
Ongoing charges ratio	$(b\div a)$		1.15%	1.15%



Dividend yield

This is the annualised measure of the amount of cash dividends paid out to shareholders relative to the market value per share.

			Year ended 31 December 2021	Period ended 31 December 2020
Page				
Dividend declared in the year/ period – pence	a	167	5.00	3.18
Ordinary share price as at 31 December – pence	b	n/a	110.80	113.80
Issue Price at IPO – pence	c	n/a	100.00	100.00
Annualisation factor from IPO to 31 December 2020 ³³	d	n/a	-	0.94
Dividend yield by reference to share price	(a÷bxd)		4.5%	2.6%
Dividend yield by reference to Issue Price	(a÷cxd)		5.0%	3.0%

n/a = not applicable.

³¹ Calculated by taking the dividend per share and assuming it is re-invested at the prevailing NAV/share price on the dividend payment date

³² Pro-rated down to 365 days where the accounting period is greater than one year

³³ The multiple required to pro-rate the calculation where the period is greater than 365 days



Glossary

AIC	Association of Investment Companies
AIFM Directive	the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
AIFM	Alternative Investment Fund Manager; Octopus AIF Management Limited
APM	Alternative Performance Measures
ARC	Audit and Risk Committee
BoP	Balance of Plant
CfD	Contract for Difference
the Company or ORIT	Octopus Renewables Infrastructure Trust plc
DCF	Discounted Cash Flow
DNO	Distribution Network Operator
DTG	Disclosure Guidance and Transparency Rules
Group	the Company along with all its subsidiaries (as disclosed in note 17)
EBITDA	Earnings before interest, tax, depreciation and amortisation.
ESG	Environmental, Social and Governance
EU	European Union
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
First Issue	Shares issued at IPO on 10 December 2019
FiT	Feed-in-Tariff
GAV	Gross Asset Value
GW	Gigawatt
IPO	Initial Public Offering
Issue Price	Share price at First Issue - £1.00
Investment Manager	Octopus Renewables Limited
KPI	Key Performance Indicators
LSE	London Stock Exchange
Management Agreement	The Alternative Investment Fund Management Agreement between the Company and the AIFM
MW	Megawatt
NAV	Net Asset Value
OCR	Ongoing Charges Ratio
ODFM	Optional Downward Flexibility Management
O&M	Operations and Maintenance
Portfolio of assets	The 31 Renewable Energy Assets in which the Company had an investment as at 31 December 2021
PPA	Power Purchase Agreement
PV	Photovoltaic



RCF	Revolving Credit Facility
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ROC	Renewable Obligation Certificates
SH&E	Safety, Health & Environment
SASB	Sustainability Accounting Standards Board
SPV	Special Purpose Vehicle
SGD	Sustainable Development Goals
SORP	Statement of Recommended Practice
TCFD	Task Force on Climate-related Financial Disclosures
WEP	Wholesale Electricity Price



Company information

Directors, Investment Manager and Advisers

Directors (all non-executive)

Philip Austin MBE (*Chairman*)
James Cameron
Elaina Elzinga
Audrey McNair

Administrator and Company Secretary

Sanne Fund Services (UK) Limited
(formerly PraxisIFM Fund Services (UK) Limited)
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London
EC2Y 5AS

Broker

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EC2M 2AT

Solicitors to the Company

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SE1 2AU

Registered Office*

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Investment Manager

Octopus Renewables Limited
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EC1N 2HT

Registrar

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Depository

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Independent Auditor

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Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ



Notice of Annual General Meeting

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting ("AGM") of shareholders to consider the resolutions laid out in the Notice of Meeting below.

Even if you intend to attend the AGM, all shareholders are encouraged to cast their vote by proxy and to appoint the "Chair of the Meeting" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM below.

Shareholders are invited to send any questions for the Board or the Investment Manager in advance by email to oritcosec@PraxisIFM.com by close of business on 15 June 2022.

Notice of Meeting

Notice is hereby given that the AGM of Octopus Renewables Infrastructure Trust plc will be held at 6th Floor, 125 London Wall, London, EC2Y 5AS on 17 June 2022 at 10.00 a.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions.

1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2021 (the "Annual Report").
2. To approve the Directors' Remuneration Report included in the Annual Report.
3. To re-elect Philip Austin as a director of the Company.
4. To re-elect James Cameron as a director of the Company.
5. To re-elect Elaina Elzinga as a director of the Company.
6. To re-elect Audrey McNair as a director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as auditor to the Company.
8. To authorise the Directors to fix the remuneration of the auditor until the conclusion of the next Annual General Meeting of the Company.
9. That the Directors be authorised to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval.
10. That, in accordance with section 551 of the Companies Act 2006 (the "Companies Act"), the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot ordinary shares of 1 penny each in the Company ("Ordinary Shares") up to an aggregate nominal value of £1,129,855 (equivalent to 20% of the issued share capital of the Company as at the date of this notice of this annual general meeting) and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.
11. That, subject to the passing of resolution 10, the Directors be and are hereby empowered, pursuant to sections 570 and 573 of the Companies Act, to allot Ordinary Shares and/or sell Ordinary Shares from treasury, in each case for cash pursuant to the authority conferred by resolution 10 up to an aggregate nominal value of £1,129,855 (equivalent to 20% of the issued share capital of the Company as at the date of this notice of annual general meeting) as if section 561 of the Companies Act did not apply to such allotment or sale and that this power



shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment or sale of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.

12. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares, provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 84,682,637 (representing 14.99% of the Company's issued share capital at the date of this notice of annual general meeting);
- (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1 penny;
- (c) the maximum price (exclusive of any expenses) which may be paid for each Ordinary Share is not more than the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which that Ordinary Share is contracted for purchases and (ii) the higher of the price of the last independent trade and the highest then current independent bid for the Ordinary Shares on the trading venue where the purchase is carried out;

(d) the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed or revoked by the Company prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may purchase Ordinary Shares pursuant to any such contract as if the authority had not expired.

13. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next annual general meeting after the date of the passing of this resolution.

By order of the Board
For and on behalf of Sanne Fund Services
(UK) Limited
Company Secretary

Registered Office:
6th Floor
125 London Wall
London
EC2Y 5AS

28 March 2022



Notes

1. Holders of ordinary shares of one penny each in the capital of the Company ("Shares") are entitled to attend, speak and vote at the AGM. A Shareholder entitled to attend, speak and vote at the AGM may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the AGM. A proxy need not be a shareholder of the Company. If multiple proxies are appointed, they must not be appointed in respect of the same Shares. To be effective, the enclosed form of proxy ("Form of Proxy"), together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 10.00 a.m. on 15 June 2022.
2. If you return more than one proxy appointment, either by paper or electronic communication, that validly received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
3. As an alternative to completing the Form of Proxy, shareholders can appoint a proxy electronically via the Registrar's online voting portal www.investorcentre.co.uk/eproxy. For an electronic proxy appointment to be valid, your appointment must be received by the Registrar no later than 10.00 a.m. on 15 June 2022.
4. The appointment of a proxy will not normally prevent a Shareholder from attending the AGM, speaking and voting if he/she so wishes. The Articles provide that (subject to certain exceptions) at the AGM each Shareholder present in person or by proxy shall have one vote on a show of hands and on a poll every Shareholder present in person or by proxy shall have one vote for every Share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing by no later than 10.00 a.m. on 15 June 2022. Amended instructions must be received by the Registrar by the deadline for receipt of proxies. Where you have appointed a proxy using the Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales).
5. To appoint more than one proxy, Shareholders will need to complete a separate Form of Proxy in relation to each appointment, stating clearly on each Form of Proxy the number of Shares in relation to which the proxy is appointed. A failure to specify the number of Shares to which each proxy appointment relates or specifying an aggregate number of Shares in excess of those held by the Shareholder will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. If you require additional Forms of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). All Forms of Proxy must be signed and should be returned together in the same envelope if possible.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holders (the first named being the most senior).



7. Only those Shareholders registered in the register of members of the Company as at 6.30 p.m. on 15 June 2022 (the “specified time”) shall be entitled to vote at the AGM in respect of the number of Shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.30 p.m. on 15 June 2022 shall be disregarded in determining the rights of any person to vote at the AGM. If the AGM is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of Shareholders to vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the AGM is adjourned for a longer period then, to be so entitled, Shareholders must be entered on the Company’s register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or if the Company gives notice of the adjourned meeting, at the time specified in that notice.
8. Shareholders who hold their Shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com.
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by following the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com). The message, in order to be valid, must be transmitted so as to be received by the Company’s agent, ID: 3RA50, by the latest time for receipt of proxy appointments specified in note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.
12. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.



13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
14. A person to whom this Notice of AGM is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in note 1 above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered Shareholders of the Company. Shareholders and Nominated Persons are reminded that there are restrictions on attendance at the AGM, as set out in these Notes.
15. As at the date of this Notice, the Company's issued share capital amounted to 564,927,536 Shares carrying one vote each. No Shares were held in treasury. Therefore, the total voting rights of the Company as at the date of this Notice of AGM were 564,927,536.
16. Any corporation which is a Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same Shares. However, before deciding to elect to appoint a corporate representatives, Shareholders should take note of the restrictions on attendance at the AGM, as set out in this Notice of AGM. Corporate shareholders may also appoint one or more proxies in accordance with note 5.
17. While Shareholders are welcome to attend the AGM, they are also invited to submit questions in advance by email to oritcosec@PraxisIFM.com by the close of business on 15 June 2022. The Company must cause to be answered any question asked by a Shareholder relating to the business being dealt with at the meeting unless:
 - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
18. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
19. This Notice of AGM, the information required by section 311A of the Companies Act 2006 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of AGM, will be available on the Company's website at www.octopusrenewablesinfrastructure.com.
20. Shareholders may not use any electronic address provided either in the Notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.



Proxy Card

**Octopus Renewables
Infrastructure Trust plc**



All Correspondence to:
Computershare Investor Services PLC
The Pavilions, Bridgwater Road,
Bristol, BS99 6ZY



MR A SAMPLE
< DESIGNATION>
SAMPLE STREET
SAMPLE TOWN
SAMPLE CITY
SAMPLE COUNTY
AA11 1AA

CANCELLED

Form of Proxy - Annual General Meeting to be held on 17 June 2022



Cast your Proxy online...It's fast, easy and secure!
www.investorcentre.co.uk/eproxy

You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown opposite and agree to certain terms and conditions.

Control Number: 917762

SRN: C0000000000

PIN: 1245



View the Annual Report online: **www.octopusrenewablesinfrastructure.com**

Register at **www.investorcentre.co.uk** - elect for electronic communications & manage your shareholding online!

**To be effective, all proxy appointments must be lodged with the Company's Registrars at:
Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 15 June 2022 at 10.00 am.**

Explanatory Notes:

- Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
 - To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 1346 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
 - The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
 - Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
 - To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
 - The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0370 707 1346 to request a change of address form or go to www.investorcentre.co.uk to use the online Investor Centre service.
 - Any alterations made to this form should be initialled.
- The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services PLC accept no liability for any instructions that does not comply with these conditions.

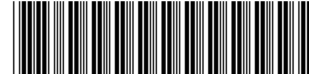
CANCELLED

MR A SAMPLE
< Designation>
Additional Holder 1
Additional Holder 2
Additional Holder 3
Additional Holder 4

**Form of Proxy**

Please complete this box only if you wish to appoint a third party proxy other than the Chairman.
Please leave this box blank if you want to select the Chairman. Do not insert your own name(s).

	*
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C0000000000

I/We hereby appoint the Chairman of the Meeting OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement* on my/our behalf at the Annual General Meeting of Octopus Renewables Infrastructure Trust plc to be held at **6th Floor, 125 London Wall, London, EC2Y 5AS** on **17 June 2022** at **10.00 am**, and at any adjourned meeting.

* For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).

☐ Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.

**Ordinary Resolutions**

- | | For | Against | Vote
Withheld |
|---|--------------------------|--------------------------|--------------------------|
| 1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2021. | ☐ | ☐ | ☐ |
| 2. To approve the Directors' Remuneration Report included in the Annual Report and Accounts for the year ended 31 December 2021. | ☐ | ☐ | ☐ |
| 3. To re-elect Philip Austin as a director of the Company. | ☐ | ☐ | ☐ |
| 4. To re-elect James Cameron as a director of the Company. | ☐ | ☐ | ☐ |
| 5. To re-elect Elaina Elzinga as a director of the Company. | ☐ | ☐ | ☐ |
| 6. To re-elect Audrey McNair as a director of the Company. | ☐ | ☐ | ☐ |
| 7. To re-appoint PricewaterhouseCoopers LLP as auditor to the Company. | ☐ | ☐ | ☐ |
| 8. To authorise the Directors to fix the remuneration of the auditor until the conclusion of the next Annual General Meeting of the Company. | ☐ | ☐ | ☐ |
| 9. To authorise that Directors to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval. | ☐ | ☐ | ☐ |
| 10. To authorise the Directors to allot shares. | ☐ | ☐ | ☐ |

Special Resolutions

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 11. To authorise the Directors to disapply preemption rights under sections 570 and 573 of the Companies Act 2006. | ☐ | ☐ | ☐ |
| 12. To authorise the Company to make market purchases of its own ordinary shares. | ☐ | ☐ | ☐ |
| 13. To authorise that General Meetings, other than Annual General Meetings, may be called on 14 clear days' notice. | ☐ | ☐ | ☐ |

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

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Date

--

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).



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O R I T





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