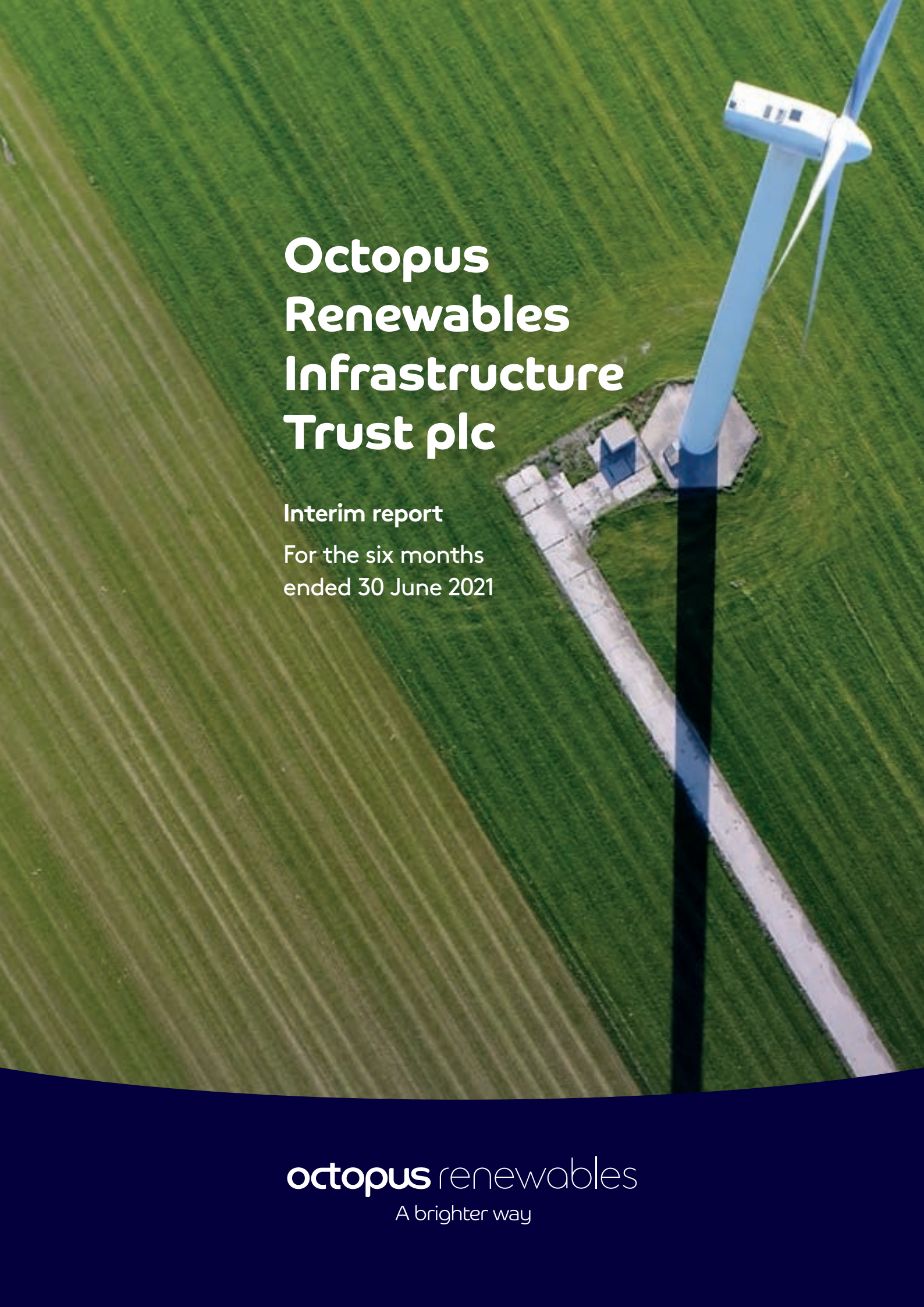


An aerial photograph of a wind turbine in a lush green field. The turbine is white with three blades, and its shadow is cast long and dark across the grass. A concrete access road leads to the base of the turbine, where a small blue building is situated. The field is divided into sections by faint lines, possibly furrows or paths.

Octopus Renewables Infrastructure Trust plc

Interim report

For the six months
ended 30 June 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 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 30 June 2021

+9.1%

Total shareholder return since IPO¹

December 2020: (+15.9%)

+3.9%

NAV total return since IPO¹²³

December 2020: (+2.4%)

5.0p

Target Dividend per ordinary share for FY 2021¹

FY 2020: (3.18p)

£341m

Net Asset Value ("NAV")²

December 2020: (£344m)

97.31p

NAV per ordinary share²

decreased by 1.0% since 31 December 2020: (98.26p)

7.5%

Premium to NAV¹

December 2020: (15.8%)

£366m

Market capitalisation

£452m

Total value of all investments¹⁴

£447m

Gross Asset Value ("GAV")¹⁵

increased by 1.4% since 31 December 2020: (£441m)

502GWh

Potential Renewable Electricity⁶

December 2020: (502GWh)

79k

Estimated tonnes of carbon avoided⁶

December 2020: (79k)

114k

Equivalent homes powered by clean energy⁶

December 2020: (114k)

Alternative Performance Measures ("APMs")

The financial information and performance data highlighted in footnote¹ on this page are the APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on [page 75](#).

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. 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 trust

¹These are alternative performance measures

²The Net Asset Value (NAV) as at 30 June 2021 is calculated prior to the Company's July 2021 fundraise, with NAV per ordinary share calculated on the basis of 350,000,000 ordinary shares in issue

³Total returns in sterling, including dividend reinvested

⁴Total asset value including total debt and equity commitments

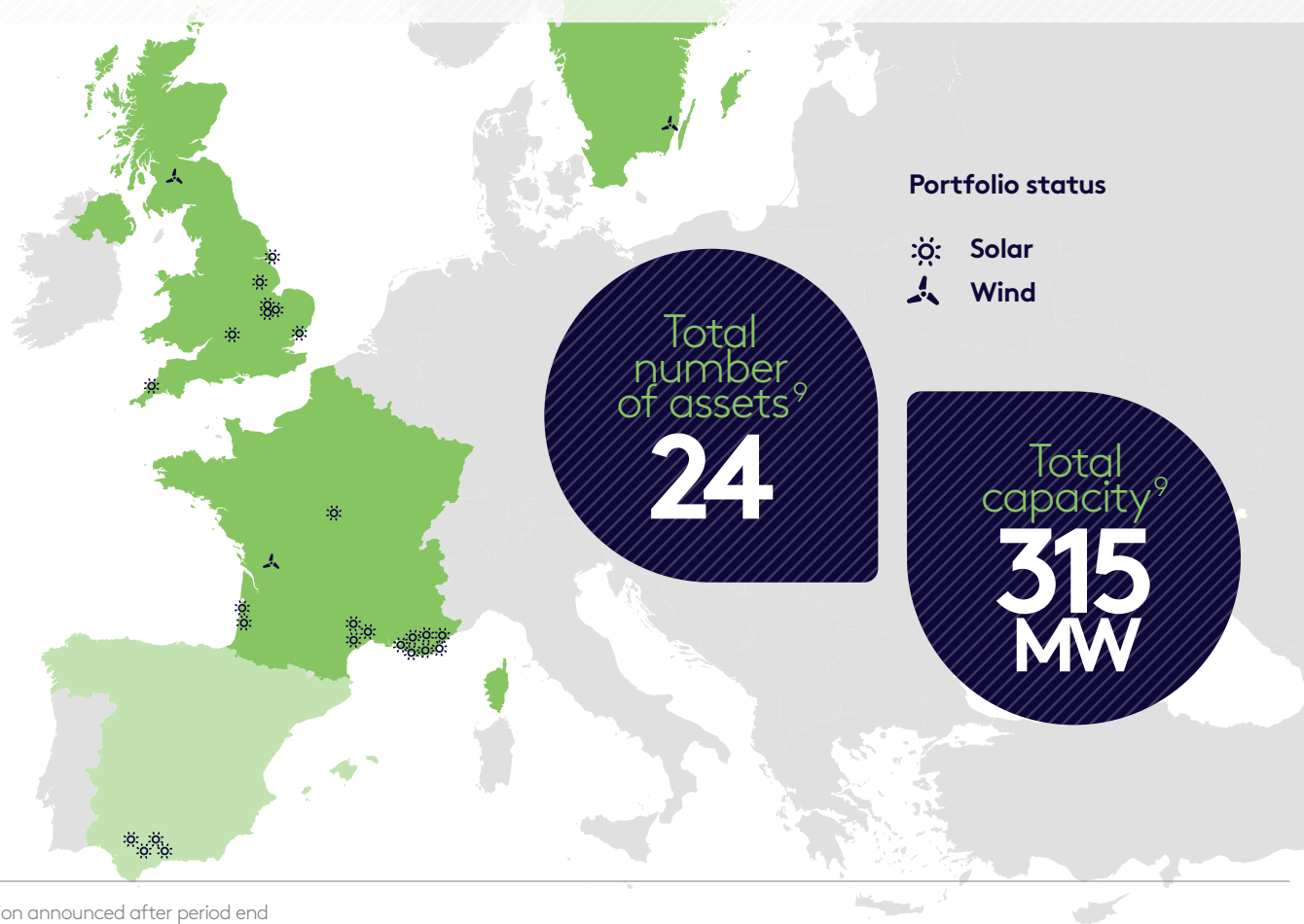
⁵A measure of total asset value including debt held in unconsolidated subsidiaries

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



Portfolio

Technology	Country	Sites	Capacity (MW)	Average asset life remaining (years)	Status	Acquisition date	Key information
Solar PV	UK	8	123	23.0	Operational	March 2020	ROC Subsidised
Wind	Sweden	1	48	30.0	Operational	March 2020	Operational as of 30 June 2021
Wind	France	1	24	30.0	Construction, 8 Turbines	October 2020	Expected to be operational in H2 2022
Solar PV	France	14	120	26.5	Operational	July 2020	FiT subsidised
Solar PV	Spain	4	175	35.0	Conditional Acquisition	September 2020 (December 2022) ⁸	Expected to be operational in early 2024
Wind	UK	1	50	25.0	Conditional Acquisition	September 2021	Expected to be operational in H2 2022
Solar PV ⁷	Ireland	5	250	40.0	Conditional Acquisition	July 2021 (September 2022) ⁸	Expected to be operational in H2 2022



⁷ Acquisition announced after period end

⁸ Expected acquisition completion

⁹ 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 the interim report for Octopus Renewables Infrastructure Trust plc (the “**Company**”) for the period from 1 January 2021 to 30 June 2021 (the “**Interim Report**”).

While the COVID-19 pandemic has continued to cause disruption around the world, the Board is as optimistic as ever about the opportunities ahead for the Company. The pandemic, along with recent catastrophic weather events, has deepened awareness of the environment around us and the need to reduce the impacts of climate change. This has translated into a surge of support for increasing the roll-out of renewables and other technologies that facilitate the decarbonisation of energy, transport and heat systems globally. The Company's broad mandate is well positioned to take advantage of these opportunities.

Key Milestones

This has been a busy period for the Company, as we have continued to help accelerate the world towards a net zero future while delivering attractive yield and growth for investors. Diversification remains at the heart of our investment strategy; the Company's ability to invest in assets across numerous countries and technologies provides a number of advantages, including reducing correlations in power prices, diversifying the influence of weather patterns and reducing the reliance on any single regulatory regime.

During the period the Company:

- Refinanced its French solar portfolio with a group of high quality banks, significantly reducing interest costs and increasing operational flexibility;
- Amended its Investment Policy to include developers and development assets;
- Raised debt finance to fund the remaining construction costs on Cerisou Wind Farm in France;
- Exchanged contracts for the conditional acquisition of Cumberhead Wind Farm in Scotland for a total consideration including construction costs of c.£75 million. The acquisition completed on 24 September 2021 following various conditions precedent being discharged;
- Launched an equity fundraise to raise gross proceeds of £100 million. The fundraise, which successfully completed in early July, was upsized to £150 million and was oversubscribed; and
- Completed the construction of Ljungbyholm Wind Farm in Sweden, crystallising a construction gain of £3.6 million through successfully de-risking the project.

Additionally, the Company has made the following acquisitions after the period end:

- The conditional acquisition of five solar farms in Ireland for a total consideration of approximately £119-125 million. The acquisition will complete once the solar farms complete construction which is expected to take place in H2 2022; and



- The acquisition of a 12% stake in Simply Blue Group, the floating offshore wind developer for a consideration of £6.4 million.

As at the date of this report, the Company's portfolio spans 25 assets across 3 countries and includes onshore wind and solar, construction and operational sites alongside an investment into a developer, and a blend of government backed subsidies, power purchase agreements and uncontracted sale strategies. In addition, the Company has conditionally acquired 4 solar farms in Spain and 5 solar farms in Ireland which together represent a total deployment potential of £160 million (net of SPV level debt).

Fundraising

The Board was delighted with the continued support from investors in the Company's recent oversubscribed fundraise which provided an additional £150m of capital to fund further acquisitions and future investments into construction projects. This support underlines both the growing demand for exposure to renewable energy investments and the highly differentiated nature of the Company's Investment Policy. We believe that through investing earlier in asset lifecycles, in construction and development, the Company will, over time, be able to deliver attractive NAV growth and also make more impactful investments, adding to the existing stock of renewable generating capacity and further mitigating the impacts of climate change.

Investments into developers

On 4 February shareholders approved the amendment of the Investment Policy to provide an allocation of up to 5% of gross asset value into assets at the development stage, including developers and development pipelines. This change was made to serve the growing demand for ready to build wind farms and solar farms, providing investors with attractive risk-adjusted returns along with access to proprietary pipeline for the Company, and to leverage the skills and experience of the Investment Manager which has a strong track record in funding developers. Minor additional amendments to the Investment Policy were adopted by the Board in August to increase the universe of development and developer investment opportunities available to the Company. Our full Investment Policy is available to view on our website.

Our first investment into a developer was made in August with the acquisition of a 12% stake in Simply Blue Group, a floating offshore wind developer. This investment recognised that while offshore wind will form the backbone of many decarbonised grid networks around the world, there are growing constraints in the roll-out of fixed foundation projects while floating offshore wind farms can open large swathes of deeper ocean for development.

Results

During the period the Company's NAV reduced slightly from £343.9 million to £340.6 million or 97.3 pence per ordinary share, principally driven by updated tax, inflation and foreign exchange assumptions. Total shareholder return from IPO to 30 June 2021 was 9.1%. The Company's operating income in the six months to 30 June 2021 was £6.8 million, with profit for the period of £4.75 million or 1.36 pence per ordinary share.



Dividend

The fourth interim dividend of 1.06 pence per ordinary share in respect of the period to 31 December 2020 was announced and paid during the period. In addition, the Board was pleased to announce two interim dividends in respect of the period, the first of 1.25 pence per ordinary share paid in June and the second of 1.25 pence per ordinary share announced and paid following the period end. The Company is on track to deliver its target of a 5 pence per ordinary share total dividend for FY 2021 and intends to adopt a progressive dividend policy for subsequent financial years.

Portfolio Performance

Construction of Ljungbyholm Wind Farm in Sweden was completed in June which was on time and on budget. Delivery of the wind farm into operation was an outstanding success for the Company, especially given the backdrop of the COVID-19 pandemic and global supply chain disruptions.

Post the period end Cerisou Wind Farm began construction with early earthworks commencing in August 2021. The project is on track to be fully operational during H2 2022.

The performance of the operational solar plants in France and the UK has been slightly below budget as the result of low irradiance and grid outages in France, and some reliability issues in the UK portfolio which the Investment Manager was aware of at the time of investment and is making good progress in resolving.

Outlook

While COVID-19 has continued to impact populations and economies around the world, there are green shoots of recovery in each of the Company's target markets, which may accelerate regulatory reform in electricity market. This increase in economic activity has exacerbated labour shortages and supply chain disruptions, leading to an inflationary environment which we continue to monitor. Growing demand for gas has also led to very strong power prices in each of the markets in which the Company operates.

At the same time the COVID-19 pandemic has further created awareness of the need to take positive actions to reduce the impact of climate change. We look forward to the COP 26 conference and expect renewed and increased support for the roll-out of renewable energy technologies in each of our target markets, along with strategies for the decarbonisation of heat and transport. The Company's broad and diversified mandate positions it well to continue being a leader in driving the energy transition.

On behalf of the Board, I would like to thank shareholders for their continued support and we look forward to delivering on our yield and growth targets, while achieving a positive impact on the environment.



Investment Manager's Report

For the period ended 30 June 2021



Investments


1

Investment made
in the period


£75m

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


£452m

Total value of all
investments

Company Announcements

During the period the Company announced one conditional acquisition and a material change to the Investment Policy to incorporate investments 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 Gross Asset Value, 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 the Company 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 for the acquisition and construction costs is expected to be up to approximately £75 million. Construction is due to start in October 2021 with the wind farm expected to be fully operational in Q4 2022.



Also in June, the Company launched an equity issue, raising gross proceeds of £150 million, which closed post period end in July. The equity issue was supported by the Investment Manager identifying a number of renewable energy assets with an aggregate value of approximately £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 are held in Octopus Managed Funds. In addition, the Investment Manager also identified further renewable energy investments with an aggregate value of approximately £3 billion which would potentially be suitable for acquisition by the Company. The Investment Manager and the Board believe that, with the Investment Manager's experience and the preparatory work undertaken by it to date, suitable assets will be identified, assessed and acquired such that the net proceeds of the issue will be substantially committed within 6 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.

Post period end, following the capital raise the Company 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 H2 2022. 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 the Company 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.



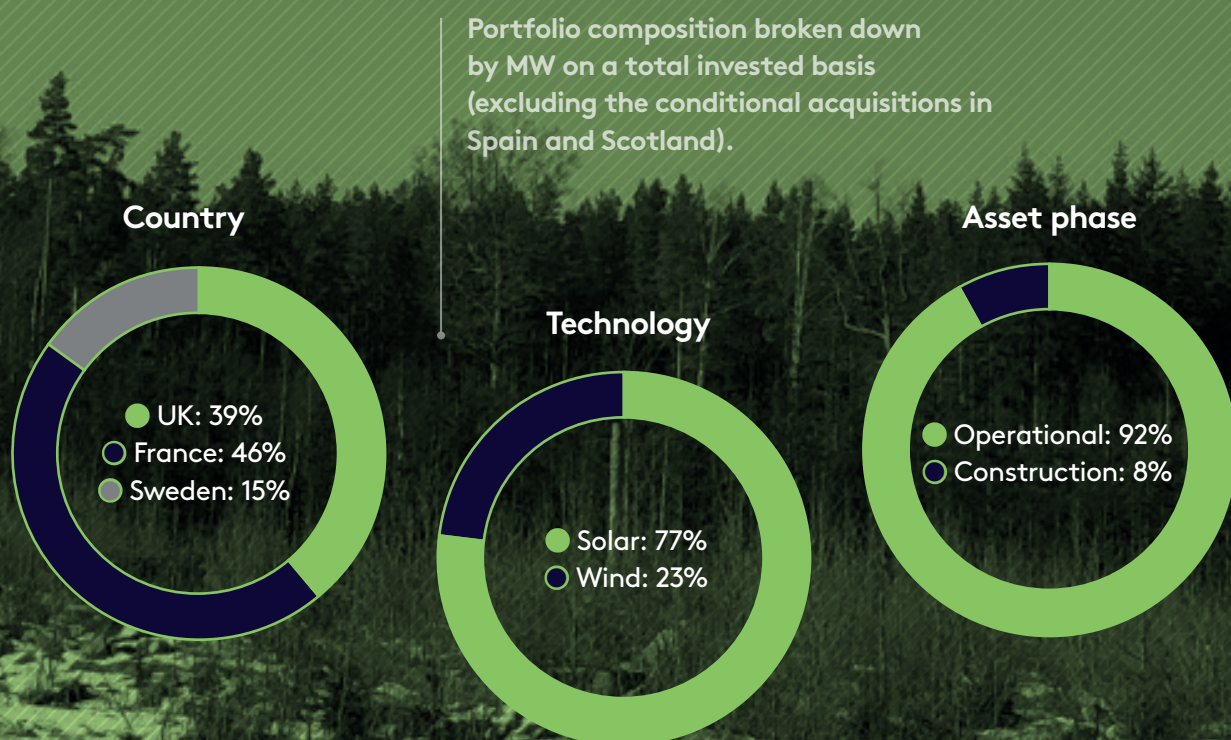
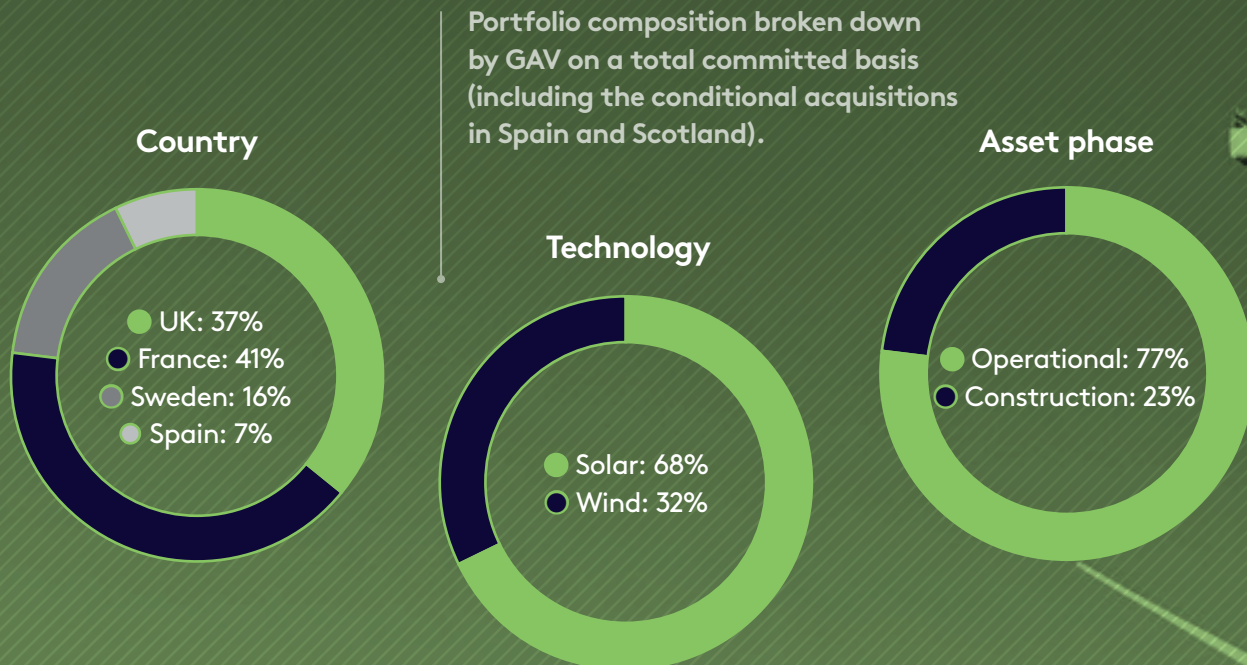


Portfolio Breakdown (as at 30 June 2021)

Site name	Technology	Country	Capacity (MW)	Phase	Start of operations	Remaining asset life
Penhale	Solar	UK	4	Operational	18/03/13	22
Ottringham	Solar	UK	6	Operational	07/08/14	24
Wiggin Hill	Solar	UK	11	Operational	10/03/15	20
Chisbon	Solar	UK	12	Operational	05/03/15	20
Westerfield	Solar	UK	13	Operational	25/03/15	25
Wilburton 2	Solar	UK	19	Operational	29/03/14	23
Abbots Ripton	Solar	UK	25	Operational	28/03/14	24
Ermine Street	Solar	UK	32	Operational	29/07/14	24
Cumberhead	Wind	UK	50	Conditional acquisition	-	25
Ljungbyholm	Wind	Sweden	48	Operational	30/06/21	30
Arsac 2	Solar	France	12	Operational	05/03/15	20
Arsac 5	Solar	France	12	Operational	30/01/15	20
Brignoles	Solar	France	5	Operational	26/06/13	28
Chalmoux	Solar	France	10	Operational	01/08/13	28
Charleval	Solar	France	6	Operational	26/03/13	28
Cuges-les-Pins	Solar	France	7	Operational	17/04/13	28
Fontienne	Solar	France	10	Operational	02/07/15	30
IOVI 1	Solar	France	6	Operational	17/07/14	29
IOVI 3	Solar	France	6	Operational	17/07/14	29
Istres	Solar	France	8	Operational	18/06/13	28
LaVerdiere	Solar	France	6	Operational	27/06/13	28
Ollieres 1	Solar	France	12	Operational	19/03/15	30
Ollieres 2	Solar	France	11	Operational	19/03/15	30
Saint-Antonin-du-Var	Solar	France	8	Operational	28/11/13	28
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



Portfolio Breakdown (as at 30 June 2021)





Portfolio Performance



**144GWh
Output**

Operational performance

In the six months ending 30 June 2021, the Company's operational portfolio generated 144GWh of electricity, 3.1% below budget.

Output for the UK operational solar portfolio was 59.8GWh for the period. The majority of sites performed in line with expectations, however there was a shortfall in output of 2.3% versus budget despite irradiance being 2.9% above budget. The majority of the production variance was due to downtime at one site, Abbots Ripton, predominantly in Q1 2021, and related to an overheating issue with a brand of inverters used at the site. 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. 90% of the improvement works are now complete, the effects of which can be seen in the Q2 2021 production losses due to these inverters, which have reduced by 48% versus the same period in the prior year.

During the period the French operational solar portfolio produced 84.3GWh, which was 4.0% below budget, partially due to irradiance being 1.4% lower than expected. The most significant output reduction was at Charleval where production was 11.7% below budget, caused by unexpected grid connection outages in June, which have now been rectified.

Construction

Ljungbyholm Wind Farm

Construction at Ljungbyholm Wind Farm has been ongoing since the Company acquired the site in 2020 and has been actively managed by the Investment Manager throughout.

To ensure a reliable, high-quality and cost-effective construction programme, the Investment Manager and third-party engineering consultants have worked continuously with OX2 as construction contractor and Nordex to carry out a thorough design review. This review had a particular focus on the quality of foundations, alongside detailed development of Quality Assurance and Quality Control procedures.

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 with two main cranes and three commissioning teams, utilising a mix of rock anchor and traditional gravity foundations which had been installed during 2020 for the twelve 4MW turbines.

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.



As a result of the oversight provided by the Investment Manager's specialist construction management teams, and the enhanced efforts secured through relationships with the key construction contractors, as of 30 June 2021 the construction programme has now completed and the wind farm has achieved commissioning, on time and within budget. The 48MW, fully operational wind farm was handed over to ORIT at the end of June.

Cerisou Wind Farm

On-site works for construction of the Cerisou Wind Farm in France commenced in August 2021, and eight 3MW turbines have been ordered from Siemens Gamesa for delivery in Q1 2022. As at the date of this report, contractors have been mobilised and preliminary on-site works including the construction of access roads and ground preparation works for turbine foundations, have begun. The project is on schedule to achieve commercial operations during Q3 2022.

Cumberhead Wind Farm

Completion of the acquisition of the Cumberhead Wind Farm in Scotland took place on 24 September 2021. At the date of this report, design works are underway with access to site granted as of September.

Financial Performance

For the six months ending 30 June 2021, the Company's operational portfolio generated revenues of £15.8 million. Revenues were impacted by the lower than expected levels of production explained above and, on a GBP basis, adversely impacted by FX rates, leading to a 5% underperformance to budget prior to accounting for the benefits of hedging. Operational expenditure incurred in the six-month period has been in line with expectations.

The UK portfolio generated revenues of £7.4 million, 2.6% below budget, largely due to the level of production. Operational expenditure for the period totalled £1.6 million, 1.6% above budget, primarily the result of additional legal fees incurred in obtaining asset life extensions. EBITDA for the UK portfolio for the six months ending 30 June 2021 was £5.9 million, 4% down on budget for the period.

The French portfolio is fully subsidised, earning fixed-price revenues through the Feed-in-Tariff ("FiT") scheme. In the period ending 30 June 2021, the portfolio generated revenues of €9.6 million, a 5% decrease to budget driven primarily by the lower production levels explained above, while operational expenditure was in line with budget at €2.7 million. The French operational solar portfolio benefits from a performance guarantee of 98.0% availability at the site level, tested on an annual basis. The average technical availability across all sites for the first six months of the calendar year currently stands at 97.5%. The figures presented in this report exclude the benefit of any liquidated damages the SPVs may be eligible to claim resulting from performance guarantee variances over the operational year. The portfolio generated EBITDA of €6.8 million in the period, a 6% decrease to budget.



Revenues

Figure 1 illustrates the forecast revenue breakdown by type from 2021 through to 2050. Over the next 15 years, the portfolio benefits from substantial levels of fixed-price revenues predominantly arising from government-backed subsidies in the UK and France, with Cerisou Wind Farm providing fixed revenues extending into the 2040s.

Figure 1: Fixed vs. Unfixed revenues (as at 30 June 2021)

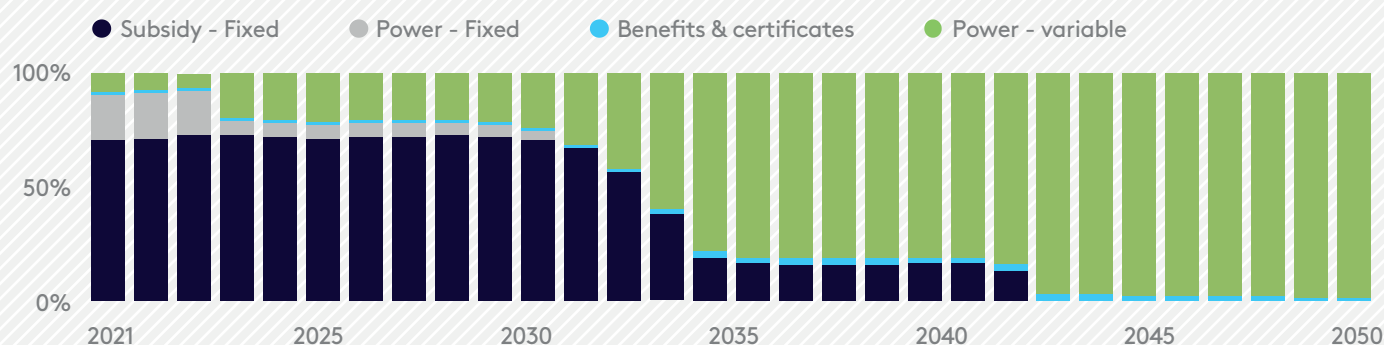
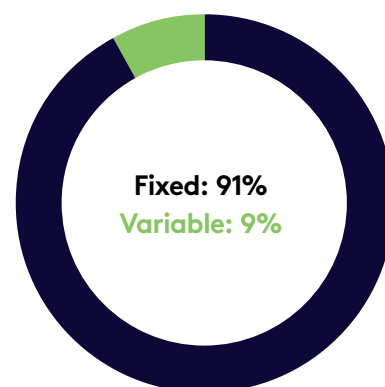


Figure 2 illustrates the share of fixed and variable revenues for the portfolio, including projects in construction, over the next 30 months. As at 30 June 2021, 91% of ORIT's forecast revenues over the period to 31 December 2023 are fixed. Fixed-price revenues arise from either subsidies, such as ROCs or fixed power prices under PPAs with offtake counterparties.

During the period the Investment Manager extended the fixed pricing for power revenues on six of the eight UK solar sites from 30 September 2022 to 30 September 2023, with pricing on the remaining two sites fixed until their PPAs expire in March 2022 and March 2023, respectively. This has been achieved through a combination of agreeing fixed pricing under PPAs with electricity supplier offtakers and entering into CfDs in respect of the output of sites with long term floating rate PPAs. The generation-weighted average fixed price between July 2021 and September 2023 is £48.69 per MWh, compared to a forecast price of £35.55 per MWh in the investment case for the UK portfolio.

Figure 2: Fixed vs. Variable revenues for 2021 to 2023





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 Capital is the largest shareholder in 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. Its domestic energy arm already serves 2 million customers with cheaper greener power. Octopus Energy for Business manages over 25,000 customers with proprietary energy offerings. Octopus Electric Vehicles is helping make clean transport cheaper and easier, and Octopus Energy Services is bringing smart products to thousands of homes.

In December 2020, Octopus Energy Group was valued at over \$2 billion after closing its second investment round of the year led by international energy companies Tokyo Gas and Origin Energy. With operations in the US, Germany, New Zealand, Australia, Japan and Spain, 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

As we approach COP 26 in Glasgow this November, societal and political momentum behind decarbonisation remains extremely high. Even the International Energy Agency (IEA), which was created to maintain the security of international oil supplies and has been traditionally seen as a relatively conservative voice on decarbonisation, has called for a complete ban on new fossil fuel development as part of its Net Zero by 2050 Roadmap. In the UK, the government adopted a world-leading carbon budget, requiring a 78% reduction in emissions from 1990 levels by 2030.

However, electricity demand is rising more rapidly than the supply for renewable energy generation, with the IEA reporting that more than half of the increase in global demand is set to be met by fossil fuel generation, particularly coal. This underscores the demand for further investment into renewable generation.

Bloomberg New Energy Finance (BNEF) forecasts that in Europe, approximately 900GW of new renewable capacity is expected to be built by 2040, corresponding to investments of approximately £952 billion (in 2019 real terms). This is equivalent to an expected £45.3 billion (in 2019 real terms) of investment annually until 2040.

Since the period end, further announcements have been made which support the Company's investment strategy.

- 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 use 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.
- 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.
- 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.



900GW

£952bn of new
renewable capacity
(approximately) is
expected to be built
by 2040



Investment landscape

During the period 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. The Investment Manager has observed a number of transactions with very high valuations, implying strategic buyers ascribing significant value to factors such as unsecured life extensions, repowering or addition of ancillary technologies (e.g., batteries or hydrogen electrolysis) which, given their uncertainty are not currently included in the valuation of the Company's assets.

Despite this heightened competition, the Investment Manager's strong networks have allowed the Company to acquire assets at attractive valuations, including the Cumberhead Wind Farm and the Irish solar portfolio transaction announced following the period end. The pipeline remains strong, the updates to the Investment Policy to permit a small allocation to assets at the development stage, including developers and pipelines of assets, is expected to give rise over the medium term to a proprietary pipeline of assets into which the Company would be able to invest at the construction-ready stage.

Power prices

During the period there has been a dramatic increase in near-term power pricing across European markets, continuing the increase seen in the second half of 2020. The key factors behind the increases include:

- Increase in demand as economies recover from COVID-19 related lockdowns
- High gas prices, driven by a combination of low levels of gas in storage, heightened demand due to coal-to-gas switching, limited supply due to pipeline maintenance and competition from Asian demand for LNG deliveries
- Carbon pricing, which has risen to over €60/tonne in the EU ETS and £50/tonne in the new UK scheme

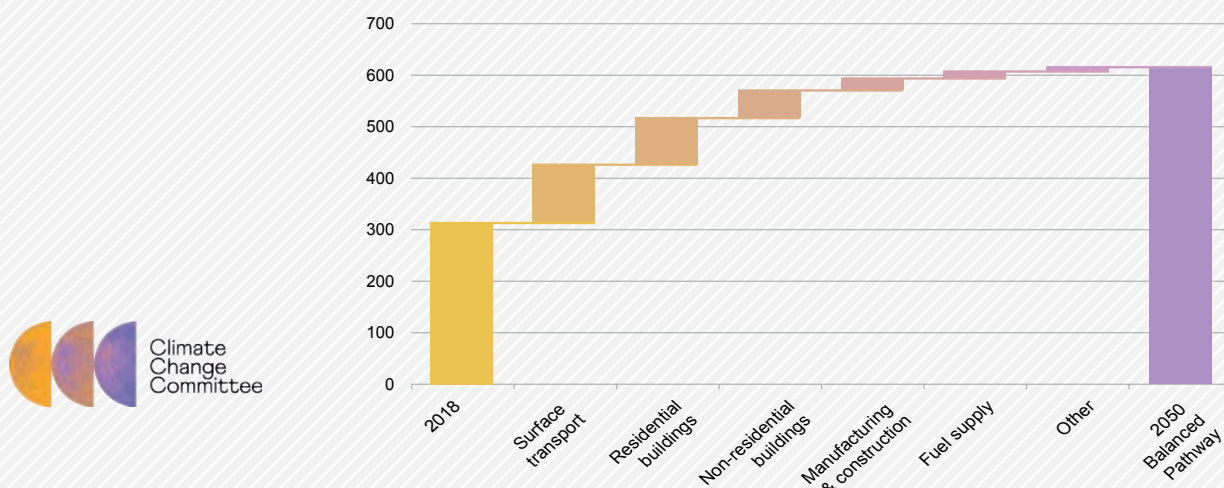
For the next decade or more, gas (and for a shorter time in certain parts of Europe, coal) generation is expected to be the technology which sets the electricity price most of the time. There is growing expectation that carbon pricing will be used by governments and the EU as a tool to drive decarbonisation throughout the economy, and this is reflected in EU emissions allowances having reached record levels of over €56 per tonne in May and remaining over €50 since. New highs of over €60 were reached in late August. Since the UK ETS scheme opened for trading in May, pricing has been consistently in excess of £40 per tonne and has risen above £50 in August. For context, a typical modern gas power plant produces around 0.4 tCO₂e per MWh of electricity generated so a carbon price of £50 per tonne contributes around £20 per MWh to the power price.

Longer term price forecasts have not shown the same increases. Updates released by advisors in April 2021 showed material reductions in forecast capture pricing for solar generators in Great Britain, driven principally by increases to the amount of new generation capacity assumed to be built in the period to 2040, especially offshore wind. This was a continuation of a trend in forecasts observed since the second half of 2019.



With forecast capacity assumptions now closely aligned with ambitious government targets for new renewable generation, forecasters have slowly begun to pay closer attention to factors that could have a dramatic impact on the level of power demand. The forecasts used in the Company's valuations include* GB power demand rising from current levels of around 300 TWh per annum to between 450 and 500 TWh per annum by 2050. It is worth noting that the Climate Change Committee, who advise the UK government on decarbonisation and whose carbon budget has been adopted as law, project that to achieve net zero we need power demand to increase to between 600 and 900 TWh per annum, as electric vehicles, electric heating and green hydrogen production increase massively to replace carbon intensive alternatives.

Contribution by sectors to increased electricity demand in the Balanced Pathway (2018-20)



Source: CCC analysis.

Note: Other category includes agriculture, aviation direct air capture, shipping and F-gasses

*See Page 24 on power prices



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 30 June 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.

After the period, in July, the Company entered into a flexible debt facility of up to €88 million with Allied Irish Banks and La Banque Postale in connection to 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.



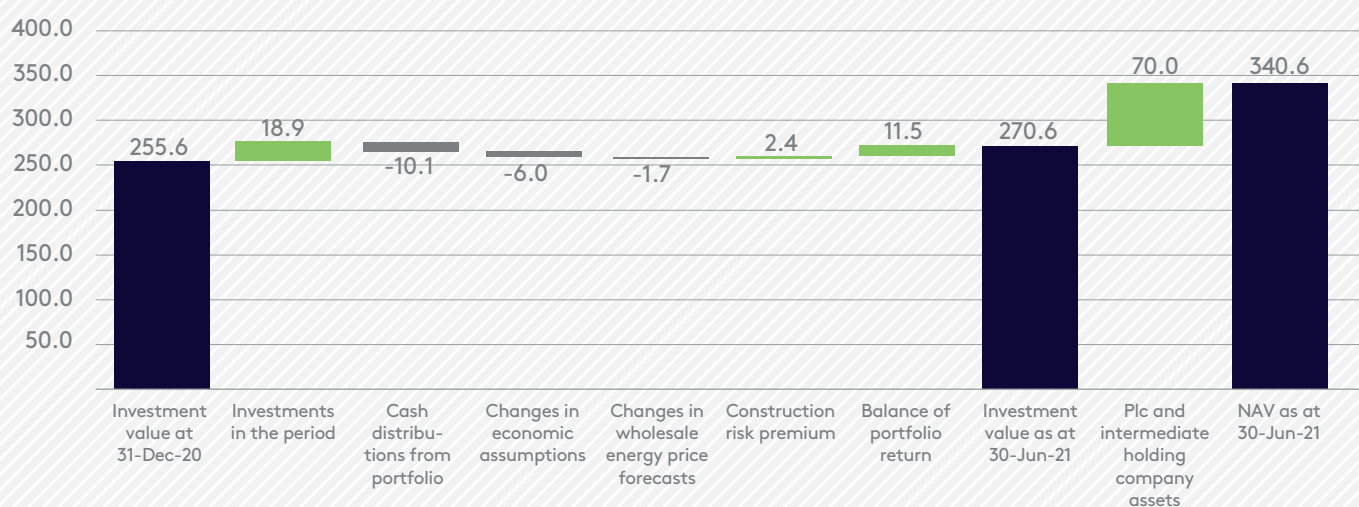


Portfolio Valuation

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 8](#) to the financial statements.

Figure 4 illustrates the total fair value of the Company's portfolio of assets as at 30 June 2021 was £270.6 million, reflecting acquisitions and capital injections during the period of £18.9 million alongside changes to economic, wholesale energy and asset specific assumptions and the return on the portfolio net of distributions. Including the Company's and its intermediate holding companies' other assets of £70.0 million, the total portfolio value as at 30 June 2021 is £340.6 million or 97.3 pence per ordinary share.

Figure 4: ORIT Equity Value Bridge (£m)



Investments in the period

The Company entered into a conditional agreement to acquire the Cumberhead Wind Farm during the period, however no value will be attributed to the project as completion was not finalised as at 30 June 2021. Elsewhere in the portfolio, ongoing construction payments were made in relation to Ljungbyholm Wind Farm and Cerisou Wind Farm totalling £18.9 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 period ending 30 June 2021.

Economic assumptions

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

The 30 June 2021 valuation reflects a net reduction in inflation assumptions based on recent independent economic forecasts and relevant government announcements. For 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 or 0.14 pence per ordinary share.

During the period, sterling appreciated against the euro by 4%, leading to a negative valuation impact of £5.5 million. Euro-denominated investments comprised 37% of the portfolio at the period 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 Company level are taken into account, the loss on foreign exchange reduces to £5.0 million.

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.

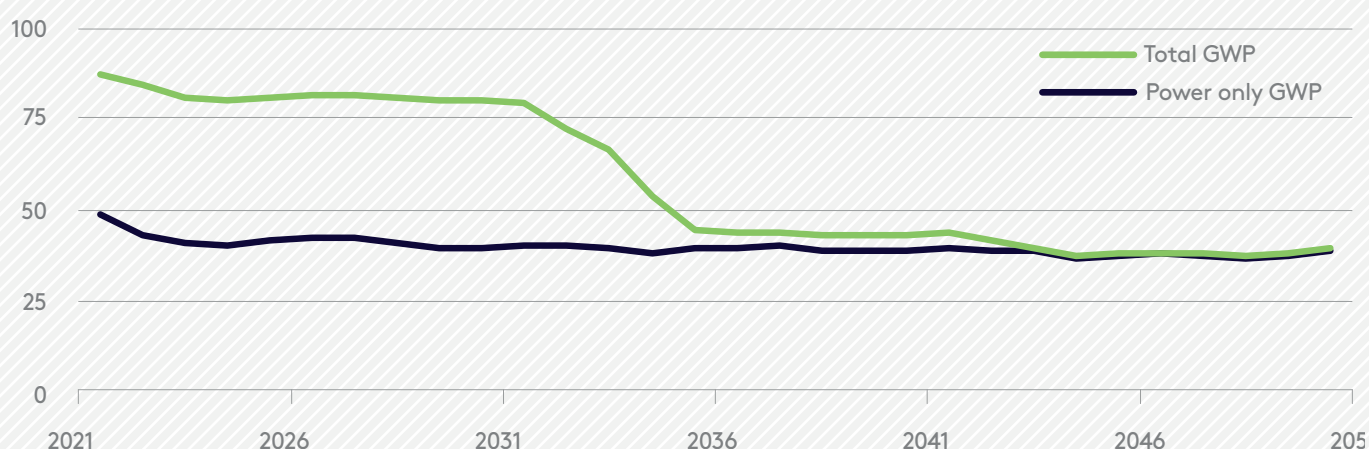
Forwards market pricing has continued to increase over the course of 2021 for the UK and Sweden. These movements are captured in our internal price forecasts, however given that the UK portfolio is significantly hedged in the short-term, the value uplift was dampened. The French Solar portfolio benefits from government subsidies until the early 2030s and therefore does not benefit from any valuation uplifts as a result of short-term pricing.





Since 31 December 2020, there has been a further softening in long term pricing from market advisors, which has put downward pressure on valuations. This revision reflects a perceived increase in government ambition to roll-out renewable energy deployment, with market forecast advisors applying significant increases to their UK offshore wind projections, which results in depressed prices post-2030 for the UK market. This also has a negative impact for prices in continental Europe. Reductions in forecasted levelised cost of energy for solar and onshore wind has resulted in faster assumed deployment of solar and onshore wind capacity, applying further pressure on long-term pricing.

Figure 5: Power Price Forecasts



Overall, this has led to a net £1.7 million reduction in the value of the portfolio as at 30 June 2021. Figure 5 shows 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 2021 to 2050. The curves are blended across Great Britain, France and the SE4 (Malmo) region of Sweden, weighted by the portfolio generation mix and converted into £/MWh using the FX spot rate as at 30 June 2021. On average, the graph shows Power only GWP of £42.78/MWh in the period 2021-2025 and £39.12/MWh in the period 2026-2050.

Construction Risk Premium

A valuation increase of £2.4 million resulted from the unwind of a portion of the construction risk premium included in the discount rate applied to the Ljungbyholm Wind Farm, recognising the significant construction progress made by the end of the period, with COD being achieved on the 30 June 2021.



Balance of portfolio return

This refers to the balance of valuation movements in the period excluding the factors noted above and represents an uplift of £11.5 million.

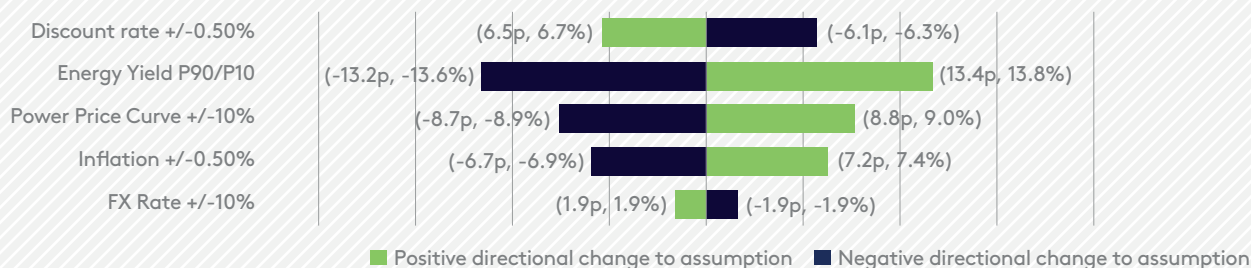
Of this, £7.7 million reflects the net present value of future cashflows being brought forward from the valuation date used for the acquisitions to 30 June 2021. £3.5 million of valuation increase resulted from a c.0.4% reduction in UK solar discount rates to reflect valuations observed in transactions announced in the market and/or in which the Investment Manager participated and has reliable pricing information. A further £2.0 million increase resulted from the implementation of power purchase agreements or decisions to exercise options in existing power price agreements to fix prices for a given period. These valuation uplifts were partially offset by a valuation decrease of £2.3 million arising from operational performance at a number of solar sites as well as minor assumption updates at the project company level such as updates to asset availability assumptions for the remainder of 2021 in light of planned works and upgrades.

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 unaudited NAV as at 30 June 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. The assumption results in a £0.6m reduction in value. A flat UK corporation tax rate of 25% from April 2023 for the lifetime of the portfolio would reduce NAV by approximately £1.9 million or 0.56 pence per ordinary share.

Portfolio valuation sensitivities

Figure 6 shows the impact of changes to the key input assumptions on NAV with the X axis indicating the impact of the sensitivities on the NAV per share. The sensitivities are based on the existing portfolio of assets as at 30 June 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.

Figure 6: Sensitivities – impact on NAV as at 30 June 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 sensitivity shown in Figure 6 explains the impact of a plus or minus 0.5% movement in the weighted average cost of capital applied in the valuation of each asset. The weighted average discount rate as at 30 June 2021 is 6.6% (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 30 June 2021, 37% of the NAV is euro denominated. Euro hedges are in place for all construction payments as well as forecast cash generation from the Swedish and French wind investments for the first three years of operations. The sensitivity highlighted in Figure 6 shows the impact on NAV per share of a +/- 10% movement in the GBP:EUR exchange rate.



Financial Review

The financial statements of the Company for the six-month period ended 30 June 2021 are set out on pages 53 to 56. 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.

Net assets

Net assets reduced slightly from £343.9 million at 31 December 2020 to £340.6 million at 30 June 2021.

The net assets of £340.6 million comprise the fair value of the Company’s investments of £279.4 million and the Company’s cash balance of £62.3 million, offset by £1.1 million of Company net liabilities.

Included in the fair value of the Company’s investments are assets of £8.8 million held in the intermediate holding companies. These comprise cash (£5.7 million), the mark-to-market value of the FX hedges taken out to minimise the volatility of cashflows associated with non-UK portfolios (£1.2 million) and the amortised transaction costs associated with the revolving credit facility at ORIT Holdings II Limited (£2.0 million), offset by liabilities of £0.1 million.

As at 30 June 2021, ORIT Holdings II Limited had not drawn on its revolving credit facility.

Analysis of the Company’s net assets at 30 June 2021

	£m
Fair value of portfolio of assets	270.6
Cash held in intermediate holding companies	5.7
Fair value of other net assets in intermediate holding companies	3.1
Fair value of Company’s investments	279.4
Company’s cash	62.3
Company net liabilities	(1.1)
Net asset value at 30 June 2021	340.6
Number of shares	350.0
Net asset value per share (pence)	97.31



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 period. 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 six-month period ending 30 June 2021, the Company's operating income was £6.8 million (period from incorporation to 30 June 2020 (previous HY period): £0.3 million), including interest income of £5.4 million (previous HY period: £2.3 million), dividends received of £4.4 million (previous HY period: £nil) and net losses on the movement of fair value of investments of £2.9 million (previous HY period: £2.0 million). The operating expenses included in the statement of comprehensive income for the period were £2.1 million (previous HY period: £1.7 million). These comprise £1.6 million Investment Manager fees (previous HY period: £1.8 million) and £0.5 million operating expenses (previous HY period: £0.4 million). Costs in the previous HY 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, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company. 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 period. For the year ended 31 December 2020, the ratio was 1.15% and it is anticipated that the full-year ratio for the year ended 31 December 2021 will decrease slightly following the July capital raise.

Dividends

During the period, interim dividends totalling £8.1 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 quarter of 2021 in June 2021).

Post period end, a further interim dividend of 1.25p per share was paid on 27 August 2021 in respect of the quarter to 30 June 2021 to shareholders recorded on the register on 13 August 2021. Following the recent fund raise, the total number of ordinary shares in issue on that record date was 494,927,536 and the total dividend paid to shareholders amounted to £6.2 million.

As such, dividends totalling £10.6 million have been paid in respect of the six-month period under review.

Operating cashflows from the portfolio of assets in the six-month period totalled £6.7 million.



Impact Report

Core Impact Objective:
**Accelerate the transition to net zero through
our investments, building and operating a
diversified portfolio of renewable energy assets**



Highlights

As at 30 June 2021



£452m

Total value of all investments



502GWh

Potential Renewable Electricity



114k

Equivalent Homes Powered by clean energy¹⁰



79k

Estimated tonnes of carbon avoided¹¹



243k

Equivalent new trees required to avoid the same carbon¹²



18k

Equivalent cars off the road to avoid the same carbon¹³



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

¹⁰ Homes Powered is based on latest regional average household consumption in the region of production

¹¹ Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting

¹² Trees equivalent is based on UK Woodland and Peatland carbon statistics

¹³ Equivalent cars is calculated using a factor for displaced cars derived from the UK government GHG Conversion Factors for Company reporting



The Call for Sustainability

There has never been a more pressing time to act on climate change. The latest scientific assessment from the UN's Intergovernmental Panel on Climate Change (the "IPCC") warns us that the planet will warm by 1.5°C by 2040 without drastic changes to cut our emissions.¹⁴ Even at 1.1°C, climate change is taking lives and destroying homes, forcing retreat, migration and conflict. In response to this latest report, Secretary-General António Guterres reiterated the urgency to act. "The alarm bells are deafening, and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk. Global heating is affecting every region on Earth, with many of the changes becoming irreversible,".¹⁵

The number of countries that have pledged to reach net zero emissions continues to grow, but so do global greenhouse gas emissions. Coming less than three months before the COP26 summit, the latest IPCC report is a "code red" call to all governments showing that as things stand, they are not on track to avoid the point of irreversible climate damage.

The COP26 summit in November will be focal for strengthening global ambitions and actions on climate by building on the foundations of the 2015 Paris Agreement. The IEA's "Roadmap for the Global Energy Sector" report emphasised how a total transformation of the energy systems that underpin our economies is required.¹⁶ Whilst there are still pathways to reach net zero by 2050, they remain narrow, extremely challenging and very expensive. Dr Faith Birol (Executive Director of the International Energy Agency) states that these pathways will require "all stakeholders – governments, businesses, investors and citizens – to take action this year and every year after so that the goal does not slip out of reach".

Impact funds, such as ORIT, provide an attractive opportunity for individuals and institutions to use their private capital to close the problematic funding gap and create a lasting positive impact, helping to mitigate climate change.

Investments within the Renewables sector don't require the trade offs between investing for returns and investing for impact. Renewables represent a cost-competitive power solution, with solar being identified as the "new king" of global electricity markets by the International Energy Agency¹⁷ making it an attractive sector for investment. ORIT's performance during its most recent fundraise clearly demonstrates this.

And this is alongside the other economic arguments to support investments into renewables. It aligns with the post-COVID-19 "Building Back Better" movement in the UK and Europe, helping not only the planet to decarbonise, but also the community through work opportunities. In fact, the IEA's Net Zero by 2050 scenario identified that some 30 million jobs would be created for people to work in clean energy, efficiency and low-emissions technologies by 2030.

I am proud to say that the Board and our Investment Manager care passionately about our impact on the environment and society alongside investment performance. Whilst the impacts of climate change are devastating, ORIT's approach in tackling them is leading to cleaner air, creating stable jobs, restoring nature and at the same time, unleashing economic growth for society and ORIT's investors. This Impact Report outlines how sustainability is engrained within ORIT's core impact objective to accelerate the transition to net-zero. For ORIT, sustainability goes beyond these environmental, social and governance factors, with impact initiatives directly enhancing the lives of people and the planet.

Philip Austin
Chairman

¹⁴ <https://www.ipcc.ch/assessment-report/ar6/>

¹⁵ <https://www.un.org/sg/en/content/secretary-generals-statement-the-ipcc-working-group-1-report-the-physical-science-basis-of-the-sixth-assessment>

¹⁶ <https://iea.blob.core.windows.net/assets/4719e321-6d3d-41a2-bd6b-461ad2f850a8/NetZeroby2050-ARoadmapfortheGlobalEnergySector.pdf>

¹⁷ <https://www.iea.org/reports/world-energy-outlook-2020>



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 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 investments the Company makes 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 long-term and sustainable business practices. Beyond the core impact 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.



Performance

KPIs

502GWh

of potential annual renewable energy generation, 408 GWh of which will be additional generation from constructing assets¹⁸

£452m

Total value of all investments

24

Assets

Delivering the investment objective

The Board view 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.

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 our investments adhere to ORIT's ESG Policy and there is a minimum scoring threshold for investment approval which was met for the transactions in the period.

Through the ESG Matrix, ESG risks are considered at every stage of investing in renewable energy assets by the Investment Manager. This tool is used to drive engagement on ESG and warrants additional investigation into ESG risks where necessary, ensuring they are identified and mitigated as soon as possible.

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 and Safety, Unfair Advantage, and Community Relations. At the Post-completion stage there is an onboarding process to the Investment Manager's Asset Management team to continue oversight of any residual ESG risks.

Task Force on Climate-related Financial Disclosures

ORIT is a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). ORIT made a disclosure in line with the TCFD in its latest annual report. Since then, the Investment Manager has enhanced its climate risk assessment methodology. The impact of climate change is considered in the detailed technical and environmental due diligence the Investment Manager undertakes in the transaction stage of investments. This analysis is now supported using the ThinkHazard online tool that highlights climate risks on a regional level.

More information can be found in the Risks and Risk Management section on [page 50](#)

¹⁸ Metric calculated based on an estimated annual production of the construction portfolio once fully constructed.



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 the 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
Subsidy preservation: Forward planning, clear communication and record keeping ensures preservation of FIT revenue on French solar sites where panels are being replaced under warranty.	FIT revenues are maintained for the 3 sites within the French solar portfolio receiving panel replacements. Stakeholder Engagement
Solar inverter enhancement: Implemented measures to enhance the performance of two specific makes of inverters used on 86% (by capacity) of the UK solar portfolio by increasing resilience and reducing downtime. See case study for more information.	As a result of efforts, production lost due to these components was 48% lower in Q2 2021 compared to Q2 2020. Innovation Sustainable Momentum
Project management in adverse circumstance: OR used risk management and planning expertise to keep panel replacement works on track after fire damage at a supplier's factory presented a risk of delay.	Proactively sourced alternatives and presented all anticipated test results to the authorities in local language to facilitate a swift resolution. This resulted in the authorities approving the change to the material being used in time to cause no delays to the panel replacement projects and maintain compliance with financing requirements. Stakeholder Engagement
Compliant and safe generation: Complex works undertaken to redesign and address earthing systems with potential safety concerns at three ORIT owned sites. The presence of this 'negative grounding' was known at time of transaction and remediation was required to facilitate safe generation in the long term.	All affected earthing arrangements have been rectified, allowing sites to continue to export electricity safely. Equality and Wellbeing
Complex rebuild completed: Complex works completed to replace a damaged substation at Abbots Ripton.	Replacement switchgear, inverter and transformer installed over winter period. The new equipment is more resilient than its predecessor and will deliver enhanced performance in long term. Innovation Sustainable Momentum
Effective construction management in the face of adversity: Full time oversight by the Investment Manager's Owners Engineer has added value to the construction performance of the works through proactive engagement to identify potential issues before they materialise and supporting the development of solutions.	Active management approach has meant that construction of Ljungbyholm has kept to schedule despite challenging conditions in the global supply chain as a result of COVID-19 and a related force majeure delay notice from the turbine suppliers. Stakeholder Engagement



Case Study:

Solar Inverter Enhancement

The Investment Manager identified that two specific makes of inverters accounted for 45% of UK solar production losses in Q2 2020. To remedy this, the Investment Manager carried out measures to enhance inverter performance during the period, resulting in a significant reduction (48%) in production losses caused by these components compared to the same period last year.

The Investment Manager reduced inverter outage duration through the effective utilisation of the spare parts agreement and the engagement of additional specialist resource during peak periods. This arrangement requires an external asset manager to own 1000 spare parts that are compatible with the sites and deliver these on-demand within a guaranteed time period. A total of 214 components were purchased, delivered and installed through the spares arrangement in Q2 2021, helping to significantly reduce business interruption at four of ORIT's solar sites.

Ongoing efforts to improve resilience through inverter upgrades have already resulted in a 67% reduction in fault occurrences, related to this equipment, compared to the same period last year. Two sites in the prior period underwent a complete refurbishment with higher specification components, with a third site's upgrades expected to be complete by the end of the summer. The Investment Manager has also introduced additional workstreams to ensure continued resilience of these inverters. These workstreams will help to: reduce occurrences of inverter overheating, prevent occurrence of unwarranted isolations, ensure inverters are not operating beyond reasonable output expectations, reduce premature failure due to rodent incursion and reduce the risk of cyber threats impacting these components.

Impact tracking



Who?

5 operational solar sites



How much?

48% reduction in production losses caused by two specific makes of inverters compared to same period last year



What?

Improved spares availability
Additional specialist resource
Inverter upgrades
Additional workstreams to improve resilience



Impact Theme

Innovation
Stakeholder Engagement



This project has delivered a major improvement in the resilience of this critical equipment at no additional capital cost to the business. It is a great example of excellent commercial and technical management."

Barney Rhys Jones, Solar Asset Management Director, Octopus Renewables.



UN SDG specific contributions

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



9 Industry, Innovation and Infrastructure

9.2 & 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 inverter performance enhancements 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:

Have developed a community benefit strategy and have shared knowledge with key counterparties drawing insights from investors and marketplace research.

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



Planet

KPIs

146k

equivalent tCO₂
avoided¹⁹

100%

investments qualify
as sustainable in line
with EU Taxonomy²⁰

100%

generating sites
moved onto
renewable import
tariffs

Maximise our positive environmental impact

ORIT recognises the fundamental 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.

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 potential negative impacts rather than ignoring them, the Company can create meaningful targets for improvement and maximise the positive impact of investments. As part of this approach, ORIT will review and adopt relevant industry standards alongside initiatives to reduce its 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 solar panels and wind turbines through the supply chain. Initial estimates of the carbon payback period for the ORIT sites range from 1 – 3 years.

ORIT published its first measurement of its carbon footprint in the 2020 annual report. During 2021, ORIT is working with outsourcers and contractors to improve our data collection processes to enable more accurate measurement. As the ORIT portfolio grows, it is the Company's aim to reduce its relative emissions through stakeholder engagement and proactive management of its assets. ORIT will look to offset key emissions incurred through its direct business activities at the end of 2021.

The EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR)

The EU Taxonomy and the Sustainable Finance Disclosure Regulation are both tools introduced by EU to help transform the EU economy to a sustainable, climate neutral economy by 2050.

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 SFDR is a legislative tool designed to reorient capital towards more sustainable businesses while combating 'greenwashing'. A key part of the SFDR is linked to transparency, explaining how managers take adverse impacts on sustainability factors into account.

ORIT is classified as an "Article 9 product", one that has sustainable investment as its objective and has made the required disclosures available on the ORIT website.

¹⁹ 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

²⁰ 100% 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



Planet initiatives

Maximising our positive contribution to the environment is core to the Impact Strategy. Planet initiatives contribute to solutions to combat climate change.

Project	Outcome
Engaged third party service providers and beekeepers to implement a bee and biodiversity programme.	Innovative and sustainable biodiversity strategy in partnership with The Good Bee Company, including the installation of beehives on a nearby plot of land to Ermine Street solar site is underway with biodiversity benefits from the bees extending across the local area. Innovation Sustainable Momentum
Engaged with third party service providers and ecologists to implement site-tailored land management and biodiversity programmes.	In partnership with Wychwood Biodiversity, a 0.5 ha wildflower meadow has been planted at the Ottringham solar site. The addition of wildflowers will continue to increase the biodiversity value of the site and create a pollinator-friendly ecosystem. Sustainable Momentum
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. See case study for more information.	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 Stakeholder Engagement
Engaging with local councils and Hagshaw Cluster Working Group to develop programmes that reduce negative impacts and enhance biodiversity at Cumberhead wind site.	Work is underway to maximise the ratio of native to commercial trees planted under Cumberhead's Compensatory Planting Obligation. The site has also signed up to a collaboration with ForestScot and other neighbouring wind farms to develop a number of environmental enhancement initiatives in the area. Innovation



Case Study:

Sustainable development through sheep and bee partnerships

Engie Green, a unit of ORIT's current Operations & Maintenance contractor in France (Engie), has joined forces with the associations France Nature Environment and Apiclust to implement a beekeeping project called "HappySolaire" across three of ORIT's sites and other solar sites in the region. The project aims to accelerate local sustainable development by taking advantage of the green, calm and secure areas offered by the empty spaces of solar parks. This initiative allows for local beekeepers to move their hives between solar sites according to the seasons to obtain specific honey for each flowering, supporting them along their professional path. This project also has an environmental component, the sites benefit from the bee visitors through the additional pollinating services.

Five of ORIT's solar farms in France have also welcomed sheep onto their land. This sheep pastoralism partnership provides a win-win for the site operators and for the locals. By allowing local shepherds to graze their sheep on site, the costs related to grass maintenance is reduced.

A video and article presenting the project's many co-benefits on ORIT's site Charleval is available on Engie Green's website: <https://www.engie-green.fr/actualites/parc-solaire-verdiere-multifonctionnalite/>

Impact tracking



Who?

1 Planet

7 sites

Local beekeepers
and shepherds



How much?

30 beehives

6 pastoralism
partnerships



What?

Local sustainable
development

Natural Capital
enhancement



Impact Theme

Sustainable
momentum

Innovation

Stakeholder
Management



Whether it is beekeeping or pastoralism, our objective is to put this fenced land at the service of the sustainable development of the territory. Far from being a sacrificed space, the solar park is valued in many ways to contribute to the realization of virtuous and complementary local initiatives. Romain Verron, development manager of ENGIE Green.



UN SDG specific contributions

www.un.org/sustainabledevelopment/

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.



People

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



People

KPIs

96

students benefiting
from social initiatives

ZERO

reported accidents

Managing our impact on society

Investing in renewable energy has natural positive impacts on people (particularly for health) and also for the wider society by benefitting the economy. The UN Secretary-General, António Guterres, stated that he believes that transitioning to a world powered by renewable energy is vital to mitigating the negative impacts of climate change on people.

With the economy having taken a hit this past year as a result of the COVID-19 pandemic, the economic benefits of job creation through renewable investments are well received. The post-COVID-19 agenda put forward by the International Renewable Energy Agency (IRENA) would create some 5.5 million transition-related jobs over the next three years, bring renewables jobs to nearly 30 million globally by 2030 and pave the way for longer-term resilience, development and equality.

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

Health and Safety Approach

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

The Investment Manager ensures that health and safety is integrated into investing and managing assets. This integration is achieved through:

- Employment of specialist HSE consultants
- Technical Compliance Standards
- Diligence and benchmarking of contractors
- Audits and ongoing oversight
- Continuous Improvement

The Investment Manager actively tracks and monitors various accident and incident classifications, from those events where there is a statutory requirement to report to the Health & Safety Executive (RIDDORs) plus other incidents which are classified as one of; accidents, near misses, dangerous occurrences or safety observations.

In the period of this report nobody was hurt on any of our sites. There were zero reported accidents and 13 incidents: 6 near misses, 5 incidents causing minor equipment damage only and two 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, 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 (roughly within 30km radii of sites) on construction sites. By engaging counterparties and local stakeholders early-on, ORIT is ensuring that social licence is generated for our investments.

ORIT has committed to every investment sub-portfolio demonstrating a tangible benefit to the local communities within the first 12-18 months of acquiring the assets into the ORIT portfolio. This may be through sharing profits via community benefit schemes and energy subsidies or creating educational opportunities for locals via workshops and site visits for students or fuel poverty workshops for individuals needing extra support during the winter months. The 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 third party providers approach to diversity and inclusion, suggesting ways to improve this where possible.

ORIT’s board is made up of a complementary mixture of backgrounds with a gender composition of an equal 50/50 split between men and women in line with the view that gender diversity delivers better company performance than if the Board was dominated by one gender.

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

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 have 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. See case study for more information.	Two pollinator gardens have been installed and 96 wildflower pots distributed as part of an educative initiative at the two local schools near Ermine Street solar farm. Equality and Wellbeing Stakeholder Engagement Innovation
Engaged with the Owner’s Engineer, Horan Power Engineering (HPE), to build a more substantive ESG management process.	HPE are the main contractor managing procurement of some major projects across Octopus Renewables-managed portfolios, including ORIT. Through active engagement and consultation, HPE have developed a PQQ process that can satisfy the different ESG demands of each Octopus Renewables-managed fund. Stakeholder Engagement
Shared the benefits of ORIT’s investments with local communities.	Supported local beekeepers and farmers through the “HappySolaire” initiative, partnerships with the Good Bee Company and arrangements with local sheep farmers. Innovation Stakeholder Engagement



Case Study:

Bee Friendly School Programme kick-off



Pupils holding their wildflower kits provided by the Good Bee Company

ORIT has successfully launched its first education initiative in partnership with the Good Bee Company. The Good Bee Company have engaged two schools located near the Ermine Street solar farm to develop an education plan for the school's pupils.

Many pupils across the UK, as a result of the COVID-19 pandemic, have been learning and taking their classes at home behind screens. Outdoor learning activities, like those provided by Good Bees offer a much needed change of pace and environment. Introducing the outdoors to children will help develop an appreciation for the natural world an understanding of why it needs to be respected and cared for.

To date, Good Bees have installed two pollinator gardens on the schools' grounds. These pollinator gardens will deliver biodiversity benefits to the local area and also become an important learning tool to teach the students about plants, pollinators and biodiversity for years to come. A total of 96 wildflower pots containing soil, a mixture of seeds and instructions for care were distributed to each of the students. The pupils were allowed to take their kits home to encourage the flowers to grow over the summer holidays.

Impact tracking



Who?

Pupils of Church Lane Primary School, Sleaford and pupils of Rauceby Church of England Primary School, Rauceby



How much?

96 Pupils
1000 other pupils benefitting through ORIT's Good Bee Company Support



What?

Pollinator Garden
Wildflower growing kits
STEM promotion
Outdoor Learning



Impact Theme

Equality & Wellbeing
Innovation
Stakeholder Engagement



Thanks to ORIT's support, the Good Bee Company have been able to successfully develop and expand their Bee Friendly School programme beyond these two schools. ORIT's early involvement and support has facilitated the Good Bee Company to build a network of Bee Friendly School Pollinator Gardens, distributing well over 1000 Wildflower pots to classrooms across the UK." – Wade, The Good Bee Company.



UN SDG specific contributions

4 QUALITY EDUCATION



4 Quality Education

4.1 & 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 to provide free education programmes to local schools.

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.

17 PARTNERSHIPS FOR THE GOALS



17 Partnerships 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 develop a substantive ESG procurement process.



Interim Management Report

For the period ended 30 June 2021



Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Chairman's Statement and the Investment Manager's Report in this interim report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on risks and risk management related party transactions, going concern and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 June 2021. The outlook for the Company for the remaining six months of the year ending 31 December 2021 is discussed in the Chairman's Statement and the Investment Manager's Report.

Risk and Risk Management

The Company's approach to risk governance and its risk review process are set out in the risks and risk management section of the 2020 Annual Report. The principal risks to the achievement of the Company's objectives are unchanged from those reported on pages 73 to 78 of the 2020 Annual Report, with the key principal risks being:

- **Power Prices** – the risk that 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.
- **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 or policy or even terminated in certain circumstances. This would adversely impact the value of the Company's investments.
- **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.
- **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 for assets in the infrastructure market remains strong which could limit the ability of the Company to acquire assets in line with target returns or lead to abort costs where transactions are unsuccessful.

The experience of the Company's Investment Manager and the diversification of the Company's portfolio continue to be the key mitigation for these risks. [Page 35](#) in the Performance section of the Impact Report details examples of specific projects that the Investment Manager has undertaken to mitigate some of these risks in the period.

There is also strong public demand for support of the renewables market to hit "net zero" carbon emission targets which mitigates the risk of Government policy changes.



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

The Financial Conduct Authority ("FCA") issued a proposal at the start of 2020 that would require all premium listed companies to align their reporting to the TCFD framework for companies with a financial year end from December 2021. Whilst the implementation of this proposal does not require ORIT to begin making disclosures yet as it is an Investment Trust and therefore excluded, ORIT has decided to begin making specific disclosures on risks the Company faces relating to climate change, in line with the recommendations, as we are supporters of TCFD as representing best practice.

Our TCFD approach is detailed on pages 80 and 81 of the 2020 Annual Report. Since then, the Investment Manager has enhanced its climate risk assessment methodology. The impact of climate change is now considered in the detailed technical and environmental due diligence undertaken by the Investment Manager during the transaction stage of investments, using the ThinkHazard online tool that highlights climate risks on a regional level.

Related party transactions

The Company's AIFM is considered a related party under the Listing Rules. Under the Management Agreement, the AIFM receives from the Company a management fee of 0.95% per annum of Net Asset Value up to and including £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 Investment Manager under the Management Agreement.

Details of the amounts paid to the Company's AIFM and the Directors during the period are included in the [Note 13](#) to the Interim Financial Statements.

During the period 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. Further details are set out in Notes 6 and 13 to the Interim Financial Statements.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements. The following is a summary of the Directors' assessment of the going concern status of the Company.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this document. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets at 30 June 2021 were £340.6 million (31 December 2020: £343.9 million). As at 30 June 2021, the Company held £62.3 million (31 December 2021: £87.2 million) in cash. The total expenses for the period ended 30 June 2021 were £2.1 million (30 June 2020: £2.2 million). At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

In light of the COVID-19 pandemic the Directors have fully considered each of the Company's investments. The Directors 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, and measures introduced to combat its spread, were discussed by the Board, with updates on operational resilience received from the Investment Manager, Administrator and other key service providers. The Board was satisfied that the key service providers have the ability to continue to operate.



Responsibility Statement of The Directors

The Directors acknowledge responsibility for the interim results and approve this Interim Report. The Directors confirm that to the best of their knowledge:

- a) the condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and give a true and fair view of the assets, liabilities and financial position and the profit of the Company as required by the FCA’s Disclosure Guidance and Transparency Rules. DTR 4.2.4R;
- b) the interim management report, included within the Chairman’s Statement and Investment Manager’s Report, includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

This responsibility statement has been approved by the Board

Philip Austin MBE

Chairman

26 September 2021



Condensed statement of comprehensive income

		For the six-month period ended 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	3	9,745	-	9,745	2,261	-	2,261
Movement in fair value of investments		-	(2,908)	(2,908)	-	(1,984)	(1,984)
Total operating income		9,745	(2,908)	6,837	2,261	(1,984)	277
Investment management fees	4	(1,205)	(402)	(1,607)	(1,356)	(452)	(1,808)
Other expenses	4	(413)	(69)	(482)	(372)	(16)	(388)
Deposit interest income		2	-	2	454	-	454
Profit/(loss) before taxation		8,129	(3,379)	4,750	987	(2,452)	(1,465)
Taxation	5	(89)	89	-	(89)	89	-
Profit/(loss) and total comprehensive income for the period		8,040	(3,290)	4,750	898	(2,363)	(1,465)
Earnings/(loss) per Ordinary share (pence) - basic and diluted	7	2.30p	(0.94p)	1.36p	0.33p	(0.87p)	(0.54p)

The total column of the above Statement of Comprehensive Income is the profit and loss account 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.



Condensed statement of financial position

	Notes	As at 30 June 2021 (unaudited) £'000	As at 31 December 2020 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	8	279,376	258,680
Current assets			
Trade and other receivables		178	127
Cash and cash equivalents		62,258	87,185
		62,436	87,312
Current liabilities: amounts falling due within one year			
Trade and other payables		(1,220)	(2,065)
		(1,220)	(2,065)
Net current assets		61,216	85,247
Net assets		340,592	343,927
Capital and reserves			
Share capital	9	3,500	3,500
Special reserve	10	339,500	339,500
Capital reserve		(7,386)	(4,096)
Revenue reserve		4,978	5,023
Total shareholders' funds		340,592	343,927
Net assets per share (pence)	11	97.31p	98.26p

The unaudited interim financial statements were approved by the Board of Directors and authorised for issue on 26 September 2021 and were signed on its behalf by:

Philip Austin MBE
Chairman

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



Condensed statement of changes in equity

For the six-month period ended 30 June 2021 (unaudited)

Notes	Share capital £'000	Share premium account £'000	Special distributable 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
Total comprehensive income/(expense) for the period	-	-	-	8,040	(3,290)	4,750
Dividends paid 6	-	-	-	(8,085)	-	(8,085)
Closing equity as at 30 June 2021	3,500	-	339,500	4,978	(7,386)	340,592

For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)

Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Total £'000
Opening equity on incorporation	-	-	-	-	-	-
Shares issued in period	3,500	346,500	-	-	-	350,000
Share issue costs	-	(7,000)	-	-	-	(7,000)
Transfer to special reserve	-	(339,500)	339,500	-	-	-
Total comprehensive income/(expense) for the period	-	-	-	898	(2,363)	(1,465)
Closing equity as at 30 June 2020	3,500	-	339,500	898	(2,363)	341,535

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



Condensed statement of cash flows

		For the six-month period ended 30 June 2021 (unaudited) £'000	For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited) £'000
	Notes		
Operating activities cash flows			
Profit/(loss) before taxation		4,750	(1,465)
Adjustments for:			
Movement in fair value of investments	8	2,908	1,984
Investment income from investments	3	(9,745)	(2,715)
Operating cash flow before movements in working capital		(2,087)	(2,196)
Changes in working capital:			
Increase in trade and other receivables		(52)	(67)
(Decrease)/increase in trade payables		(844)	1,799
Distributions from investments	8	4,375	-
Net cash flow from/(used in) operating activities		1,392	(464)
Investing activities cash flows			
Costs associated with acquiring the portfolio of assets	8	(18,234)	(162,742)
Interest received		-	426
Net cash flow used in investing activities		(18,234)	(162,316)
Financing activities cash flows			
Dividends paid to Ordinary Shareholders	6	(8,085)	-
Proceeds from issue of share capital during the period		-	350,000
Costs in relation to issue of shares		-	(7,000)
Net cash flow from financing activities		(8,085)	343,000
Net (decrease)/increase in cash and cash equivalents		(24,927)	180,220
Cash and cash equivalents at start of period		87,185	-
Cash and cash equivalents at end of period		62,258	180,220

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



Notes to the condensed financial statements

For the period ended 30 June 2021

1. General information

Octopus Renewables Infrastructure Trust plc ("ORIT" or the "Company") is a Public Company Limited by Ordinary shares incorporated in England and Wales 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 premium segment 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 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

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 Europe and Australia.

The interim condensed unaudited financial statements of the Company (the "interim financial statements") are for the six month period ended 30 June 2021 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value through profit or loss following the amendment to IFRS 10 as explained below in [Note 2](#).

2. Basis of preparation

The interim financial statements included in this report have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The interim 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 interim financial statements are presented in sterling, which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated. The accounting policies, significant judgements, key assumptions and estimates are consistent with those used in the latest audited financial statements to 31 December 2020 and should be read in conjunction with the Company's annual audited financial statements for the period ended 31 December 2020.

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 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 Group had unrestricted cash of £62 million as at 30 June 2021 and an undrawn revolving credit facility ("RCF") (available for investment in new or existing projects and working capital) of £150 million. The Company's net assets at 30 June 2021 were £340.6 million and total expenses for the period were £2.1 million, which when annualised, represented approximately 1.2% of average net assets during the period. 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 are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Critical accounting judgements, estimates and assumptions

The preparation of the interim financial statement 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. There have been no significant estimates, judgements or assumptions for the period.

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 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. Details of the areas of estimation in the calculation of fair value are disclosed in [Note 8](#).

Equity and debt investment in ORIT Holdings II Limited

In applying their judgement, the Directors have satisfied themselves that the equity and debt investments into its direct wholly owned subsidiary, ORIT Holdings II Limited, share the same investment characteristics and, as such, constitute a single asset class for IFRS 7 disclosure purposes.

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). 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 have satisfied themselves that ORIT Holdings II Limited meets the characteristic 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.

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.



3. Investment income

	For the six-month period ending 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividend income from investments	4,375	-	4,375	-	-	-
Interest income from investments	5,370	-	5,370	2,261	-	2,261
Total investment income	9,745	-	9,745	2,261	-	2,261

4. Operating expenses

	For the six-month period ending 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	1,205	402	1,607	1,356	452	1,808
Directors' fees	70	-	70	90	-	90
Company's auditor fees: - in respect of audit services	25	-	25	28	-	28
Other operating expenses	318	69	387	254	16	270
Total operating expenses	1,618	471	2,089	1,728	468	2,196

The Company has no employees. Full detail on Directors' fees is provided in [Note 13](#). The Directors' fees exclude employer's national insurance contribution which is included as appropriate in other operating expenses. There were no other emoluments.



5. Taxation

(a) Analysis of charge in the period

	For the six-month period ending 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	89	(89)	-	89	(89)	-
Tax charge/(credit) for the period	89	(89)	-	89	(89)	-

(b) Factors affecting total tax charge for the period:

The effective UK corporation tax rate applicable to the Company for the period is 19%. The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	For the six-month period ending 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before taxation	8,129	(3,379)	4,750	987	(2,452)	(1,465)
Corporation tax at 19%	1,545	(642)	903	188	(466)	(278)
Effects of:						
Expenses not deductible for tax purposes	-	553	553	-	377	377
Income not taxable	(831)	-	(831)	-	-	-
Dividends designated as interest distributions	(569)	-	(569)	(245)	-	(245)
Group relief not paid for	(56)	-	(56)	-	-	-
Unutilised tax losses carried forward	-	-	-	146	-	146
Total tax charge/(credit) for the period	89	(89)	(0)	89	(89)	(0)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these interim financial statements.



6. Dividends

	For the six-month period ending 30 June 2021 (unaudited)		
	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
Total	2.31	8,085	8,085

On 3 August 2021, the Company declared an interim dividend in respect of the period from 1 April 2021 to 30 June 2021 of 1.25 pence per Ordinary share, paid on 27 August 2021 to shareholders recorded on the register on 13 August 2021. On that record date, the number of Ordinary Shares in issue was 494,927,536 and the total dividend paid to shareholders amounted to £6,186,594. The dividend has not been included as a liability at 30 June 2021.

As set out in the Company's announcement of its Final Results released on 15 March 2021, 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 (the "Act").

Whilst the Company had sufficient distributable reserves to pay the First Interim Dividend at the time it was made, the Companies Act required this to be demonstrated by reference to initial accounts being delivered to Companies House prior to payment of the First Interim Dividend. Initial accounts covering the period from the Company's incorporation on 11 October 2019 to 29 February 2020 (the "Initial Accounts") were approved by the Directors on 7 May 2020 and sent to Companies House on 12 May 2020 and it is likely that they were received by Companies House in the ordinary course of business shortly after this date. However, Companies House has recorded the Initial Accounts as having been received on 21 October 2020, a significant amount of time after the Initial Accounts were sent and also, regrettably, after the payment of the First Interim Dividend.

While the Directors are confident that the Initial Accounts were received by Companies House prior to payment of the First Interim Dividend, it has not been possible to evidence this. The Company has also been advised that if the First Interim Dividend was not made in accordance with applicable law the Company may have claims against past and present Shareholders who were recipients of the First Interim Dividend (the "Recipient Shareholders") and against the directors of the Company.

Accordingly, out of an abundance of caution and in order to ensure that the Company cannot make any such claims, the Directors have concluded that the First Interim Dividend was not made in accordance with applicable law and held a general meeting on 4 June 2021. A resolution was passed which can be found in detail in the Circular dated 11 May 2021.



7. Earnings per Ordinary Share

Earnings per Ordinary Share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period as follows.

	For the six-month period ending 30 June 2021 (unaudited)			For the period from incorporation on 11 October 2019 to 30 June 2020 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) attributable to the equity holders of the Company	8,040	(3,290)	4,750	898	(2,363)	(1,465)
Weighted average number of Ordinary Shares in issue	350,000	350,000	350,000	270,152	270,152	270,152
Earnings/(loss) per Ordinary share (pence) - basic and diluted	2.30p	(0.94p)	1.36p	0.33p	(0.87p)	(0.54p)

8. 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 subsidiaries as an investment at fair value through profit or loss.

	As at 30 June 2021 (unaudited) £'000	As at 31 December 2020 (audited) £'000
a) Summary of valuation		
Opening balance	258,680	-
Portfolio of assets acquired	18,921	254,891
Additional investment in intermediate holding companies	(687)	4,821
Distributions received	(4,375)	(13,341)
Investment income	9,745	15,480
Movement in fair value	(2,908)	(3,171)
Total investments as at 30 June 2021	279,376	258,680

The additional investment in the intermediate holding companies include acquisition costs associated with the purchase of the portfolio of assets net of FX receipts from amending hedging profiles.

**b) Reconciliation of movement in fair value of portfolio of assets**

The table below shows the movement in the fair value of the Company's portfolio of renewable energy assets. These assets are held through intermediate holding companies.

	As at 30 June 2021 (unaudited) £'000	As at 31 December 2020 (audited) £'000
Fair value of portfolio of assets		
Opening balance of the fair value of portfolio of assets	255,601	-
Portfolio of assets acquired	18,921	254,891
Distributions received	(10,138)	(13,614)
Movement in fair value	6,206	14,324
Fair value of portfolio of assets as at Balance Sheet date	270,590	255,601
Fair value of intermediate holding companies		
Cash held in intermediate holding companies	5,697	1,112
Fair value of other net assets in intermediate holding companies	3,089	1,967
Total fair value of Company's investments as at Balance Sheet date	279,376	258,680

(c) Investment losses in the period

	As at 30 June 2021 (unaudited) £'000	As at 31 December 2020 (audited) £'000
Movement in fair value of investments	(2,908)	(3,171)
Losses on investments	(2,908)	(3,171)

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 30 June 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 valuation techniques and methodologies have been applied consistently with the valuation performed for the purposes of the Prospectus for the IPO.

The weighted average cost of capital applied to the portfolio of assets range from 3.60% to 8.60%.



8. Investments at fair value through profit or loss

The following economic assumptions were used in the discounted cash flow valuations:

	30 June 2021 (unaudited)	31 December 2020 (audited)
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%
Sweden – long-term inflation rate	2.00%	2.00%
Sweden – corporation tax rate	20.60%	20.0%
France – long-term inflation rate	2.00%	2.00%
France – corporation tax rate	25.00%	25.00%
Euro/Sterling exchange rate	1.1650	1.1118
Energy yield assumptions	P50 case	P50 case

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 for each asset are based on the current length of the land leases in place. These will vary on an asset-by-asset basis.

Fair value of intermediate holding companies

The assets in the intermediate holding companies substantially comprise working capital and cash balances, therefore the Directors consider the fair value to be equal to the book values.



9. Share capital

	As at 30 June 2021 (unaudited)		As at 31 December 2020 (audited)	
Allotted, issued and fully paid:	Number of shares	Nominal value of shares (£)	Number of shares	Nominal value of shares (£)
Opening balance at beginning of period	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
Management Shares redeemed	-	-	(50,000)	(12,500)
Closing balance at end of period	350,000,000	3,500,000	350,000,000	3,500,000

On 7 July 2021 the Company announced that gross proceeds of approximately £150 million were raised through the issue of 144,927,536 Ordinary Shares at an issue price of 103.5 pence per Ordinary Share. Admission of the Ordinary Shares to the premium segment of the Official List of the Financial Conduct Authority and to trading on the premium segment of the London Stock Exchange's main market occurred on 9 July 2021.



10. 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.

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 to the Company's Shareholders, which can be utilised to fund distributions by way of dividends to the Company's shareholders.

11. Net assets per Ordinary Share

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
Total shareholders' equity (£'000)	£340,592	£343,927
Number of Ordinary Shares in issue ('000)	350,000	350,000
Net asset value per Ordinary Share (pence)	97.31p	98.26p



12. Financial instruments

Financial instruments by category

The Company held the following financial instruments at fair value at 30 June 2021. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

As at 30 June 2021 (unaudited)

	Cash and bank balances £'000	Loans and receivables £'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	-	-	52,746	-	52,746
Loan investments at fair value through profit or loss	-	-	226,630	-	226,630
Current assets					
Trade and other receivables	-	178	-	-	178
Cash and cash equivalents	62,258	-	-	-	62,258
Total assets	62,258	178	279,376	-	341,812
Current liabilities					
Trade and other payables	-	-	-	(1,220)	(1,220)
Total liabilities	-	-	-	(1,220)	(1,220)
Net assets	62,258	178	279,376	(1,220)	340,592



As at 31 December 2020 (audited)

	Cash and bank balances £'000	Loans and receivables £'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	87,185	127	258,680	-	345,992
Current liabilities					
Trade and other payables	-	-	-	(2,065)	(2,065)
Total liabilities	-	-	-	(2,065)	(2,065)
Net assets	87,185	127	258,680	(2,065)	343,927

The above table provides an analysis of financial instruments that are measured subsequent to their initial recognition at fair value 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); and
- 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).

There were no Level 1 assets or liabilities during the period. There were no transfers between Level 1 and 2, Level 1 and 3 or Level 2 and 3 during the period.

In the table above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.



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 is given in [Note 8](#).

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Refer to [Note 8](#) 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 6.1p per Ordinary Share and a decrease of 0.5% in the discount rate would cause an increase in total portfolio value of 6.5p 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 6.7p per Ordinary Share and an increase of 0.5% in inflation rates would cause an increase in total portfolio value of 7.2p per Ordinary Share.

Power price and Generation

Wind and solar assets are subject to power price and power generation risks. The sensitivities of the investments to movement in level of power output and power price 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 13.2p 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 13.4p per Ordinary Share.
- a decrease of 10% in power price would cause a decrease in the total portfolio value of 8.7p per Ordinary Share and an increase of 10% in power price would cause an increase in the total portfolio value of 8.8p per Ordinary Share.



13. Related party and key advisor transactions

During the period, interest totalling £5,370,000 was earned, in respect of the long-term interest-bearing loan between the Company and its subsidiaries. At the period end, the full amount was outstanding.

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 the UK AIFM Regime. 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").

The aggregate management fee payable to the AIFM is 0.95% per annum of Net Asset Value up to and including £500 million and 0.85% per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. There are no performance fee or asset level fees payable to the AIFM.

During the period, the management fee charged to the Company by the AIFM was £1,607,000, of which £809,000 remained payable at the period end date.

Directors

The Company is governed by a Board of Directors (the "Board"), all of whom are independent and non-executive. During the period, they received fees for their services of £70,000 and were paid £nil in expenses.

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 30 June 2021
Philip Austin MBE	79,129	64,325
James Cameron	46,078	37,466
Elaina Elzinga	-	-
Audrey McNair	40,300	38,851



As set out in Note 6, the Directors identified a potential procedural issue in respect of the payment of the First Interim Dividend. 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.

14. 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.

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%
ORIT Irish Holdings 2 Limited	Portfolio-level Holdings	UK	A	100%
ORIT Irish Holdings Limited	Portfolio-level Holdings	UK	A	100%
Abbots Ripton Solar Energy 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%
Chisbon Solar Farm 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%



14. Subsidiaries

Name	Category	Place of business	Registered office*	Ownership interest
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%
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%
Elysia SAS	Portfolio-level Holdings	France	E	100%
CEPE Cerisou	Project company	France	F	100%

* 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

15. Guarantees and other commitments

As at 30 June 2021 the Company's subsidiaries had future investment obligations totalling £89.3 million relating to its wind farms currently undergoing construction and its conditional acquisitions in Spain and Scotland. The Company and its intermediate holding companies have provided guarantees in respect of these commitments.

The Company also provides guarantees in respect of 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.



16. 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 will be based on the MWp 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 30 June 2021 as planning approval has not yet been granted and this will determine the MWp 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 3 June 2021 an intermediate holding company, ORIT UK Acquisitions Limited, entered into a Share Purchase Agreement ("SPA") to acquire 100% of the rights to construct the Cumberhead Wind Farm, a 50MW onshore wind farm located in South Lanarkshire, Scotland from RDC Partners LLP. Completion of the acquisition was conditional upon the project achieving ready-to-build status which occurred on 24 September 2021.

17. Post period events

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 AIF Management Limited will remain the alternative investment fund manager of the Company and portfolio management will be delegated to Octopus Renewables Limited, as the Company's new investment manager, replacing Octopus Investments Limited.

On 7 July 2021 the Company announced that gross proceeds of approximately £150 million were raised through the issue of 144,927,536 Ordinary Shares at an issue price of 103.5 pence per Ordinary Share. Admission of the Ordinary Shares to the premium segment of the Official List of the Financial Conduct Authority and to trading on the premium segment of the London Stock Exchange's main market occurred on 9 July 2021.

On 26 July 2021 the Company announced that it has agreed to acquire a portfolio of five solar PV sites in Ireland from Statkraft Ireland Limited, 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 H2 2022. Total consideration for the acquisition is expected to be between approximately €138 million and €145 million (approximately £119 million to £125 million). The Company has secured a fully amortising debt facility of up to €88 million (approximately £76 million) from Allied Irish Banks plc and La Banque Postale to part finance the acquisition of the operational sites.

On 5 August 2021 the Company announced a non-material change to the Company's Investment Policy. This change was to increase the universe of development and developer investment opportunities available to the Company. Subsequently, on 9 August 2021, the Company invested €7.5m (c.£6.4m) 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.

On 3 August 2021, the Company declared an interim dividend in respect of the period from 1 April 2021 to 30 June 2021 of 1.25 pence per Ordinary share, paid on 27 August 2021 to shareholders recorded on the register on 13 August 2021. On that record date, the number of Ordinary Shares in issue was 494,927,536 and the total dividend paid to shareholders amounted to £6,186,594.



On 24 September 2021 the Company completed the acquisition of Cumberhead Wind Farm, a 50MW onshore wind farm located in Scotland. The acquisition was conditional on the project achieving ready-to-build status. The total cost of for the acquisition and construction costs is expected to be up to approximately £75 million. Construction is due to start in October 2021 with the wind farm expected to be fully operational in Q4 2022.

There are no other post period end events other than as disclosed in this report.

18. Status of this report

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The unaudited interim financial report will be made available to the public at the registered office of the Company.

The report will also be available in electronic format on the Company's website,

<https://octopusrenewablesinfrastructure.com/>

The interim financial report was approved by the Board of Directors on 26 September 2021.



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 APMs presented in this report are shown below:

Total return

A measure of performance since IPO (includes dividends reinvested).

Period ended 30 June 2021		Page	Share price	NAV
Issue price at IPO (10 December 2019) - pence	a	n/a	100.00	98.00
Closing share price at 30 June 2021 - pence	b	n/a	104.60	97.31
Benefits of reinvesting dividends - pence	c	n/a	0.04	0.05
Dividends paid - pence	d	n/a	4.43	4.43
Total return	$((b+c+d) \div a) - 1$		9.1%	3.9%

Gross asset value (GAV)

A measure of total asset value including debt held in unconsolidated subsidiaries.

As at 30 June 2021		Page	£m
NAV	a	57	341
Debt	b	n/a	106
Total GAV	a + b		447



Total value of investments

A measure of total asset value including total debt and equity commitments.

As at 30 June 2021		Page	
Fair value of portfolio of assets		66	270.6
Cash held in portfolio of assets		n/a	(14.3)
Value of portfolio of assets less cash	a		256.3
Cash held in portfolio of assets		n/a	14.3
Cash held in intermediate holding companies		66	5.7
Cash held in the Company		57	62.3
Total cash	b		82.3
Current debt		n/a	106.6
Outstanding debt		n/a	37.1
Additional commitments		n/a	52.2
Total commitments	c		195.9
Total value of investments	a+max(b,c)		452.2

Premium to NAV

The amount, expressed as a percentage, by which the share price is more than the NAV per Ordinary Share.

As at 30 June 2021		Page	
NAV per Ordinary Share - pence	a	57	97.31
Share price - pence	b	n/a	104.60
Premium	(b÷a)-1		7.5%



Company information

Directors (all non-executive)

Philip Austin MBE (Chairman)
James Cameron
Elaina Elzinga
Audrey McNair

Administrator and Company Secretary

PraxisIFM Fund Services (UK) Limited
1st Floor
Senator House
85 Queen Victoria Street
London
EC4V 4ABP

Broker

Peel Hunt LLP
100 Liverpool Street
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Solicitors to the Company

Gowling WLG (UK) LLP
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SE1 2AU

Registered Office*

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London
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Alternative Investment Fund Manager ("AIFM")

Octopus AIF Management Limited
6th Floor
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London
EC1N 2HT

Investment Manager

Octopus Renewables Limited
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33 Holborn
London
EC1N 2HT

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Depository

BNP Paribas Securities Services, London Branch
10 Harewood Avenue
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NW1 6AA

Auditor

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

* Registered in England and Wales - No. 12257608



Glossary

AIC	Association of Investment Companies
AIFM	Alternative Investment Fund Manager; Octopus AIF Management Limited
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)
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 24 renewable energy assets in which the Company had an investment as at 30 June 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
UK AIFM Regime	Together the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook or rules and guidance
WEP	Wholesale Electricity Price

